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A study of the strategic management of ethnic and cultural diversity in Australian settings: a multiple case study

Emile Chidiac
Southern Cross University

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Southern Cross University
SOUTHERN CROSS UNIVERSITY

A Study of the Strategic Management of Ethnic and Cultural Diversity in Australian Settings – A Multiple Case Study

Emile Chidiac

A THESIS SUBMITTED FOR THE DEGREE OF DOCTOR OF BUSINESS ADMINISTRATION

May 2015
DECLARATION OF ORIGINAL AUTHORSHIP

I certify that the work presented in this thesis is, to the best of my knowledge and belief, original, except as acknowledged in the text, and that the material has not been submitted, either in whole or in part, for a degree at this or any other institution.

Emile Chidiac
8 May 2015
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Special thanks to Mr. John Revington who diligently proofread and copy edited the draft.

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Emile Chidiac
ABSTRACT

The purpose of this research is to investigate the strategic management of ethnic and cultural diversity in Australia, and to determine the salient benefits that organisations could derive when ethnic and cultural differences are seen as opportunities, not as problems, and are viewed as benefits rather than threats. The aim of this thesis is to examine what is occurring in terms of the strategic management of ethnic and cultural diversity in the workplace from the perspectives of front-line managers. In doing so it provides a clear demonstration of the benefits, conflicts and challenges faced by organisations. While all the organisations participating in this research reported obtaining benefits from ethnic diversity, these reports were focused more on what the employees could give the organisation, rather than on an understanding of how this diversity created a better workplace and led to more creativity and productivity. This research also explores the gaps between the relevant literature and the actual management of diversity in the workplace in multicultural Australia.

This is a qualitative study using four case studies to explore the research questions. The primary data were collected through 22 face-to-face semi-structured interviews. The qualitative analysis reveals that the management of participant organisations appreciate diverse workforces and see a wide range of benefits to the organisations and their customers. Another key finding of this study is that age and gender, as measures of power distance, in some cultures have led to conflicts that are, in turn, related to diversity issues. Ethnic and cultural differences of such perceptions challenge people with authority in the workplace. It affects the relations of employees with each other as well as with their management. Based on the analysis of qualitative data, this study further suggests that strategic management of diversity in the workplace in Australia would be better governed by a system of self-regulation. It is believed that the introduction of industry-led codes of practice in relation to diversity management, which go beyond the existing anti-discrimination legislation, is necessary for organisations to harness and embrace diversity effectively.

The study also notes a lack of transparency within organisations that purport to have diversity policies as their management were unwilling to discuss their practices. More than forty organisations that publicly acknowledge having diversity policies were contacted, but only one organisation agreed to participate in this study.

Keywords: diversity, diversity management, ethnic diversity, workplace diversity policy, self-regulation, codes of practice, diversity standards, benefits of diversity, challenges of diversity, strategic management.
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
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<tbody>
<tr>
<td>AA</td>
<td>Affirmative Action</td>
</tr>
<tr>
<td>AAA</td>
<td>Affirmative Action Act</td>
</tr>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>APS</td>
<td>Australian Public Service</td>
</tr>
<tr>
<td>AHRI</td>
<td>Australian Human Resources Institute</td>
</tr>
<tr>
<td>ASIB</td>
<td>Australian Social Inclusion Board</td>
</tr>
<tr>
<td>CALD</td>
<td>Culturally and Linguistically Diverse</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>EEO</td>
<td>Equal Employment Opportunity</td>
</tr>
<tr>
<td>EOWA</td>
<td>Equal Opportunity for Women in the Workplace Agency</td>
</tr>
<tr>
<td>EOWWA</td>
<td>Equal Opportunity for Women in the Workplace Act</td>
</tr>
<tr>
<td>GLOBE</td>
<td>Global Leadership and Organisational Behavior Effectiveness</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organisation</td>
</tr>
<tr>
<td>MDA</td>
<td>Multicultural Development Australia</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
</tr>
<tr>
<td>NESB</td>
<td>Non-English-Speaking Background</td>
</tr>
<tr>
<td>PDI</td>
<td>Power Distance Index</td>
</tr>
<tr>
<td>SCU</td>
<td>Southern Cross University</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium-sized Enterprise</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>US</td>
<td>United States of America</td>
</tr>
<tr>
<td>WGEA</td>
<td>Workplace Gender Equality Agency</td>
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</tbody>
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1 INTRODUCTION

1.1 Introduction

This thesis investigates the strategic management of ethnic and cultural diversity in Australian settings. This chapter provides a background of the nature of ethnic and cultural diversity as an issue for management. This chapter has 11 sections. Section 1.2 presents an overview and background information relevant to the research. Section 1.3 illustrates the purpose of this research. Section 1.4 identifies the research problem and contributions. Section 1.5 outlines the research aims and questions and Section 1.6 provides working definitions of core concepts and terms used in this study. Section 1.7 provides a brief introduction to the methodology chosen for this research. Section 1.8 discusses the importance of this research. Section 1.9 discusses the limitations of the research. Section 1.10 provides outlines of the thesis chapters and Section 1.11 summarises Chapter 1.

1.2 Overview and Background to the Research

Following the federal election of November 2007, the then newly elected Prime Minister, Kevin Rudd, reintroduced the concepts of multicultural inclusiveness of the Keating, Hawke, Fraser and Whitlam years. Manning (2008) argues that Rudd’s sorry speech of 2006 addressing the stolen generations of Aboriginal People indicates the emerging concept of multicultural inclusiveness. This renewed interest in multiculturalism revives the debate about issues related to the management of ethnic diversity in society at large and in specific settings, such as corporate Australia. It is this problematic area (Dellal 2013; Drechselin 2007; Edewor & Aluko 2007; Ortlieb & Sieben 2013) that is the focus of the present research. This research aims to explore the practice of management and application of multiculturalism in the workplace and seeks to examine post-multiculturalism in Australia and explore whether it has affected the ways in which corporate Australia deals with issues of diversity. More specifically, this research seeks to examine the strategic management of ethnic diversity in Australian settings, with a focus on front-line management.

Front-line management provides the organisational interface with the workforce, with a major impact on results, especially in a highly competitive environment in which
front-line managers actively deal with the issues of value for money and service improvement (Sturgess 2013). The situation is of crucial importance to organisations seeking to align their organisational objectives to their policies at the coalface. More importantly, as our nation becomes more multicultural whereby 28 per cent of Australia’s population, the highest proportion since Federation, are born overseas (Australian Bureau of Statistics 2014), investigating how ethnic and cultural diversity is managed beyond compliance to anti-discrimination laws is critical. While policy and law may have changed in Australia, especially through the enactment of Anti-Discrimination Act in 1978 as well as the legal end of the White Australia policy in 1973 by the Whitlam Government, it is through management practices and organisational enactment that real social change occurs. This is particularly important because the White Australia Policy has had “a lasting impact on the national social development of Australia [allowing]… the construction of a populist national identity which excludes and marginalises groups” (Dunn 2004, p. 418). This research explores the differences between organisations and how they manage a multicultural workforce.

Furthermore, strategic management of ethnic and cultural diversity in the workplace has received little attention in academic research despite the growing interest in the professional world in this complex and critical aspect of managing human capital. This also reveals how important and controversial the solutions proposed to manage diversity have been (Dass & Parker 1999).

While corporate policies have been largely driven by legislation, the changing demographics of immigration in countries such as Australia and the promotion of globalisation have taken diversity to a level which requires a response which involves more than just legislative compliance. Today, corporations are employing people from various ethnic backgrounds to represent the diversity of society and cater for the needs of their ethnically diverse customer base (Kumar & Reinartz 2012; Ortlieb & Sieben 2013). Given the 30 plus years since the introduction of anti-discrimination laws in Australia, it is time to look beyond policy and legislation, and focus on practice to understand the lives and experiences of culturally and ethnically diverse people in the workplace.
1.3 Purpose of the Research

If we work from the findings that cultural diversity is beneficial for societies (Cameron & Turner 2010; Paquet 2008) to the extent that its full and unqualified recognition strengthens the universality of human rights (UNESCO 2009), the purpose of this research is to determine the issues regarding strategic management of ethnic and cultural diversity in Australia from front-line managers’ perspectives. Furthermore, by unearthing these issues, the research seeks to understand how these workers may be able to contribute to greater organisational outcomes.

This research presents a preliminary literature review and examines the key theoretical issues related to the research of “A Study of the Strategic Management of Ethnic and Cultural Diversity in Australian Settings – A Multiple Case Study”. This is a framework which calls on the parent disciplines of politics and workplace sociology to help understand the stages that Australia has been through to reach its current citizenship stance.

The proposed research will involve an analysis of post-multiculturalism and the strategic management of ethnic diversity in Australian corporate settings, how multiculturalism policies are translated into actions in the workplace. It also identifies the core values that encapsulate multiculturalism. Attention should be focused on the view that where there are differences which could be seen as negative in society, there may be many similarities which are positive aspects that can bring people together.

The purpose of this research is to explore diversity management practices from the front-line managers’ perspectives. In doing so, it seeks to:

- identify to what extent diversity management practices are actively occurring in the workplace
- investigate what benefits organisations find in diversity
- identify current practices in relation to diversity management in the workplace
- understand the extent to which organisations are committed to providing an environment for employees that embraces and supports knowledge of and respect for equity and cultural diversity beyond legislative compliance.
1.4 Research Problem

Australia is a culturally diverse nation, and organisations have to manage their diverse workforce as efficiently and effectively as possible. This study is based on the premise that compliance with legislation is the bare minimum standard which organisations need to observe in order to harness and embrace diversity. Therefore, this study will look at what practices in the workplace and what needs to be done beyond compliance to legislation.

The Australian migration statistics (Australian Bureau of Statistics 2014) show that, as of June 2014, 28.1 per cent of Australia’s estimated resident population was born overseas, with the highest five origin countries being the UK (5.2%), New Zealand (2.6%), China (1.9%), India (1.7%) and the Philippines (1.0%). With increasing numbers of culturally diverse migrants in the Australian workforce (Australian Bureau of Statistics 2013), it is becoming essential to look at the situations faced by this group of employees. There is a need for cross-cultural interaction, awareness of conflicts due to different cultural backgrounds and empowering this minority of employees to implement changes where necessary. This study investigates diversity management practices from the front-line managers’ perspectives.

While there has been some attention paid to front-line multicultural management in general (Bedward et al. 1997; Clark 1995; Mayberry 1979), little research has been undertaken into the strategic management of ethnic diversity in Australia and the casual relationship between front-line management and ethnic diversity. Understanding the impact of cultural differences in the workplace will help managers to cope and manage diversity by providing an environment of harmony, peace, appreciation and productivity (Cox 2001; Kirkman 2001; Thomas 1992). Previous work suggests that people from diverse backgrounds show adherence and commitment to their cultural differences and maintain a continuity and attachment to their values and beliefs (Hofstede 1984). This study will explore to what extent employers manage these differences in traditions and cultures and if it is of benefit to the organisations.

As first realised by Smith (1779) in his seminal book, The Wealth of Nations, together
with physical capital, human capital represents the true source of wealth, and therefore it is a major contributing factor to the nation’s wealth and its economic growth: “wealth exists in the productive knowledge of its people. The ability to efficiently transform resources (factor inputs) into desired goods and services represents the true source of a nation’s wealth” (Ruby 2003, p. 1). Ethnic diversity in the workplace enables organisations to broaden their business outlets and enhance their client base and thus increase productivity (Ezeanu 2011; Hubbard 2004; Kirkman 2001; McLaren 2009; Ogbonna & Harris 2006; Salomon & Schork 2003; Singh 2002). As stated above, the major aim of this research is to find out the extent of adoption of diversity management practices in organisations and assess the perceived challenges and benefits of ethnic diversity in the workplace and the significant benefits to organisations. Therefore, the research focus is to determine the strategic frameworks needed for managing diverse numbers of workers of different ethnic and cultural backgrounds. This involves a case study approach that examines diversity management at four organisations.

Recognising the full potential of employees of diverse backgrounds may enhance equity in the workplace and encourage these employees to contribute more to different dimensions of work. This research investigates the availability of policies relating to diversity and the extent of awareness by management of the benefits and skills that diversity brings to the organisation in terms of efficiency and profits. The significance of this study lies in the fact that it is an uncontested reality that Australia is an ethnically and culturally diverse country as shown in Table 1-1 below. It is a nation with numerous and diverse immigrants who have sought a better life by adopting this country as their permanent home. By studying the policies and practices of organisations to identify diversity issues related to race and ethnicity, a better understanding will be obtained that will enable better strategic management of ethnic diversity in the workplace. To highlight the importance of this issue, Jackson and Ruderman (1999) claim that the interactions with members of other cultures lead to the development of a variety of skills which include learning foreign languages used by the groups. At the organisational level, most companies expect their workers with diverse backgrounds to conform to the policies and principles of the majority in the workplace. Therefore, it is essential to investigate the process of acculturation, how organisations manage a multicultural workplace, and how managers turn rhetoric into
reality through management practices. On account of the increasing numbers of immigrants from various cultural and ethnic backgrounds joining the Australian workforce, it is imperative to research this topic to ascertain the benefits of diversity policies in the workforce.

1.5 Research Questions

By exploring multiculturalism and seeking to examine the relevant policies and practices in corporate settings, this research aims to answer the following research questions:

RQ1: Is multiculturalism in the workplace evident and if so, what is its impact on organisational practice?
RQ2: Do organisations utilise diverse employees’ unique skills?
RQ3: Are workplaces promoting diversity over assimilation?
RQ4: Does workforce diversity create problems for management and employees?
RQ5: Does power distance impact the ability of managers in diverse organisations?

1.6 Working Definitions of Core Concepts and Terms

In this thesis, the following definitions are used in order to maintain consistency in their use and meaning. The practice is important to clarify the meaning of concepts and constructs related to this thesis, the research problems and the research questions. It is essential to clarify their meanings, as they have been used frequently and consistently throughout the research. Multiculturalism, diversity and strategic management are the core concepts in this study. Section 1 provides the working definitions of these concepts, together with some other inter-related terms.

**Multiculturalism** is defined as a system in which people with different backgrounds can interact and co-exist and thus learn the culture of others by transcending the borders caused by racial, gender, and generational differences (Hughes 1993). A multicultural society is essentially a multi-ethnic society. So another key term is **ethnicity**, which is defined as “a collective with putative common ancestry that shares cultural symbols and practices, including language, diet, religion, values, and norms” (Lee 2009, p. 1184). According to Australian Government publications (Department of Human Services 2011; Diversity Council Australia 2011, 2012, 2014; Silk et al.
2000), one of the strengths of the Australian nation is its cultural diversity as indicated by the data shown in Table 1-1 below and the key to Australian multiculturalism is inclusiveness.

Table 1-1 Estimated resident population – top 15 countries of birth – 30 June 2011

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (000)</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia born</td>
<td>16321.8</td>
<td>73.06</td>
</tr>
<tr>
<td>Overseas born</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>1196</td>
<td>5.35</td>
</tr>
<tr>
<td>New Zealand</td>
<td>544</td>
<td>2.43</td>
</tr>
<tr>
<td>China</td>
<td>387.4</td>
<td>1.73</td>
</tr>
<tr>
<td>India</td>
<td>337.1</td>
<td>1.51</td>
</tr>
<tr>
<td>Vietnam</td>
<td>207.6</td>
<td>0.92</td>
</tr>
<tr>
<td>Italy</td>
<td>201.7</td>
<td>0.90</td>
</tr>
<tr>
<td>Philippines</td>
<td>193.0</td>
<td>0.86</td>
</tr>
<tr>
<td>South Africa</td>
<td>161.6</td>
<td>0.72</td>
</tr>
<tr>
<td>Malaysia</td>
<td>134.1</td>
<td>0.60</td>
</tr>
<tr>
<td>Germany</td>
<td>125.7</td>
<td>0.56</td>
</tr>
<tr>
<td>Greece</td>
<td>121.2</td>
<td>0.54</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>99.7</td>
<td>0.45</td>
</tr>
<tr>
<td>United States of America</td>
<td>90.1</td>
<td>0.40</td>
</tr>
<tr>
<td>Lebanon</td>
<td>90.0</td>
<td>0.40</td>
</tr>
<tr>
<td>Netherlands</td>
<td>87.7</td>
<td>0.39</td>
</tr>
<tr>
<td>Other overseas countries</td>
<td>2041.3</td>
<td>9.14</td>
</tr>
<tr>
<td><strong>Total overseas born</strong></td>
<td><strong>6018.2</strong></td>
<td><strong>26.94</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>22,340</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from the ABS Migration Statistics (Australian Bureau of Statistics 2013)

Therefore, the second core concept that needs to be defined is diversity. Dreachslin (2007, p. 81) defines the term of diversity as multidimensional, which includes “not only the oft-discussed racial, ethnic, and gender identities but also factors such as sexual orientation; generation; social class; physical ability; family; religion; and regional, professional, political, and other personal affiliations”.

Diversity has been viewed in various ways and can be seen as: an opportunity, threat, problem, or fad (Dass & Parker 1999). However, irrespective of the viewpoint,
diversity is seen as the variation of social and cultural identities among people existing together in a defined employment or market setting. Social and cultural identity refers to personal affiliation with groups that research has shown to have significant influence on peoples major life experiences (Cox 2001). These affiliations include gender, race, national origin, religion, age cohort and work specialisation, amongst others (Cox 2001). As shown in Table 1.2 below, Rijamampinina and Carmichael (2005) argue that diversity has three dimensions, namely primary, secondary and tertiary.

Table 1-2 Dimensions of diversity

<table>
<thead>
<tr>
<th>Primary Dimensions</th>
<th>Secondary Dimensions</th>
<th>Tertiary Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race</td>
<td>Religion</td>
<td>• Beliefs</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>Culture</td>
<td>• Assumptions</td>
</tr>
<tr>
<td>Gender</td>
<td>Sexual orientation</td>
<td>• Perceptions</td>
</tr>
<tr>
<td>Age</td>
<td>Thinking style</td>
<td>• Attitudes</td>
</tr>
<tr>
<td>Disability</td>
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Source: Based on (Rijamampinina & Carmichael 2005, p. 109)

This research deals mainly with two types of diversity: cultural diversity and ethnic diversity, associated with primary and secondary dimensions respectively. In UNESCO’s Universal Convention on Cultural Diversity, the former is defined as “the set of distinctive spiritual, material, intellectual and emotional features of society or a social group… that encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs” (UNESCO 2001, p. 1).

In reviewing the literature, the term race can be thought of as “a genetically distinct subpopulation of a given race” and is defined that it is “as slippery a concept as ethnic group” (Cornell & Hartmann 2007, p. 21). It is further stated that the race of a group of human beings is socially defined on the basis of physical characteristics (Cornell & Hartmann 2007).

In exploring the implications of cultural and ethnic diversity for corporate Australia, strategic management becomes another key concept that needs to be defined. In the relevant literature the term management is defined as a process of coordination of
work activities to ensure efficient and effective use of human resources (Robbins et al. 2003).

In this study, the term strategic management refers to “managerial decisions and actions that determine the long-run performance of an organisation” (Robbins et al. 2003, p. 745). As a result, this study adopts an iterative approach to strategic management, which regards the formulation and implementation of strategies as iterative processes providing input to each other (Mintzberg & Quinn 1996). For the purposes of this research, diversity management is defined as a process of managing people’s similarities and differences built on a set of values that recognises the differences between people are a potential strength for the organisation provided it creates an environment allowing all employees to contribute to organisational goals and experience personal growth (De Cieri & Kramar 2007).

In relation to strategic management of ethnic diversity, several other terms are used. While discrimination is defined as “treating one person disadvantageously compared to another” (Clark 1992, p. 1143), there are several types of discrimination. Indirect discrimination refers to situations in which organisations set an essential requirement to a job unrelated to its performance in order to prevent applications from particular groups (De Cieri & Kramar 2007). Sex discrimination occurs when men or women are treated unfairly on the basis of their gender, marital status or pregnancy (Healey 1998). Unfair discrimination refers to situations where different groups are treated unfairly due to their gender, ethnic, religious and cultural backgrounds, which leads to unreasonable and unjust advantages and disadvantages experienced by certain individuals and groups (Stone 2008).

Another important issue is that cultural differences call for tolerance in order to co-exist in a peaceful and harmonious community. In this context, the term tolerance is defined as “[a] fair, objective, and permissive attitude toward opinions and practices that differ from one’s own” (Maddex 2009, p. 1). Tolerance is a way of behaving and learning important and valuable steps on how to behave in an accepting manner. To be tolerant of others, we have to be tolerant of ourselves. People are different in language, race, religion, ethnicity, colour and descent, religion, national and ethnic origin.
Another important concept is **affirmative action (AA)**, which occurs with the introduction of quotas and other forms of reparation aiming at the compensation of past injustices experienced by certain groups or individuals (De Cieri & Kramar 2007). **Equal employment opportunity (EEO)** is legislated by governments as an attempt to create a job market, insensitive to differences of individuals such as race, colour, religion, gender or national origin (De Cieri & Kramar 2007).

### 1.7 Research Methodology

While the research methods are explored in detail in Chapter 3, this section provides an overview of the research methodology dealing with data collection and data analysis. As explained in Chapter 3, the realist interpretive descriptive paradigm is adopted in this research that can be used to illustrate the real world of ethnic diversity in the workplace and how it is strategically managed. This is a qualitative study aiming at providing answers to the research questions by using four case studies. In collecting primary data, field research and in-depth qualitative interviews are used. In this research grounded in social theory, an interpretive descriptive framework was applied. In answering the research questions, the researcher used a descriptive case study method designed as a multiple (embedded) exemplary case study including multiple units of analysis. In selecting the interview subjects, the researcher applied purposive sampling. There are 22 interviews conducted with participants in four organisations. Data are analysed in this research in a manner consistent with the data collection methods explained in Chapter 3. A thematic approach is used in categorising and contextualising qualitative data collected through interviews.

In order to comply with the university’s ethics regulations as well as to ensure accurate reports, ethical procedures were used in this research to save the participants from any unethical behaviour or psychological harm. Prior to conducting qualitative interviews, the clearance from the Human Research Ethics Committee of Southern Cross University was obtained, and the details of the ethical clearance are provided in Appendix A. The interviews were conducted with the participants at times suitable to them and at places of their choice. The answers were tape-recorded with the participants’ consent. Notes were taken by the researcher during the interviews and they were transcribed by the researcher by ensuring confidentiality. A duplicate tape was made of the interviews and stored separately as a safeguard against loss and
damage. The principle of voluntary participation was used and nobody was forced to participate in this research. During the interviews, their permission was sought to contact them if necessary at a later time should clarification be needed. The participants were given the opportunity to contact the researcher at any time if they wish to add any additional information. This creates member checking and thus benefits the research and increases the authenticity of the findings. Chapter 3 provides a comprehensive description of the research methodology used in this study and details how it is applied to answer the research questions.

1.8 Importance of Research

This research specifically addresses the role of strategic management of ethnic and cultural diversity in Australian corporate settings. The 2011 Census data show that 30.2 per cent of the Australian population was born overseas, and that two or more languages are spoken in one of five Australian households (Australian Bureau of Statistics 2011a). Given Australia’s multicultural population, the cited benefits of diversity must be investigated against the reality of how organisations are managing arising issues and this investigation provides an insight as to the current state of diversity management in the Australian entertainment and hospitality industry which will, in turn, serve as a platform upon which to base recommendations for improvements in practice. The study provides valuable data related to the core issues involved in managing diversity such as cultural and ethnic differences and the implementation of diversity and government-regulated policies, and identifies issues for further research. Furthermore, the findings of this research will enhance the way diversity is managed, and will lead to more research on the practice of strategic management of cultural and ethnic diversity in the workplace.

1.9 Limitations

With all studies there are limitations and this study is no exception. Limitations may come by way of design or by circumstances outside of the researcher’s control. Case study organisations are by definition self-selecting. While three of the cases studied are from the entertainment and hospitality industry with employee numbers of between 500 and 1000, the benchmark case is a large multinational organisation in a completely different industry. This limitation, however, provides a balance between what can be enacted where organisations are large and span many continents. In this
study, the researcher conducted interviews with three case organisations involved in the entertainment and hospitality industry, which are locally operated businesses. As a comparison, a multinational organisation was used as the benchmark case study. Notwithstanding this, while the multinational company operates in a different sector, its size and global presence makes it a worthwhile benchmark. This study is a qualitative case study and as such does not seek to be representative of all other similar cases or businesses. However, it does offer insight into current practices in locally operated and owned businesses where no global imperative or multinational imperative exists. Therefore, this study still offers valuable insights as to current practices within such businesses. Given the strict research processes undertaken and the ethical considerations covered, these limitations do not hinder or reduce the value of the findings reported.

A practical limitation experienced in this study was the difficulty of gaining access to participants. It is also important to note that, while forty organisations which have diversity policies were contacted, only Organisation A was willing to participate. This is a finding in itself and will be discussed further in Section 4.3. This study does not aim at providing findings that can be applied to other contexts. Its objective is to describe culturally and ethnically diverse practices in action, thus enabling insight into actual practices undertaken at a point in time within comparable case sites. Nonetheless, the research provides valuable insights from the participants’ worlds in their own words.

1.10 Chapter Outlines

This thesis contains five chapters. The thesis structure adopts a model developed by Perry (2011).

**Chapter One: Introduction** provides an overview of the background to the research, its objectives, and the research problem. It also provides a brief discussion on the importance and limitations of this research, and outlines the methodology adopted and key assumptions made in this research.

**Chapter Two: Literature Review** outlines the literature in the discipline of the social structure of Australian society by covering issues such as the White Australia Policy
and racism in Australia. Literature from the discipline of workplace sociology is also outlined. This literature deals with diversity and its strategic management in the workplace. The chapter also reviews literature regarding multiculturalism, immigration and ethnic diversity.

**Chapter Three: Methodology** addresses the selection of the research paradigm, research design and criteria for the selection of case studies and puts forward the justification for the use of case study research. It judges the quality of realist research, introduces the framework for case study research and covers the necessary steps in the data collection. It also discusses the validity and reliability of the research, and the ethical considerations and indicates the limitations of this methodology.

**Chapter Four: Data Analysis** shows the results of data analysis in this research and the analysis of sources of evidence such as documentation, archival records, and open-ended qualitative interviews. It provides in-depth analysis of qualitative interviews by using a thematic approach, and a discussion on the central themes uncovered in this research.

**Chapter Five: Discussion and Conclusions** present the conclusions and implications for the whole thesis. This chapter discusses the finding of this research, and the ways in which they are used in addressing the research questions.

**1.11 Summary**

This chapter introduced the research and laid the foundations for the following chapters. The research context and the research problem were discussed showing the importance of understanding diversity practices beyond legal compliance in a country such as Australia. The research was justified by highlighting the importance of understanding how ethnic diversity is managed in light of our multicultural society. The qualitative methodology adopted for the research was briefly outlined and the limitations and assumptions of the research were also described. On this basis the thesis now reviews the pertinent literature in Chapter 2.
2 LITERATURE REVIEW

2.1 Introduction

Chapter 1 of this thesis briefly introduced the background to the research problem and reported that Australia has moved from White Australia policy to multiculturalism by discussing whether diversity has had an impact on the workforce, and how organisations are managing such diversity in the workplace. This chapter reviews the literature currently available in the areas of Australian social structure, workplace diversity, and management of diversity. This chapter has seven main sections. After the introduction in Section 2.1, this chapter illustrates the components of the thesis in Section 2.2. This is followed by a discussion on assimilation, integration, multiculturalism and the advocates and opponents of multiculturalism in Australia are discussed in Section 2.3. This discussion shows how multiculturalism has given recognition to various cultures in Australia that embrace different origins, religions, languages, traditions and heritages. This sets the scene for exploring the events of Australia’s past, and for understanding our history and democracy and the influences and impact of significant events in the development of our democracy and society.

Section 2.4 examines workplace demographics, the concept of diversity in the workplace and its multiple definitions, and how to help employees achieve their potential in the workplace. Then the review considers issues arising from cultural diversity as an organisational strategy and migration of people from various cultural backgrounds. It also shows the importance of a diverse workforce in order to penetrate global markets. This section discusses the perspectives on workplace diversity and how successful they have been in motivating managers to have a diverse workforce. This section further describes the different motives offered by organisations to increase diversity, and the competitive advantage gained by organisations through their employees.

Section 2.5 deals with strategic management of diversity in the workplace, the benefits of strategic management in attracting and retaining the best employees, the challenges faced by organisations, the aspects of diversity and the implementation of diversity programs. This section incorporates the implementation of diversity
programs, the effectiveness of diversity management initiatives, and the gap between what organisations are doing and what they should be doing. In Section 2.6, the review moves to consider strategic management of ethnic and cultural diversity in Australia by assessing the importance of what is happening and what is missing in the strategic management of diversity. This section incorporates the current Australian policy and legislative framework. It further discusses the legislation and deficiencies in organisational diversity practices, the organisational approach to a diverse workforce, diversity policies and leadership, and the importance of communication skills in opening global opportunities.

Chapter 2 concludes with Section 2.7, which provides a summary of the chapter and reports that the structure of Australian society by reviewing the developments and the impact of cultural differences on group performance and organisational effectiveness. This chapter also summarises the benefits organisations gain from having a diverse workplace and employing people from different backgrounds and experience, and managing people’s differences and similarities. It indicates the strength that organisations can derive from employees with various skills and experiences. These strengths can enable an organisation to penetrate international markets and better serve clients from different cultures, provided diversity is managed well. Each review section concludes with a question which relates to the topic being investigated in this thesis.

### 2.2 Components of the Thesis

The literature review presented in this chapter is based on the conceptual framework provided in Figure 2.1 below.
The literature review will commence with a brief description of the Australian societal structure. This description covers federation and multiculturalism, which is the present social structure in Australia. The establishment of federation was based on a phase of lenient British imperial policy, which provided better employment opportunities to British subjects in the workplace, especially in the public sector. Between federation and World War One, politicians supported legislation restricting non-British immigration, and favoured the adherence to ‘racial purity’ and ‘racial superiority’ and the protection of Australian jobs (Cooper 2012). In today’s terms, the workplace environment in the early days of Australian federation involved a systematic discrimination against non-British subjects.

The different types of policies and strategies suggested or recommended to deal with diversity in the workplace are examined in this chapter. These include government regulations related to affirmative action and equal opportunity as well as organisational policies dealing with different aspects of diversity management such as recruitment, training, and diversity-driven conflicts. This chapter explores the
management of diversity in the workplace based on the involvement of people who come from various backgrounds, and who bring with them a myriad of talents that can contribute to organisations in particular and to society in general, such as languages, skills and experiences (Amadeo 2013; Aronson 2002; Bleijenbergh, Peters & Poutsma 2010; Cassell 2001; Cope & Kalantzis 1997; Deloitte 2011; Edewor & Aluko 2007; Ezeanu 2011; Kirkman 2001; Salomon & Schork 2003; Treven & Treven 2007). Thus, it is important for management to be aware of the behaviour of employees from various cultural groups, how they react and what they bring with them as contributions and benefits to the organisation. It should also be noted that the diverse workforce creates challenges which management needs to address in order to manage diversity in the workplace.

Figure 2.1 above identifies the intersections of the literature relevant to this thesis. The foundations of and changes to the Australian social structure as discussed in the literature form the basis and focus of diversity in the organisation. The changes in workplace demographics in Australia have become an issue which needs to be understood. In addition, the practice of diversity management needs to be examined and the gap between the literature and practice of strategic management of diversity within organisations in the multicultural Australian context needs to be understood. As shown below, a review of the current literature indicates that documentation of cultural diversity, and of the extent to which organisations embrace cultural diversity is inadequate. For example, Foldy (2002) claims that the diversity literature has not dealt sufficiently and empirically with how management responds to diversity as a potential strategic issue. This constitutes one of the major quandaries which this research investigates by focusing on the intersection of these three fields as shown in Figure 2.1.

2.3 Changes in Australian Cultural Demographics

As discussed in this section, multiculturalism in Australia as an official policy emerged in 1973 to ease the restrictions of the assimilation policies of the 1940s and 1950s, which expected new settlers to learn English, acquire Australian cultural practices and become as one with Australian-born people (Koleth 2010). However, in the 1970s, there was an acknowledgement that Australian society had changed in the
previous two decades. There was a shift from a policy of assimilation aimed at maintaining “a monoculture to the rhetoric of multiculturalism and self-determination” (Markus 2011, p. 44).

2.3.1 Multiculturalism in Australia

From the introduction of the Commonwealth Immigration Restriction Act 1901 until 1966, the approach to immigration in Australia was influenced by the White Australia policy, which encouraged the assimilation of new arrivals into the dominant Anglo-Australian culture (Taksa & Groutsis 2012). So, it was up to ‘them’ to like ‘us’ (Lever-Tracey & Quinlan 1988). It becomes evident that, after the World War Two, the ethnic mix of immigrants contributed to both the replacement of the White Australia policy and the introduction of a policy of multiculturalism by the Australian Labor government in 1973 (Jayasuriya & Cook 1988; Richards 2008; Withers 1991). Moreover, Hugo (2011) states that the most significant cultural driver in Australia since World War Two has been the overwhelming transformation of Australia from an Anglo-Celtic society to one of the world’s most culturally diverse nations. Table 2.1 illustrates the influx of migrants and the extent of change in both the Australian population and workforce. The 2011 Census revealed that over 30% of Australia’s population was born overseas and that a further 20% had at least one parent born overseas (Australian Bureau of Statistics 2012). Thus, the impact of multiculturalism was so great that it prompted Jupp (1996) to declare that multicultural policy put an end to the concept that other cultures were inferior to the ‘mainstream’ culture of white British Australia. Multiculturalism became an official policy in Australia in 1973, thereby easing the restrictions of the assimilation policies of the 1940s and 1950s (Koleth 2010).

Table 2-1 Australian population historical statistics

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<tbody>
<tr>
<td>Australian born (000)</td>
<td>7,700</td>
<td>8,729</td>
<td>10,176</td>
<td>11,389</td>
<td>12,718</td>
<td>13,629</td>
<td>15,018</td>
</tr>
<tr>
<td>Overseas born (000)</td>
<td>1,286</td>
<td>1,779</td>
<td>2,579</td>
<td>3,128</td>
<td>4,053</td>
<td>5,140</td>
<td>6,490</td>
</tr>
<tr>
<td>Percentage of overseas born (%)</td>
<td>14.3</td>
<td>16.9</td>
<td>20.2</td>
<td>21.5</td>
<td>24.2</td>
<td>27.4</td>
<td>30.2</td>
</tr>
<tr>
<td>Total population (000)</td>
<td>8,986</td>
<td>10,508</td>
<td>12,755</td>
<td>14,517</td>
<td>16,771</td>
<td>18,769</td>
<td>21,508</td>
</tr>
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As a result of the waves of immigration since 1788, Australia has developed into a multicultural society. So, the influx of migration has increased migrant participation in the workforce, leading to the current Australian policy and legislative framework. Some larger organisations such as KPMG and Coles are already considering this as a key area for growth along with recognising that the wider community changes in diversity must be reflected in the workforce (EOWA 2009; Strachan, French & Burgess 2010). However, it remains less clear if this is occurring more broadly outside of these larger organisations. Another unclear issue is whether organisations that operate in multicultural areas or regions are embracing these changes and reflecting them in their workforces and practices. Therefore, exploring the impact of diversity on organisational practice forms the first research question. Nareen Young, Chief Executive Officer (CEO) of the Diversity Council Australia, claims that Australia is stable and successful because it is embracing cultural diversity, and the firm belief that diversity is an enduring strength (Diversity Council Australia 2011). The President of Multicultural Development Australia (MDA), Jose Zepeda (2002), also emphasises the importance of inclusiveness in a multicultural workplace as a part of multicultural development. Despite the claims by Young (Diversity Council Australia 2011) and Zepeda (2002), it seems that there is not enough factual evidence supporting their claims given the limited amount of research on management of diversity in Australia.

Multiculturalism is valued in Australia and makes people more open to other cultures, as well as more open to changing and learning from others (Ang et al. 2006). Changes can arise from new generations and the benefits of multiculturalism along with interactive cultural diversity appears to be increasing and more accepted as part of the mainstream culture (Ang et al. 2006). Hence diversity-related problems occurring today may decrease when today’s youngsters become tomorrow’s adults. The current literature, however, does not provide a direct answer to the question of whether organisations utilise diverse employees’ multicultural skills. This study specifically addresses this issue and analyses the extent to which organisations use the rich skill sets of their multicultural workforces and enable diversity to take precedence over assimilation.
Furthermore, immigrants bring many benefits to their newly adopted country. Collins (2008) explains the economic benefits of immigration, which are similar to those of international trade. Immigration has an impact on the receiving country and three levels of such impacts in Australia are proposed by Collins (2008): the first impact is the permanent immigration which in recent years has reverted to high rates after falling to lower levels. The second impact is the high level of immigration owing to the reduction in unemployment rates and the high demand for labour. The third impact is temporary immigration which has increased with globalisation (Collins 2008). The analysis of Collins on the impact of immigration on Australia seems to provide only a partial picture of what is actually happening. This is evident in the lack of emphasis he puts on the immigration of unskilled migrants, which present social cohesion challenges as explained by Easson (2013). This, indeed, leads to changes in immigration policies not only in Australia but in other migrant-receiving countries such as the United States (US) and Canada. These changes are designed to attract more well-educated professionals and skilled workers (Cobb-Clark & Connolly 1997), while controlling the admission of unskilled migrants and asylum seekers (Li 2008). Furthermore, in order to keep Australia’s economy growing, economic realities dictate that immigration must continue so that we have the required skills to achieve economic growth and play a significant role in the global labour market (Easson 2013). This reality highlights the need for managing a diverse workforce effectively so that organisations in specific sectors and in the Australian economy in general can reap the benefits offered by having a multicultural workforce.

It should also be mentioned that the increasing number of immigrants in a national economy poses some serious challenges as well. It is, therefore, important to discuss the flow of immigrants into Australia and the difference they have made in the development of Australia and their impact on employment as newcomers. It should be remembered that immigrant groups vary and their lives do not fit neatly within national borders. Questions arise in relation to the influx of immigrants and whether new arrivals pose a threat to the jobs of other citizens, the welfare state, our national identity, way of life, freedom and security, or does their diversity enrich the economy, culture and society (Legrain 2007)? Thus, certain measurements are taken to assess: the possible advantages and disadvantages in bringing in more immigrants, how much we value diversity, the level of fear concerning inter-ethnic clashes, and how much
flexibility we have to embrace the changes immigration brings (Legrain 2007). Hence, immigration policy plays an important role in the influx of skilled immigrants to fill the labour shortages in Australia, but it still places the onus on management to provide a workable strategy to manage diversity in the workplace. This is largely because the demographics of organisations are changing under the pressure of increasing levels of diversity in Australia as a migrant-receiving country. This leads to an increased level of uncertainty in the existing Australian workforce. Workplaces in Australia are significantly different from what they were a decade ago with regard to diversity amongst staff and organisations have to acknowledge this diversity and adjust to it (Smith-Ruig 2010). To what extent organisations have adopted an organisational culture promoting diversity rather than assimilation forms one of the core topics of this study.

The political discourse also confirms the development of Australia as a multicultural society. For example, former Prime Minister Bob Hawke states that Australia has been developing as a multicultural society for 200 years as a result of the wave of immigrants that increased the diversity of Australian culture (Foster & Stockley 1988). Malcolm Fraser (2011), another former Australian Prime Minister, states that diversity through multiculturalism is a quality to be embraced as well as a source of social wealth and dynamism. Fraser (2011) further argues that multiculturalism encourages all Australians to learn and benefit from each other’s heritage, because multiculturalism is more about diversity and interaction and not division and isolation, thus it deals with respect for law and democratic institutions and processes.

However, with the election of the new Liberal Commonwealth Government in September 2013, there has been a shift in multicultural policy in Australia. This is evidenced by the change of the name of the relevant federal government department from the Department of Immigration and Citizenship to the Department of Immigration and Border Protection, as well as the transfer of the multicultural affairs portfolio from this ministry to the Ministry of Social Services (Abbott 2013). In addition, the previous Prime Minister, Tony Abbott, depicts himself as a convert multiculturalist in stating, as a personal confession, that:

I used to worry that multiculturalism could leave us a nation of tribes. But I was wrong and I’ve changed my mind ... The policy of
multiculturalism ... expresses our willingness as a nation to let migrants assimilate in their own way and at their own pace, because of our confidence in the gravitational pull of the Australian way of life (Abbott 2012, p. 1).

It is evident that Abbott’s concept of multiculturalism in Australia with its emphasis on assimilation is not in line with the common understanding of multiculturalism in the literature, which is not based only on assimilation. The impact of this new policy of multiculturalism on organisations and diverse workforce is, however, yet to be seen. So far, there is no evidence of any legislation enacted by this new government that would impact on the management of diversity in the workplace. As discussed in the next two sections in detail, there are advocates and opponents of multiculturalism in Australia and their views provide insights into how multiculturalism is regarded in social and political contexts. In relation to the changes in the understanding of diversity, it is argued that Australia has moved from the age of inequality to the age of equity in the past four decades as differences are acknowledged and organisations deliberately benefit from the diversity of their workforces (Talbot-Allan 1996). This process of change is illustrated below in Figure 2.2.

Figure 2-2 Changing identifications of diversity in Australia

Source: (Silk et al. 2000, p. 8)
The changing nature of diversity in Australia raises important questions in relation the strategic management of diverse workforces. It also poses serious challenges to organisations especially in reshaping their organisational practice to acknowledge and transcend differences and utilise the benefits offered by a multicultural workforce, which all constitute core issues explored in this research. It is clear that cultural experiences and skills are important to Australian organisations due to the ongoing changes of demographics in the Australian workforce. However, they have to be carefully managed.

There seems to be an acknowledgement that some managers cannot distinguish diversity from inclusion. Diversity implies that organisations employ people from different backgrounds and as a result they become diverse, while inclusion relates to the recognition of differences and values of each employee. Inclusion has, interestingly, started to appear as a new paradigm in Australian social policy and, according to Clyne (2008), social inclusion is relevant to migrants and refugees who have experienced homelessness, poverty or unemployment. Hatfield Dodds (2012) argues that social inclusion is an old idea which promotes building communities in which all people feel that they belong, they can contribute and they are valued.

This would, in principle, ensure a fair go for everyone, irrespective of family of origin. Workplace diversity and inclusion cover many positive aspects of life such as removing barriers to ensure that all employees participate fully in the workplace, recognising the value of the cultural differences that each employee brings to the work environment, and how to manage them (Department of Human Services 2011). Therefore, diversity and inclusiveness are essential business tools in the workplace today (Wood 2010). Clearly, the acknowledgment of cultural diversity enables managers to maximise and capitalise on the different skills of employees from different cultures (Wood 2010). Shore et al. (2011) define inclusion as the degree of importance enjoyed by an employee as a respected member of the group based on the treatment that he or she experiences to satisfy his or her needs for both belongingness and uniqueness. In addition, inclusion means adaptation, not assimilation and toleration. Organisations must adapt to the needs of diverse employees (Deloitte 2011). However, while it is good in policy, in practice it remains unclear what is enacted. The subject therefore requires further investigation.
As discussed in detail by Shore et al. (2011), the inclusion paradigm is important to organisations when dealing with diverse workforces. According to this paradigm, in a multicultural and inclusive organisation, not only its organisational strategy, operation and management but also its values and success are shaped by the diversity knowledge and perspectives brought by the members of different groups (Holvino, Ferdman & Merrill-Sands 2004). The adoption of social inclusion to justify mutual obligation and community participation programmes was a feature of the Howard government in Australia between 1996 and 2007 and has been widely advanced by the Australian Council of Social Service in Australia (Harris & Williams 2003). The Rudd Government in 2008 established the Australian Social Inclusion Board (ASIB) as the main advisory body to the Commonwealth Government and pursued a proactive social inclusion policy by asserting that Australians must be given the opportunity to secure employment, have access to services, connect with others through family, deal with personal crises and have their voices heard (Harding 2010).

As for the current policy, the Prime Minister Tony Abbott (2013), declared the abolition of the ASIB in his press release on 23 September 2013. This could be seen as evidence of the removal of emphasis on social inclusion by the current Australian government, or that the current government considers this is no longer an issue requiring significant or special consideration. Either way, the practice of social inclusion should be further investigated. As for social, cultural and demographic changes in Australia over the last two decades, Hugo (2011) claims that these changes will continue to affect the workforce in the area of social inclusion given that inequality seems to be exacerbated by differences in gender, culture, ethnicity and location.

Despite recent changes, what remains intact is the fact that cultural and linguistic diversity are core features of modern Australian social and business life and they provide cultural and business advantages to organisations as discussed. According to Kuga (1996), one of the business advantages derived from diverse workforce is the positive impact of diversity on communication skills and productivity, which can potentially increase team effectiveness in organisations. Another key benefit is the fact that ethnically and linguistically diverse workforce increases organisational ability in communicating with clients of similar ethnic and cultural backgrounds. Gilbert and
Ivancevich (1999) further add that linguistic skills and multiculturalism have had an impact on the diversity of the workforce. This indicates the importance of communication in the workplace and how managers can overcome these problems to facilitate understanding and create harmonious and peaceful work environments by accommodating cultural differences and challenges. This leads to the first question in this research:

**RQ1: Is multiculturalism or assimilation in the workplace evident and, if so, what is its impact on organisational practice?**

### 2.3.2 Advocates of Multiculturalism in Australia

Advocacy is about influencing and changing policies, programmes and barriers that affect participation in a diverse workforce. This advocacy is expanded by Cattalini (1995), who conjectures that the purpose of the three policies; that is, assimilation, integration, and multiculturalism, was to embrace the concept of ‘oneness’ which has many parts such as ‘one people’, ‘one nation’, and to be a true ‘Australian’. He further argues that, whilst assimilation demanded and encouraged a ‘oneness’ that implied ‘sameness’, and that assimilation was characterised by ‘exclusive policies’, multiculturalism gave recognition to various cultures in Australia and encompasses many languages, traditions, heritages and customs and thus created ‘inclusiveness’ as a policy for ‘all Australians’ (Cattalini 1995). A prominent advocate of multiculturalism in Australia, Professor George Zubrzycki, once called ‘the father of multiculturalism’, played a very significant role in the development of multiculturalism in Australia in the 1970s when the policy was first developed (Jupp 2009). Jupp and Clyne (2010) state that multiculturalism is intended for mixed populations living together in major cities but having different ethnic, cultural and religious backgrounds or other distinct features. In this context, the whole world is multicultural – and many states, both democratic and authoritarian – make provision for the cultural needs of minorities (Jupp & Clyne 2010).

Multiculturalism has also received strong support from political circles in Australia. For example, the former Immigration and Citizenship Minister Chris Bowen asserted in his speech titled ‘The Genius of Australian Multiculturalism’ that “[i]f Australia is to be free and equal, then, it will be multicultural. If it is to be multicultural, Australia
must remain free and equal. Multiculturalism is a matter of liberalism” (Levey 2012, p. xv). There is however no factual evidence supporting the view that multiculturalism per se leads to a free and equal society. Bowen further claims that the success of Australian multiculturalism is due to three factors. The first factor is the insistence in Australian multicultural policy for ‘respect for traditional Australian values’ which include liberal democratic values such as freedom of the individual, gender equality, tolerance, the rule of law, parliamentary democracy and English as the national language. The second factor is the view that the success of Australian multiculturalism is due to its ‘citizenship-based model’ where full rights and benefits are afforded to those who pledge commitment as citizens. The third factor is the bipartisan support, which has meant that both Labor and Liberal governments have supported and guided multiculturalism policy (Levey 2012). The extent to which these three political factors lead to a healthy environment for organisations to utilise effectively the benefits offered by a diverse workforce is yet to be determined. The political support for multiculturalism in Australian policy circles can lead to positive outcomes where organisations can benefit from immigrants’ skills. In order to achieve this, organisations should implement appropriate policies to harness the benefits offered by diverse workforces. This leads to the following research question addressed in this study:

*RQ2: Do organisations utilise diverse employees’ multicultural skills?*

### 2.3.3 Opponents of Multiculturalism in Australia

As there are proponents for multiculturalism, there are also opponents to it in Australia. Opposition to multiculturalism which started at the early stages of its introduction is covered with platitudes and signifies that Australians come second. Some opponents, such as Collins (1988), believe that giving minorities their rights tends to cause division in society and that granting special rights to minorities threatens to divide this nation into many tribes. Collins (1988) further clarifies this view by stating that multiculturalism is costly, as it has given the ‘ethnic industry’ the ability to influence government spending in its favour, away from other Australians.

Similarly, Clancy (2007) argues that, prior to 1970, Australia enjoyed core social values similar to English-speaking and European nations, but the introduction of
multiculturalism made a profound change. In addition, prior to 1970, Australia enjoyed a social consensus – a general acceptance of rights and responsibilities; but, according to Clancy (2007), multiculturalism destroyed this balance and equal treatment under accepted laws no longer existed. In contrast to Clancy, many believe that multiculturalism did not actually destroy the balance of rights and responsibilities, and that instead it has, at least in principle, extended those rights enjoyed by Anglo-Celtic Australians to all Australians regardless of their ethnic origins.

Opposition to multiculturalism is evident in the claim by critics from the left and the right that Anglo-Australians do not recognise themselves in the new narrative of multicultural Australia (Ang 2001). Hodge and O’Carroll (2006, p. 11) argue that “parties who oppose multiculturalism are seen as being on the right of politics, yet the intellectual left in Australia also presents a negative analysis of Australian multiculturalism”. Another opponent of multiculturalism is the Aboriginal poet and activist Kath Walker, who changed her name to Oodgeroo Noonuccal, and claimed that Australia is consistently being a ‘dumping ground’ for foreign cultures (Hodge & O’Carroll 2006). Noonuccal called multiculturalism the “blind prejudice to cultural differences” of Australia (Hodge & O’Carroll 2006, p. 111). Thus, in multicultural Australia, there has been opposition to multiculturalism from various sections of the community who hold diverse opinions about what it represents.

Furthermore, Patterson (2007) goes to the extreme by claiming that Australia is simultaneously faced with the threats of multiculturalism and Asianisation, and that this is a threat to Australian unity, harmony and coexistence. Patterson advocates the defence of British and national heritage. In the last ten years, multiculturalism has been criticised by opponents calling for a retrieval of the earlier policies of assimilation and integration (Koleth 2010). The opponents of multiculturalism essentially prefer the ‘old days’ of assimilation to social tension and divisiveness (Collins 1988). This study investigates whether organisations are promoting diversity over assimilation in the workplace and to what extent assimilation is encouraged and promoted by management rather than favouring multiculturalism.
In addition to opposition to multiculturalism in different social groups, the political opposition to multiculturalism is also very active in Australia. Waves of opposition to multiculturalism have led to the rise of the One Nation Party, formed by Pauline Hanson in the late 1990s, which demonised multiculturalism and called for its abolition on the basis that it signified a threat to Australian “culture” (Dellal 2013). A Sri Lankan-born pastor, Daniel Nalliah, also launched a political party called the Rise Up Australia Party, based on opposition to multiculturalism and committed to keeping Australia for Australians (Medhora 2013). Further opposition was clearly apparent when the term “multiculturalism” was eradicated from official discourse by the removal of the word in 2007 from the newly renamed Department of Immigration and Citizenship (Ho 2014). Therefore, in the Australian context, multiculturalism has become a political issue and to date the result of recent elections supports that view. It can also be argued that despite anti-discrimination laws that have been enacted in the past three decades, anti-multicultural political discourse still receives public support in Australia.

Given the major points raised by opponents and proponents of multiculturalism, it is important to examine workplace demographics and the associated diversity management considerations. These considerations have become important issues for governments and private enterprises due to the free movement of labour as a result of globalisation, and the struggle for human rights by minority groups in the employment sector (Henry & Evans 2007). It is believed that the social and political tensions between the opponents and proponents of multiculturalism have an impact on organisational practices relating to the management of diversity. Therefore, the following research question is raised:

*RQ3: Are workplaces promoting diversity rather than assimilation?*

**2.4 Workplace Demographics and Diversity as an Organisational Strategy**

Important issues in the management of diversity are expounded in this subsection. Successful adaptation to diversity depends upon the small and everyday actions taken
by individuals of an organisation at all levels (Kreitz 2007), but at the same time diversity poses challenges to organisations in many fields today. Demographic changes in the workforce which are affected by global markets and international competition increase the level of diversity in organisations. This increased diversity needs to be managed both internally at an organisational level caused by demographic changes in the compositions of workforce, and externally at customer level caused by demographic changes in customer populations combined with the globalisation of markets (Kreitz 2007; Soutar 2004). Riccucci (2002) regards diversity as the next step needed for creating a more integrated workforce, and whether or to what extent this is occurring in Australian context constitutes one of the main issues explored in this research.

This subsection also discusses the changing demographics of the workplace which have given rise to diversity management in the age of globalisation. Developing a clear understanding of workplace demographics is essential for examining how the dynamics of change impact on national economies and how organisations adapt and manage such changes in the face of constantly increasing levels of diversity in the workplace.

The Community Relations Commission of NSW (2011) states that Australia has become a productive culturally diverse nation with an annual migrant intake which targets skills and the demands of the labour market, as well as the integration and success of second-generation migrants. According to the Commission, this has been achieved due to the need recognised by successive governments to implement policies in the national economic interest, and because of the settlement programmes which have been conducted with fairness and integrity in Australia’s migration programme (The Community Relations Commission for Multicultural NSW 2011). It is apparent that the fairness and integrity of the settlement programme do not necessarily lead to an effective management of diversity in the workplace, and the ways in which organisations manage their increasing levels of diverse workforce need further investigation.

The Australian workplace statistics also reveal the multicultural aspect of national demographics, which is naturally reflected in the Australian workforce. This is
evident in the release of 2011 Census of Population and Housing data by the Australian Bureau of Statistics (ABS). This data revealed that almost a quarter (24.6 per cent) of Australians were born overseas and 43.1 per cent of people have at least one parent who was born overseas (Australian Bureau of Statistics 2012). The 2009-2010 Migration Report by ABS (2011b) also reveals that the majority (76%) of all overseas-born Australian residents were of working age, 15-64 years, while the overseas-born population from Asia, America and Africa had larger proportions of young (0-14 years) and working age (15-64 years) populations compared to those from Europe. These figures show the extent of diversity in the Australian workplace. The question of whether diversity in the workplace is managed effectively thus becomes a real issue.

That diversity management has become a necessity can be seen as a natural outcome of globalisation. There is an acknowledgment that diversity is an effect of globalisation which is the “defining political economic paradigm of our time” (Bratton & Gold 2007, p. 120) and with this increasing internationalisation (Aronson 2002), diversity is becoming a strategic success factor for leading companies (Romanenko 2012). The importance of a diverse workforce is also shown by the claim that management of workforce diversity is important for success and penetration of the global market (Henry & Evans 2007). This assertion is supplemented by stating that globalisation had a significant impact on the migration of people from various cultural backgrounds who joined the Australian workforce and now form a substantial proportion of diversity in the workplace (Pieterse 2004). However, it is claimed that, while governments are facilitating the circulation of goods and services around the globe, they are endeavouring to impose higher national barriers to restrict the free movement of people. This impacts on immigrants from various backgrounds who form the workforce, yet it remains unclear how this is experienced in the workplace.

As discussed in the above section, the demographics of the Australian workforce have changed dramatically over the years, as has the global marketplace, and the literature reveals that, as detailed in Section 2.6. The success of the strategic management of diversity in the workplace depends on the recognition of employees’ differences and skills and using them to their full potential.
What emerges from this review is that, the more we investigate diversity, the more we find that diversity is an unclear concept which is linked to population distribution, its socio-political features and the workforce (Strachan, French & Burgess 2010). Thus, the attributes of workplace diversity affect employees who come from different backgrounds and possess these attributes in varying degrees. This study seeks to investigate the management of diversity by taking into consideration the changing workplace demographics and ethnic and cultural backgrounds of employees in order to provide equity and harmony in the workplace. It also investigates the skills and experiences of employees and discusses their importance and what they gain from being members of culturally and linguistically diverse groups and thus becoming valuable assets of organisations.

2.4.1 Perspectives on Workplace Diversity

In Table 2.2, Dass and Parker (1999) present different diversity perspectives and associated strategic responses that could be implemented by organisations. As shown in Table 2.2 the perspective taken influences the response obtained.

Table 2-2 Diversity perspectives and associated strategic responses

<table>
<thead>
<tr>
<th>DIVERSITY PRESCRIPTIVES</th>
<th>PROBLEM STATEMENT</th>
<th>INTERNAL DEFINITION</th>
<th>PRESCRIPTION</th>
<th>DESIRED OUTCOME</th>
<th>STRATEGIC RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resistance perspective</td>
<td>Diversity as non-issue or</td>
<td>Not “us”</td>
<td>Sustain homogeneity</td>
<td>Protect the status quo</td>
<td>Reactive</td>
</tr>
<tr>
<td></td>
<td>Threat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discrimination and fairness</td>
<td>Differences cause problems</td>
<td>Protected groups</td>
<td>Assimilate individuals</td>
<td>Level the playing field for members</td>
<td>Defensive</td>
</tr>
<tr>
<td>perspective</td>
<td></td>
<td></td>
<td></td>
<td>or protected groups</td>
<td></td>
</tr>
<tr>
<td>Access and legitimacy perspective</td>
<td>Differences create opportunities</td>
<td>All differences</td>
<td>Celebrate differences</td>
<td>Access to employees and consumers</td>
<td>Accommodative</td>
</tr>
<tr>
<td>Learning perspective</td>
<td>Differences and similarities offer opportunities and bear costs</td>
<td>Important differences and similarities</td>
<td>Acculturate: pluralism</td>
<td>Individual and organisational learning for long term effect</td>
<td>Proactive</td>
</tr>
</tbody>
</table>

Source: Das and Parker (1999, p. 70)
With respect to the resistance perspective shown in the table above, growing pressures for diversity in the 1980s were perceived as threats, and fear that the minorities might displace the established majorities gave rise to resistance towards diversity, and people with visible differences such as nationality, colour or gender, were not viewed positively in organisations (Hutchings & De Cieri 2007). Therefore, the strategic response in the resistance perspective is reactive and characterised by “denial, avoidance, defiance or manipulation” (Hutchings & De Cieri 2007, p. 376).

Similar to the diversity perspectives provided by Das and Parker (1999) in the table above, Ely and Thomas (2001) identify three different perspectives on workforce diversity: the integration-and-learning perspective, the access-and-legitimacy perspective, and the discrimination-and-fairness perspective. These perspectives help us to understand how organisations manage differences in the workforce. The researchers hold that attitudes towards diversity in work groups influenced how people expressed and managed tensions related to diversity, whether those who had been traditionally underrepresented in the organisation felt respected and valued by their colleagues, and how people interpreted the meaning of their racial identity at work. These considerations, in turn, had implications for how well the work group and its members functioned.

The discrimination-and-fairness perspective is based on legislation, particularly on affirmative action policies and equal employment opportunity legislation, and assumes that members of certain groups are kept out of an organisation by prejudice, yet they are afforded equal access and fair treatment by law. This perspective perceives diversity as an organisational problem awaiting a solution and focuses on disadvantaged groups, not individuals or organisations. It views people with differences as being the same (Hutchings & De Cieri 2007). Kulik and Roberson (2008) claim that this perspective expects organisations to provide responses to three imperatives. The first is equal opportunity in the hiring and promotion of employees. The second is the suppression of prejudice. The third is the eradication of discrimination in work practices associated with ‘policing or ‘advocacy’ behaviours, where an organisation eliminates any hurdles that might prevent it from attracting a diverse workforce.
However, organisations operating from the access-and-legitimacy perspective incorporate diversity on the basis of bottom-line motives. This perspective recognises and values differences throughout the workforce whether they are under legal protection or not. This perspective is normally adopted owing to social or legal mandates, but organisations tend to follow this perspective by choice (Hutchings & De Cieri 2007). An access-and-legitimacy perspective relies on the acknowledgment that both the markets and customers of an organisation are diverse, which enables the organisation to match that diversity with the diversity of its workforce. Das and Parker (1999) demonstrate the benefits that an organisation can derive from having a diverse workforce by being aware of the diversity of both the markets and customers. The integration-and-learning perspective claims that the skills and experiences gained by employees in their capacity as members of identity groups are valuable assets. An organisation can utilise these assets by rethinking and redefining its business practices (Kulik & Roberson 2008). This perspective links diversity to work processes in a manner that makes diversity a resource for learning and adaptive change (Ely & Thomas 2001).

According to Das and Parker (1999), the integration-and-learning perspective differs from the discrimination-and-fairness and access-and-legitimacy perspectives. In addition to recognising the long- and short-term ramifications of diversity, it perceives similarities and differences as dual features of workforce diversity, and it looks for various outcomes from diversity such as efficiency, innovation, customer satisfaction, and social responsibility. As an effective implementation strategy, as identified in Table 2.2, the learning perspective is distinguished from other perspectives by three characteristics. This perspective views differences and similarities as dual aspects of the workforce, and seeks multiple objectives from diversity which include efficiency, innovation, employee development and social responsibility. These views are supported by Hutchings and De Cieri (2007), who further state that this perspective’s purpose is to learn from employees and new customer groups and manage important similarities and differences in the interests of long-term learning. Therefore, the strategic response of the integration-and-learning perspective is proactive. Finally, the integration-and-learning perspective encourages measures which go beyond legal compliance, and its motivations cover access to employees and new customers to learn from the different perspectives of employees. This perspective
further focuses on the differences and similarities of its employees, and their management in the interests of long-term learning. The integration-and-learning perspective is also associated with strategic initiatives, and organisations that utilise this approach are usually the first to adopt diversity policies (Dass & Parker 1999). This implementation strategy is beneficial to organisations because it: accommodates differences and similarities; seeks efficiency, satisfaction and innovation; encourages legal compliance and provides access to customers and employees.

Ely and Thomas (2001) also conclude that all three perspectives on diversity have been successful in motivating managers to have a diverse workforce, but only the integration-and-learning perspective provided the rationale and guidance needed to achieve sustained benefits from diversity. Organisations with this perspective allow people with various backgrounds to work together and perform to their best abilities to attain the organisation’s objectives which are based on sound principles (Pless & Maak 2004). In addition, organisations acting with this perspective manage diversity in ways that build certain skills and introduce a policy that brings out the best from each employee (Sadri & Tran 2002). Furthermore, it is claimed that groups approaching diversity from an integration-and-learning perspective manage to use their differences to improve their work and outcomes (Polzer, Milton & Swann 2002).

With respect to diverse workforces, Armstrong (2011) argues that organisations have different motives for increasing diversity in their own ways in order to create and manage a diverse workforce. They are motivated by various objectives to diversify their images. Ely and Thomas (2001) suggest that organisations implementing these different perspectives experience different types of diversity-related challenges. Under the discrimination-and-fairness perspective, organisations tend to attract a diverse workforce, but are unable to provide the quality experiences needed to retain employees. However, Sadri and Tran (2002) claim that the discrimination-and-fairness perspective affects hiring and promotion decisions, provides benefits to specific groups, and assumes that employees joining the organisation will accept the prevailing policy. In contrast, the access-and-legitimacy organisation creates a two-tiered system whereby the tier that reflects the dominant culture is better treated and attains a higher status than the one that reflects the non-dominant culture (Kulik & Roberson 2008). The learning-and-effectiveness organisation experiences conflict due
to the different ideas coming from members of different identity groups. Moreover, employees are still regarded as a great asset in the organisation, and this point is further clarified by the statement that the access-and-legitimacy perspective takes into consideration the organisation’s human capital and its goal to attract certain markets. From this perspective, an organisation defines diversity in terms of differences and celebrates those differences (Dass & Parker 1999).

An organisation implementing these perspectives realises that the challenges are unavoidable, and that diversity challenges the members in the use of their own cross-cultural knowledge, as well as the cross-cultural knowledge of others to maximise the chances of working together successfully (Kulik & Roberson 2008). Conflicts and different ideas, therefore, emerge from members of diverse groups. Organisations realise that such challenges are unavoidable and this serves to frame diversity as a challenge that motivates members of the workforce to work together effectively. Hence, the relevance of the learning-and-effectiveness perspective is important to this study as it gives rise to diversity-related challenges that are closely examined in this research. In addition, the different perspectives on workforce diversity closely relate to the topic being investigated, as each perspective raises different issues covered in this study such as the benefits of diversity, the recognition of employees’ different backgrounds and organisational policies and legal compliance. As a result, the relevant literature gives rise to the following question:

*RQ4: Does workforce diversity create problems for management and employees?*

### 2.4.2 Behavioural Differences arising from Cultural Diversity

In order to understand what issues may arise from cultural diversity, it is important to understand cultural differences in practice. Hofstede and Hofstede (2005) and Trompenaars (1995) both studied cultural difference in action. This was further explored by the studies of the Global Leadership and Organisational Behavior Effectiveness (GLOBE) Project, a 62-nation, 11-year study involving 170 researchers worldwide. These studies offer insight as to the differences in the behaviours that may be exhibited or observed between cultures. These differences offer a framework for understanding and analysing actions and behaviours within the workplace. How these differences impact on diversity management in the workplace must also be
considered. It should be noted that this particular issue was not covered in the study by Hofstede and Hofstede (2005), which can be regarded as a significant omission of an important issue.

One of the core behavioural issues arising from cultural diversity is power distance, a concept coined by Mulder (1977) and further developed by Hofstede and Hofstede (2005). In the workplace, power can be distributed equally or unequally. Some societies have small power distances and some have a large power distances. The experimental social psychologist Mauk Mulder (1977) developed the concept of power distance when researching the emotional distance that separates subordinates from their bosses. Power distance is defined as one of the ‘dimensions’ of national cultures and involves a culture’s response to the question of how to handle people that are unequal (Hofstede & Hofstede 2005). A further definition coined by Hofstede and Hofstede (2005) states that power distance can be defined as the degree to which the less powerful members of organisations accept that power is distributed unequally. In addition, unequal treatment in the workplace can lead an employee to dread their job, and management should stop unfair behaviour and respond seriously to complaints raised by employees and put an end to inequitable treatment of all employees (Deeb & Media 2013). It is apparent that the existence of harmony and equality in the workplace is an impetus for improving work relationships and ensuring fair and equitable treatment of all employees in an organisation.

In relation to leaders in the organisation and what subordinates prefer in the workplace, Hofstede and Hofstede (2005) propose that employees who are frequently too scared to disagree with their autocratic or paternalistic bosses are unlikely to prefer a consultative boss. Instead, many prefer a boss who makes decisions autocratically or paternalistically, whilst some go to the extreme by choosing a boss who governs by majority vote, which means that such a boss does not make the decisions by himself/herself at all (Hofstede & Hofstede 2005). Furthermore, Hofstede and Hofstede (2005) developed the power distance index (PDI) as a measure of the degree of dependence in relationships in different countries. In small power distance countries, subordinates have a limited dependence on their bosses and prefer consultation. However, in larger power distance countries such as China and India, the subordinates have considerable dependence on their bosses, and the
subordinates respond either by preferring or rejecting such dependence, known as counter-dependence. Therefore, Hofstede and Hofstede (2005) conclude that, where the emotional distance between subordinates and their bosses is small, subordinates can approach and contradict their bosses directly. This notion of power distance is to be explored in diverse organisations as it is unclear what happens when the employee group is culturally heterogeneous. It should also be noted that Hofstede’s work on power distance has been subjected to criticism in the pertinent literature. The most popular criticism is related to Hofstede’s assumption that the domestic population is a homogeneous whole, while most nations like Australia consist of ethnic groups (Jones 2007). The second criticism is that nations cannot be regarded as the proper units of analysis as cultures transcend national borders because they are ‘fragmented across group and national lines’ (Jones 2007, p. 5).

The research conducted in this study examines the relationships in Australia where there is a small power distance between bosses and subordinates. According to Hofstede (2015), Australia has a low (36) power distance score owing to the fact that hierarchy is established for convenience in Australian organisations. As a result, managers are accessible and rely on their subordinates for their expertise. This gives rise to a question:

*RQ5: Does power distance impact the ability of managers in diverse organisations?*

Hofstede and Hofstede (2005) detail differences between small and large power distance societies as shown in Table 6.1 in Appendix E. Hofstede, Hofstede and Minkov (2010) further postulate the contrasting of collectivism with individualism, femininity with masculinity, and uncertainty avoidance (from weak to strong). Dimensions of regional, ethnic, and religious cultures relate to differences within countries; ethnic and religious groups transcend political country borders (Hofstede, Hofstede & Minkov 2010).

In the examination of diversity, it is determined that discrimination based on ethnic origin is problematic and tends to delay assimilation. In such situations, regional, ethnic and religious cultures are described as national cultures by applying the same
dimensions which are used to distinguish between national cultures (Hofstede, Hofstede & Minkov 2010). Therefore, since power distance explains the behavioural outcomes which occur as a result of cultural underpinnings, it has a direct impact on the management of diversity in the workplace.

Hofstede and Hofstede (2005) argue that the influx of migrants leads to the creation of the two extremes of the power distance continuum. They further elaborate that the enormity of present migration waves means that many people have left their own countries to settle, with their families, in vastly different cultural environments from the ones in which they were brought up and mentally programmed. Thus, migrants experience differences in power distance as the host countries tend to be more egalitarian than the migrants’ home countries. Australia can be described as a small power distance country in which some members of its diverse workforce come from large power distance countries such as India and China. This implies that, with the influx of migrants from various cultural and ethnic backgrounds, managing diversity in Australia becomes a much more important issue that deserves further consideration by organisations as well as researchers.

In addition to the works of Hofstede and Hofstede (2005) and Trompenaars (1995), the GLOBE Project studies provide rich insights into the relationship between power distance and the strategic management of diversity. Power distance is one of the nine cultural dimensions adopted by GLOBE. GLOBE defines power distance as the readiness of organisations in accepting and approving power differences, authority and status (Javidson et al. 2005). As a small power distance society, Australia has the following characteristics defined by GLOBE: “[i]. Society has a large middle class. [ii] Power linked to corruption and coercion. [iii] Upward social mobility is common. [iv] Resources are available to almost all. [v] Information is widely shared” (Grove 2005, p. 536). In a small power distance society in which some members of its diverse workforce come from large power distance countries, managing diversity becomes a real challenge. In doing so, management should communicate the essential elements of corporate culture to employees, and promote awareness and understanding of diversity in the workplace.
It is further stated that to influence, motivate and inspire people of cultural diversity, management must have awareness and be familiar with cultural differences and the skills to lead people from other cultures (DuBrin, Dalglis& Miller 2006). Asians, for example, do not appreciate being praised in front of another group, although they welcome praise in front of their peers (DuBrin, Dalglis & Miller 2006). It is, therefore, imperative that diversity management should be designed in a way that reflects sensitive cultural differences that exist in organisations.

In building an understanding between power distance and strategic management of diversity in the workplace the concept of corporate culture as developed by Tromprenaars (1995) plays an important role. In order to comprehend how power distance relationships are managed in organisations, it is necessary to be aware of their corporate cultures. Corporate culture includes values, beliefs and attitudes, including organisations’ visions and human resources and reflecting a broader culture which values transparency, equality and communication (Rouse 2013). Culture is so important in the organisation that Childress (2014) claims that culture is the ‘mot du jour’ in the business world, he believes that some organisations succeed and others fail, depending on whether they have a supportive or toxic culture. In addition, corporate culture is seen by other scholars as being the personality of an organisation, what it is like to work for, including its vision, values, ethics, expectations, goals, work environment (Doyle 2014). Some organisations have a team-based culture where employees participate at all levels, others have a traditional and formal management style (Doyle 2014). According to Tromprenaars (1995), there are four types of corporate culture: a) the family culture that shows a demarcation of power based on age as a source of superior authority and more experience; b) the Eiffel Tower culture which is in contrast to the family culture, and gives the holder of the role its relevant authority in relation to its level of responsibility irrespective of age or gender; c) the guided missile culture that differs from both the family and the Eiffel Tower cultures as an egalitarian culture where contributions made by employees cannot be identified; and d) the incubator culture, which is both personal and egalitarian, and is based on the concept that organisations are secondary compared to the fulfilment of individuals. The type of corporate culture adopted leads to a different type of management style that determines how management would deal with diversity at the workplace. The notion of power distance and how it impacts relationships in the
workplace must be considered when seeking to understand diversity management. Given that power distance is inculcated nationally, those who migrate or are raised in neoteric environments are likely to retain their notions of power distance. This gives rise to the fifth research question:

**RQ5: Does power distance impact the ability of managers in diverse organisations?**

### 2.5 Strategic Management of Diversity

This section covers the strategic management of diversity in the workplace which is a means to determine goals, roles, objectives and responsibilities as well as the integration of a diverse labour force into the organisation. Strategic management of diversity in action shows how managers use diversity to manage the workforce and reinforce class relations. Strategic diversity management is broadly defined as the planned commitment by organisations to employ, retain and promote a heterogeneous group of employees (Henry & Evans 2007). Stuber (2009) conceptualises diversity management as a principle consisting of four main components: diversity, respect, inclusion and added value. Cox and Blake (1991) define the concept as referring to various management issues and activities pertaining to the hiring and effective utilisation of employees from different cultural backgrounds. Thus, diversity management is a process of managing people’s similarities and differences and of recognising that employees’ differences in the workplace represent a potential strength. At the same time, the existence of diversity amongst groups of people arises from differences in both culture and structure. These differences will impact on perceptions, feelings and attitudes. This adds to the needs and expectations of different management styles for different cultures (DiTomaso 1999). These are identified as language, style, custom, conventions, and normative behaviour, where structure refers to the relationships with other people in terms of class, status, and power (DiTomaso 1999).

As explained in Section 1.6, defining diversity in the workplace is a challenging task as there appears to be no clear or commonly agreed definition of workplace diversity in the literature, for diversity is a concept that means many things to many people with both positive and negative connotations (Querling, Stuart & Butler 2008). The
term simultaneously means many different things in relation to research interests, the workforce and behaviour, some of which are discussed in this subsection. Amadeo (2013) further explains that cultural diversity constitutes the representation of groups and individuals regardless of their racial, ethnic, linguistic, national, religious backgrounds and sexual orientation in a community that consists of culturally diverse members of different groups. Therefore, workplace diversity is a multi-faceted concept that includes people of culturally and linguistically diverse backgrounds, and members of different religions and groups, who have their own languages and ethnicity. Obviously, these are not mutually exclusive categories, as one employee might belong to more than one, or even all these categories, at the same time. In addition, employees could belong to groups with political and personal affiliations, thus adding the diversity of workplace. In Western societies, workplace diversity can be seen as a natural reflection of diverse populations based on ethnicity, language, race, culture, religion, group affiliations and sexual orientation.

According to the relevant literature, the effective management of diversity has different aspects that organisations must implement in the workplace. One of these aspects is training which is a common activity adopted by organisations to enhance awareness of diversity and management (Vickers-Willis, Connelly & Halliwell 2009). To ensure that organisations take full advantage of the positive aspects of cultural diversity, their training programmes should focus on four areas: awareness, attitude, knowledge and skills (Ahmed et al. 2011). Awareness is a skill that requires one to overcome stereotypes and learn about one’s own reactions to people who are different. Attitude enables people to scrutinise their values and beliefs about cultural differences and understand their origins. Knowledge is an essential skill which deals with behaviour and how it relates to fairness and workforce effectiveness. Skills allow organisational leaders and employees to achieve cultural competence and create a new work environment based on understanding, communication and cooperation (Ahmed et al. 2011). As argued by Ahmed et al. (2011), these four areas of skills form an integral part of cultural diversity and equip organisations with a competent understanding of employees’ positive contributions under efficient and capable management. The first three of these four areas also require a certain level of acknowledgement and cooperation by employees, which might be seen as an important obstacle to implement training strategy successfully. Overall, the
application of these four skills in organisations require further scrutiny by researchers, and this study deals with such issues in detail.

However, apart from the mere recruitment, training and promoting of underrepresented groups, Hollwell (2007) adds that the focus of strategic management of diversity should also be on taking full advantage of the employees’ skills and abilities in the organisation, a view which is shared by Singh (2002), who supports developing individuals to perform to the best of their abilities. Similarly, Chinnery and Bothwick (2005) state that diversity management aims at recognising that people are different and supporting their differences to enable them to achieve their best. These issues become especially important in answering one of the research questions of this study: Do organisations utilise diverse employees’ unique skills?

According to De Cieri and Kramar (2007), strategic management of diversity creates an environment that permits all employees to contribute to organisational goals and experience personal growth in the process. Another supporting element is the view that managing diversity recognises that employees’ differences in the workplace are a potential strength which can enhance business results (Kelly & Dobbin 1998). This will be further investigated in Chapter 5.

In addition to such business-related benefits, in a political context, diversity management aims for social justice, and supports equal opportunities as well as long-term sustainable employment (Bleijenbergh, Peters & Poutsma 2010). In addition, Riccucci (2002) argues that managing diversity in the workplace is often linked to equal employment opportunity initiatives and affirmative action. She holds that, while diversity has evolved from these two concepts, it is significantly different as EEO aims to prevent discrimination in the workplace on the basis of such characteristics as race, colour, religion, gender, national origin, ability and age (Riccucci 2002). Affirmative action, by way of contrast, embodies proactive efforts to redress past discrimination and to diversify the workplace in terms of similar factors and characteristics. Riccucci (2002) provides a rather narrow definition of diversity management as a successor to affirmative action or equal opportunities programmes. On the contrary, the broader definition provided by Bleijenbergh, Peters and Poutsma (2010) sees it as a more inclusive approach attracting new employees and involving a
wider understanding of people’s differences, encompassing sexual orientation, skills and experience. As discussed above, diversity further encompasses several aspects of differences in the workforce such as gender, ethnicity and culture which need to be taken into consideration in examining strategic management of diversity in the workplace. According to Kramar et al. (2011), there is a difference between managing diversity and EEO. Whilst EEO requires the elimination of discrimination from the workplace, managing diversity goes beyond this process of management by recognising the differences between people as a source of strength and competition. Stone further elaborates that managing diversity supersedes EEO by addressing the “need to align organisational objectives with those of individual employees” (Stone 2014, p. 712). It should also be noted that diversity management as a concept has been subjected to a heated discussion being called from “just another HR fad” to “just another name for EEO” (Nankervis et al. 2011, p. 193). Table 2-3 provides detailed information on the differences between the principles of equal opportunity and diversity management.

Table 2-3 Differences between principles of equal opportunity and diversity management

<table>
<thead>
<tr>
<th>Equal Opportunity</th>
<th>Diversity Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliance on legal regulation and bureaucratic procedures to eliminate discrimination</td>
<td>Systematic, cultural transformation of the organisation to promote the value of workforce diversity</td>
</tr>
<tr>
<td>Highlights discrimination and the penalties that organisations face under the law</td>
<td>Used positive imagery and celebratory rhetoric</td>
</tr>
<tr>
<td>Efforts justified by reference to legal compulsion and the social justice case</td>
<td>Efforts justified by reference to the business case</td>
</tr>
<tr>
<td>Social group-based differences are the focus – e.g. gender, race/ethnicity, disability etc.</td>
<td>Individual differences are emphasised including lifestyle, appearance, work style etc.</td>
</tr>
</tbody>
</table>

Source: (Greene & Kirton 2009, p. 33)

It appears that globalism and diversity go beyond the tolerance of cultural differences and this is considered to be an ethical and political issue by organisations, not only in theory, but also in practice (Wong 2010). Therefore, the way to manage the workforce depends on many factors including the degree to which an organisation is prepared to accept culturally diverse employees’ social identities (Stewart & Coonan 2010). What now becomes apparent is that managing diversity is underpinned by an acceptance that the workforce consists of a diverse population and that diversity includes visible and non-visible differences such as “sex, age, background, race, disability, personality and work style” (Kandola & Fullerton 1998, p. 8). Such differences create a productive environment where employees feel valued, their talents are fully utilised
and organisational goals are being met (Kandola & Fullerton 1998). As stated by Cox and Blake (1991), ensuring diversity requires hiring minorities and foreign nationals due to the workforce demographic trends described in Section 2.4.

In addition to demographic differences, cultural differences are also quite important in managing diversity in the workplace. With respect to cultural differences, Querling, Stuart and Butler (2008) stress that Western society is not divided by differences, but rather by an inability to respect and learn from these differences. Being exposed to diversity can bring people together. Querling, Stuart and Butler (2008) further suggest that diversity can create fear if we focus on our differences and ignore our similarities. Fear is further increased by our inability to communicate effectively with other people who tend to disagree with us about certain issues (Querling, Stuart & Butler 2008). Thus, the fear of the unknown could potentially damage the strategic management of diversity in the workplace (Saxonhouse 2001). Given the seriousness and potential impact of fear on diversity, other people’s cultures must be understood and the barriers of difference should be overcome. It seems that one of the central issues that need to be studied is the impact of fear and how it becomes a challenge to management.

Prasad and Mills (1997) stated around two decades ago that managing diversity is under-researched and under-theorised in the management literature. Despite the increasing number of studies in the field, the gap in the literature still seems to exist. This study attempts to address the question of how leaders are beginning to realise the organisational benefits and competitive advantages of diversity management by discussing the benefits and challenges of strategic management of diversity.

### 2.5.1 Benefits of Strategic Management of Diversity

The relevant literature provides a rich insight into the benefits of diversity management. DiTomaso (1999) argues that diversity creates positive results for organisations when differences among people provide more qualified workers, creative problem solving, productive human resources, and a better understanding of markets and competitors. Business leaders are beginning to realise the organisational benefits, the potential competitive advantage, and the importance of different views leading to better organisational performance, better decision-making, higher creativity
and greater innovation (Allen et al. 2004). Romanenko (2012) argues that diversity management has become a positive tool in organisations which can solve and prevent group dynamics problems in business organisations.

According to White (1999), some common themes support diversity in the workplace. The first theme is that multicultural organisations attract and retain the best human resources from diverse cultural backgrounds and thus gain competitive advantage. Similarly, it is claimed by several authors (Carrell, Elbert & Hatfield 2000; Hollwell 2007; Silk et al. 2000) that organisations that successfully manage diversity tend to attract the best personnel, bringing benefits and improvements. This aspect of diversity management constitutes one of the core issues analysed in this study. Another theme indicates that a multicultural organisation is able to understand and penetrate more widely and reach improved markets, employ diverse workforces internally and serve diverse external clients (Adler 1991). This aspect is also equally important as the case organisations of this study provide services to diverse sets of clients. In line with White (1999), Kandola and Fullerton (1998) also explain that managing diversity offers great benefits to organisations by enabling them to make better use of their employees. This may even include developing a good understanding of the “political, social, legal, economic and cultural environments of foreign countries” (White 1999, p. 477). The third theme states that a multicultural organisation displays higher creativity and innovation and that the talents of gender- and ethnically-diverse organisations are invaluable (Adler 1991). The fourth theme argues that a multicultural organisation has a better ability of problem-solving and tends to exhibit multiple meanings, perspectives and interpretations (Adler 1991). The fifth theme claims that a multicultural organisation is more adaptable to change and more flexible (White 1999). These themes provide the basis for useful steps to support workplace diversity in order to build stronger and more competitive organisations. However the effectiveness of the ways in which such aspects have been acknowledged and internalised in management activities of Australian organisations is an open question that this study attempts to address.

As discussed in Section 2.5.1 in relation to experience gained prior to employment, a diverse workforce brings advantages to the organisation such as language skills, communication styles, country knowledge and life experience (Cope & Kalantzis
1997). Therefore, organisations should be aware of the importance of employees and their communication skills by encouraging them to be part of a decision-making team and using their communications skills to improve productivity. Kuga (1996) argues that diverse work groups can be a source of new ideas and opportunities, a means of growth for individuals and a new challenge for people who lead and manage diversity. In addition, enhancing communication skills and productivity can increase a team’s effectiveness. Furthermore, Kuga (1996) adds that the communication process may be influenced by cultural and religious background, age, gender, and first language, which also constitute the core issues examined in this study. Therefore, creating an organisational environment where management turns diversity from a challenge into a source of productivity and communication is a critically important task, which can only be achieved through the successful strategic management of diversity.

Another benefit of productive diversity to organisations is that it enhances the public image of the organisation, promotes innovation and creativity and establishes better relationships between management and employees (Silk et al. 2000). However, in order to make this an essential element of the strategic management of diversity, organisations must value and pursue diversity effectively in the workplace. This will lead to attracting and retaining employees and encouraging their contributions to better serve their customers, and suppliers and satisfy their shareholders. How this may be done is hypothesised by Gandz (1998), who indicates that there are two processes needed to achieve diversity in organisations: to move from a non-diverse workforce to a diverse workforce, and to manage diversity by realising its benefits at a minimal cost (Gandz 1998). This approach, however, requires an acknowledgement of the costs associated with a diverse workforce and an effective strategy to address them. Gandz’s study does not directly address the question of how these can be achieved.

In addition, language plays an important role in diversity management. Responsible written and verbal communication is imperative to ensure understanding and identification of key cultural differences. Thus, training employees to be aware of these differences is vital (Jamieson & O’Mara 1991). Hence, valuing diversity is no longer only about fairness or imposing moral, ethical or legal rules, but also about valuing diversity and the diverse workforce and managing these well for the
organisation’s advantage (Litvin 2006). These views therefore suggest that diversity management offers mutual benefits to both employers and employees (Stone 2008). It is therefore imperative to study whether organisations are aware of such mutual benefits, and whether they effectively manage their diverse workforces to maximise these benefits.

Further benefits of strategic management of diversity include improved employee relations and securing new sources of talent (Gordon 2007). Similarly, McLauren (2009) argues that an organisation with a good reputation for its workplace diversity has a higher chance of attracting and retaining the best available talent in the market. Strategic management of diversity can also lead to a work environment where conflicts are less likely to arise. McLauren (2009) further claims that strong strategic management of diversity results in effective problem-solving efficiency for organisations as management can utilise the diverse workforce as a pool of multiple solutions and ideas to address problems and challenges.

2.5.2 Challenges for the Organisation

While the benefits are clear, diversity is not without its challenges. Just as the opponents to diversity have been vocal, the challenges must also be considered to provide a balanced perspective. The literature on management of diversity in the workplace provides extensive insights on the benefits and challenges associated with the management of diverse workforce. According to Bhadury, Mighty and Damar (2000), the impact of diversity management on organisations does not depend on diversity itself but on the type of diversity climate that exists in organisations. Hence organisations that have well-designed diversity management strategies can effectively manage the challenges derived from the diversity climate in which they operate. These approaches can also turn diversity into a strategic tool to increase the effectiveness of organisations.

Jamieson and O’Mara (1991) observe that, in the early 20th century, white males dominated the workforce in the United States. In Australia, workforce was similarly male-dominated during this period as shown by the 1911 labour participation rates published by the ABS (Australian Bureau of Statistics 2000). The data show that the participation of females into the workforce was below 50% between the ages of 15
and 64, while it was below 20% at the age of 35 and onwards (Australian Bureau of Statistics 2000). However, today not only females but also various cultural groups are now more visible in the labour force in Western societies including Australia, and employees of different cultural backgrounds bring a variety of values, work ethics, and some ethnically and culturally rooted behaviour. It is therefore argued that, in managing the diverse workforce, the challenge for an organisation is to integrate, not assimilate, the rapidly growing number of employees from diverse cultures into the workplace. As Henry and Evans (2007) elaborate, diversity can be an important source of conflicts in organisations. These conflicts are mostly triggered by prejudice and derogatory comments or feelings of superiority. In order to tackle such challenges, organisations should manage diversity for their benefit, otherwise conflicts could prevent the realisation of the full potential of both organisation and employees (Henry & Evans 2007). Jamieson and O’Mara (1991) also propose several organisational strategies such as the rethinking of communication techniques by taking into consideration the employees’ unfamiliarity with the English language or providing rewards that are valued by different cultural groups. These, however, do not present clear-cut solutions to the challenges associated with diverse workforce, as the climates of diverse organisations differ from each other. As a result of this, organisations need to introduce specific solutions tailored to the type of diversity in operation.

The relevant literature indicates that communication-related problems seem to be an important source of challenge for organisations with diverse workforces. Good communication skills are vital if the workplace is to work effectively and avoid misunderstandings. The failure to ensure effective communication between management and employees and amongst employees themselves will lead to feelings of suspicion, lack of confidence and even hostility (Aytemiz Seymen 2006). These feelings present differing challenges to be managed by organisations. It has also been shown that the most common type of conflict in diverse workforces is conflict between employees (Kuusela 2013). The ways in which organisations deal with such conflicts are very much dictated by the types of diversity management they have in place. If these conflicts are seen as being due merely to character differences by ignoring the cultural factors, the underlying cause of the conflict could not be addressed effectively by the management. Here, the skill level of managers plays an
important role as well, given that a manager lacking the required skills may not be able to arrange such a conversation between the employees to resolve a conflict.

Kuga (1996) suggests that successful communication in a workplace can be made more effective through knowledge of people’s backgrounds. Based on their varying perspectives and experiences, employees might have different interpretations of words and phrases and this can be seen as a significant workforce challenge. Diverse work groups have different communication styles, but the challenge is to acknowledge these differences and choose the right approach to avoid the escalation of conflicts. Another challenge identified by Kuga (1996) concerns feedback, which is discouraged in some cultures, especially in the case of a younger person having to communicate feedback to an older person. However, feedback is important, for it is an indication of effective communication and a confirmation that the message sent was received as intended. Therefore, feedback mechanisms implemented in an organisation constitute one of the most important aspects of diversity management. Stuart (2013) recommends points for effective communication such as listening to others to know what they are thinking, and having empathy to help you be open to the opinion of others. Stuart (2013) further recommends being patient with others and ensuring clarity to help them get to the point. A further recommendation is maintaining a positive attitude at work, and being aware that self-improvement is necessary with practice to improve communication skills (Stuart 2013). These recommended points are a challenge to any organisation with a diverse workforce because they require management to introduce implementation and monitoring policies.

Similar to Stuart (2013), Edewor and Aluko (2007), in their article on the challenges and opportunities of diversity management, argue that, in order to manage an effective and harmonious diverse workforce, organisations should introduce specific strategies in the workplace. These strategies include setting a good example to address issues like myths and stereotypes, and communicating in writing to prevent prejudice and discriminatory behaviours. They add further strategies such implementing training programmes, recognising individual differences and actively seeking input from minority groups (Edewor & Aluko 2007). Additional recommended strategies include revamping reward systems, making room for social events, creating a flexible work environment and conducting continuous monitoring (Edewor & Aluko 2007). Each
aspect of the effective management of a diverse workforce presents further challenges for organisations based on various factors such as the willingness to bear the associated costs and continuous commitment to implement these measures consistently.

In relation to diversity in the workplace, a major difference commonly described as the hearable difference is one of the core issues upon which the researcher focuses. Language is a means of communication and enables the worker to know what the boss wants or what other colleagues say. In their empirical study, Zanoni and Janssens (2004) look at an international automotive organisation in Flanders, the Dutch-speaking part of Belgium, which employed Moroccan workers who could not speak Dutch. As a result of the division of tasks, workers were dependent on one another in performing those tasks and this could only be done if they understood each other, or employed someone who could speak their language to work with them, thus creating teamwork. The organisation solved the problem by employing someone who spoke Moroccan to provide the necessary communication (Zanoni & Janssens 2004). In the Australian context, this suggests the need of another language other than English in the workplace to facilitate communication with clients and between employees. The literature further indicates that international language management in transcultural organisations is an indication of successful diversity management, since language is one of the strongest indicators of group identity, and a powerful element of ethnic conflicts (Christiansen & Sezerel 2013).

Riccucci (2002) raises a key point by referring to the ability of senior management to develop programmes and strategies to accommodate and manage diversity in their workplaces. This involves the ability to harness diverse human resources available in order to create a more productive and motivated workforce (Riccucci 2002). Similarly, El Shearif (2013) claims that organisations today face the challenge of accommodating reasonable adjustments, maximising and harnessing the potential of all employees, and recognising and valuing the cultural and linguistic diversity in the workplace. These are all important challenges faced by organisations which employ diverse workforces. Such programmes to address diversity in the workplace should be designed in a way that they makes them sensitive enough to address various factors such as culture, ethnicity, gender and age. For example, Simlin (2006) points out the
negative relationship between age and perceptions of diversity-openness. In order to address this challenge, management needs to conduct training and workshops for older employees about the presence and necessity of diversity in organisations. To assess whether or to what extent organisations can address the challenges discussed in this section; this study will look into how differing values, beliefs and work practices derived from diverse workforce are managed by organisations.

2.5.3 Implementation of Diversity Programmes

Given the benefits of diversity shown through the literature, and notwithstanding the challenges posed, implementing a diversity programme must also be considered. The literature indicates that there is no single uniform method of implementing a successful diversity programme for all companies; diversity efforts vary and must be tailored to suit each organisation’s needs and goals (Morrison, Ruderman & Hughes-James 1993).

In the implementation of diversity programmes, Pitts (2007) explains that pragmatic programmes and policies consisting of strategic management tools used by organisations are essential to achieve job satisfaction and the optimal performance of diverse employees. Pitts et al. (2010) further explain that pragmatic programmes and policies aim at achieving the effective integration of employees from diverse backgrounds as a tool used in both pre- and post-hire processes by introducing opportunities such as flexible working hours and collaborative working arrangements. Such policies constitute a good example of one of the three diversity management programme types, “managing for diversity”, that focuses on “pragmatic management policies for helping employees to succeed at work” (Pitts 2007, p. 1578). The other two types of diversity management programmes are affirmative action focusing mainly on the legalistic side of diversity, and valuing diversity with its emphasis on norms and values in creating an inclusive and tolerant work environment (Pitts 2007).

Both the type and nature of the programmes and policies adopted are obviously open to interpretation by management based on the individual needs and targets.

In terms of maximising and sustaining employee effectiveness, diversity training has been used as an important element in the implementation of diversity programmes. According to Treven and Treven (2007), diversity training refers to a set of
programmes and activities showing the differences between employees and offering strategies and ways for handling them. These claims are supported by Robbins (1998), who claims that through training, participants learn how to value their differences, increase their cross-cultural understanding and overcome stereotypes. The important issue for organisations is then to come up with a diversity training strategy tailored to organisations’ specific needs and targets and to implement the training activities effectively as a supporting tool of an overall diversity management strategy. However, Romanenko (2012) argues that some diversity management initiatives are more effective than others, and the key to success is the implementation itself.

In addition, Romanenko (2012) cautions that there is a gap between what organisations are doing and what they should be doing. This study will attempt to address this gap with the analysis of data collected from the case organisations. The literature indicates that what most organisations are presently doing regarding the management of diversity is mere compliance with government legislation. However, as it will be argued in the following chapters, a more effective implementation of diversity policy would require a self-tailored diversity policy sensitive to the benefits and challenges associated with organisations’ own diverse workforces.

2.6 Strategic Management of Ethnic and Cultural Diversity in Australia

As detailed in Section 2.3, the multicultural nature of the Australian workforce requires sound diversity management. In the Australian context, it is essential to examine how organisations transform their commitment to diversity management into action to find out if a gap exists between what is espoused as diversity management and how it is achieved in practice (Soldan & Nankervis 2014). O’Leary and Sandberg (2012) identify four methods that Australian workplaces are using to manage diversity. These methods include the actions of ‘colour-blind’ managers who believe that diversity involves individuals who differ in knowledge, skills and interests, and manage the workforce by being responsive to people’s differing work styles and interests. This leads to ethnic and gender bias. This is in line with colour-blind approaches to diversity management in which management treats employees equally and fairly regardless of their background to prevent any discriminatory practices.
In addition, it is claimed that ‘melting pot’ managers believe that diversity means people who are different to the ‘norm’ should be managed through the process assimilating them into the organisation’s culture, but this method is unlikely to increase retention (O’Leary & Sandberg 2012). ‘Multicultural’ managers are inclusive of people from all groups, not just because they come from ‘different’ groups, and manage by acknowledging that people’s needs are affected by their group membership (O’Leary & Sandberg 2012). According to DuBrin, Dalglish and Miller (2006), such managers have skills and attitudes that enable them to relate to and motivate people across race, ethnicity, social attitudes and lifestyles. This method attracts and retains employees. Another method is the ‘level playing field’ or ‘equal footings’ managers – those who believe that diversity signifies a need to create ‘substantive equality’ for individuals from all groups. They manage by balancing ‘power’ amongst those groups, and thus attract and retain employees (O’Leary & Sandberg 2012). In other words, for ‘equal footing’ managers, managing diversity leads to substantive equality amongst employees. It seems that ‘equal footing’ is claimed to be the most effective way to manage diversity, and these management styles are critically important for understanding and evaluating the type of diversity management implemented in organisations (O’Leary & Sandberg 2012). It is believed that ‘equal footing’ type managers are the most effective in managing diversity in the Australian context. In this research, these four types of management styles will be under close scrutiny, especially in addressing the first research question of whether multiculturalism in the workplace is evident and, if so, what is the impact on organisational practice?

Kramar (2012) argues that diversity management in Australia must be understood in terms of national contextual factors such as legislation, government policy, local and global economy, multiple identities which include gender, race, social class and family status. Kramar and Holland (2015) further clarify that the international contextual factors and their impact on the national practice is of importance as well. These include the relevant conventions developed by the International Labor Organisation (ILO), which was ratified by Australia, namely Convention 100 ‘Equal Remuneration’ 1951, Convention 111 ‘Discrimination (Employment and Occupation)’ 1958, and Convention 156 ‘Equal Treatment for Men and Women Workers: Workers with Family Responsibilities’ 1981. The ratification of these
conventions led the Australian governments to undertake various actions by enacting legislation, reviewing employment policies for employees in the public sector, and establishing units within government departments to encourage and support employees to implement the spirit of conventions (Kramar & Holland 2015). More specifically, the ratified conventions resulted in passing anti-discrimination legislation in all jurisdictions and AA or EEO legislation in the federal jurisdiction in the 1970s and 1980s (Kramar 2011).

The literature also indicates that the implementation of diversity management strategies enables employers to increase productivity and profitability as well as removing any barriers that would hinder employee effectiveness (Stone 2008). There is also evidence suggesting that diversity is used as a marketing tool as well as organisational brand by organisations as defined as “glossification of diversity” (Gatrell & Swan 2008, p. 58). As Mor Barak (2011) argues, some organisations see business benefit in diversity management by merely including the language of diversity in their public relations materials.

In the context of strategic management of ethnic and cultural diversity, immigration has naturally become an important issue in Australia and, clearly, Australia will continue to depend on immigration to meet skills shortages and provide a revenue basis to support its ageing population. This means that diversity in the workplace will remain as a core characteristic of the Australian labour market. However, not all migrants who arrive in Australia will be skilled, and they may also lack English language skills, and this results in them encountering problems in securing employment (Strachan, French & Burgess 2010). As a result, Australian organisations are now facing an influx of skilled and unskilled immigrants of different cultural backgrounds. Since migrants form part of the diverse workforce in Australia, it is important to investigate the impact of immigration on Australian workplaces and how organisations manage their diverse workforces. Hence, this forms the main core of this research.

As part of the globalisation process of the Australian economy, the multinational corporations (MNC) have had a great impact in Australia and made significant contributions in terms of employment, investment and trade. In addition, diversity
management is regarded as an important practice in MNCs, yet there is a lack of data on the use of diversity management policies, especially in Australia (Kramar 2012). Kramar (2012) suggests that the HR policies of the parent organisation affect its Australian subsidiaries, and that it is likely that diversity management policies will be transferred from the parent organisation to the Australian subsidiary. Diversity management is also formally integrated into corporate social responsibility (CSR) in Australia, especially in the financial sector. The major Australian banks, such as Westpac, ANZ, Commonwealth and NAB, use diversity management as an open system approach as part of their business strategy and CSR agenda. In their discussion paper on diversity, Innovation & Business Skills Australia (2013) argues that diversity management in Australia is being recognised as an important business best practice by senior executives. However, Kramar (2012, p. 256) claims that “diversity management [in the Australian context] is seen in terms of organisational outcomes rather than equity considerations”. In their study on the employee perceptions of diversity management in manufacturing sector, D’Netto et al. (2014) conclude that Australian organisations do not implement effective diversity management policies. This is because there is a general tendency to consider diversity as a legal obligation to be complied with rather than by valuing diversity as a source of benefits to the organisation.

In relation to the adoption of diversity policies, Krautil (2014) explains how some industries are affected by recent economic downturns, and that the adoption in Australian organisations is expected to be slow and only eventuates when small and medium-sized enterprises (SME) begin to grow. Leaders of Australian SMEs need to educate themselves and realise that many large organisations have already adopted values that include diversity at all levels (Krautil 2014). Similarly, Stewart and Coonan (2010) believe that good diversity management goes far beyond implementing appropriate policies and requires proactive, visible, well-informed and thoughtful leaders. They argue that there is some overlap between leadership and management: ‘management’ implies ‘managing others’, and thus maintaining the status quo, whereas ‘leadership’ implies the ability to critically challenge the organisational culture. This issue forms part of this research which investigates the type of management policy currently operating in various organisations. The following section will deal with legislative instruments and organisational practices
that inform and constitute the basis for managing diverse workforces in Australia.

2.6.1 Legislation and Organisational Practices – an Australian Perspective

Australian organisations need to comply with a number of legislative requirements relating to management standards, transparency and accepted best practices. Silk et al. (2000) state that the Australian policy and legislative framework, which concentrate on establishing cultural diversity in the workplace, far exceed employment equity policies and legislation. Figure 2-2 above illustrated the changing identifications of diversity in Australia based on the study of Silk et al. (2000). As shown in Figure 2-3 below, the changes in legislative and policy frameworks on diversity management clearly correspond with the changing identifications of diversity in Australia since the 1940s.

Figure 2-3 Legislative responses to the changing identifications of diversity in Australia

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<tbody>
<tr>
<td><strong>Age of Inequality</strong></td>
<td><strong>Age of Equality</strong></td>
<td><strong>Age of Equity</strong></td>
</tr>
<tr>
<td>No legislation</td>
<td>• The Racial Discrimination Act 1975</td>
<td>• The Age Discrimination Act 2004</td>
</tr>
<tr>
<td></td>
<td>• The Australian Human Rights and Equal Opportunity Commission Act 1986 (amended)</td>
<td>• The Sex Discrimination Act 2004</td>
</tr>
<tr>
<td></td>
<td>• The Affirmative Action Act 1986 (amended)</td>
<td>• The WorkChoices Act 2005 (repealed)</td>
</tr>
<tr>
<td></td>
<td>• The Disability Discrimination Act 1992</td>
<td>• The Fair Work Act 2009</td>
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<td></td>
<td>• The Racial Hatred Act 1995</td>
<td>• The Workplace Gender Equality Act 2012</td>
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<td></td>
<td>• The Public Service Act 1999</td>
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<tr>
<td></td>
<td>• The Equal Opportunity for Women in the Workplace Act 1999 (amended)</td>
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In Australia, diversity has been transformed over many years. Since Federation, the government has shifted from its White Australia policy to an assimilation policy in the 1950s and 1960s and integration policy in the 1960s and 1970s (Stone 2014). While the main issue was dealing with discrimination in the workplace based on the-then
emerging emphasis on multiculturalism in the 1980s, and promoting EEO for women employees in the 1990s, the emphasis changed to corporate responsibility and organisations addressing equity objectives in the new millennia (Burgess, Strachan & French 2010; Stone 2014). As seen in the above figure, the initial legislative step in Australia was related to racial discrimination, which was followed by legislation on human rights in 1986. The AAA 1986 was an important step forward addressing women and their rights in the workplace. However, its limitations were eventually magnified by the Howard government’s regulatory reform in the late 1990s in line with the Coalition agenda of deregulation and enhancing competition amongst organisations and employees (North-Samardzic 2009).

Moreover, the Australian policy and legislative framework calls for recognition of individuals’ contributions, not just as members of a legislatively designated group (Silk et al. 2000). The emphasis on cultural diversity in the current Australian policy and legislative framework rejects the earlier legislative and regulatory framework, which is reviewed in detail below in this section. The earlier system of diversity management in Australia was based on affirmative action and equal employment opportunity policies and legislation with the concepts of quotas and mandated targets. However, the rather limited scope of the earlier legislative and regulatory system does not reduce its importance due to its historical contributions in the emergence of the new paradigm named the age of equity. Even though the contemporary emphasis has shifted from the AA and EEO towards the notion of equity, elements of the earlier legislative and regulatory framework are still incorporated in the contemporary system of diversity management in Australia (Silk et al. 2000).

It should also be noted that, while the legislation focuses on women in the Australian private sector, especially until the enactment of the Workplace Gender Equality Act 2012, in the public sector other groups are also included such as Indigenous Australians, people with a disability, and people from a non-English speaking background (Burgess, French & Strachan 2010). At present, the Australian legislation on workplace diversity and equal opportunity includes The Australian Human Rights Commission Act 1986 (Commonwealth of Australia 1986b), The Age Discrimination Act 2004 (Commonwealth of Australia 2004a), The Sex Discrimination Act 2004 (Commonwealth of Australia 2004b), The Racial Discrimination Act 1975
(Commonwealth of Australia 1999b), *The Racial Hatred Act 1995* (Commonwealth of Australia 1995a), *The Disability Discrimination Act 1992* (Commonwealth of Australia 1992), *The Workplace Gender Equality Act 2012* (Commonwealth of Australia 2012a), and *The Fair Work Act 2009* (Commonwealth of Australia 2009) legislating National Employment Standards as well as the state-based anti-discrimination and occupational health and safety laws. As seen in Table 2-4 below, which provides a summary of major Australian legislations in chronological order, a range of pieces of legislation has been enacted over the last 30 years in Australia. These acts have addressed the disadvantage suffered by some groups in the workplace. However, the emphasis in legislative and policy frameworks has shifted more towards corporate responsibility over the last decade (Strachan, French & Burgess 2010) or in the age of equity in Silk et al.’s (2000) terms. It is therefore important to consider specifically the Australian context that was subject to increasing percentages of workers of culturally and linguistically diverse backgrounds in the Australian workforce between 1974 and 1997 (Erwee & Innes 1998).

Table 2-4 Major Australian legislation

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Racial Discrimination Act 1975</strong></td>
<td>The Act is unlawful for anyone to behave in any way that would involve a distinction, exclusion, restriction or preference based on race, colour or national or ethnic origin; or to offend, insult, humiliate or intimidate another person or a group of people on the basis of race, colour or national or ethnic origin.</td>
</tr>
<tr>
<td><strong>Sex Discrimination Act 1984</strong></td>
<td>The Act was designed to eliminate all forms of discrimination against women; to eliminate discrimination against persons on the grounds of sex, marital status, pregnancy or potential pregnancy; to eliminate discrimination involving dismissal of employees on the ground of family responsibilities; to eliminate discrimination involving sexual harassment in the workplace; and to promote recognition and acceptance within the community of the principle of the equality of men and women.</td>
</tr>
<tr>
<td><strong>Affirmative Action Act 1986</strong></td>
<td>The Act is designed to ensure the appropriate action is taken to eliminate discrimination by the employer against women in relation to employment matters; and that measures are taken by the employer to promote equal opportunity for women in relation to employment matters. (Now the Workplace Gender Equality Act 2012).</td>
</tr>
<tr>
<td><strong>Human Rights and Equal Opportunity Commission Act 1986</strong></td>
<td>The Act requires commission that are committed to working across levels of government and the community to assist in removing systematic and covert discrimination, where it exists, from being established in each state and territory.</td>
</tr>
<tr>
<td><strong>Equal Employment Opportunity (Commonwealth Authorities) Act 1987</strong></td>
<td>The Act requires certain incorporated and unincorporated Commonwealth Government bodies to develop and implement an EEO program that is designed to ensure that appropriate action is taken to eliminate discrimination and to promote equal opportunity for women and persons in designated groups in relation to employment matters.</td>
</tr>
<tr>
<td><strong>Human Rights and Equal Opportunity Act 1991</strong></td>
<td>Extended from the 1986 Act to specifically include religion.</td>
</tr>
<tr>
<td><strong>Disability Discrimination Act 1992</strong></td>
<td>The Act was developed to eliminate, as far as possible, discrimination against persons on the ground of disability in a number of areas including work; to ensure that persons with disabilities have the same rights to equality before the law as the rest of the community; and to promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.</td>
</tr>
<tr>
<td><strong>Age Discrimination Act 2004</strong></td>
<td>An Act developed to eliminate discrimination against people on the ground of age in various areas, including work; to ensure that everyone, regardless of age, has the same rights to equality before the law as the rest of the community; to allow appropriate benefits and other assistance to be given to people of a certain age, particularly younger and older persons, in recognition of their particular circumstances; to promote recognition and acceptance within the community of the principle that people of all ages have the same fundamental rights; and to respond to demographic change by removing barriers to older people participating in society, particularly in the workplace, and to change negative stereotypes about older people.</td>
</tr>
<tr>
<td><strong>Workplace Gender Equality Act 2012</strong></td>
<td>An Act to require certain employers promote equal opportunity for women in employment and to establish the Workplace Gender Equality Agency (formerly the Equal Opportunity for Women in the Workplace Agency).</td>
</tr>
</tbody>
</table>

Source: (Stone 2014, pp. 710-11)

In addressing the changes in the demographics of the Australian workforce, one of the first legislative instruments that the federal government introduced was *the Racial Discrimination Act 1975*. The Act, which is still in force, rules in Article 9 (1) that:

“It is unlawful for a person to do any act involving a distinction, exclusion, restriction or preference based on race, colour, descent or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of any human right or fundamental freedom in the political, economic, social, cultural or any other field of public life”

(Commonwealth of Australia 1999b).

In addition, the Australian Government passed *the Australian Human Rights Commission Act 1986*, which established the Australian Human Rights Commission to make provision in relation to not only human rights but also to equal opportunity in employment. In its Article 31, this Act gives the Commission the power to:

“(a) to examine enactments, and (when requested to do so by the Minister) proposed enactments, for the purpose of ascertaining whether the enactments or proposed enactments... have, or would have, the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation....;

(b) to inquire into any act or practice, including any systemic practice, that may constitute discrimination and...

(c) to promote an understanding and acceptance, and the public
In addition to passing such acts dealing with the different aspects of diversity management, the federal government introduced amendments to the Australian Constitution in 1996 that guaranteed fairness and justice in society and in the workplace. *The Public Service Act 1999*, which sets out the Australian Public Service (APS) employment principles, recognises “the diversity of the Australian community and fosters diversity in the workplace” (Commonwealth of Australia 1999b). In its Article 18, the Act further rules that each federal agency must establish a workplace diversity program to ensure that the APS employment principles are effectively implemented (Commonwealth of Australia 1999b). These workplace diversity programs go beyond the elimination of employment disadvantages and legal compliance by enforcing agencies recognise to value the different skills of all employees (Kramar et al. 2011). The purpose of the Act is to sustain human resource policies such as planning, recruitment, selection, performance and workplace relations (Kramar 2012). These all show that the public sector has so far taken the lead in the development and implementation of diversity management in Australian organisations (Burgess, Strachan & French 2010). In their study on diversity management in the United Kingdom (UK), Greene and Kirton (2009) conclude similarly that the public sector in the UK has had a better record on equality and diversity issues on account of its proximity to equality legislation with the state being both the employer and the legislator. However, Soldan and Nankervis (2014, p. 546) argue that diversity management in the APS still suffers from what they call “a commitment-implementation gap”, which results from the behaviours and actions of line managers responsible for the management and implementation of diversity policies and programs. Their findings indicate that, in the Australian context, great levels of cynicism and mistrust exist in diversity and equality policies due to the superficial commitment to such policies, with some doubts on the interpretation of the espoused values (Soldan & Nankervis 2014).

It should also be noted that the key difference between diversity management and EEO is that the former, which is a result of an executive decision in an organisation, is voluntarist, whilst the latter is a compulsory legislation for organisations with 100 or
more employees imposed externally by law. This is not unique to Australia, as Greene and Kirton explain that the voluntary approach to diversity management is applied in the UK and US as well (Greene & Kirton 2009). Kramar and Holland (2015) further illustrate that diversity management agenda does not deal with the issues of discrimination or equity given that the US, UK and Australia and other countries have passed legislation to promote equitable labour market and organisational results for particular specified groups. In the Australian context, the extent to which private sector organisations have implemented diversity management in the workplace is not evident. This can be explained by the lack of legislation to enforce such policies in the private sector (Kramar 2012). Hence, the relevance of a lack of legislation to this study which focuses on private sector organisations. The literature indicates that in the absence of compulsory policies, organisations tend to make their own judgements in relation to equity for employees and profits for business (Strachan, Burgess & Henderson 2007). It seems that organisations are more certain about what to do when polices are clearly stated in legislation, and if not, their approach to diversity seems to be based on the individual organisation’s ethics and values (Strachan, Burgess & Henderson 2007).

As discussed in Section 2.4 above, the changes of workplace demographics owing to globalisation and the increasing levels of migration in migrant-receiving countries such as Australia and the United States have led to the need for legislation dealing with equity and equality in diverse workforces. In the United States in the 1980s, affirmative action was built on the premise that no person’s competence and character would ever be overlooked or undervalued on account of race, sex, ethnicity or physical disability (Thomas 2002). Nonetheless, Thomas (2002) argues that affirmative action in the United States tended to focus unnaturally on one group and has been perceived to be the subject of abuse, and that it is an unworkable solution to managing difference primarily owing to the quota system that it introduced, despite the great improvements that it has brought about. In the Australian context, affirmative action was practised differently. While the US legislation contained employment quotas for minority groups and women, the Australian system legislated by the Affirmative Action Act (AAA) 1986 (Commonwealth of Australia 1986a) never included such measures as all employment decisions were merit-based (Strachan, French & Burgess 2010). Again, in contrast to the US, the Affirmative Action Act
In 1986 in Australia was a special piece of federal legislation independent of anti-discrimination laws that led to “changes in gender equality in the workforce, albeit slowly” (Braithwaite & Bush 1998, p. 116). The AAA was first replaced by the *Equal Opportunity for Women in the Workplace Act (EOWWA) 1999*, which required employers to develop equal opportunity for women in the workplace programs and established the Equal Opportunity for Women in the Workplace Agency (Commonwealth of Australia 1999a). The EOWWA promotes the concept that the employment for women should be based on merit and calls for workplace consultation between employers and employees on any issues related to equal opportunity for women in employment. Kramar et al. (2011) emphasise that this act is narrow because it applies only to employers with 100 or more employees, and its coverage includes managerial and non-managerial employees who happen to be woman rather than those who are not employed. Thus, the EOWWA failed to achieve equal employment opportunities for women and was less effective than the AAA, which eventually led to “devolution of Australia’s EEO regulatory framework”, as described by North-Samardzic (2009, p. 59).

A few years after the passing of the 1999 legislation, there was an attempt to remove the phrase “Equal Opportunity” from the title of the Human Rights and Equal Opportunity Commission in 2003. The bill lapsed, and the name was changed to the Australian Human Rights Commission in 2008. The term “Equal Opportunity” started to disappear from workplaces in the 1990s, whilst the concept of diversity or “managing diversity” has started to replace “equality” and EEO (Thornton 2015). It is argued that one of the core reasons of the shift from equal opportunities to diversity is that the former is ineffective because it is divisive and old-fashioned (Gatrell & Swan 2008). While this shift was taking place in the Australian context, the political discourse of the time emphasised the view that gender discrimination no longer existed as equality has been achieved, which prompted the then Prime Minister, John Howard, to claim that we now live in a “post-feminist” age (Thornton 2015).

The pro-active equal opportunity for women in the workplace legislation of 1999 was short-lived, repealed and replaced with the *Workplace Gender Equality Act (WGEA) 2012*, which encompasses productivity and competitiveness as objects of the Act. The WGEA has benefits for employees, employers and the workforce. While the Act
enables employees to view data on their employers’ performance rather than policy statements or effective reporting, employers get the benefit of a private assessment in relation to their position in the industry, and to assess whether their efforts about gender equality are effective in the workplace (Gaze 2014). This Act dispenses with the word “women” in favour of gender neutrality, which had been an issue that attracted criticism from feminist point of view (Summers 2003). It should also be noted that many feminist scholars indeed support the idea of allowing men to access information about flexible hours, sharing domestic work and caring responsibilities and that such a move can help and support the woman’s rights movement (Remedios 2011; Smith & Riley 2004). Such gender-neutral policy developments are useful or even necessary if organisational culture moves away from the masculinist model of work that dominates most workplaces in Australia (Baird, Williamson & Heron 2012). The emergence of gender-neutral policy developments seem to be an emerging research area that goes beyond the scope of this thesis, yet needs to be examined in future studies. Another linguistic shift in the WGEA 2012 placed work and family at the centre as “choice”, “flexibility” and “work/life balance” have replaced the emphasis on equal access, benefits and treatments in the EEO. This linguistic shift pleased not only the neoconservative morality and neoliberalists, but also more conservative side of politics (Thornton 2015).

According to the critics, the biggest downfall of the system established by the WGEA 2012 is that organisations are not required to meet the new standards to comply with the Act, but rather improve their own performance (Charlesworth & Macdonald 2015). Failing to show improvement is construed as non-compliance with the Act, unless organisations have a legitimate reason. Organisations are given a period of two years to improve, which means that no organisation can be considered to be non-compliant on this basis until 2017. The critics further claim that the WGEA 2012 suffers from one of the most notable deficiencies of the AAA and EOWWA, which was the weakness in dealing with non-compliance (Cardillo 2013; Charlesworth & Macdonald 2015). It can, therefore, be argued that the WGEA does not offer much improvement in this regard, as it seems to retain the same ‘naming and shaming’ approach of the past acts. With regard to the legislative changes in Australia since 1986, Thornton (2015) concludes that gender-related legislation from the AAA to WGEA has all been attacked, notwithstanding that the AAA was the one lacked
substance and deferential towards employers. Charlesworth and Macdonald (2015) further point out that the current Australian legal and policy frameworks and strategies in the workplace are not effective and fail to recognise gender disadvantages experienced by different groups of women including low-paid migrant and Indigenous women.

This is an indication that legislation is necessary to incorporate specific employment measures and ensure equity and fairness to all employees regardless of gender and background. Nevertheless, apart from the federal and state legislation covering workplace diversity and equal opportunity in Australia which are described in Section 2.6.1, the literature review shows that there is no legislation that actually promotes diversity. As Syed and Kramar (2010, p. 100) clearly illustrate, “the focus of... [EEO] legislation in Australia has been on one designated group only, i.e. women [as, there] is no specific EEO legislation for culturally diverse workers or migrant workers”. As discussed in Chapters 4 and 5, this study suggests that there is a need for best practice in relation to diversity management beyond EEO and EOWA in Australia.

As for equal opportunity, Teicher and Spearit (1996) establish that, following the development of equal opportunity legislation in Australia, diversity management has been described as the ‘second generation’ of equal employment opportunity initiatives after the anti-discrimination and affirmative action legislation passed during the 1970s and 1980s. Moreover, it is claimed in the 1995 Commonwealth Report by the Industry Task Force on Leadership and Management Skills that Australian managers show awareness of diversity issues, but they do not make the management of a diverse workforce a priority (Commonwealth of Australia 1995b). This finding is confirmed by a more recent study by Skalsky and McCarthy (2009), which states that many organisations surveyed do not seem to be getting the commercial benefits from diversity management found in previous research. As stated by Skalsky and McCarthy (2009), such studies indicate that diversity training yields a return on investment of more than 150% on the reduced turnover costs of staff through increased retention. Hence, the importance of providing adequate training to employees in the workplace is clear and is closely analysed in this research.
Assaf (2008) highlights the importance of cultural diversity in the workplace and its impact on the way of life in Australia by stating that the more we develop our communication skills in our cultural diversity, the more we gain access to global opportunities. Despite this positive outlook, Assaf’s claims do not provide much insight into whether organisations can effectively manage their diverse workforces in Australia. This further supports the need to look into Research Question 2: Do organisations utilise diverse employees’ unique skills?

More recently, the Diversity Council Australia (2012) stated that effective management of diversity in the workplace is linked to the improvement of performance, effectiveness and profitability in an organisation. The Council further outlines the following diversity-related issues in Australia by stating that studies in Australia and overseas have revealed that organisations where more women are appointed as members of the board produce better financial performances (Diversity Council Australia 2012). The study also refers to a survey conducted by Australian employers that shows that the implementation of best practice in organisations resulted in major benefits from work-life initiatives (Diversity Council Australia 2012). In its 2010 report, the Australian Defence Organisation draws similar conclusions by referring to better leadership and management, including stronger decision-making and problem-solving, greater innovation and capacity, and reduced disputation and litigation (Silk et al. 2000).

These findings indicate a positive link between sound diversity management and performance, effectiveness and profitability in Australian settings. These results make the issue of effectiveness of diversity management a key factor in this study. While leaders in the management of diversity indicate that effective diversity management produces major business profits, failure to introduce effective diversity management leads to expensive discrimination complaints and law suits (Diversity Council Australia 2012). Australian statistics demonstrate that many organisations continue to struggle to manage diversity effectively owing to some issues in the workplace. These issues include the participation of people with a disability and Indigenous Australians in the workplace, the existence of discrimination and harassment and the difficulties in achieving a satisfactory work-life balance (Diversity Council Australia 2012). Therefore, it is essential for organisations to include in the workforce Indigenous
Australians and people with a disability, overcome discrimination and enable employees to establish a manageable work-life balance.

This study investigates the challenges faced by organisations in Australia and how they are managed. In doing so, a particular emphasis is placed on whether the Australian legislative framework provides effective means and measures to deal with such challenges, or whether organisations should design and implement additional voluntary diversity programmes to address them. Furthermore, the literature indicates that many organisations do not develop equity programmes and merely operate on the basis of legislative compliance (Strachan, French & Burgess 2010). This leads to the apparent need for introducing a best-practice approach in relation to diversity management in Australia, which is designed to enable organisations to acknowledge and benefit from the different attributes and skills brought by employees from different backgrounds.

The literature further reveals that different corporations have responded differently at various stages of the diversity phenomenon. In corporate Australia, diversity has been driven largely by legislation and corporate policy. For example, the decision to develop a cultural diversity strategy at IBM in Australia has been driven by corporate values, respect for the individual and legal requirements (De Cieri 2008). These three essential factors may prove to be elements worth considering by other organisations in the implementation of diversity policies. Managers need to consider aspects of social capital when an organisation is implementing equity and diversity initiatives in order to assist migrant employees and minimise tensions arising between diverse groups in the workplace (Taksa & Groutsis 2012). An organisation can either take a proactive approach and save considerable time and money in the short and long run, or take a reactive approach after it has lost time and money (Schultz 2011).

However, DiSilvestro (2013) emphasises the point that many organisations either do not realise the difference between reactive and proactive strategies or are not implementing either method. It is argued that, if an organisation has to be proactive or reactive, a proactive approach is more beneficial, even though there are some problems that require management to react, make a decision and thus become reactive (DiSilvestro 2013). In addition, some organisations seem to adopt a reactive approach
by acknowledging and responding to a past event and this adaptive method could cause problems especially when dealing with problems as they occur, rather than avoiding conflicts which are likely to occur in the future (DiSilvestro 2013). In line with the literature, it is believed that a proactive approach would be more effective to implement, however whether organisations take one or another approach in designing their diversity management activities is an open question. Thus, this study investigates whether organisations tend to adopt a reactive or proactive strategy for managing their diverse workforce. It does so by addressing the following research questions:

RQ1: Is multiculturalism in the workplace evident and if so, what is its impact on organisational practice?
RQ2: Do organisations utilise diverse employees’ multicultural skills?
RQ3: Are workplaces promoting diversity rather than assimilation?
RQ4: Does workforce diversity create problems for management and employees?
RQ5: Does power distance impact the ability of managers in diverse organisations?

2.7 Summary

This chapter has reviewed the literature and shown how the social structure of Australian society has changed. It commenced with a discussion on assimilation, integration and progressed to consider multiculturalism which was introduced in the 1970s. Australia became known as a multicultural society with various challenges and benefits which resulted in changes that affected the immigration policy of Australia. Globalisation and its impact on migration of people from various cultural backgrounds were discussed. The review then considered workplace issues such as behavioural diversity resulting from having employees of different cultural backgrounds in the workplace. Additional issues include business and global diversity involving the expansion of businesses and the diversification of products and services. The chapter further highlighted the demographic differences between members of a work group. In addition, the research has covered power distance and the dimensions of national cultures. It also discusses the collectivism of large power distance countries and the individualism of small power distance countries. The impacts of cultural differences on group performance and organisational effectiveness are shown in this study.
The preceding literature review has revealed several key findings which indicate that an organisation’s culture in the workplace enables employees to contribute fully. Lack of recognition of qualifications and skills gained overseas forced immigrants to do unskilled work. The presence of such barriers in organisations prevent a more balanced workplace and the removal of such barriers that hinder progress would ensure full utilisation of people with different backgrounds and experiences. Some organisations actively consider talents, knowledge and skills to be their primary resources, and migrants seem to be attracted to countries that offer better opportunities and which recognise their skills, qualifications and prior learning. Thus, Australia can benefit from diverse workplaces and human resources if it encourages cultural diversity in the workplace.

Managing diversity involves managing people’s similarities and differences and recognising that employees’ differences in the workplace represent a potential strength. This awareness can help management convert problems into opportunities, and conflicts into harmony to better manage the diverse workforce and create peace and harmony. Hence, the managements of some organisations believe that employees are just like customers or clients and they must be managed as such once they are hired.

What has emerged from the literature is that there should be recognition of a new shift in management style from treating all employees the same to managing people as individuals in the workplace, although some believe that differential treatment causes resentment. Some organisations realise that a diverse workplace is necessary to attain success. This is due to the variety of resources, talents and experience that can be offered and the realisation by some organisations that managing diversity is an integral part of managing people.

Thus, the literature review has highlighted the critical importance of workplace diversity and the need for further research into the role of management in the implementation of corporate strategies for managing diversity. There is a shortage of publications and research in this area, and the gaps mainly centre on the link between strategy and implementation at the managerial level. In order to address these gaps,
this study deals predominantly with diversity management in practice by addressing the research questions provided in this chapter.

Australia has always had a broadly diverse population. On account of several waves of immigration that have taken place since 1788, the largest, being post-World War Two, Australia has developed into a multicultural society. However, problems are experienced in the workplace by immigrants from culturally and linguistically diverse backgrounds where language is work-related and essential for communication. The influx of migration has increased migrant participation in the workforce, hence the importance of diversity management in Australia. The research supports the view that, in contemporary Australia, diversity is observed through the introduction of legislation and this is underpinned by two interrelated elements. The first element is the opening of borders to encompass fast flows of goods, services, finance, people and ideas. The second element covers the changes in institutional and policy regimes at the international and national levels. Owing to this process, globalisation is incorporated in this literature review as a result of its connection to culture, migration, finance, immigration and borders. In addition, the relevant literature includes research on the relationship between globalisation and diversity and how to manage cultural diversity in multicultural Australia.

Another segment of research in the literature deals with workplace diversity in general by looking at methods and practices including government and organisational policies, management of diversity as well as the benefits and challenges associated with a diverse workforce. The relevant research mainly deals with government regulations concerning employment and working conditions including EEO and AA initiatives. These measures were introduced in order to provide fairness and equity to all employees without fear of discrimination based on cultural and ethnic differences. However, the literature also reveals that most of the studies conducted deal with the question of what should be done to manage a diverse workforce rather than what is occurring. Thus, this thesis seeks to explore current practices and answer the question of what is occurring in organisations as well as what is missing.

As discussed in this literature review, there are multiple views of what diversity is and how it should be managed. This thesis is particularly interested in the strategic
management of ethnic and cultural diversity in the workplace, not directly with diversity associated with gender or sexual preferences. However, the researcher provided a brief review of the literature on gender diversity as it could often be linked to cultural diversity, based on the way in which gender roles are defined in various cultures.

As reviewed in Section 2.4.1 and summarised in Table 2.3, there are many approaches to the management of diversity. This is because different cultures need and expect different management styles, as shown in the literature review, and that needs to be taken into account by management. The needs and expectations of different management styles constitute a set of challenges to be dealt with by organisations in managing their diverse workforces. However, cultural diversity in the workplace also brings substantial benefits to organisations, the greatest of which is employees and their diversity. Although the challenges and benefits of a diverse workforce are apparent and well-researched, it is believed that the indeterminate issue that requires close examination is what is actually happening in practice, particularly where the employees and customer bases are multiculturally diverse. Having outlined the research questions, the next chapter now focuses on the methodological concerns of how to explore diversity policies in Australia.
3 METHODOLOGY

3.1 Introduction

The previous chapter reviewed the literature and identified the gaps which led to the research questions. This chapter describes the methodology and framework of analysis chosen for the research. In doing so, this chapter outlines the ontology and epistemology in Section 3.2. Ontology and epistemology together represent the researcher’s foundation to investigate reality. Section 3.3 presents the research design and strategy including the research paradigm. Section 3.4 details the research methods available, identifies qualitative methodology as the most appropriate for this enquiry and Section 3.5 explains the different approaches used by qualitative and quantitative researchers, and in mixed methods research. Section 3.6 outlines the methods employed, which include open-ended questions across case studies via purposive sampling. The data collection procedures include conducting face-to-face interviews followed by data analysis, ensuring trustworthiness and reliability, illustrating ethical considerations, detailing the limitations. The data collection from the case studies, which comprised 22 interviews, are described in Section 3.7 which also provides a series of justifications of the choice of the four organisations included in the analysis. Section 3.8 summarises the chapter.

3.2 Ontology and Epistemology

Before moving to qualitative data analysis, the ontology and epistemology must be situated. Liamputtong and Ezzy (2005) present a twofold analysis of ontology which is the study of ‘being’ or the basic nature of things. While positivist ontology states that the world is objective and uninfluenced by the observer, a postmodernist ontology understands the world is ever-changing and shaped at its core by the observer. Postmodernism rejects modernism, which refers to basic assumptions, beliefs and values that occurred in the Enlightenment era. Modernism relies on logic, rationality and reasoning, which are all questioned by postmodernists (Neuman 2006).

As a result, it is postmodernity that informs this thesis because, in postmodernism, the participants’ voices are heard and not generalised or objectified. Rather, it is through the subjective entering of the participants’ world that their voices gain strength and a
place to be heard. Postmodernism rejects modernism, which relies on logic, rationality and reasoning (Neuman 2006).

Richards (2003) claims that ontology is concerned with the ‘real world’ that is independent from our knowledge and the basic assumptions of reality. However, epistemology is the relationship between that reality and the researcher (Healy & Perry 2000). As Lindgreen (2008) confirms, the ontology of diversity in the workplace focuses on the issues concerning whether diversity exists in the workplace, while the epistemology of diversity in the workplace focuses on the methods used to investigate its existence and evidence for its existence.

Epistemology is the study of knowledge of science and justified beliefs and is concerned with questions dealing with the conditions, structure and limits of knowledge. It addresses questions about knowledge, how knowledge is acquired and how we know what we know. It aims to answer questions about understanding the concept of justification, and whether justification is internal or external. Furthermore, it relates to the notions of truth, belief and justification.

Rather than the view of a positivist epistemology, which assumes “knowledge is obtained through objectively gathering facts” (Liamputtong & Ezzy 2005, p. 331), this thesis adopts an interpretivist epistemology which “emphasises the role of subjective understanding in shaping our knowledge” (Liamputtong & Ezzy 2005, p. 331). Ontology and epistemology together represent the researcher’s attempt to formulate a research methodology that is used to investigate reality, and which is now discussed in more detail.

**3.3 The Paradigm of Enquiry**

The realist paradigm is regarded as appropriate for this research because it examines the real world of ethnic diversity in the workplace and how it is strategically managed. This paradigm demonstrates the difference between reality and the perception of reality. Realism claims that there is a ‘real world’ to be discovered although it is imperfectly apprehensible (Healy & Perry 2000).
Realist research deals initially with theory building rather than applying theory to a population, which is the case in post-positivism. Realism researchers claim that before testing a theory on a population, it has to be built, confirmed or disconfirmed (Healy & Perry 2000). This research seeks to study various aspects of the strategic management of ethnic diversity in the workplace through qualitative data analysis.

Of the available paradigms, the realist interpretive descriptive paradigm is regarded as appropriate for this research because it shows the real world of ethnic diversity in the workplace and how it is strategically managed. This paradigm demonstrates the difference between reality and the perception of reality. Although realism, critical theory and constructivism are suitable for conducting qualitative research, the realist paradigm is adopted for this study.

3.3.1 Conceptual Methods

Conceptual models can lead to subjectivity and bias. According to Maxwell (2005), there are two threats to the validity of qualitative conclusions: (a) the selection of data that is in line with the researcher’s existing theory or preconceptions, and (b) the selection of data which ‘stands out’ to the researcher. In dealing with this subjectivity or bias, it is essential for researchers to put their theories, beliefs and perceptual lens aside (Maxwell 2005). The second influence of the researcher is known as reactivity which could have some influence on the setting or individuals being investigated or studied (Maxwell 2005). Being aware of possible influence or bias, or what is generally known as ‘reactivity’ in qualitative studies, the researcher prevented undesirable consequences by avoiding leading questions.

3.4 Research Design

The research design is a map to follow. There are many different research designs that can be employed and the purpose of a study guides the design chosen. The design employed in this thesis is an ex post facto multiple case analysis because such an approach is preferred when examining contemporary events and the relevant behaviours cannot be manipulated. Neuman (2006) defines case study research as an in-depth examination of a large amount of information about a limited number of cases for one period of time or multiple periods of time. The purpose of this study is exploratory (content-driven) rather than confirmatory (hypothesis-driven). Table 3.1
provides the key differences between the two approaches to qualitative data analysis.

Table 3-1 Exploratory versus confirmatory approaches to qualitative data analysis

<table>
<thead>
<tr>
<th>Exploratory (content-driven)</th>
<th>Confirmatory (hypothesis driven)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• For example, asks: “What do x people think about y?”</td>
<td>• For example, hypothesises: “x people think z about y”</td>
</tr>
<tr>
<td>• Specific codes/analytic categories NOT predetermined</td>
<td>• Specific codes/analytic categories predetermined</td>
</tr>
<tr>
<td>• Codes derived from the data</td>
<td>• Codes generated from hypotheses</td>
</tr>
<tr>
<td>• Data usually generated</td>
<td>• Typically uses existing data</td>
</tr>
<tr>
<td>• Most often uses purposive sampling</td>
<td>• Generally employs random sampling</td>
</tr>
<tr>
<td>• More common approach</td>
<td>• Less common approach</td>
</tr>
</tbody>
</table>

Source: Guest, MacQueen and Namey (2011, p. 7)

In this research, the major question to be answered by the case studies was: What do the managers think about the management of diversity in their organisations? Therefore, the strategy for an exploratory approach as explained by Guest, MacQueen and Namey (2011) has been adopted. This involved the researcher reading and rereading the qualitative data collected to identify key words and themes, which would then constitute the structure of analysis. Therefore, the multiple case study conducted in this research constitutes a thematic analysis as well. Braun and Clarke (2006, p. 79) define this particular type of qualitative data analysis as “a method for identifying, analysing, and reporting patterns (themes) within data... [that] minimally organises and describes your data set in (rich) detail”. However, Braun and Clarke (2006) also state that thematic research goes further by interpreting various aspects of the research topic. In this sense, thematic analysis involves the recognition of pattern or patterns within data pattern recognition within data (Fereday & Muir-Cochrane 2006), which then leads to the construction of thematic categories for analysis.

In qualitative research, research design is defined as “a logical plan for getting from here to there” (Yin 2003, p. 20), where the term ‘here’ refers to the set of questions to be answered, while the term ‘there’ indicates the set of conclusions, or answers, relating to the initial questions. So, between here (problem definition) and there (validation of results) there are major steps which include the collection and analysis of data. There is a blueprint for research which includes four steps problems, namely the questions to ask, the relevance of data, the collection of data and the analysis of the findings (Yin 2003). Therefore, the main aim of the design is to ensure that the
evidence addresses the research questions and thus, it deals with a *logical* problem, not a *logistical* problem (Yin 2003).

**Figure 3-1 Procedures undertaken**

<table>
<thead>
<tr>
<th>Problem Definition</th>
<th>Data Collection</th>
<th>Analysis</th>
<th>Validation of Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity in the workplace</td>
<td>Design interview</td>
<td>Qualitative</td>
<td>Compare results across case studies</td>
</tr>
<tr>
<td>Case study</td>
<td>Conduct pilot study</td>
<td>Thematic</td>
<td>Compare against past data/other research</td>
</tr>
<tr>
<td>Conduct interviews</td>
<td>Exploratory</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The researcher presents ex post facto (retrospectively) a picture of types of people in a social setting, and conducts research by exploring the themes which emerged from the words of the participants. By the use of a thematic approach, qualitative data are used to identify themes, with some having sub-themes associated with various aspects of the research questions, and revealing central issues to be addressed and considered. Since the study was confined to the analysis of recorded interviews, a thematic approach yields trustworthy information about the models of diversity implemented.

### 3.4.1 Research Design for Case Selection

Yin (2003) defines research design as the reasoned sequence connecting the empirical data of a research project to its conclusions by revealing why a particular decision or decisions are made, how they are implemented and what the outcomes are. This definition focuses on decisions as the main topic of case studies although other topics have been suggested but have been found to be insufficient to justify the definition (Yin 2003). In qualitative studies, a naturalistic approach is used to comprehend the phenomena in context-specific settings (Golafshani 2003) where the researcher does not try to influence the phenomenon being studied.

Once the case study strategy has been selected by the investigator, the next step is to have a *research design* (Yin 2003). As explained below, this research has been
designed as a multiple case study. The first step the researcher took was to decide the type and number of case studies to be conducted, in line with Yin’s (2003, p. 39) categorisation:

- Type 1 consists of a single-case (holistic) design with a single unit of analysis
- Type 2 consists of a single-case (embedded) design with multiple units of analysis
- Type 3 consists of a multiple-case (holistic) design with a single unit of analysis
- Type 4 consists of a multiple-case (embedded) design with multiple units of analysis.

This study has used multiple-case (embedded) design for various reasons. Multiple-case design follows a replicative logic rather than a sampling logic. Furthermore, Yin (2003) states that multiple-case designs have clear advantages and disadvantages when compared with single-case designs. A **literal application** occurs when the case predicts similar results whilst a **theoretical replication** occurs when the case “predicts contrasting results but for predictable reasons” (Yin 2003, p. 47). Benefits of multiple-case study research include replication of case studies, and generalisation of a common conclusion that can be achieved in different contexts. Single-case designs are vulnerable because it is like putting “all your eggs in one basket” (Yin 2003, p. 53).

This research selected four organisations as case studies in order to answer the questions raised, and thus used a multiple-case (embedded) design with multiple units of analysis. The multiple cases were the four organisations, and the units of analysis were the front-line managers. As explained in detail in Section 3.6.3, the researcher used the responses to the first two open-ended interviews as a pilot study to check for clarity and depth in the questions. The researcher also discussed the findings of the pilot study with his supervisor. The questions were then adjusted for clarity and the remainder of the interviews were completed.

The management of diversity in the workplace is regarded as a significant topic, especially in multicultural Australia where society has become much more diverse in the past four decades. To provide a complete picture of the issue being studied, three organisations of the same type were chosen. However, the fourth organisation selected was a well-known global enterprise benchmarked for its diversity policy. The
benchmark organisation has earned best practice and recognition in diversity management. Hence, instead of using Delphi, the researcher used Organisation A as a base case. The aim of this selection was to compare and contrast the findings from the three cases since the benchmarking is essentially “the search for the best practices among competitors or non-competitors that led to their superior performance” (Robbins et al. 2003, p. 737).

Hence, for the purposes of this study, the researcher used a multiple embedded case study. The embedded approach includes multiple units of analysis, which are the front-line managers who represent various groups within the organisation that could be independent of one another but are combined in the analysis of the case. The embedded case study design is appropriate for thematic analyses where the aim is to identify the features, context and process of the phenomenon being studied. Thus, the embedded case study approach is relevant to this study as explained further in the following section.

3.5 Methodology

There are three major research methodologies to choose from when undertaking a study about a specific topic. They are quantitative research, qualitative research and mixed methods research. It is important to consider the strengths and limitations of the various methodologies in light of the aims of this research in order to determine the most appropriate way forward. A methodology must also consider the researcher’s ontology and epistemology as these will influence the choices made. As explained and discussed further below in this section, this research is a qualitative study using primarily interview data collected through face-to-face qualitative interviews.

This section starts with a brief discussion on the strengths and limitations of quantitative, qualitative and mixed methods research, which then leads to the justification of the selection of qualitative research as the preferred approach in this study. In quantitative research, researchers develop techniques with the aim of producing data in the form of numbers. As Neuman (2006, p. 181) explains, in this type of research, “the researcher moves deductively from abstract ideas, to specific data collection techniques, to precise numerical information produced by the techniques”. Therefore, quantitative research involves numbers and produces
numerical data, known as the *hard data*, in the form of numbers (Yin 2003). Some scholars, such as Levine (1993, p. xii), believe in “quantitative social science”, which he called “real social science”, faced opposition but it “won the battle”. However, it is believed that this is a rather forced argument, as qualitative study enables researchers to obtain ideas and multiple points of view from various participants in a study and place them within the context of a natural setting (Neuman 2006), which cannot be done in quantitative research.

As the primary data collected to answer the research questions are not in the form of numbers or readily transferable into hard data, quantitative research was deemed unsuitable for this study. This is primarily because the researcher is looking for data through face-to-face interviews, documenting events and taking notes and thus, talking to people and obtaining their opinions, feelings and attitudes about the topic being investigated. Thus, a quantitative approach would not have been appropriate in this study, as the data collected were used to explore whether, and to what extent, behaviours/experiences and opinions/values, have an impact on the social phenomena examined. Such data are not easily and reliably quantified.

As quantitative data are not appropriate for this study, a mixed methodology was also inappropriate. Both quantitative and qualitative research approaches are equally important in their respective fields, but some researchers prefer to use one method or the other, depending on what they believe is appropriate to answer certain kinds of questions. Others use both methods simultaneously to answer a research question. As defined by Creswell et al. (2011, p. 4), mixed methods research includes “employing rigorous quantitative research assessing magnitude and frequency of constructs and rigorous qualitative research exploring the meaning and understanding of constructs”. Given that the aim of this research is not to assess magnitude and frequency but to explore the implications of unquantified phenomena such as behaviours, experiences, opinions and values, mixed methods research has not been selected as the preferred method in this study. In other words, the type of information gathered in the interviews is not suitable for conducting quantitative analysis. This also makes it inappropriate to choose mixed methods research as a reliable methodology.
Thus, qualitative research constitutes the preferred method in this study. In this type of research, the data are in the form of soft data; that is, in the form of impressions, involves words, sentences, and yields stories, pictures, symbols or descriptions of feelings and emotions (Neuman 2006). In contrast to quantitative researchers applying reconstructed logic and speaking a language of variables and hypotheses, qualitative researchers apply logic in practice and speak a language of cases and contexts (Neuman 2006). Thus, by applying a qualitative methodology, it is believed that the researcher was able to examine social processes and cases in their social context relevant to the research topic and look at the interpretations or meanings in specific settings as suggested by Denzin and Lincoln (2005). Thus, this type of research fits this study and personal contacts with the participants enabled the researcher to maximise data collection and obtain comments and additional information during the interviews. Furthermore, in a qualitative study, the researcher is interested not only in physical events and behaviours, but also in how the participants’ behaviour is influenced by their understanding (Maxwell 2005), which also constitutes one of the core issues examined in this research. The researcher also looks at how managers dealing with the strategic management of cultural and ethnic diversity are constrained by their own understanding of cultural and ethnic diversity and what implications these understandings have for management practices.

Qualitative research also offers openness and flexibility that allows the researcher to modify the design in response to new discoveries and relationships (Maxwell 2005). For this study, openness is particularly important due to the sensitivity of the research topic. With the help of the pilot study, the rapport that the researcher created with the interviewees encouraged them to speak more openly about work and policy during the interviews.

It is important to provide a justification for the choice of methodology. Qualitative data are ideal for capturing the meanings that people associate with their lives’ events: their “perceptions, assumptions, prejudgments, presuppositions” (Miles & Huberman 1994, p. 10) and for associating these meanings with the social world around them. Therefore, what makes qualitative research appropriate for this study is that it enables the researcher to talk face-to-face with the participants and discover their attitudes and behaviours regarding the organisation’s policy and management practices. This
approach helps to generate ideas and makes it possible to associate the answers provided with the social world surrounding the case organisations. It also allows the researcher to study front-line managers in more depth, and to investigate their managerial experiences as well as their personal opinions and provide comprehensive information with a wide understanding of the entire setting or situation in a given organisation. This is why this study selected a qualitative research method based on soft data, and this is why it seeks answers yielding descriptions of feelings, values, experiences and opinions of the interviewees. Therefore, as the nature of ontology, epistemology and paradigm of enquiry has shown, a qualitative approach is the most appropriate to answer the research questions of this study.

3.6 Method

In qualitative research, methods are “sets of specific techniques for selecting cases, measuring and observing aspects of social life, gathering and refining data, analyzing the data, and reporting on results” (Neuman 2006, p. 2). As elaborated above in Section 3.4.1, a multiple case study approach has been selected as the preferred method in this research. This section provides a brief discussion of this selection and why this particular method has been chosen rather than the other available methods such as cross-sectional, time series, panel and cohort studies. Given the approach outlined in the above section, for investigating diversity in the workplace and how it is enacted, the method must suit both the researcher and the subject.

Cross-sectional studies involve the observation of a collection of participants at one point in time, and therefore they provide a snapshot of the research topic studied (Neuman 2006). As the aim of this study is not to take a snapshot of the strategic management of cultural and ethnic diversity in the workplace at a particular point in time, this method is deemed inappropriate for this research. Longitudinal studies such as time-series research and panel studies are equally inappropriate for this research, as the researcher does not aim at gathering the same data or studying same organisations across time periods. Similarly, cohort study does not provide a viable option for this research, as this study does not seek to trace a common experience of organisations across subsequent time periods (Neuman 2006).
Therefore, to gather the information needed for this research, and to conduct the analysis, a case study approach was chosen. Open-ended in-depth interviews have been conducted to enable the participants’ voices to be heard and analysed. The procedures discussed in the next section have been utilised to explore, confirm, validate and consolidate the preferred method of case study research. Data collection processes include in-depth interviewing as well as company documents, materials and policy analysis. Together, they provide extensive amounts of information to be analysed to answer the research questions. This method enabled the researcher to gather thick descriptions of cross-cultural issues as seen, experienced and expressed by the participants.

### 3.6.1. Detailed Procedures Undertaken

The detailed procedures undertaken in this research consist of five steps: establishing a framework to construct the interview questions, determining what questions to ask, selecting cases, examining the data collected including the review of each case study, and finally undertaking thematic analysis of the data collected (Carson et al. 2001; Yin 1994, 2003). The framework for the case study research has been prepared to include the necessary design steps.

**Figure 3-2 The framework for the case study research**

```
Prior Theory
Constructing Interview Questions
Research Design for Case Selection
Conducting Pilot Study
Selection of Case Studies
Identifying Number of Case Studies
Data Collection Procedures
Conducting Interviews
Field Research
Data Analysis
Thematic Analysis
```

Source: Adopted from Yin (1994), Carson et al. (2001)

### 3.6.2 Step 1: The Construction of Interview Questions

Based on the review of the literature and selection of the case study method, the interview questions were designed to address the gaps in the literature. As concluded
by Trenerry, Franklin and Paradies (2012), recent Australian research has identified
the prevalence of discrimination based on ethnic and cultural differences, yet the
literature on the management of such issues is still shallow. In designing the interview
questions, the researcher chose to use open-ended questions in which the participants
were free to give any answer (Neuman 2006). This particular approach has been
favoured over closed questions. Open-ended questions enable participants to give
detailed and thorough answers, and might lead to the discovery of unanticipated
findings (Neuman 2006). Similar to the methodology applied by Abdulraheem (2014)
in his study on managing workforce diversity, the interview method is designed to
collect direct evidence about similarities and differences in case organisations. In
constructing the open-ended questions, the question format is important because it
affects the respondents’ answers. Three basic approaches are involved in the
collection of qualitative data through open-ended interviews, and each approach has
strengths and weaknesses. The three choices are:

- The informal conversational interview,
- The general interview guide approach, and
- The standardised open-ended interview.


The informal conversational interview is the most open-ended approach to
interviewing. This type of interview is part of ongoing participant observation and no
predetermined set of questions is feasible in such cases. Thus, interviews are different
for each interviewee, and the same participant may be interviewed on different
occasions (Patton 2002). The general interview guide approach deals with a set of
issues to be explored with each participant, outlined in any order and the wording of
the questions to obtain the responses about the issues is not determined in advance
(Patton 2002). The standardised open-ended interview consists of a set of
predetermined questions intended to take each participant individually through the
sequence of questions. This approach reduces the possibility of bias that comes from
following a different procedure for each interviewee. This approach is also
appropriate when interviewing different people on the same topic and thus obtaining
systematic and thorough data (Patton 2002). In this study, the researcher has adopted
the standardised open-ended interview technique. The questions used are in Appendix
D. Yin (2003) explains other benefit of open-ended interviews by confirming that *listening* helps the researcher receive more information through multiple modalities such as keen observation or sensing what might be going on, apart from aural modality. Being a good listener enables the person to obtain and assimilate new information without bias. The researcher in this study has adhered to this recommendation by Yin (2003) by listening to the interviewees and observing what is going on and, at the same time, keeping an open mind in order to capture information by reading between the lines.

As Neuman (2006) explains, open-ended questions are more suitable for getting many possible answers and learning how respondents think and what matters to them. The types of questions asked are explained in Table 3.2 below.

**Table 3-2 Types of interview questions**

<table>
<thead>
<tr>
<th>Types of Questions</th>
<th>Relevant Questions Asked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behaviour/Experiences</td>
<td>Question 9</td>
</tr>
<tr>
<td>Opinions/Values</td>
<td>Questions 1 and 2</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Questions 3 to 8, and 10 to 15</td>
</tr>
<tr>
<td>Background</td>
<td>Question 4, 12, 13 and 16</td>
</tr>
</tbody>
</table>

Source: Adopted from Patton (2002, p. 352) for this thesis

In qualitative interviews, questions should be asked in a truly open-ended fashion which allows the participants to respond in their own terms (Patton 2002). The truly open-ended question, which cannot be expressed as a choice between two alternatives, enables the interviewees to choose the direction and the words they want in order to express what they have to say (Patton 2002). Patton (2002, p. 298) highlights that “dichotomous questions can turn an interview into an interrogation or a quiz rather than an in-depth conversation”. Therefore open-ended questions should be considered as they are more objective and less leading than closed questions and they are designed to encourage full and meaningful answers. This study utilised such questions, thus encouraging in-depth conversation to obtain meaning and richness in the participant’s words. The participants were given the opportunity to answer the questions and elaborate on what they were saying without prompting or interruption in relation to the management of diversity at their organisations. They must feel that they are giving the answers of their own free will and are expressing their own views and experiences with the proviso that they can add more comments or review a
response after the interviews, if necessary.

As Patton (1990) explains, asking open-ended questions enables the participants to answer in their own terms. The open-ended style allows the respondents to “talk about experiences, feelings, opinions and knowledge” and elaborate (Patton 1990, p. 297). Therefore, this research has used this particular style of questioning to gather the required data about their experiences, feelings, opinions and knowledge about the strategic management of cultural and ethnic diversity in the workplace. In order to answer the research questions with depth and clarity, the researcher designed open-ended empirical questions to ensure that the questions “match[ed] theoretical frameworks with the substance issue being investigated and with the main goal of the research” (Liamputtong & Ezzy 2005, p. 14). As explained in the following section, the researcher also conducted a pilot study to ensure that the questions asked would serve this particular goal of the research.

3.6.3 Step 2: Conducting Pilot Study

The pilot study of this research was the second step in studying the strategic management of cultural and ethnic diversity in the workplace. In the design of multiple case studies as explained in the following section, the questions were developed in line with guidance given by Patton (1990). To this end, the researcher used the first two interviews as a pilot study and the supervisor checked the questions and responses to them. The feedback received on the pilot interviews ensured that the questions were asked to obtain the information needed, without interrupting the interviewees. In this section, a brief definition of pilot studies is provided followed by a discussion on the value, application, and findings of the pilot study conducted in this research.

In qualitative research, pilot studies are conducted as feasibility studies, which are “small scale version[s], or trial run[s], done in preparation for the major study” (Polit, Beck & Hungler 2001, p. 467). Van Teijlingen and Hundley (2001, p. 1) outline the reasons for conducting pilot studies including

“developing and testing adequacy of research instruments, assessing the feasibility of a (full-scale) study/survey… estimating variability in outcomes to help determining sample size, collecting preliminary data [… and], assessing the proposed data
The pilot study helps the researcher to create a clear and detailed vision of the qualitative study to be conducted, including a sound assessment of the research methods to be applied. The pilot study in this research was conducted to assess the depth and clarity of the interview questions, and as a trial of the research methods. In this regard, the pilot study is utilised as a feasibility study as well as a pre-assessment of the interview questions.

According to Welman and Kruger (2001), one of the values of conducting a pilot study is the identification of unclear or ambiguous questions. This value is very applicable in this study, as with the guidance of his supervisor, the researcher used the outcome of the pilot study to reword and clarify some of the questions asked. The possibility of any questions causing embarrassment or discomfort to the participants may be detected through their non-verbal behaviours. This is another value of pilot studies (Welman & Kruger 2001). During the two interviews that constituted the pilot study, the researcher closely observed the verbal and non-verbal reactions of participants to the interview questions. This was essential to determine whether any of the questions caused discomfort or hesitation given that ethnic and cultural diversity is a sensitive issue.

The findings of the pilot study confirmed that the clarity and depth of the interview questions were sound enough to collect qualitative data to be used to answer the research questions. After discussing the findings and their implications with his supervisor and upon her approval, the researcher then commenced to design case studies and conduct interviews with other organisations.

3.6.4 Step 3: Designing Case Study: Multiple Case Studies

According to Yin (2003), there are three procedures required for conducting case studies, one of which relates to a general tactic for starting a composition, the second concerns the issue of the identities of the cases and whether they should remain anonymous. The third procedure is a review procedure to increase the construct validity of the case study, which will be analysed further below in a separate section. Hence, the three procedures by Yin (2003) are adhered to in this research, because the
identity of the participants ought to be concealed. At the end of each interview, the recorded interview was played to the participant, who was given the chance of adding further information in order to clarify the issues discussed and confirm the validity of their statements.

Yin (2003, p. 52) also claims that each case can be either holistic or embedded and thus “a multiple-case study may consist of multiple holistic cases or of multiple embedded cases” where the difference is the type of phenomenon being investigated and the type of research questions. Embedded designs are used for research that investigates a particular type of research question and that type of research question deals with people and sites.

As explained and justified in the previous section, this research employs multiple-case studies with replication logic, not sampling logic. The researcher replicates the uncovered findings through multiple case studies. Replication can either be carried out by applying similar conditions, or by changing some of these conditions found to be inappropriate to the initial finding to ascertain whether it is possible to duplicate the finding (Yin 2003). Such replications can test whether the original finding is applicable in a new setting, and they can test whether the researcher's interpretation of the original finding is appropriate (Yin 2003). Replication can either be a literal replication, when producing similar results, or a theoretical replication, when obtaining contrasting results (Yin 2003). Replication can result in similar results (a literal replication) and/or contrasting results (a theoretical replication). In this study, the researcher discovered more similar results than contrasting results.

### 3.6.5 Step 4: Purposive Sampling

The sampling plan is an implementation plan that shows researchers how to approach and invite individuals and/or organisations to participate in the study and, as such, it requires certain steps to be followed by the researcher. Neuman (2006, p. 219) defines the term of sample as “[a] smaller set of cases a researcher selects from a larger pool and generalises to the population.” As explained in the next section, the researcher has employed a purposive sampling technique in this study.
In qualitative research, non-probability or non-random samples are most commonly used. There are various types of non-probability samples such as haphazard, accidental or convenience sampling, quota sampling, snowball sampling, deviant case sampling, sequential sampling and theoretical sampling (Babbie 2014). In this study, the researcher used purposive sampling in choosing the case organisations. The nature of this study and its methodology require this particular sampling method, which enables the researcher to select the participants in a strategic way, not randomly. This is particularly important to ensure that those sampled are relevant to the research topic. In conducting purposive sampling, the researcher aimed at interviewing organisations with similar activities so that the qualitative data collected would be comparable. However, four organisations were secured with only three of them engaging in similar activities, while the fourth one was used a benchmark.

In this study, the interviewees were executives responsible for the management of diverse workforces and for the implementation of diversity policies as well as other policies dealing with equality and fairness. Some of those who managed diverse workforces were themselves of ethnic backgrounds. In purposive sampling, sites, organisations and people are selected by the researcher by virtue of their “relevance to understanding a phenomenon” (Bryman 2008, p. 415). In the initial stages of research, the researcher contacted forty organisations over a period of six months that have diversity policies as advertised on the website of Australian Human Resources Institute (AHRI). However, only one out of forty organisations agreed to participate in the study. As discussed further in Section 4.3, the researcher regards the reluctance of organisations as a hidden issue, and this is discussed as a finding. It can therefore be said that the researcher experienced difficulties in securing case studies for interviews.

3.6.6. Step 5: Data Collection Procedure – Face-to-Face Interviews

The primary data in this study have been collected through open-ended interviews, as the interview subjects were asked questions dealing with the same topic. Patton (2002, p. 285) states that:

there are three major reasons for using semi-structured in-depth interviews as part of an evaluation:

- The exact instrument used in the evaluation is available for inspection by decision makers and information users;
• Variation among interviewers can be minimised where a number of different interviewers must be used; and
• The interview is highly focused so that interviewee time is carefully used.

In this research, the guidelines provided by Patton (2002) have been used in the process of designing interview questions, and strictly adhered to them during the actual interview process. Prior to conducting the interviews, the researcher obtained informed consent from each participant. Interviews were conducted in person are tape recorded with each participant’s consent and knowledge. It seems that the advantage of audio-taping is to give an independent observer the opportunity to analyse the tapes and organise an independent assessment by a qualitative researcher to compare the results. The participants were advised that the tapes were going to be transcribed by the researcher and the typed transcripts did not show any individual or company names. Instead, codes were used, thus ensuring confidentiality. Companies were given coded names such as ‘Company A’, and ‘Company B’ and participants were referred to as ‘Executive A’, ‘Executive B’ and so on. Researchers are required to keep data for seven years as a protection against forging data (Bouma 2000).

Asking questions and taking notes constitute another form of collecting data and this procedure covers various types of notes such as jotted notes, direct observation notes, and research reference notes. Patton (2002) recommends taping the interviews to capture the actual words of the people being interviewed. He further states that the purpose of each interview is to record the particular interviewee’s perspective and verbatim responses. In line with Patton (2002), the interviews were recorded, and transcribed and the data were collected according to his recommendations to ensure proper records of the interviews.

The researcher has chosen hand-coding as the method of data coding. In qualitative research, data coding serves the purposes of communicating and connecting with data to facilitate the comprehension of the subject matter in question. In a comparative study, Basit (2003, p. 152) illustrates that both manual and electronic coding of data are rigorous intellectual exercises, and that using software package “did not eliminate the need to think and deliberate, generate codes, and reject and replace them with
others that were more illuminating”.

Face-to-face interviews were also conducted to establish rapport, trust and credibility in order to get the information required by making the participants feel comfortable, free and easy. Sensitive and personal questions were avoided to prevent resistance from the participants and the researcher only asked relevant questions. The researcher enjoyed the advantage of face-to-face interviews in that eye contact could be maintained with the participants, as “the eyes are the most communicative part of the face… and eye contact can signal interest [and] expectation of an answer” (Gillham 2000, p. 31). Another advantage the face-to-face interview is that it provides an opportunity to resolve doubts and to ensure responses were properly understood by either repeating or rephrasing the questions. In addition, the researcher assured the participants of total confidentiality when they felt uneasy about the anonymity of their responses.

In this study, the face-to-face interviews were conducted using an interview instrument designed based on the elements of diversity found in the literature. Interviews provide an essential source of case study evidence due to the fact that most cases involve human affairs which are interpreted and reported through the eyes of participants. Thus, interviews represent verbal reports expressed by the interviewees whose answers are audio-taped to provide a more accurate rendition of all interviews. *Focused interviews*, in which the respondents are interviewed for a short period of time, are still regarded as being of an *open-ended nature* (Yin 2003). In such cases, well-informed respondents turn into key informants by elaborating on the topics and providing more information and insights into the matter being investigated (Yin 2003). Face-to-face interviews also allow the use of extensive probes to clarify an ambiguous answer or to obtain relevant responses (Neuman 2006).

The researcher has taken the following steps before the interviews were conducted:

1. A letter on the Southern Cross University (SCU) letterhead was initially forwarded to the manager of human resources of the selected organisation explaining the purpose of the research and inviting them
to participate (Appendix C). The invitation letter assured management and the participants of privacy, confidentiality and anonymity, and the right to withdraw from the research at any time as explained in the consent form (Appendix B). The Human Research Ethics Committee (HREC) ethics approval number was also stated (Appendix A).

2. The participants were advised of the place where the interviews were to be conducted, the duration of each interview and the opportunity to obtain copies of the findings.

3. Data were collected over a four-month period between October 2010 and January 2011.

A channel of communication was maintained between the researcher and both management and the participants in this study. This enabled the researcher to return to any participant and seek clarification of some answers, as required. Some participants might have wanted to provide additional information of relevance to the research topic, and, therefore, the ability to contact the researcher was afforded to all.

3.6.7. Step 6: Data Analysis

Neuman (2006) claims that qualitative researchers organise data analysis into themes, concepts or similar features. The researcher formulates definitions of concepts and links concepts to each other. In this study, preliminary data were analysed in order to establish correspondence and any discrepancy between stated policy and practice. For the recording of interviewees’ responses, the use of jotted notes and observation of participants helped the researcher set up a thematic framework and analytical themes derived from their views and experiences. In Chapter 4, the results and data analysis are reported in and categorised into four major themes that reflect the issues examined: power distance, cultural practice, communication and English understanding, and organisational practice. There are also two minor themes, especially based upon the existing literature in the field, which are benefits and challenges of a diverse workforce.

3.6.8. Step 7: Ensuring Validity and Reliability

According to Neumann (2006), the meaning of validity is truthful. He further states that qualitative researchers are more concerned about “authenticity than in the idea of
a single version of truth, [and] authenticity means giving a fair, honest and balanced account of social life from the viewpoint of someone who lives it every day” (Neuman 2006, p. 196). There are several ways for the research to reduce measurement error in which the researcher addresses both validity and reliability (Hair et al. 1995). Validity is the ability to measure precisely the concept being researched (Hair et al. 1995). However, validity does not ensure reliability, and thus consistency does not constitute accuracy (Hair et al. 1995). As this is a qualitative study, authenticity is important which means giving a fair and honest opinion of social life based on a person’s own daily experiences. Qualitative researchers abide by the principle of validity in order to be truthful (Neuman 2006).

Contingent validity is an essential criterion for realism research, as indicated by Healy and Perry (2000), and differs from the criteria for both constructivism and positivism. Contingent validity is based on “validity about generative mechanisms and the contexts that make them contingent” (Healy & Perry 2000, p. 123). Contingent validity corresponds to Yin’s (1994) internal validity (Neergaard & Ulhøi 2007). The internal validity of the research was ensured through establishing the contexts of the study, and ensuring no errors existed in the collected data or the methods of analysis. As Neuman (2006) states, internal validity implies that no errors exist in the internal design of qualitative research.

Claims of reliability are based on the assertion that should another investigation use and apply the same procedures that another investigator had used on the same case study, he or she would come up with the same results (Yin 2003). This test increases the dependability of the findings. Qualitative researchers have defined reliability and validity in various ways and state that validity and reliability are two major factors that concern the researcher whilst “designing a study, analysing the results and judging the quality of the study” (Patton 2002, p. 601). In this study, the researcher adhered to “the core principle of validity, to be truthful” by avoiding false and distorted accounts following Neuman (2006, p. 196), and primarily relied on the criteria provided by Lincoln and Guba (1985) and Golafshani (2003) for ensuring the reliability and validity of the qualitative research conducted. These criteria include credibility, transferability, dependability and confirmability (Lincoln & Guba 1985) and truthfulness (Neuman 2006).
To ensure **credibility** (internal validity), a study must be proven to be credible, which is assured through the evaluation of whether the research findings represent a credible interpretation of the data collected from the interviews (Lincoln & Guba 1985). In addition, credibility is also essential in ensuring whether the study “measures or tests what is actually intended” (Shenton 2004, p. 64). In order to achieve this, the researcher designed the interview questions in a way that enabled the participants portray the management of diversity in their workplace adequately, as it is necessary in qualitative research to minimise ambiguity and portray realities to render the research credible and believable. Furthermore, **transferability** (instead of external validity) is determined by the degree to which the findings have applicability in other contexts or with other respondents (Shenton 2004). It is maintained that the study has a substantial degree of transferability, as the findings of the research are relevant in the context of Australian workplaces in which diversity has become an integral element. Another criterion provided by Lincoln and Guba (1985) is **dependability** (instead of reliability). Dependability is a matter of replication and consistency. In this study, this is largely achieved by using the same set of questions in four case studies; therefore the researcher has adhered to the multiple data collection methods in order to achieve dependability. The final criterion is **confirmability** (instead of objectivity). Confirmability refers to the degree to which the research findings are the results of the subjects and conditions present in the study and not the result of the perceptions, views or biases of the researcher (Lincoln & Guba 1985). It is evident from the findings given in Chapter 4 that the participants released all information voluntarily, without their responses being influenced by the researcher, and without fear and prejudice.

**3.6.9 Ethical Considerations**

This study was granted ethical approval by the HREC of SCU in June 2010 with the approval number of ECN-10-089. The research involved human participants and investigated organisational practices. Therefore, dealing with ethical issues involves minimising or eliminating any potential risks to the privacy, security and mental health of the participants in compliance with the University’s HREC checklist and application guidelines (Appendix A).
Ethical considerations are important in research. Participants may be placed in contrived social settings where their feelings or behaviours might be manipulated. By strictly following the ethical research guidelines of the university, this study ensured that participants were not placed in physical danger or in embarrassing situations. There was no deception, misleading or lying. Good ethical practice was observed in this research and the subjects were informed about the nature of the investigation being conducted to avoid deception. The researcher provided the participants with informed consent forms explaining that their participation was of their own free will and they were provided with the details of whom to contact at the university if any ethical concerns arose. According to Berg (2004), informed consent means that subjects agree to participate in a research project free from deception, fraud or manipulation. The data collected in this study will be kept by the researcher for seven years as required by the university as a safeguard against possible charges of forging data.

3.7 Case Organisations

Four organisations were used as case studies to investigate the strategic management of ethnic and cultural diversity in the workplace. Of the four organisations utilised, three were comparable and were involved in catering, entertainment, sports activities, community services and hospitality, and the benchmark case was a technology-based organisation. The researcher conducted interviews with six participants in Organisation A, three participants in Organisation B, six participants in Organisation C and seven participants in Organisation D.

3.7.1 Organisation A

Organisation A is a large multinational organisation operating in over 170 countries. It is a large employer in Australia with over 15,000 employees. Given the multinational nature of this organisation and its operations, it serves as a benchmark. This decision is also taken as it has been praised for its global diversity practices. This organisation’s commitment to diversity is such that it has “initiated a global strategic framework for diversity” to deal with the trends in countries where the organisation conducts its business (E1A).
While this large organisation has clearly harnessed and utilised diversity as part of its branding campaign, its practices are also used as findings within this report. Organisation A has employees of approximately 70 nationalities in Australia. These however are dominated by Anglo-Australians and Australians of Chinese and Indian origin. As stated by one of the executives, in Organisation A, “lots of different nationalities all working together. I think very much a multicultural company across the board” (E2A).

With regard to the dominant culture in Organisation A, which is a multinational organisation operating in Australia, one of the participants stated that “the dominant culture… is hierarchal, but also with a blend of individual responsibility… [while there are] localised customs and practices that we implement, [there is] strongly a very big imprint from the US” (E1A). However, another executive had a different approach to the question as they answered that “the culture… has a very strong focus on inclusiveness and collaboration amongst employees… and very fast paced, given the nature of… the industry” (E4A). Another participant felt that:

“[the US element] is part of the DNA of how the organisation runs, so… there is very much that American aspect to it, but the Australian operations have been going for over [many decades, and] we do tend to do things a little bit differently in Australia. So, I would actually say it’s a mix of both: It’s Australian and US” (E5A).

This is confirmed in the following view: “I would say US-centric, with an Australian twist to it and the US-centric part of it is the innovation when the Australian part to it is the dedication of relationships that are built with customers” (E6A).

Based on the data, Organisation A, even though it applies its global policy of diversity management by taking nation-specific considerations into account, the organisation’s dominant culture seems not to be an entirely mono-centric, Australian or American organisation, but a mixture of both. This is largely because the parent US culture has a strong influence on the organisation’s operations in Australia and elsewhere and as such it operates in an ethnocentric manner.
3.7.2 Organisation B

Organisation B is located in a multicultural area of NSW. This organisation is a non-profit mutual body owned and operated by its members. This organisation provides: amenities and facilities for functions; drinking facilities; indoor sports areas; a wide range of activities; and entertainment and catering services. The information given by the interviewees was clear, positive, interesting and informative. Management appeared to be transparent in revealing the benefits and contributions made by the diverse workforce. Organisation B has employees from about 15 ethnic backgrounds the most common being Anglo-Australians, Arabs, Greeks, Chinese and Vietnamese. The employees’ significant contributions to the organisations were acknowledged and frequently praised by management, who expressed appreciation, pride and admiration for their workforce. As indicated below, in Organisation B, there are indications that the dominant culture is considered pluralistic. However, one manager stated that it is multicultural, but mainly ‘Australian’ (E2B), which can be interpreted as an indication of a unitarist or assimilative approach.

“We are multicultural here… and with resignations and employment opportunity it has changed. But, we certainly look at the Australian, Arabic, Greek, Chinese culture as the main ones” (E1B, emphasis added).

This was supported by another participant stating: “I’d say it’s one of [the very few] very multicultural the organisation that we have [sic]. We do review the make-up of our staff… We have a very multicultural background staff.” (E3B). However, this was inconsistent with the view of another manager who indicated that the organisation’s dominant culture is monocentric: “We are extremely multicultural, mainly Australian. We have many migrants coming from various different areas such as Pacific islands, Arabic [sic] nations, possibly oriental as well” (E2B, emphasis added). This view of multiculturalism is more indicative of the number of nationalities employed rather than an approach to the organisation’s operations.

In Organisation B, the key benefits of cultural diversity stated by one of the managers are that

“it gives us a good corporate image… Being an organisation that employs many people of different cultural backgrounds, that gives
us an advantage over other competitors because we are a very welcoming organisation. It gives us good economic benefits, and I think when we employ people here we employ because there is a merit principle. We get the best of everybody here” (E3B).

3.7.3 Organisation C

Organisation C has a variety of modern entertainment venues featuring a diverse selection of entertainment, dining, hospitality and function facilities. It is a provider of fitness facilities, customer services and hospitality. Organisation C has employees of fourteen nationalities as mentioned in Table 3.3 below, which include Anglo-Australians, Chinese, Vietnamese and people from Middle Eastern countries predominantly.

With regard to defining the dominant culture in Organisation C, mixed responses were given. While three managers claimed that the dominant culture is Australian (E1C, E3C and E4C), other managers claimed it is multicultural (E2C) and Anglo-Saxon (E5C), and that the culture of the staff was predominantly Asian (E6C). It can be said that, in Organisation C, the dominant culture is mono-centric with a high Australian/Anglo-Saxon influence, but the workforce consists of different ethnic groups and different sub-cultures within those ethnic groups. Unlike the other six managers interviewed, one manager stated that the culture of the organisation’s staff is indeed Asian (E6C). As the analysis below illustrates, Organisation C adopts an assimilative approach in managing diversity in the workplace.

3.7.4 Organisation D

Organisation D provides a range of gaming, sports and leisure facilities, entertainment, catering and community services. Organisation D has employees of about 20 nationalities which mainly include New Zealanders, Portuguese, Vietnamese, Chinese, Lebanese, Fijian, Indian, Korean, Japanese, Belgian, Irish, Italian, Filipino, Hungarian and Russian. One of the executives interviewed described the organisation as “a bit of like the United Nations” (E1D). The organisation’s website was accessed and a company chart was provided by the management.
Organisation D is situated in an ethnically diverse area mainly dominated by Asian residents. In this organisation, the managers interviewed had different views on the dominant culture. As shown below, four managers stated that it is predominantly Australian, indicating that the dominant culture is monocentric. It should be noted that with the term Australian, the managers refer to Anglo-Australian culture as follows:

- “Mostly Australian I would say” (E1D).
- “… It’s Australian but of that many backgrounds are Asian: Vietnamese, Chinese. We have Europeans; Lebanese, Greek. I would say it’s predominantly Australian though as many of those people would associate themselves with Australia” (E4D)
- “… we’ve got all cultures. Oh, well it’s Australian” (E5D)
- “[It] would appear to me that it is Australian with a European background, parentage… Many Italians and Greeks and European second – born in Australia but parents from those kind of countries” (E7D).

However, it is clear there is not a consistent view: “The dominant culture for this [organisation]… in here, it would be a high Greek and Asian population” (E3D). Moreover the organisation seems not to have had a dominant ethnocentric culture.

“Well we, our roster system, drives our culture in terms that our full-timers are team-based so we have departments that all work as part of teams and so our roster, because we are a twenty-four hour business; they have set teams that work set times of the day. So I would say we’re a team-based culture in that regard” (E6D).

Even though the dominant culture seems to be mono-centric based on the statements of the managers interviewed, it should also be noted that the analysis below indicates a rather different picture in relation to management practices. There is evidence suggesting that Organisation D indeed takes a pluralistic approach especially in managing cultural diversity.
### 3.7.5 Demographics of Case Organisations

In order to understand the results of the study, it is essential to determine the demographic details of the case studies and those who were interviewed. Table 3.3 provides employee statistics for all case study organisations.

**Table 3-3 Employees’ statistics across all case studies**

<table>
<thead>
<tr>
<th></th>
<th>Organisation A</th>
<th>Organisation B</th>
<th>Organisation C</th>
<th>Organisation D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>15,000</td>
<td>1,000</td>
<td>500</td>
<td>300</td>
</tr>
<tr>
<td>Male employees</td>
<td>11,400 (76%)</td>
<td>700 (70%)</td>
<td>350 (70%)</td>
<td>180 (60%)</td>
</tr>
<tr>
<td>Female employees</td>
<td>3600 (24%)</td>
<td>300 (30%)</td>
<td>150 (30%)</td>
<td>120 (40%)</td>
</tr>
<tr>
<td>Number of nationalities</td>
<td>70</td>
<td>15</td>
<td>14</td>
<td>20</td>
</tr>
</tbody>
</table>

From Table 3.3, it is clear that four case organisations have diverse workforces. On the other hand, Table 3.4 shows that the majority of respondents who took part in this study were male (approximately 65 per cent). As can be seen from Table 3.4, Organisation A has the highest percentage of males (76%) compared to Organisations B and C (70%), Organisation D (60%).

Such figures further reveal that the demographic information of participants shows that that Organisation A can be used as benchmark, as the demographic split is highly comparable in Organisations B and C, while in Organisation D there are more women employees than there are in the other organisations. It should further be noted that this study is not designed to explore the role and/or effectiveness of genders in managing diversity in the workplace; hence the data collected do not allow an examination of the implications of gender distribution across organisations for management practices.

**Table 3-4 Survey respondents by demographics across all cases**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>35</td>
</tr>
<tr>
<td>Age</td>
<td>Below 25 years of age</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Between 26 and 50 years of age</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>Over 51 years of age</td>
<td>30</td>
</tr>
<tr>
<td>Years of work experience</td>
<td>From 5 years to 10 years</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>More than 10 years</td>
<td>82</td>
</tr>
<tr>
<td>Years of work experience in current organisation</td>
<td>From 5 years to 10 years</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>From 10 years to 15 years</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>More than 15 years</td>
<td>15</td>
</tr>
</tbody>
</table>
Table 3.4 further shows that the percentage of participants with 0 of work experience in the industry is 18 per cent while 45 per cent had worked in their current organisation for 5 to 10 years. The percentage of participants with more than 10 years’ work experience in the industry is 82 per cent while 55 per cent had been in their current organisation for more than ten years. These figures show that participants have long management experience in the industry and are familiar with belonging to a diverse workforce.

It is also important to highlight that the three case organisations except for Organisation A are located in multicultural areas of metropolitan Sydney. Table 3-5 below provides the diversity-related data based on the 2011 census, which illustrate the extent of ethnic and cultural diversity in these areas.

### Table 3-5 Ethnic and cultural diversity in the areas studied

<table>
<thead>
<tr>
<th>Language spoken at home (excluding English)</th>
<th>Ancestry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arabic</td>
<td>Chinese</td>
</tr>
<tr>
<td>17.2%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Chinese</td>
<td>Vietnamese</td>
</tr>
<tr>
<td>8.3%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Greek</td>
<td>Australian</td>
</tr>
<tr>
<td>6.7%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Vietnamese</td>
<td>Lebanese</td>
</tr>
<tr>
<td>6.5%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Italian</td>
<td>Greek</td>
</tr>
<tr>
<td>2.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Bengali</td>
<td>English</td>
</tr>
<tr>
<td>1.8%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Indonesian</td>
<td>Italian</td>
</tr>
<tr>
<td>1.7%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Korean</td>
<td>Indonesian</td>
</tr>
<tr>
<td>1.4%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Urdu</td>
<td>Irish</td>
</tr>
<tr>
<td>1.2%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Macedonian</td>
<td>Bengali</td>
</tr>
<tr>
<td>0.8%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Spanish</td>
<td>Korean</td>
</tr>
<tr>
<td>0.4%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

Source: Data compiled from profile.id community profile (Profile.id 2011)

### 3.8 Summary

This chapter described the research methodology and design and the research methods chosen for the data collection, and provided information on the four case organisations. It was also explained why a qualitative case study approach was deemed to be the most suitable one. The research was conducted within an interpretive descriptive framework and was grounded in social theory. Descriptive case studies were used to answer the research questions. The case study in this research has been designed as a multiple (embedded) exemplary case study including multiple units of analysis which were front-line managers who represented various groups within their organisations. The interview subjects were selected through purposive sampling, which enabled the researcher to collect qualitative data from a relevant and limited number of organisations due to the reluctance of many
organisations contacted to participate in the study. In analysing the data collected, the researcher set up a thematic framework based on the analytical themes derived from the answers collected during qualitative interviews. These are categorised into four major themes that reflect the issues examined: power distance, cultural practice, communication and English understanding, and organisational practice. There are also two minor themes, especially based upon the existing literature in the field, which are benefits and challenges of a diverse workforce. The following chapter reports the data and conducts the thematic analysis along with comparisons between the organisations.
4 DATA ANALYSIS AND RESULTS

4.1 Introduction

The previous chapter established the methodological framework to be used in the research. It described this study’s research design of ex post facto multiple case analyses, its case study research method and how its data collection and analysis methods relate to the paradigm of inquiry and it provided guidelines on how to conduct this study into the strategic management of ethnic and cultural diversity.

The data were analysed using thematic analysis. Based on the examination of the coded interview data collected from each participant, the thematic approach identified four major themes of power distance, cultural practice, communication as part of English understanding, and organisational practice. In the data analysis process, a variety of issues were examined including the benefits and challenges of the diverse workforce, the diverse workforce as a source of conflict, and management of diversity through the implementation of various policies.

This chapter discusses the analysis of the data gathered and presents the findings of this study organised into seven sections. Following this introductory section, Section 4.2 presents the research problem along with the purpose of the study. Section 4.3 depicts diversity as a hidden issue given that many organisations were unwilling to participate in the study. Section 4.4 deals with the benefits and challenges of a diverse workforce respectively. It examines language in action as a source of challenge, cultural practices and religious diversity. Section 4.5 provides an analysis of management practices and policies in relation to a diverse workforce covering diversity in Australian legislation, diversity as organisational policy, recruitment policy and training policy in managing diversity. Section 4.6 presents a summary of the data collected regarding the research questions, and it reports and analyses the findings showing the benefits and challenges of diverse workforce.
4.2 Discussion of Research Purpose and Problem

As detailed in Sections 1.3 and 1.4, organisations operating in the culturally diverse nation of Australia have to manage their diverse workforces as efficiently and effectively as possible. In this context, this study examines diversity management practices from the front-line managers’ perspectives. This research also looks at whether the case study organisations have policies relating to diversity and the extent of awareness on the part of management of the benefits and skills that diversity brings to the organisation in terms of efficiency and profits. The underlying logic is to investigate how organisations manage a multicultural workplace, and how managers turn rhetoric into reality through their management practices. As a result of the increasing levels of diversity in the Australian workforce as a result of immigration, this research addresses an important issue in order to ascertain the benefits and challenges of diversity in the workforce.

The aims of this study are summarised as follows:

- to identify to what extent diversity management practices are actively occurring in the workplace
- to investigate what benefits organisations find in diversity
- to identify current practices in relation to diversity management in the workplace
- to understand the extent to which organisations are committed to providing an environment for employees that embraces and supports knowledge of and respect for equity and cultural diversity beyond legislative compliance

The realisation of these aims will enable the researcher to identify issues associated with current management practices and the ways in which managements relate to diverse workforces. With the exception of the benchmark organisation (Organisation A), the organisations did not have diversity policies, but comply with the national legislation on equal employment opportunities and anti-discrimination. This study will further examine the importance of diversity policy for providing strategic tools to management beyond compliance with legislation.
4.3 Diversity as a Hidden Issue

The first theme considers diversity as a hidden issue. Uncovering diversity practices was difficult, as explained in Section 3.6.5, and gaining access to participant case studies was problematic. This becomes a finding on its own. Given the reluctance of organisations to discuss their diversity practices, this required consideration.

The researcher’s diary shows that forty organisations that have diversity policies were contacted over a period of six months. Only one of the organisations contacted agreed to participate. The other thirty-nine organisations declined without citing reasons. All organisations contacted had diversity policies in addition to compliance with government regulations alongside government regulation as advertised on the website of AHRI listing the recipients of the institute’s annual diversity award, yet none except for one organisation, which constituted the benchmark for this research, was prepared to participate in this research. This is a finding in itself. As so many organisations were unwilling to discuss issues of ethnic diversity management, three possible conclusions can be made: their practices and processes would not have withstood rigorous scrutiny; or they did not, in fact, have any formalised practices and procedures; or, the practices were so beneficial that it would have been a breach of company know-how to have such information made available.

However, three comparable organisations were located that had similar characteristics in relation to the nature of their business activities, services and provision of services offered along with their location being central to available sources of employees who were culturally diverse. These were three organisations located in metropolitan Sydney. The other organisation interviewed was an international organisation with offices in Sydney operating in a different sector. As explained below, this organisation had a diversity policy and was used as a benchmark in this study because it openly advertised this diversity policy as part of its branding.

4.4 Organisational Impacts of Diverse Workforce

There are a number of organisational impacts of having a diverse workforce. Within these impacts the theme of benefits and challenges related to a diverse workforce is clear. The ability to draw upon language and cultural understanding provides these
businesses with an edge in customer service. This leads to organisational outcomes while enabling the employee to utilise tacit skills beyond those officially recognised in the job description alone. The data show this is so for all cases investigated.

The data reveal that the benefits of having an ethnically diverse workforce outweigh the drawbacks. While the benefits to a large organisation such as Organisation A are clear, to other organisations the benefits areas more tacit than explicit. All three case studies are located in multicultural areas in which the language spoken at home is predominantly non-English (Australian Bureau of Statistics 2011a).

4.4.1 Benefits for Organisation

The benefits of ethnical diversity to a large organisation are clearly understood; the first of these is being able to serve their customers in their native tongue. Organisation B serves a diverse community and provides employment to people of non-English-speaking background (NESB). Most of its employees and customers live in the same area, and come from similar backgrounds. The management believes that it is a great benefit to organisation:

“A lot of our customers that come here... are non-English speakers, and we find our staff will assist these people. They are drawn to that group because they speak the same language, and we think that this is a perfect balance. They also come from the same demographics as our customers do and we think they are drawn that way” (E3B).

Another key benefit of having a diverse workforce in multicultural countries is that employees can speak different languages and dialects. E2A states that in India for example, “several people who can speak multiple dialects can also speak English, Hindi and Urdu. There is another team in China who can speak Cantonese, Mandarin and English. Having employees who can speak so many languages and dialects helps in the selection of and communication with staff” (E2A).

Thus, the data reveal that the multicultural workforce provides benefits which enable the organisation to access valuable skills, especially the language skills needed to serve customers who speak languages other than English. Moreover, employees with
different language skills facilitate communication with people from different cultural backgrounds and communities by providing different options, and this enhances their career development opportunities. Therefore, Organisation A has benefited from the ability of employees to speak many languages and dialects and to collaborate with people from other countries.

In Organisation A, since the products are often sold and utilised by multilingual consumers, another language or another culture is appreciated and deemed useful in communicating with customers in multiple countries: “our products are often multilingual and one of the things that we do appreciate is somebody that has another language or another culture because we find that’s useful in communicating for our customers when they have multiple countries” (E1A). One of the executives in Organisation A believes that “Australia has a really good record on a diverse and multicultural workforce [compared with the branches in the US and Japan]” (E3A). It is interesting to have different experiences of different countries. One participant commented that customers “get broader exposure to a greater diverse group of people, [which enables us] to demonstrate the capabilities of other countries so we’re not just isolated in Australia anymore” (E2A).

Given the responses reported in Section 3.7.1, Organisation A has a multicultural workforce, and the dominant organisational culture is ethnocentric based on the home nation of the United States and in doing so is hierarchical with localised customs and practices to the host nation. However, this organisation focuses on inclusiveness and collaboration and operates in Australia with a mix of the American aspect reflecting the innovation and the Australian twist encompassing dedication to the relationships established with customers. This approach is clearly evident in the way in which the organisation manages diversity in the workplace as shown in more detail below.

The interview data reveal that having a policy which encourages diversity is valued for its pragmatic benefits as well:

“The first one is that it allows you to have a real equal opportunity or a real diversity of policy based around inclusiveness, you really then have a much greater market of people to choose your employees from and even more so if your competitors don’t have a
policy like that” (E3A).

Another benefit of having a multicultural workforce relates to the qualitative improvement of the employee base through diversity policy:

“[Being] a globally integrated company… where we have work being performed between different parts and different regions, Australians working with Indians and Indians working with Chinese and the Chinese working with Americans and that combination represents the multicultural workforce. [This] has benefited us to leverage around the world’s best skills” (E6A).

It appears that in organisations with diverse workforces that also serve customers with diverse ethnic backgrounds, the management interacts with different cultures to achieve a common goal and the smooth operation and trading of the business. Therefore, one has to understand the different beliefs, values, cultures, religions, customs, habits, traditions, ages, genders and sexual preferences to avoid insulting or offending these people who could be part of the staff and/or the customers.

Similar to Organisations A and B, in Organisation C, language skills proved to be of great benefit to management who sought the assistance of some employees as required in order to communicate with customers and patrons and eliminate misunderstandings. However, there is no particular emphasis on the value of language diversity for presenting good corporate image in Organisation C. In Organisation C, the key benefit of having a diverse workforce stated by management is that “it helps us interact with our patrons. Service is our prime goal here. Language can quite often be a barrier here, [but it is] very handy to be able to pick up the phone, give someone a call and have them come over [when needed]” (E1C).

However, a diverse workforce can lead to misunderstandings between management and staff as stated by an executive:

“sometimes, we misunderstand what could be considered a sign of respect in one country, could be considered rude or arrogant in another so we can quite often pick that up just in day to day dealings with how we deal with our staff, and… it helps the human resource department” (E1C).
According to Organisation C, another benefit of a diverse workforce is that “[it brings] different knowledge about things which… is really informative to the business because [culturally diverse employees are] bringing in new ideas” (E2C). Thus, the talents of various ethnic groups add to an organisation’s pool of talented people. One executive stated that there are older people and younger people with good technical skills, people with great management skills and people with different backgrounds:

“it doesn’t matter where they’re from as long as they are able to perform the tasks assigned to them and they’re able to provide a service to the organisation. At the end of the day I don’t care where people come from as long as they do the job. Some people come from different backgrounds—some backgrounds have got some great technical skills so they’re really, really good at that and if they’re really good at that, great, fantastic” (E2C).

It was also stated that workplace ethics differ depending on the country of origin demonstrating that home cultures influence what is acceptable even if the work is operated in a host nation:

“For example, the Chinese workplace ethics is work, head down, no talking, no discussion of anything outside of work. They come in, do the job and go home at the end of the day, whereas some of the Aussies, the social aspect is important for them. So, they will come to work, do the job, they will also socialise with everybody at work… [Therefore,] some of the cultures that do not have that social aspect… get involved and end up breaking that mould a little bit… and they become better employees. They’re not just coming into work, doing their job and sitting in the corner. They become part of the organisation and part of the culture” (E3C).

Seeking employees’ help in explaining some cultures or solving the language barrier makes employees feel useful and important for having been able to assist when needed. In Organisation C, members of the staff who speak the languages of foreign customers help to eliminate misunderstandings and facilitate communications in the organisation’s industry which includes accommodation and hospitality.
Similar to the other organisations, Organisation D also serves diverse customers with its diverse workforce. One of the managers interviewed stated that “it is good to have different people from different backgrounds who could be able to communicate [with customers]”. Diversity is prevalent and the organisation benefits from having Asian employees serving the large Asian community living in the area. Similarly, it is stated by another manager that

“especially on the floor, like, the Vietnamese and the Chinese staff can relate, obviously, a lot better to their people on the floor and they tend to want to talk to them when they’re ordering drinks and things like that. But that’s still more beneficial for the customer because they’re more comfortable talking with their own people. It’s just coincidence that we have those staff on; we don’t intentionally hire them. It’s more beneficial for the customers and they bring their friends and family to come ... [and] eat their dinner... If we were trying to run the Chinese restaurant ourselves with Western people we probably wouldn’t get the patrons that they do” (E2D).

When asked about the benefits of diverse workforce, an executive stated:

“Well, I think it just brings, again, the difference of opinions, new ways of learning, new ways of doing things. In terms of cultural differences, you know, we have a great waitress and she doesn’t work behind the tills or anything but she’s always on the floor in Food and Beverage giving out food to customers, and she’s one of our most loved staff members. She has that warmth that I suppose is typically Greek or typically European, so she brings that strength in terms of customer service standards. And then we have another staff member who is Hungarian and she’s very blunt, and again that’s very stereotypical of that sort of culture, and she’s amazing at her job. I suppose they all bring their own strengths and, again, just different opinions, different perspectives of looking at things. We don’t want that mind-think that everyone has the same view, same opinions, same background, because then that inhibits innovation and you don’t want that” (E6D).
Another executive claimed that

“the one I mentioned before in that we can align our staff and their knowledge of culture with our customers, providing a better service because they understand that culture and the best ways to communicate with them what their needs might be better than we can. I think probably an area of current disadvantage is that we don’t have much multiculturalism in the senior management team. It’s tending to be your European, Western... it would be good to see more ethnicity maybe within our management team... We certainly have had applications. I think language can be a problem for them in terms of when they’re being interviewed, the way that they communicate, and obviously that’s the strongest indicator of management” (E7D).

The interview data presented above reveal that diverse workforces bring benefits to the organisations and customers at the same time. Organisations can benefit from employees’ skills, languages and experiences to improve productivity and customer services. Furthermore, these benefits will enable organisations to gain access to new markets. It is also revealed that case organisations regard their diverse workforce as their greatest asset.

The fact that a diverse workforce provides various services to customers through the use of the skills, languages and experience possessed by employees of different cultural backgrounds is reiterated by another executive: “[One needs to] have new thinking to develop solutions for customer problems... [and] we have tried to remove as many barriers as possible to prevent people from not being able to collaborate with colleagues overseas” (E5A). This leads to adopting more flexible practices, and in Organisation A, flexibility, which is indeed both a personal and an employee benefit in this particular context, is seen as

“a two-way street so I think the company is definitely benefiting from having a diverse workforce, particularly ones that work overseas. They come to Australia, we go to them and I think possibly skills, capability and growing maturity of those regions is the most important thing for us” (E2A).
So, for Organisation A,

“It is that innovative thinking. For employees it’s the opportunity to collaborate with other people from different areas. [Travelling overseas or working with people from other countries] can be very fulfilling in terms of not just your job but also your career development opportunities” (E5A).

In Organisation D, the benefits to the organisation are expressed thus:

“Just superior knowledge, I think. Just having travelled, it broadens your horizons and makes you to think more and want to learn more. Most of them, as I say, are actually brought up here and live here, but they still bring their cultures and pass it on to all of us. Just like going to their country without going to their county. So why wouldn’t you want to learn off people who know more than you? As far as I’m concerned… I’ve travelled around the world but I’ve learned just as much here just talking to the staff. It's great” (E2D).

Furthermore, having people with different language skills is important for enabling management to provide better communication with people from other cultural backgrounds and communities. It is apparent that different cultures provide different options and broader perspectives, “[because from them] you get so many different options, so many out-of-the-box ideas rather than if everybody was just homogenous: One concept, one idea, one background thought process” (E4A).

From the perspective of the customer, having a diverse, multicultural workforce also provides benefits to customers. In Organisation A, for example, one of the executives stated that “my customers are… across Asia Pacific so I have many people who speak languages other than English very well so having people with different language skills is also really important” (E3A).

In addition, certain ethnic groups are able to translate names when it comes to doing raffles. For example, “[the Greeks are] able to give us better pronunciation when we talk to them or announce names… like Anatholopolous, having the staff of the same culture that are different in the area, helps us heaps” (E3D). It can be said that this makes customers feel at home when employees speak to them in their own language,
which in turn enhances business and creates a warm experience. With respect to religion, the manager stated that the organisation provides adequate facilities if needed: “we have not been asked, but there is flexibility and if someone wants privacy, we have many rooms where they can easily pray” (E4D). This indicates that there are clear benefits: language and cultural practices that help organisations deal with their customers better; travel broadens the mind so employees are more rounded; and ultimately diversity allows organisations to get the best person for the job.

4.4.2 Challenges of Diverse Workforce

While the benefits to the organisation of having a diverse workforce are clear, the challenges cannot be overlooked. During the interviews, questions were asked as to whether, and to what extent, a diverse workforce leads to challenges. Management responses to these were also sought. It should also be noted that not every participant agreed that a diverse workforce poses challenges to management. In Organisation B, it seems that having a diverse workforce was not regarded as a major source of challenge to the organisation, as the managers interviewed responded to the question of whether diverse workforce creates challenges by responding: “Not a great deal” (E1B) and “We have experienced fairly few” (E2B). However, a diverse workforce is cited as a source of challenges in Organisations A, C and D.

4.4.2.1 Challenges in the Context of Power Distance

The interview data reveal that the concept of power distance defined by Hofstede and Hofstede (2005) is highly relevant to some conflict in diverse workforces. One particular example is related to Indigenous Australians in Organisation A. Therefore, one of the challenges in Organisation A is meeting the goals of the corporation in regards to having the measurement around particular constituencies such as Indigenous Australians:

“I think another challenge for me has been really adhering to the measurement of Indigenous Australians because it’s a voluntary nomination that you have an Indigenous Australian background so therefore there is certainly not a good way to measure the success on that. So measuring success in diversity is a challenge” (E3A).
Another striking example of power distance at work is the issue of caste levels in Indian society, which has led to a conflict dealt with by management in Organisation C. In the context of accommodating everybody’s needs, one of the managers stated that, in the Indian culture,

“the oldest person is sometimes the person with the most authority because of the caste levels. Some of our kitchen hands are younger, some of them are older and the person that is sometimes in charge is the youngest one so the youngest one is going to have to give orders to the older one where if they were at home it would be the other way around and it has caused, not conflict, but it has caused some slightly hairy situations where ‘look, I’m not going to take instructions from him because he’s younger than me’, ‘well, I’m sorry but he’s your boss’, ‘yes, but he’s younger than me’” (E3C).

This example illustrates a clear conflict between cultural practices and business practices. Organisation C has issues where younger Indians were managers or more senior in position to older Indians. The cultural requirement of Indians is for a younger person to show respect to, and obey, an older person. As a result, it has become difficult for older Indian workers at Organisation C to follow instructions given to them by younger Indians in the workplace. However, management in Organisation C deals with such cases on an individual basis as they arise by making employees aware of the business practices, irrespective of their cultural upbringing. Therefore, it can be said that the older Indians have to adjust to the new culture in the workplace and follow the young person’s instructions simply because they are in charge and representing the management of the organisation. This means business practices must take precedence over cultural practices in the workplace to provide stability and harmony.

It was evident in Organisation C that respect, or the lack of it, was a source of challenge to be dealt with. In some cultures, older people demand respect from younger ones irrespective of the position the younger people hold in the organisation, which leads to conflicts in the context of power distance. With regard to culture, age is of course important in some cultures and an older person enjoys status and dignity, and commands respect, care, attention and help in Indian culture. This situation
creates culture shock, friction and conflicts where an Indian worker in Organisation C has to take order from a younger supervisor or manager who happened to be in charge in the workplace. This can be understood through the use of the metaphor of the family, which is personal and hierarchical. In many cultures the ‘father’ of a family is the person with experience and authority. This notion is reflected in organisational structure and it is called a power-oriented corporate culture if the ‘father model’ is taken over by the person in charge who looks after the subordinates.

As mentioned earlier, this study is not designed to explore the role and/or effectiveness of genders in managing diversity in the workplace; the interviews indicate that gender seems to be another element in the emergence of conflicts, which can be interpreted as an indication of power distance. For example, some people from different cultures find it hard to speak with a female manager; they prefer talking to a man. They refuse to have a conversation with a woman and ask for a male manager. In Organisation C, another source of conflict therefore related to gender. It was stated that female duty managers faced challenges from male patrons or customers who refused to deal with a female in charge or a female with some authority:

“there is [sic] two female duty managers, if they go and approach certain people they won’t take it very well. The customer will get upset with the fact that ‘you’re a female and you’re talking to me. Why are you talking to me?’ So sometimes they need to see the signs or read the sign posts and think ‘I’m not having any success here I need to get somebody else’. But on the other side of the coin sometimes there is nobody else so they need to make that person they’re talking to understand, ‘look, you need to get it that I am in charge, I am the manager, I am giving you an instruction and I’m sorry you’re going to have to accept it’. So, that does happen sometimes, not very often” (E3C).

In Organisation C, sensitivity related to gender seemed to lead to situations where some people would not accept or discuss their problems with a female in charge. They believe that it is men who should be in positions of authority, not only as the heads of households, but also in the workplace. According to Hofstede (1998), this comes under the fourth dimension known as Masculinity versus Femininity (tough versus
tender). This measures society’s two opposing goal orientations: in a masculine culture, the emphasis is on status derived from wages and position; in a feminine culture, the emphasis is upon human relations and quality of life.

All societies consist of men and women, and apart from being biologically distinct, they have physical differences. They are biologically known by the terms ‘male’ and ‘female’, and culturally referred to as masculine and feminine. Societies differ in the extent to which they value the behaviours and roles played by women. Some societies recognise that some females are sometimes more competent than males, and gender norms differ from one society to another (Hofstede & Hofstede 2005). The qualitative data confirm that in one of the organisations gender and socially-constructed roles associated with femininity became an issue in the workplace when Indian workers refused to take orders from or deal with female managers. The father is seen as the person in charge of the household, males assume all responsibilities, and are seen as the most experienced members of the family (Trompenaars 1995). The case data revealed that gender was an issue of concern in Organisation C and management had to deal with it.

The interview data from Organisations A and C show that both age and gender diversity in the workplace tend to cause some conflicts in the context of power distance, and challenges to authority. As shown above, in Organisation D, there was a more even gender distribution of employees, while in Organisation A and Organisation C the workforce was more male dominated. It could be inferred that, in male-dominated organisations, the person in charge has to make it clear to the employees that they have to follow his/her instructions and accept that the manager’s directions have to be followed regardless of the manager’s age or gender.

The interview data reveal that age, gender and language seem to be the main sources of challenges by management, even though this study only focuses on language, culture and religion as source of conflicts. Based on the experiences in Organisation A in implementing diversity policy, another important discovery is that diversity policy can actually be useful in the strategic management of a diverse workforce, as it can be used as a means of preventing friction resulting from ethnic and cultural differences between employees before they become major challenges. Given the benefits and
challenges related to the major themes of conflict, managing cultural difference, and the nuances of language, it is also important to explore in detail policies, the enactment of policies, recruitment policy, training policy and diversity policy.

### 4.4.2.2 Language as a Source of Challenge

While the organisations clearly indicated the value of language diversity it is also a challenge to be managed. The data here reveal reverse discrimination has developed in the workplace based on languages, other than English, spoken by employees and causing suspicion amongst other workers. It must be made clear to them by management that they work in Australia and they have to ensure they speak in the predominant local language, not allowing sub-language cultures to exist to the exclusion of others. This means that employees of different cultures must be reminded to speak English when exchanging information in the workplace to avoid suspicion that may be created by speaking other languages. Employees should be informed that perceptions of reverse discrimination can be created among other employees, not because of what they actually talk about but by the fact that they speak in their own language.

In Organisation A, language as a source of challenge was highlighted by the statement that

“The biggest risk for Americans coming to Australia is because everyone speaks the same language they anticipate things get done the same way. They fail. So when we talk about ethnicity it’s more than just Aboriginal, or the colour of your skin. [It’s not the language either…], the language can actually make it more difficult because you’re trying to unlearn your base concepts” (E4A).

Organisation A is aware that the major challenges in relation to managing diversity are numerous and they are related to different cultures. According to the manager interviewed:

“For the Chinese, language would be my major challenge… Indians can’t tell the Chinese what to do and Chinese can’t tell the Indians not to do. It’s like the Greatest China, you know, Indo-China wall” (E2A).
It appears from the data that conflicts occur not only between employees and management but also amongst employees with different backgrounds. The management in Organisation A seems to deal with these cases individually to eliminate conflicts and problems in the workplace, but is also aware that there are cultural issues which are hard to address, such as the “Indo-China wall”, but managers need to be aware of such problems.

In Organisation C, language or ‘the language-clique’ is a clear source of conflict:

“The most recent one is the language-clique… There is a group of staff who work in the bistro for us. Of those staff there is a percentage of them that have a Yugoslavian [sic] or Macedonian, Croatian background. Now English for them is a second language so they will converse in Macedonian, they will converse in Croatian, Serbian – whatever the case is and they can talk to each other and they understand that. There is another percentage of staff over there that do not speak any of the Yugoslav or Baltic languages; they speak English only. They feel left out. They feel that the people that are speaking a foreign language, other than English, are talking about them and the person that only speaks English says ‘they’re talking about me’. That’s probably the most common thing is that the English-speaking person feels excluded from the non-English speaking background” (E3C).

In Organisation D, language in action was also referred to as a major source of conflict as shown by this statement: “I would say the conflict that arises would be in communication styles [rather than religious or cultural differences]” (E7D). When asked whether there was any conflict related to language the answer was:

“Oh yes, language, and understanding. Yeah, misunderstanding, language, the extent to which, for example, an Asian employee would feel intimidated by a very assertive manager; they would prefer a softer style of management and communication and would not appreciate raised voice or slightly threatening behaviour. So, I would say that with conflict arising, style and behaviours ...and the conflict between people there. For example, one area of conflict is
that Australian, Western employees who speak English, many other people have a first language other than English, so Greek maybe. And so we have Greek customers speaking to our Greek staff in Greek and that can sometimes upset only-English-speaking staff members because they wonder what’s been said, they get slightly suspicious they’re being talked about, and that kind of conflicts can occur… It just raises suspicion” (E7D).

The Senior HR Manager in Organisation D believes that “in the area of HR and conflict management, you can see the communication struggles between management and staff, [and it] can sometimes be bound within the cultural differences” (E7D). The manager further declares that an area of current disadvantage in Organisation D is that “[the organisation] does not have much multiculturalism in the senior management team. It is tending to be European, Western” (E7D). It can therefore be argued that language might constitute a glass ceiling for employees with people from culturally and linguistically diverse backgrounds not being promoted to senior level management positions.

English is a second language to a large group of employees, and this creates challenges in both expressing themselves and understanding what is said to them. The literal interpretation of English seems to be one of the sources of language-related challenges for management. As stated by an executive in Organisation A, English is the second language in China and the Chinese might sometimes take literally whatever is said to them:

“So, if I say something like, ‘so are we okay with this?’ They go, ‘yes’. I’ll go, ‘but do you understand that you’re okay with this meaning do you understand this?’ ‘Oh, I thought you meant am I okay in myself, like in my health.’ [She says] ‘I know you’re okay in your health; you’re sitting there. Do you understand?’ [The employee replies] ‘Oh, yes’. But they don’t. So, I find that you have to drill down. You have to be very clear, speak slowly and really make sure that they understand the message” (E2A).
Another example was related to India where English is the second but unifying language:

“one of the guys came up to me one day and he said ‘I’m not having charitable thoughts towards X today’. I went, ‘sorry’, so they also have very formal, sort of old English, and what he was meaning to say was that the guy was annoying him or he didn’t particularly like him today, but the way that it was phrased was, I don’t have charitable thoughts towards this person today, and it’s quite funny ’cause I just sit back and go, ‘couldn’t you have just cut that sentence down and say he’s annoying me, or I don’t like him?’ And they’ll say ‘please do the need’, or ‘please respond in kind’, everything is very formal” (E2A).

This example illustrates the way some Indians tend to use formal English expressions. There is a need to teach employees the use of simple English which is straight, brief and to the point, and to help them use sentences that make sense and give the intended meaning without ambiguity. This will take time, but it will eventually facilitate communication and lead to better understanding of the instructions given in the workplace.

One of the executives in Organisation D declared that the major challenge in relation to language occurred not between employees with different ethnic backgrounds, but between employees with the same or similar backgrounds:

“the main challenge that I’m aware of is people of similar backgrounds associating with each other and hence wanting to speak a native language… It would be a conflict only in the case of doing it in front of customers who may be Australian, and also isolating those employees who are on the same team or positioned physically close to them when they’re speaking a language they can’t understand” (E4D).

The data presented in this section clearly illustrate that language is a major source of conflict in organisations. Language causes multi-faceted problems for management. The first common theme which appeared in the interviews is that language causes misunderstandings between management and staff and between staff themselves. The
source of such misunderstanding relates to the ways in which employees with culturally and linguistically diverse backgrounds converse in English, or to the lack of understanding of certain terms and expressions. This challenge cannot be underestimated as it may pose a safety risk or lead to a greater need to manage conflict.

It is clear that proactive management of language differences cannot be ignored. Therefore, another central theme uncovered in this study relates to communication and English understanding. The key component of the findings consistently mentioned by all participants was that of a vision based motivating people which created loyalty. Throughout nearly every interview, there was a consistent theme of communication, loyalty and dedication by all employees.

In addition, communication has a cultural element to it. Different cultures use different means and forms of communication, and what might be acceptable in Anglo-Saxon culture might not be acceptable in other cultures. Although English is the same language in Australia and other English-speaking countries such as the United Kingdom and the United States, it is different in its style, form and nuance.

What became clear from the analysis of data is that the instructions ought to be in clear and simple language which can be easily understood by employees of different cultures. Clarity, simplicity and consistency are the three essential elements in communication when addressing people of different cultures who expect the message to be clear, simple and consistent.

English, being the official language of Australia, plays a central role in communication, and the ability of employees to understand Australian English is one of the most critical aspects of diversity management in the workplace. Employees are given instructions in English and are expected to communicate with their supervisors and their colleagues in the same language. English is the unifying language in India, and the second language in China; however, as explained above, people of both cultures find it difficult to comprehend the real meaning of some Australian terms. Therefore, employees of culturally and linguistically diverse backgrounds (CALD) cannot communicate if they fail to understand some terms or the real message behind
them when they are used by their Australian supervisors. Language is the means of communication in the workplace and enables employees to comprehend instructions given by management, including changes to the policies in place.

4.4.2.3 Cultural Practices and Differences as a Source of Challenge

National culture should be considered as a potential source of conflict. It appears that cultural differences are a common source of conflict, and that a cultural understanding is necessary to know how people think and how things get done. In Organisation A, it was stated that a diverse workforce can lead to frictions:

“So these frictions before they become conflicts you need to make sure you manage them. You spend some more time on making sure that… the nigglng little problem doesn’t become a conflict and I think that is one of the challenges that I’ve seen is that, you know, there is a benefit in having a diverse group, it doesn’t mean that there is not challenges in regards to the frictions that you would have between different religious groups or different people from different backgrounds or people who have a particular perspective on a particular constituency” (E3A).

In order to deal with this problem, the executive recommended employing a “local offsider” (E4A) to facilitate the communication and overcome cultural differences and barriers in the discussions.

The managers in Organisation B claimed that the organisation had not experienced a great deal of cultural conflict based on ethnicity. However, there was an incident regarding an employee from Chile that was cited commonly by all managers interviewed.

“We had a gentleman from South America, from Chile, and basically he used to kiss people “Hello” and sometimes some of the other people used to be offended by that and we had to talk to him regarding that. That is the biggest problem we’ve had. One of the girls took offence to that and she put a complaint in through our grievance procedure. So, we spoke to him and we spoke to her and we resolved the issue without further incidents and they work together still today without a problem” (E1B).
Another common issue revealed in the data is conflict arising from different cultural traditions and behaviour. The conflicts that management needs to deal with usually relate to how certain traditions and behaviours can be regarded as offensive or as harassment by employees of other cultures. There was an interesting example given by one of the executives in Organisation C.

“It’s common in – well I’m told it is common, certain Vietnamese, I won’t call them gangs, but youth groups, how they greet themselves would be considered almost an act of… a sexual nature to myself. They have a tendency to grab each other on the buttocks and flick the genitals and things like that. It was very unusual, yes, I was totally unaware that was something that was done. One of these guys who had a working friendship with one of our regular staff members, they always said hello, always spoke and on one occasion he’s walked over and given him a bit of a cup on the buttocks. The staff member has been horrified and come running over and we’ve evicted the male and all the time he was saying ‘But that’s how I greet my friends’” (E1C).

Here, what is reported as common practice in one culture would constitute sexual harassment in the Australian workplace. Organisation C has zero tolerance for sexual harassment and as such terminated the offending employee, thus adopting the assimilation model – ‘when in Rome, do as Romans do’. The data indicate that the existence of similar cultures together in the organisation leads to the formation of subcultures. In this process, employees tend to behave as they do at home, not as per the Australian way, which is the core contributing factor for the emergence of various conflicts. This Vietnamese way of saying ‘hello’ was regarded offensive by other employees of different cultures.

From the perspective of diversity management, the immediate firing of the Vietnamese worker was a prompt and appropriate response. It is not known from the data whether it had been an ongoing issue, or whether other employees were aware of the Vietnamese worker’s behaviour. This example shows that organisations have cultural issues to manage – if there are too many workers from one culture this will override the host culture and enclaves will form, but everyone has the right to be safe at work and if the cultural practices of one nation threaten another culture, the host
culture overrides. This involves making expectations clear by management and drawing the acceptable line in this host culture.

The behaviour of the Vietnamese employee was totally rejected by the management of Organisation C and led to his immediate dismissal. The researcher investigated this particular issue with some leaders of the Vietnamese community and they completely rejected the idea that this was a form of greetings amongst Vietnamese youngsters. Thus, the youngster apparently used culture as an excuse for his irresponsible and unaccepted behaviour. He called it a cultural custom to justify his actions and hoped he would escape the consequences and appease the management.

In reply as to whether Organisation D has a zero tolerance policy, the executive claimed:

“Yes, we definitely have a zero-tolerance policy, it’s called. That includes all those things: equal opportunity and discrimination, bullying and harassment. We have very formalised grievance procedures that we follow and that we have had to follow in the past 12 months, and we believe that results in positive outcomes for the greater good, I suppose. Unfortunately individuals have been terminated; that’s not good for them but it’s for the greater good of the [organisation] and our culture as well” (E6D).

In Organisation D, the common view expressed by the executives indicates that the management does not have any problems when dealing with individual people of different cultural backgrounds. Managing people of various cultures is easy “if you relate to them at their levels” (E3D), but difficulties would arise if the management tried to “enforce one set, standard for everybody, because other people have different views… and cultures” (E3D). Thus, diversity management means “the acceptance and understanding of different behaviours associated with cultural backgrounds and managing those different personalities and behaviours” (E4D). It can, therefore, be said that Organisation D takes a pluralistic approach to diversity management, and it does not necessarily see cultural diversity as a challenge for organisation or management.
When we look at the data presented in this section in relation to cultural practice, they illustrate that cultural practices are tolerated and accommodated in the workplace to a certain extent, provided that they do not cause any physical and/or emotional stress to employees. Thus, any type of action which can be regarded as harassment or sexual misbehaviour is not tolerated by the organisations in accordance with their zero tolerance policy. Therefore, interpretations by management may result in the acceptance of certain cultural practices and in others cases may result in the dismissal of employees for behaviour or actions constituting harassment or sexual misbehaviour.

In a comparative sense, it can be argued that Organisation A has an advantageous position compared to the other three organisations in dealing with cultural practices due to the diversity policy it has in place. The most interesting example of this policy is the practice of employing a local offside when dealing with customers of certain nationalities. The local offside enables management to cope with the language barrier as well as cultural and religious practices of the customers.

4.4.2.4 Religious Diversity as a Source of Conflict

Another core issue the researcher explored during the interviews was the extent to which religion was seen as a source of conflict. In Organisation A, there is an interesting example which relates to Muslim men who do not shake hands with women. A manager experienced difficulty when one of the Muslim males raised the issue, and “wanted some guidance on how you go about explaining that in a nice way to colleagues who are women in the workforce” (E5A).

Organisation A has “flexible programs” (E1A and E5A), so people can take time off for religious reasons. Some employees who celebrate the month of Ramadan negotiated with management to be released from work on the final day of the fast (E2A). The management in Organisation A accommodates such requests as it works on the principle that as long as the work is done and employees deliver what is expected of them, religious or cultural festivals are respected and tolerated (E4A).

When asked, all participants from Organisation B stated that religion had never been a core source of conflicts in the workplace (E1B, E2B and E3B). However, when
probed more deeply, contradictory responses were received from the managers interviewed in regard to special leave. While all managers declared that the organisation does not provide a prayer room, because it has never been requested (E1B, E2B and E3B), one of the managers claimed that they “definitely” provide special leave for religious purposes upon request: “Definitely, time off and so forth, one of our favourite ones is Greek Easter; we make sure that any one that submits a leave form we look after them during these times. So, any request that is made we look at it on individual situation and basis” (E1B). However, another manager said that they did not provide such options to employees: “Everyone is allowed an annual leave and for whatever purpose they require that annual leave it is to be supplied to management… Not specifically based on religious or cultural backgrounds” (E2B). Another executive interviewed gave a rather different answer by stating that “In terms of any special leave, it’s not something we have had… We have also had some people that needed time off for Ramadan, or maybe they might have needed to change their working hours because they couldn’t eat within certain time because of the cultural background that they have. Some would change their roster during the holy Ramadan. So, in certain circumstances, we do, it’s only when the situation is put to us we deal with them on individual basis” (E3B).

This shows that Organisation B dealt with special requests in an ad hoc manner and, as such, has no specific policy or standardised approach and thus leaves itself open to conflicts due to lack of solid practice to support diversity. While flexibility needs to be commended, it also leaves interpretation at the hands of often inexperienced managers and thus may leave minorities unable to assert their needs.

Based on the answers given, it is, therefore, impossible to determine whether Organisation B provides special leave for religious purposes. It should also be noted that none of the managers interviewed declared that they have ever had a conflict situation with an entirely religious basis (E1B, E2B and E3B). It seems that, in the absence of special leave for religious purposes, Organisation B can still handle requests made by some employees for special purpose leave, and they are dealt with on an individual basis. Similarly, if Organisation B had a policy of allowing special
leave, it would adhere to it to meet the requirements of its employees who would make such requests based on their religious persuasions.

Similarly, in Organisation C, religion does not seem to be a major source of conflict. Managers claim that the management accommodates the needs of employees of different religious beliefs including special leave for religious purposes upon request:

“In terms of religions, there’s never really been much religious intolerance. We’ve obviously got Catholics working for us, we have some Muslim staff working for us. Some of the Vietnamese are Buddhist and Taoist. We have had staff members who are devoutly Muslim and they need to go and pray for four or five times a day and that’s been accommodated and there’s never really been much in terms of why is that person going off and doing that because, look, at the end of the day that’s their religion” (E3C).

In regards to providing a prayer room, one manager claimed that “we’ve always had a little room… [It is] actually our First Aid Room” (E1C). However, all the other managers interviewed stated that they did not provide a prayer room (E2C, E3C, E4C, E5C and E6C). In addition, it can be argued that the use of First Aid Room as the prayer room is not a proper practice, as it has the potential of creating complications in the case of emergency when the room is occupied by a staff for praying purposes. This could lead to interrupting the employees’ prayers. Even though one might think that it would be appropriate to interrupt praying employees if there was a real emergency, the best practice would be to provide a separate prayer room to avoid such interruptions.

Unlike Organisations B and C, Organisation D had a conflict based on religion. One of the managers gave an example which showed that they had a zero-tolerance of discrimination policy:

“Well we had two staff members, they were both female so the gender issue wasn’t there. The age issue was there and the race issue was there. There was one staff member that had heard something in the media that… in how they say ‘of this appearance’ or ‘this appearance’ and she made a comment in front of a staff member that was of that appearance and the implication behind that
was ‘this person’s a criminal.’ So that was completely not tolerated here. A complaint was lodged, we got witnesses, we met with the unions. It was a horrible time, it was a horrible thing that we had to do, but we had to take care of our staff members so that’s what we do. Yeah, we have a duty of care to them.” (E6D).

In regards to this conflict, the executive in Organisation D stated that the conflict was “not religious;… that was [sic] two different races, I suppose. A comment was made that was deemed as racist and we dealt with that according to our policy” (E6D). Even though the manager regarded the conflict as a racial issue rather than a religious one, it should be stated that religion was indeed the dominant factor behind the appearance. This was an adherence to religion and religious practices by the employee. This example should also be seen as a response to the challenge posed by religious differences.

In Organisation D, six out of seven managers confirmed that they did not provide a prayer room, but one manager also stated that

“the one and only employee that did need a prayer room had his own office, so he used his own office as his prayer room. So it’s certainly something – we haven’t promoted it but equally we haven’t been asked for it. It’s in a state of limbo. We would be receptive if somebody asked for that” (E7D).

It should be stated that the use of an office as a prayer room is not an appropriate, and it is the organisations’ responsibility to provide a proper prayer room as required. This quote further indicates that Organisation D has a reactive, not a proactive, approach to accommodating religious needs in the workplace, and it deals with the issues or requests only when they arise. The interview data presented in this section show that religion does not constitute a source of conflict for organisations, with the exception of Organisation D where an employee made comments with respect to the appearance of a female colleague of a religious faith, and was then terminated by management based on its zero-tolerance policy. However, with regard to the provision of a prayer room or special leave, the data also reveal mixed responses, not only from organisations, but also from within organisations. This can be seen as a lack of
awareness at the management level with respect to policies in operation. It should also be noted that organisations actually have a pluralistic view and have no expectations of assimilation, but religious practices are not always encouraged, as shown by the person having to pray in their office.

In general, it should be noted that the line between benefits and challenges is rather thin. Issues such as religion might offer opportunities and benefits at the same time. Capable management can turn these differences into benefits to the organisation and to employees themselves, as stated by one of the participants:

“the major challenges that I have is an understanding of the background, of the culture, of their views and their ideals and, more importantly, their priorities. It’s a challenge that we work extremely hard at and try to face every single day as well. It’s challenging, but it’s very, very exciting, I enjoy learning about those things” (E2B).

4.5 Management of Diversity in the Workplace – Policies

Another important area of interest in this research is the actual management of ethnic diversity in the workplace. In exploring core relevant issues, the issue of the implementation of government policies in organisations, as well as recruitment and training policies, are relevant to the strategic management of ethnic diversity.

4.5.1 Diversity in Australian Legislation

In Organisation A, which is used as benchmark, the most important discovery is that diverse workforce inevitability poses challenges, but that the organisation uses its diversity policy in order to deal with frictions arising from having a diverse workforce before they become bigger challenges. One manager in Organisation A states that “being a large multinational organisation,… has career opportunities and attracts and retains employees by providing opportunities to people coming into the country and others travelling to other countries in order to get more diverse views of how they should operate and can better deliver to customers” (E1A). Another of the managers interviewed from Organisation A implemented the relevant government regulations including EEO, AA, anti-harassment and anti-discrimination (E2A). These polices “are well known, well trained, well-articulated and easily available for anyone and also part of our heritage, we had to carry it over, it’s called the Open Door Policy, you can go – you can raise an issue all the way up the channel, the global channel if you need to, and I’ve been an investigator and used different channels at times in my 30 years and it’s worked well. As far as it goes to diversity, if someone feels that they’re not getting what they need to or there is inappropriate actions or whatever and they have an issue it just says that we have multiple channels that they can use to escalate them, to communicate, to try and get some resolution” (E4A).

Organisation A claimed that the organisation does not have an affirmative action policy labelled as such, but “certainly there are programs around under-represented constituencies within the organisation. So there are programs around people with a disability, there are programs around females in the workplace, we’re evolving around women in technology type of program, and there are also some activities around bringing up our representation for Indigenous Australians [within the organisation]. Apart from that it’s more around the equal opportunity type policy with regards to appropriate representation and appropriate equality between people regardless of gender, race or social background” (E3A).
Although Organisation A is used as a benchmark, Organisations B, C, and D are involved in the hospitality industry where certain appropriate prerequisites which apply in Organisation A are not necessary for recruitment at most levels. Organisation B has EEO, AA, anti-discrimination and anti-harassment policies. Although it has no diversity policy as such, Organisation B “conducts orientation training and one of the major topics of orientation is culture awareness, especially based not only on who you will be working with from the most diversity background, but also patrons and customers as well” (E2B). Therefore, the issue of cultural awareness in Organisation B appears to be based more around customers than employees.

In Organisation B, the executive stated that their company had a lot of respect for differences in the groups of employed (E1B). Another executive claimed that diversity management meant maintaining “a positive working environment and making sure who has individual differences that we treat them equally, and think that an important thing that we have is harmonious work environment” (E3B).

Similar to Organisations B and D, Organisation C did not have a diversity policy or AA, and it has EEO and anti-discrimination policies. This shows that they employed specific laws as a baseline rather than taking a proactive approach. One manager stated that these policies “are part of the induction policy and they are given to all staff as part of [an] over-arching document” (E1C) that encompasses the organisation’s policies. The review process of such policies was, according to E1C, constant, and was being conducted “whenever a specific incident comes up that might… need a change” (E1C).

In the absence of a diversity policy in the workplace, it is left to management to deal with the diverse workforce and try to manage their ethnic and cultural differences without the stipulations and guidance of a proper policy. This means that different managers might take different actions to deal with similar problems. The implementation of diversity policy provides management with a tool for employee motivation and for improving communication and harmony in the workplace. However, the lack of a diversity policy might lead to inconsistent actions, as the decision made and the actions taken are not directly informed by an established framework, but by dealing with problems as they arise.
Managing diversity in the workplace in Organisation D seems to be challenging, yet easy if the manager understands the various cultures and creates a common, environmental culture for employees where they share their values and skills without discrimination. Organisation D adheres to the government regulations, and additionally implements some other internal policies including a drugs, smoking and drinking policy, a social network and published material policy, a telephone, mobile phone and iPhone usage policy, and a zero tolerance policy as stated in the employee handbook. It does not have a diversity policy and it was noted by one executive that it will be implementing such a policy in the coming year (2015) (E6D). It seems that diversity management in Organisation D is understood and practised as enforcing compliance rather than as proactively managing or seeking to gain benefits or looking at issues such as indirect discrimination. As indicated in Section 4.4.2.4, an employee was given permission to use his own office as a prayer room, however praying in one’s office can only be seen as bare recognition and enablement, but not as proactive diversity management.

The data presented in this section indicate that the enacted policies implemented and adhered to by the four organisations deal with providing equal employment opportunities and training to all employees. It seems that these policies provide equality, fairness and harmony in the workplace, however they lack awareness and understanding of ethnic and cultural differences. The benefit of a diversity policy is that it deals directly with the cultural backgrounds of employees and creates awareness for both management and the workforce. The interview data from Organisation A presented in Section 4.4.2.3 referring to the implementation of “local offsider” and in Section 4.4.2.4 referring to flexible programs reveal that the implementation of its diversity policy enabled management to deal with and be aware of cultural differences. Given the experiences of Organisations B, C and D presented again in Section 4.4.2.3 such as the two incidents of saying hello by kissing or grabbing the buttocks, they became aware of cultural and ethnic differences of the workforce as problems occurred. Therefore, government policies do not offer as many tools and benefits as a diversity policy, as will be further discussed below.

Whilst the EEO deals with providing equal employment opportunities to all without discrimination, diversity policy deals with cultural differences and creates awareness
and comprehension of various cultural issues. For example, in Organisation A as a result of implementing a diversity policy, diversity became, in their own words, “an integral part of the organisation’s make-up” (E1A). It can be argued that this is also the case for Organisations B, C and D that do not implement diversity policy. However, following Hubbard’s (2004) four types of diversity (workforce diversity, behavioural diversity, structural diversity and business and global diversity), it is believed that implementing a diversity policy has clear advantages over EEO and AA. The interview data reveal that Organisations B, C and D effectively address issues associated with workforce diversity and behavioural diversity under certain conditions as explained above. However, they fall short of providing an organisational practice addressing structural diversity encompassing interactions across functions, organisational hierarchy, divisions and subsidiaries.

In our case studies, only Organisation A has diversity training as part of its diversity policy. Therefore, Organisations B, C and D manage cultural issues as they occur in the workplace, whilst the structural diversity of Organisation A enables management to minimise, if not prevent, the occurrence of cultural problems. This means that having an established diversity policy framework enables management to deal with problems or issues consistently using the guidelines and tools of such a policy.

4.5.2 Diversity as Organisational Policy: The Benchmark

Organisation A is the only organisation with an official diversity policy of its own, defined by the management as “alive and active diversity policy that has global reach, but then has local customisation for [Australia]” (E1A). The organisation has “a multi-faceted approach to diversity” (E1A) covering issues such as gender (including gays, lesbians, bisexuals and transsexuals (E2A), age and cultural diversity.

Organisation A has a fundamental value system of respecting and trusting one another. An executive reported:

“we seem to be about at the third stage of diversity now. So, the first stage was really equal opportunity and we did that through the 1950s, 60s in reality, predominantly in the US but we embraced that challenge pretty quickly. The second one was having an appropriate diversity management system and that took a while so,
I think if we had a look at the end of the century sort of the mid-‘90s and we probably had that in place pretty well. What I’ve seen now is that [the organisation] has moved into the third stage where we are actually taking advantage of our diversity and that’s really coming to the fore because we’re as a whole, embracing the fact that we’re a global company. So, in Australia, we have about 15,000… so, you know, if we don’t take a positive attitude and embrace the benefits of diversity we’re not giving it justice I think so, that’s probably my last comment is that I think that most people—the vast majority of people,… in Australia no longer see diversity in [the organisation] as an issue. We’ve got some work to do, right, but I don’t think we see it as an issue but we’re now starting to explore what benefits we can get out of it” (E1A).

This quote indicates that within and through its diversity policy, Organisation A has developed an understanding of workplace diversity with a strong emphasis on the equality it offers and benefits it brings. The same executive added that

“Underlying our diversity policy is local legislation requirements but at a measurement level we do measure the diversity of our organisation. Being in the industry that we’re in… So we’re constantly measuring the balance there to try and at least reach the equivalent of the university output so we do have a gender measurement and we also like to think that we reflect our customers, so we actively look for a diverse range of employees so that we can show our customers that we have that diversity. Also, being a large multinational organisation, we have career opportunities and attract and retain our employees by giving them opportunities, both people coming into our country and others travelling to other countries so they get a more diverse view of how we should operate and how we can better deliver to our customers” (E1A).

It is clearly seen in this statement that Organisation A claims to be using its diversity policy not only as part of its human resources strategy, but also as a tool for delivering better outcomes to its customers.
When asked about diversity policy, another executive reported that,

“[The organisation] has fairly comprehensive diversity policy and this includes a fair amount of measurement and a fairly good strategy to get towards where we would like our key productivity indicators to get to in regards to diversity, so the management of that is looking at the programs and the governance of how [our organisation] adheres to the legal framework or the requirements around diversity but also on where the company is going; where it is currently and where it should be heading to and measuring how we are going in heading to where we want to be with regards to diversity” (E3A).

With respect to the adoption of the policy by the workforce, one of the executives interviewed declared that,

“we do have localised customs and practices that we implement but they’re certainly a very big imprint from the US. I think that we adopt practices that deliver the best outcomes for the employees so we do have directives from the US, but we are able to manipulate that and deliver that within the local fashion within our organisation. It does reflect Australian society in terms of a diverse and multicultural organisation at an Australian level and clearly operating in many countries around the world that influence also happens” (E1A).

In Organisation A, diversity management involves identifying the constituencies in the organisation that are important in the diversity area. This includes the advancement of women in the industry (E5A).

To enable employees to balance their work and personal needs, flexible work options and flexible leave are provided by Organisation A in the belief that they are the key to business success. To achieve this, Organisation A has a flexible program – a special type of leave allowing employees of different ethnic origins to celebrate their cultural and religious festivities in lieu of two designated Australian public holidays (E4A).
This enables Organisation A to offer its employees flexible working hours including longer, shorter or different hours as requested, either by management for specific assignments, or specifically applied for by employees for religious or cultural purposes (E2A). Another executive clarified that Organisation A does not have “holidays or additional time off for religious days” (E3A), but flexibility is offered by adjusting public holidays in a way that does not cause any inconvenience or interruption in the workplace (E3A). It can be argued that this particular strategy adopted in Organisation A is a world-class practice, which has not yet been adopted by the smaller organisations studied in this research. Such a strategy also seems to be lacking in organisations where the effects of globalisation are not as apparent.

4.5.3 Recruitment Policy Addressing Diversity

In terms of recruitment in Organisation A, one executive stated that their recruitment policy was mainly based on equal employment opportunity rather than affirmative action, as “it is always the best person for the job regardless of gender, race, creed, colour, that sort of thing” (E5A). When recruiting, management looks at “a diverse panel of people being interviewed and [encourages] managers to look at [candidates] that have the best skills as opposed to their ability to have certain characteristics that might be perceived as western” (E1A). The organisation has mentoring opportunities and multicultural networking groups for university graduates, it promotes itself at universities, and new recruits are made to feel comfortable by giving them access to networking groups (E1A).

The skills and talents of a diverse community are recognised by Organisation A, and it has a commitment to employing people with disability in the workforce. One participant stated that,

“We have also targets for disability employment so we try to meet those as well. We provide support in terms of audio support for people that have a hearing impediment of some sort. We also have tools that will magnify the written screens and translators for those that may be sight impaired or blind and then physical disability you’ll find in most of our sites, if not in all of them, that there is ability to get wheelchairs, or there are ramps or other access for employees so very conscious of where we take premises for
The above answer indicates that even though it is claimed that Organisation A does not employ affirmative action based on targets for disadvantaged constituencies, there seems to be a target-based approach used for employees with a disability. It is, however, not clear how this approach is accommodated within the equal employment opportunity framework conducted by Organisation A.

The answers given by the executives interviewed indicate that Organisation B carefully manages the recruitment and selection processes in order to attract, identify and retain the most talented and qualified creative employees. It also runs an orientation program for new recruits within the first couple of weeks of their employment (E3B). The general manager of Organisation B stated,

“we are a multicultural area, it is part of our daily culture how we operate. We work for the organisation and really the background of where people come from does not seem to be an issue. We see the people who work for the organisation and we throw all our differences and backgrounds aside when we walk in here” (E1B).

It can be argued that such an understanding of diversity is implicitly more to do with assimilation than acculturation because members of the workforce forget their cultural differences and work together as one group. There was no evidence in the interviews conducted with the participants in Organisation B indicating how they actually threw their differences aside when they were in the workplace. This may lead to the interpretation that the lack of specific examples showing how they threw differences aside might result in the recruitment of individuals who are like themselves.

In Organisation C, it was stated by an executive that “the management does not discriminate against people’s race, age, sex, religion or ethnic beliefs” (E5C). As no employees were interviewed, the statement made by the management can only be assessed by evaluating its organisational practices. Unlike Organisation A, Organisation C does not explicitly deal with disability as a discrimination issue. The human resources department have their own selection criteria and processes in place and select qualified persons for the jobs advertised based on experience and the ability
to perform:

“Just to keep skills and morale communication and that, keep it all up to a high standard and being in our industry customer service is one of the highest priorities we have. Ensuring that we satisfy customers and staff need to be aware of how and which way in conducting themselves, to present themselves well and communicate with customs to give them the ultimate experience when they come and visit our [organisation] and we look for people when we hire, people who have a bit more self-confidence and ability to – self-esteem and that, to do that job for us” (E5C).

Being in a multicultural area, Organisation C advertises job vacancies in the ethnic newspapers in different languages in order to obtain applicants from NESB (E2C). The excerpt below gives a good insight into the way in which recruitment policy is used in Organisation C:

“An excellent Vietnamese chef had to attend English classes as part of his training to obtain a sponsored visa. Unfortunately, he has not succeeded in those classes, we said we’re going to offer the visa – we’re going to do this process for you for the visa. As part of that you need to have a better grasp of English and we will send you off to an English-as-a-second language class. So, we will do that. Because the long-term benefit for us if we can get a staff member who is loyal, if we get a staff member who is effective and productive we’re going to save money in the long run by not having to go out and get somebody else so we’ve got a bit of loyalty” (E3C).

Through such a recruitment practice, Organisation C was able to hire an “excellent… effective and productive” chef, who will be loyal to the organisation. The same manager stated that they employ people of different cultures and different backgrounds and they can rely on those people to provide some insight into their cultures (E3C). This further indicates that Organisation C is open to resolving problems and, at the same time appreciates the skills and loyalty of a good employee such as the Vietnamese chef.
Organisation D is committed to fair and reasonable practices and selection of employees is based on merit. This is done by adhering to the principles and objectives of equal employment opportunity employment (E6D). An executive states that management of diversity is,

“using the workforce and its knowledge and behaviours for competitive advantage, so aligning staff and their knowledge about certain cultures with maybe our customers and what might work for them. So for example, we employ many Asians... because many of our patrons... are Asian. So I think that provides a good service because they have a better understanding about their needs than we might as Westerners” (E6D).

The interview data indicate that all four organisations adhere to equal employment opportunities policy, yet Organisations C and D target certain ethnic groups for employment by advertising vacancies in ethnic newspapers or by hiring Asian employees to serve Asian customers. The above example of the Vietnamese chef in Organisation C is evidence of a positive attitude taken by the management towards a good employee. Similarly, in Organisation A, the recruitment policy is about “the best person for the job” (E5A) regardless of any ethnicity, culture or gender. However, when Organisation A enters into a contractual agreement with a new employee, diversity policy comes into practice by taking into consideration cultural differences. In this way, Organisation A is applying diversity policy and providing employment to employees irrespective of their backgrounds. This clearly indicates that policies themselves are not enough to generate the desired outcomes unless they are carried out through strategically planned actions to manage diversity in the workplace. It is also important to take actions to enhance diversity in the workplace through employment processes. A good example in this regard is Organisation C’s action of advertising new vacancies in ethnic newspapers in different languages and thus targeting CALD employees. Even though such an action is taken to best serve the company’s interests in serving customers with ethnic backgrounds, it still illustrates that diversity is taken seriously by management.
4.5.4 Training Policy in Managing Diversity

Another core issue explored during the interviews was the way in which training policies are implemented for managing diversity. Organisation A runs two training programs, and has an online tool:

“[The training program is] around working with diverse cultures and it’s a training program delivered face-to-face, but we’re also doing an online module as well and that’s to help employees be aware of the different mindsets when you’re working with people from culturally diverse backgrounds… So… it’s around being inclusive in your work practices… [You] get the best out of people when they actually feel involved and when they feel included… we actually have an online tool… and what that has is it’s probably got about a hundred different profiles of countries… and what you can do is a comparison between, say, Australia and Nigeria and it will say these are some of the differences that you may observe between these two kinds of cultures” (E5A).

This excerpt shows that Organisation A has invested in developing a cultural awareness of other countries they intend to deal with, and has obtained information on cultural differences before dealing with these countries. Furthermore, from an employee point of view, this online tool can also be used to learn about the cultural characteristics of one’s colleagues, and to enhance cultural awareness within the organisation. In terms of managing gender-oriented diversity, the focus is on increasing the number of women in Organisation A. It is stated that “professional development programs help the advancement of women to senior positions, and flexible work options enable all employees, especially women, to balance their professional and personal goals” (E1A).

One of the executives in Organisation A stated that diversity management started in the 1960s with the Equal Rights Movement and equal rights values were ingrained both in the employees and in the organisation (E4A). The executive further added that,

“you would evaluate a successful diversity program by the change
of the culture and the mix of people, the progressions. The bottom line criteria wasn’t the diversity, it was that you evaluated everyone based on their ability to contribute. That’s the bottom line” (E4A).

Organisation B conducts an orientation program for the employees:

“When we start, everybody will go through an orientation program and they do within the first couple of weeks of their employment. We cover EEO and AA and also run a very good course on diversity awareness, and we ensure that we do that every 12 months so that people are aware that cultural diversity is an important thing here” (E3B).

Furthermore, the organisation runs refresher trainings on those policies once a year attended by all staff, and does a major overhaul of all policy procedures every second year (E3B). Therefore, it can be said that diversity training is a constant process in Organisation B.

In Organisation C, there is a course on diversity which is part of the induction process (E2C). Two other executives revealed that there is no ongoing diversity training in Organisation C: “Training, no, not really. I’ve done a few certificates in hospitality like III and IV. I’ve done a lot of diversity stuff through doing those certificates at TAFE” (E6C), and “[there] is no real diversity programs or training for the general staff. What we try to make sure is make them understand that everybody gets treated the same. If you want to call that some diversity training that is what it is because we don’t care who you are” (E3C).

Training is also a part of Organisation D’s induction process and every newly recruited employee is fully briefed on the organisation’s policy with regard to equal opportunity and discrimination (E5D). The organisation also runs ongoing training programs covering “equal opportunities and discrimination” along with other policy areas (E7D). One executive explained the training policy in Organisation D as follows:

“So we do want higher retention because the cost of training, the
cost of my time doing inductions, of recruiting, of interviewing, it’s a long process. It takes a good week just to get someone in the organisation and then we do a three-week training program and then there’s a six-month probation. So there’s a lot of money and time that goes into that so yeah, to make sure we keep retention quite high but also about engagement levels to make sure staff identify with the [organisation] and they see themselves as a contributor not just an employee or not just a number, as the cliché goes” (E7D).

As noted above, Organisation D is planning to implement a diversity policy, and one executive explained how this would be incorporated into the organisation’s training policy. The statement below reveals that Organisation D recognises the importance of diversity policy in the workplace to such an extent that it is willing to implement it soon, and thus it is training its employees and raising awareness of diversity issues:

“Diversity policy is an area of interest, from my point of view, that we are just developing, and… starting on a management development program to raise awareness of diversity issues, because everybody is aware we are multicultural and diverse but I think the awareness doesn’t have any deep understanding or appreciation, so we’re trying to first develop some training for our managers which we can then support later with a policy” (E7D).

The data revealed that various training programs are available in Organisation A. According to statements made by two executives in Organisation C, this organisation has a training programme called Manage Workplace Diversity compared to induction programs in B and D. However, it should also be noted that in Organisation C, two executives stated that there are no diversity training programs whilst two others claimed otherwise. The important issue is that Organisations A and D have ongoing training programs aimed at raising cultural awareness. Due to the conflicting information given by the executives in Organisation C, it is not clear whether this organisation has ongoing programmes. Organisation B does not have such programs, and the employees are expected to “throw all their differences and backgrounds aside” (E1B). This indicates that Organisation B expects employees to adhere to the dominant organisational culture, which is Australian, to create harmony and peace in
Thus, the management of Organisation B employs a rather assimilative approach by choosing not to conduct any training on cultural awareness. Therefore, the different attitudes toward management of diversity are apparent in how organisations design and implement their training policies. This shows that induction programs are insufficient in organisations and that a system of compliance supported by training programs is needed to equip their employees with awareness of cultural and ethnic differences in the workforce.

4.6 Summary

This chapter has presented, reviewed, analysed and discussed the data collected regarding the research questions identified in Chapters 1 and 2. This chapter reported and analysed the findings of four case studies, three of which are similar organisations in terms of activities, and one of which is a large organisation used as the benchmark due to the existence of a diversity policy. In doing so, it found that there is evidence to suggest that manage ethnic and cultural diversity in the workplace is becoming a significant issue that is raising concerns at a management level. Since Australia is a multicultural society, diversity will continue to increase in corporate settings, thereby leading to an increase in the diversity of the workforce.

The data collected from the interviews show that the diverse workforce provides benefits to both organisations and customers. Organisations benefit from diversity through the employees’ skills, languages and experiences, which can improve productivity and customer services. The data also reveal that the organisations regard their diverse workforces as their greatest assets, and that cultural differences constitute a major source of conflict in organisations, especially with regard to language which causes multi-faceted problems for management. The interviews reveal that language differences cause misunderstandings between management and employees as well as between employees themselves. Cultural traditions and behaviour constitute a source of conflict in the workplace. The data reveal that the enacted policies implemented by the four organisations, which aim to provide equal employment, fairness and harmony in the workplace, lack awareness and understanding of ethnic and cultural differences. The benefit of diversity policy is that it deals with the cultural backgrounds of employees and creates awareness for both management and the workforce. The researcher’s diary shows that forty organisations
advertised on the AHRI website as having diversity policies were contacted over a period of six months, and only one agreed to participate in this research. Their unwillingness to participate leads to three possible conclusions: their practices and processes would have failed scrutiny; they did not have practices and procedures; or their practices are so beneficial that it would have been disadvantageous to the organisation to have the information made available.

As explored further in the next chapter, one of the key findings of this study is that diversity is a hidden issue on the ground that many organisations declined to be interviewed about. In the interviews, one of the core issues explored was whether, or to what extent, diverse workforces offer benefits and challenges to organisations. Ethnic and cultural differences provide various benefits to organisations such as language skills, different life experiences, competitive advantage and good corporate image. At the same time, these differences are the source of various conflicts primarily based on culture and religion.

This research also confirms the claim made by De Cieri and Kramar (2007, p. 294) that “the management of diversity should be more than complying with EEO legislation”. The literature review showed that the different needs of minority groups in the Australian workforce have been recognised by some organisations. This recognition includes issues such as leave flexibilities for childcare and family dependence, special leave for religious holidays and provisions for prayer rooms for some of these groups. It appears that the organisations apply the legislation to manage diversity in relation to these issues, but the legislation is not clear in relation to diversity. While anti-discrimination is the start to equity, there is no diversity legislation and this may have led to a lack of specific diversity policies. This research reveals that the benchmark organisation (Organisation A) has flexible programs to provide alternatives to Christian festivities and to balance work and life choices. The research also shows that in Organisations B, C and D that do not have a diversity policy, the issues and/or problems are dealt with as they arise with no institutionalised framework or rules and strategies.

In dealing with diversity management in action, recruitment and training policies were also reviewed. For the former, the findings from four organisations reveal that
employees are recruited on the basis of what they have to offer for the job such as qualifications or other skills, most importantly language skills for the organisations serving customers with certain ethnic backgrounds. Training is also provided by these organisations by providing induction programmes at the commencement of employment or various other courses on cultural awareness. However, the data reveal that there exist different attitudes toward the management of diversity. These differences manifest in how organisations design and implement their training policies.

The cross-case analysis of core issues was followed by the themes discovered in this study: cultural dimensions, cultural practices, communication as part of English understanding, and organisational practices. These themes were explored as the final part of the analysis. The implications and conclusions derived from this analysis of the data are discussed in the final chapter. Chapter 5 will conclude with the findings and their implications to answer the research questions as to show where the data have supported previous research and where new findings have been reported.
5 DISCUSSION AND CONCLUSIONS

5.1 Introduction

The previous four chapters have outlined the nature of the problem, reviewed the literature, justified the choice of a qualitative case study methodology, analysed the data and identified four major themes. This chapter returns to the purpose of this research, which is to investigate the research problem discussed in Sections 1.4 and 4.2:

- the availability of policies relating to diversity and the extent of awareness by management of the benefits and skills that diversity brings to the organisation in terms of efficiency and profits, and
- how organisations manage a multicultural workplace, and how managers turn rhetoric into reality through management practices.

With reference to the increasingly diverse population within Australia, Chapter 1 asks whether it is worthwhile to consider if the workplace has embraced and managed cultural diversity. While the literature indicates that diversity is a good thing for business, there is little known about what Australian businesses located in suburbs with great diversity are practising in relation to their employment. Furthermore, Chapter 1 shows the extent of the differences between organisations and how they manage a multicultural workforce at the management level. It also presents the research objectives with an analysis of post-multiculturalism in the workplace. In addition, this chapter outlines the research gap and discusses what should be done beyond compliance to legislation. Chapter 1 also provides an overview of the research methodology dealing with data collection and data analysis, and briefly introduces the methodology chosen for this research, and discusses the importance of this research and provides information related to the core issues involved in managing diversity. The limitations of this study and the ethical considerations involved are discussed and a summary of the research problem is presented. The qualitative methodology adopted is described along with the limitations and assumptions.
In Chapter 2, the pertinent literature was reviewed, commencing with the two parent disciplines, which included philosophies and political realities, and workplace sociology. This was followed by the immediate discipline of the management of diversity in corporate settings. It identified how organisations view diversity and what they are doing about the management of diversity in the workplace. The identified gap in the literature enabled the researcher to develop the research questions that deal with whether diversity is recognised as a benefit in the workplace, and whether the conflicts experienced in the workplace are based upon cultural or ethnic differences. The final research question developed relates to what is done to increase diversity management in the workplace beyond government regulation.

Chapter 3 discusses the choice of the realist interpretive descriptive paradigm as the one being most capable of showing the real world of ethnic diversity in the workplace. It also includes an extensive discussion on the research design employed in the study, namely ex post facto multiple case analysis, which is preferred owing to the belief that it is the most appropriate option to examine contemporary events with vast amounts of in-depth information about a limited number of case studies. A multiple embedded case study was chosen as the most appropriate design for the thematic analyses conducted. Chapter 3 also provides a discussion on the chosen methodology of qualitative research and the method of open-ended in-depth interviews. It also includes a discussion on the validity and reliability of the research as well as ethical considerations and limitations of the research, and provides information on the selection of case studies, three of which, are located in multicultural areas in which languages spoken at home is predominantly non-English.

Chapter 4 presents the data analysis and reveals four major themes that provide a contextual link amongst the issues covered, which are power distance, cultural practice, communication as part of English understanding, and organisational practice. It provides the data analysis through a thematic approach focusing on benefits and challenges of a diverse workforce, and on Australian legislation related to the issue of diversity and various organisational practices and policies dealing with the strategic management of cultural and ethnic diversity in the workforce.
In Chapter 5, the research discussion links the results of the data analysis to the literature review and draws conclusions about the research questions. It seeks to resolve the research problems, presents the implications of the findings and identifies areas for further research.

5.2 Conclusions about the Research Questions

The research questions posed in Section 1.5, which underpinned the entire processes of data collection and data analysis of this research, must now be considered in relation to the current literature. The research questions have been addressed throughout the thesis and answering these research questions has been a cumulative process.

Alongside with the discussion in regard to the research questions, this section also highlights the four themes discovered in this study and presented in Chapter 4. It is evident that the participant organisations are actively engaging in the management of diversity. Based on the qualitative data presented in Sections 4.4 and 4.5, the researcher has identified four central themes that provide contextual links between the issues uncovered:

- power distance
- cultural practice
- communication as part of English understanding
- organisational practice.

5.2.1 Research Question 1: Is multiculturalism in the workplace evident and if so, what is its impact on organisational practice?

Multiculturalism became an official policy in Australia in 1973, thus easing the restrictions of the assimilation policies of the 1940s and 1950s (Koleth 2010). This confirms that a diverse workforce leads to the qualitative improvement of the employee base. Australia has developed into a multicultural society. The influx of migrants has increased migrant participation in the workforce, leading to the current Australian policy and legislative framework (EOWA 2009; Strachan, French & Burgess 2010).
The study of multiculturalism in Australia has two strands. While some scholars examine the Australian multiculturalism in the context of war on terror with a special emphasis on Islamophobia (Cherney 2015; Dryzek & Kanra 2014), other scholars deal with the issue as everyday multiculturalism (Anita 2013; Ho & Jakubowicz 2014) with the claim that at an everyday level the dominant type of multiculturalism is banal multiculturalism. According to Ho and Jakubowicz (2014, p. 11), this refers to the social environment “where people are open to cultural diversity and are willing to engage with others to negotiate the sharing of social spaces.” The findings of this research indicate that the two strands of multiculturalism exist at the same time in Australian organisations. As discussed in Section 4.4.2.4., the case of a female employee being harassed by one colleague because of her headscarf can be seen as an example of how the political discourse associated with the war on terror has impacted on Australian multiculturalism. However, there are also various statements by managers indicating that they regard multiculturalism not as a political, but as an everyday issue, with an emphasis to engaging with people of diverse backgrounds.

The findings of this research also indicate that some organisations view diversity as being more akin to assimilation rather than acculturation given that they expect their staff to forget about their cultural differences to work as a group. Such an understanding of diversity may result in a recruitment practice through which managers can select individuals who are like themselves.

Multicultural policy “ended the belief that all other cultures were inferior to and incompatible with the ‘mainstream’ culture of white British Australia” (Jupp 1996, p. 6). Multiculturalism in Australia has affected the workplace where people of different cultural backgrounds are employed and it has brought benefits to the organisation (Jupp 1996). Furthermore, certain ethnic groups tend to maintain their cultural traditions and values to the extent that they practise them in the workplace in particular and in Australian society in general (Jupp & Clyne 2010).

Three of the four organisations interviewed did not have a diversity policy, but they complied with government policies such as equal employment opportunity policy (EEO), anti-discrimination policy and anti-harassment policy. In complying with these policies, the management of all organisations have had to manage their diverse
workforces in accordance with these policies, which do not necessarily lead to the most optimum outcomes in strategic management of ethnic and cultural diversity in the workplace. However, the data revealed a mixed response in regards to the need for diversity policy, as only one organisation recognised this particular need in the workplace and was working on the preparation of such a policy.

The other two organisations were satisfied by their compliance with EEO and anti-discrimination and anti-harassment policies, which they claim to be sufficient. It should, however, be noted that the examples given above in regard to challenges these organisations face in managing diverse workforces indicate that they have actually had some difficulties in addressing diversity-related challenges. Thus, it can be argued they could have managed challenges resulting from cultural differences, such as the Indian male worker refusing to speak to a female manager or take orders from a younger male supervisor. If these organisations had implemented a diversity policy rather than relying exclusively on government regulation this may have been addressed. As illustrated in Section 4.5.1, government policies seem to provide equality, fairness and harmony in the workplace, yet they lack awareness and understanding of ethnic and cultural differences. Therefore, organisations should implement a diversity policy dealing directly with the cultural backgrounds of employees to create a higher level of awareness for both management and the workforce. This would then provide a clear framework along with equity and justice should such an issue arise.

The responses indicated that the interviewees generally perceived that diversity is here to stay and that proper policies relating to its management in the workplace are imperative to maintain harmony, increase productivity and provide benefits from the skills and experiences of people from different cultural backgrounds. Given the trends in migration, it can be said that diversity is on the increase in the workplace and has to be managed in accordance with work-related government policies to cope with the challenges offered by diverse workforces.

The impact of multiculturalism in the workplace in Australia appears to occur at three levels (Collins 2008):

- permanent immigration in recent years which has recovered from its
previously low level;
- high level of immigration due to the reduction in employment rates and the high demand for labour; and
- temporary immigration which has increased with globalisation.

These three concurrent processes highlight the current dynamics of the Australian labour market. They also emphasise the increasing importance of the strategic management of diversity to reap the benefits and address the challenges associated with increasing levels of ethnic and cultural diversity in the workplace.

5.2.2 Research Question 2: Do organisations utilise diverse employees’ unique skills?

The literature review confirms that communication skills open up global opportunities and thus make Australia a melting pot of ideas, hopes and aspirations. The hidden skills of staff are being recognised and organisations want to develop and harness these skills (Assaf 2008). Therefore, the focus should be on taking full advantage of employees’ skills and abilities in the organisation (Hollwell 2007). The literature further reveals that a diverse workforce provides better communication with customers from different cultural backgrounds. In this sense, diversity management offers benefits to both employers and employees, which can be seen as confirmatory to the findings. It has been demonstrated that, in relation to experience gained prior to employment, a diverse workforce brings advantages to the organisation such as language skills, communication styles, country knowledge and life experience (Cope & Kalantzis 1997). In addition, the literature review confirms that enhancing communication skills and productivity can increase a team’s effectiveness and, furthermore, that the communication process may be influenced by cultural and religious background, age, gender, and first language (Kuga 1996).

The qualitative data also reveal that managers interviewed recognise and appreciate the benefits of diversity in the way they recruit, train and retain employees of CALD background due to their skills and languages. As shown in Chapter 4 by the examples cited by the participants, organisations benefit from their diverse workforces that serve their clients in Australia as well as overseas. These include the increased ability to serve customers who speak languages other than English, thus presenting a good
corporate image by valuing diversity in the workplace, and enabling organisations to
gain access to new markets. The qualitative data also reveal that in recruitment
practices language seems not be an overriding criterion for employment. This is
largely because employees are not recruited for their various languages because they
have to perform other duties in the workplace. Although each employee is required to
understand English well enough to be able to communicate with other employees and
with customers, their ethnic languages are a desirable, though not an essential
criterion for their employment.

In relation to the benefits of a diverse workforce, the literature provides a rich insight
into various relevant aspects such as the acknowledgement of the costs associated
with a diverse workforce, and the fact that diversity offers mutual benefits to
employees and employers (Gordon 2007; Hollwell 2007; Romanenko 2012; Stone
2008). In this regard, intelligent and creative management of diversity not only
resulted in social, economic, artistic and political progress but also made the
contemporary workplace more productive (Assaf 2008). Moreover, the benefits of
diversity in Australia are so evident that in the study of Teicher and Spearitt (1996), a
human resource director at Australia Post claims that the organisation has many staff
with hidden skills that can be developed and harnessed. In addition, as shown by
Gilbert and Ivancevich (1999) in Section 2.3.1, a diverse workforce can work in
unison to solve problems for all groups in the organisation by creating and enhancing
a we mentality, rather than an us versus them mentality. Thus, the findings for the four
organisations reveal that even though they all face various challenges from having
diverse workforces, none has experienced this us-and-them mentality in their
organisations. One of the central themes shared by all organisations is the realisation
that a diverse workforce brings skills, languages, and benefits to organisations and
customers, and this enhances businesses and promotes the corporate image here and
overseas. The benefits of a diverse workforce are the key issue that enables
organisations not only to serve their customers with diverse ethnic backgrounds in
multicultural Australia, but also to enter new markets with the help of such skills,
languages and values. So, a diverse workforce offers valuable hidden talents in the
employees which are waiting to be given the opportunity by management to make
contributions to the organisation.
Community language skills are also considered valuable assets to an organisation. When employees communicate skilfully with customers from various backgrounds, customer service improves. The managers interviewed in the case studies expressed their appreciation of the benefits of having a diverse workforce. People of different cultures and backgrounds have a lot to contribute to Australian society in general and to the workplace in particular. A diverse workforce brings skills and values and enhances the work environment by introducing different cultures through language, attitude, values, behaviour, food and traditions.

Another central theme discovered in the research relates to the conflicts associated with communication and the ability to understand and speak English. The data analysis presented in Section 4.4.2.2 concludes that language-related issues constitute a major source of conflict in organisations, as there were several cases in relation to the misunderstandings between management and staff and between staff themselves. The major sources of such misunderstandings are the ways in which employees with culturally and linguistically diverse backgrounds converse in English, or to a lack of understanding of certain terms and expressions. Different cultures use different means and forms of communication, and what might be acceptable in Anglo-Saxon culture might not be acceptable in other cultures. Although English is the same language in Australia and other predominantly English-speaking countries such as the United Kingdom and the United States, it is different in its style, form and nuance. The ‘terms’ listed in Appendix F as a comparison of US use and Australian English use can lead to misunderstandings showing that English is not the same everywhere. The data reveal that one culture-related challenge is the colloquial use of language in the workplace. In order to prevent or manage conflicts arising from the colloquial use of language in the workplace, the management should play an important role in explaining the real meaning of colloquial terms for non-English speaking employees as well as English-speaking employees who are unfamiliar with such terms.

The findings from the interviewees revealed that colloquial language used in the workplace could be problematic and caused some misunderstanding and lack of communication with employees of CALD backgrounds. In Australian workplaces, the use of slang is very common. Australian employees frequently express themselves in grammatically incorrect phrases such as ‘I wanna go’ or ‘I ain’t coming’. In addition,
terms such as ‘pull your socks up’ or ‘you gotta be joking’ do not convey the real message unless the employees are familiar with these terms or they are explained to them by someone in the workplace. They can be taken literally by employees of non-English backgrounds and the real meaning can be completely lost in the translation. It seems that colloquial language is used by people performing manual work, whilst, in a professional work environment, formal English is used by employees who have some formal education that enables them to use better English in their conversations (Harris 1996). In this study, the case organisations that are not implementing diversity policies are involved in catering, accommodation, serving customers and attending to their various cultural needs. Therefore, management has to explain to their employees of culturally and linguistically diverse backgrounds the real meanings of the colloquial terms that are commonly used by their Anglo-Saxon employees and customers. Such terms are causing so much difficulty and miscommunication that some organisations are running courses to teach colloquial and slang terms used by most Australians such as The Adelaide to Outback General Practitioner Training Programme run by the University of Adelaide (Chur-Hansen 2009).

As the official language in Australia, English plays a central role in communication, and the ability of employees to speak and understand English is one of the most critical aspects of diversity management in the workplace. Employees are given instructions in English and are expected to communicate with their supervisors and their colleagues in the same language. English is the unifying language in India, and the second language in China; however, as explained above, people of both cultures find it difficult to comprehend the real meaning of some Australian terms. Therefore, the research indicates that employees of culturally and linguistically diverse backgrounds cannot communicate if they fail to understand some terms or the real message behind them when used by their Australian supervisors. Language is the means of communication in the workplace and it enables employees to comprehend instructions given by management including changes to policies.

The analysis in Section 4.4.2.2 revealed that communication between management and employees and between employees themselves needs to be in clear and simple language. This is especially essential for CALD employees in order to convey the real message to them. Thus, clarity, simplicity and consistency should be regarded as the
three essential elements in communication when addressing people of different cultures (Dozier, Grunig & Grunig 2010; Huo, Binning & Begeny 2015; Mazzei 2010). Organisations should include these elements and their importance in their training practices.

5.2.3 Research Question 3: Are workplaces promoting diversity rather than assimilation?

The review of the literature showed that there is at present no law which requires workplaces to promote diversity rather than assimilation. However, there has been a shift from a policy of assimilation aimed at maintaining “a monoculture to the rhetoric of multiculturalism and self-determination” (Markus 2011, p. 44). Furthermore, whilst assimilation demanded and encouraged a ‘oneness’ which implied ‘sameness’, and in involved ‘exclusive policies’, multiculturalism recognises the diversity of cultures in Australia and embraced many languages, traditions, heritage and customs and thus created ‘inclusiveness’ as a policy for ‘all Australians’ (Cattalini 1995). In the examination of diversity, it was found that discrimination based on ethnic origin is problematic and tends to delay assimilation (Hofstede, Hofstede & Minkov 2010).

Diversity in the workplace presents a good corporate image in multicultural Australia. Furthermore, there is some emerging research into CSR, corporate transparency and corporate legislation for work-related policies. As a result, the researcher defined research questions which led to the development of a list of practices from the literature that were subsequently verified by the organisations. This research set out to answer the research questions and compare them with the literature discussed in Chapter 2.

The table below provides a brief summary of key findings outlined in Chapter 4 in regards to benefits of diverse workforce.
<table>
<thead>
<tr>
<th>Benefits for Organisation</th>
<th>Benefits for Employees</th>
<th>Benefits for Customers</th>
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<tbody>
<tr>
<td>A tool for business expansion</td>
<td>More flexible working practices</td>
<td>Better communication with customers from different cultural backgrounds</td>
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<tr>
<td>A tool of conflict-prevention</td>
<td></td>
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<tr>
<td>A tool of qualitative improvement of the employee base</td>
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<tr>
<td>As enabling device for recruiting, training and retaining employees of non-English speaking background</td>
<td>Opportunity to learn about other cultures</td>
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<tr>
<td>As a way of utilising community language skills</td>
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When these findings are compared with the literature reviewed, some of them can be seen as confirmation of the results of other studies conducted in the field of strategic management. Stone (2008), for example, suggests that the recognition of cultural diversity in management generates benefits and helps in the development and marketing of products. Similarly, Prasad et al. (1997) see diversity management as a long-term strategy from which organisations will get economic benefits. These thoughts are in line with the research finding that organisations can economically benefit from diversity as a business expansion tool. Stone (2008) also indicates that diversity management offers benefits to both employers and employees, which can be seen as confirmatory to the findings.

The data with regard to the benefits of a diverse workforce presented in Section 4.4.1 are critical for answering the third research question in this study. From a business perspective, it was interesting to see that certain participants stated that diversity in the workplace provides a good corporate image in multicultural Australia. Furthermore, another interesting point raised was to regard diversity as a tool for business expansion. Having a diverse workforce with different skills and languages enhances customer services by satisfying the needs and requirements of a diverse customer base.

Another interesting practice was to use a local offsider, who is familiar with cultural and religious practices to enable managers to communicate efficiently and effectively with clients. Using the employees with ethnic backgrounds to explain cultural issues and clarify matters that create conflicts would eliminate either possible or unnecessary
conflicts resulting from different cultures. Therefore, it is evident that the managers interviewed not only recognised and appreciated the benefits of diversity in the workplace, but also used such differences and turned them into opportunities as shown in the above examples. Another key benefit for organisations was to use diversity policy to achieve qualitative improvements of the employee base. This would help organisations not only in having more effective tools for communication between staff with different backgrounds, but also in hiring skilled employees. Organisations also benefit from a diverse workforce when designing and implementing their recruitment, training and retaining policies (Australian Multicultural Foundation 2010; Harding 2010; Kulik & Roberson 2008; Thilbeaux et al. 2006).

One of the key issues in the relevant literature relates to the access-and-legitimacy paradigm which focusing focuses upon the acknowledgment that the organisation’s markets and customers are diverse and that it benefits the organisation to match that diversity with its diverse workforce (Dass & Parker 1999). The findings also confirm the underlying issues in this paradigm by indicating that:

- better communication with customers from different cultural backgrounds can benefit for customers;
- opportunities to learn about other cultures can benefit employees; and
- utilising community language skills can benefit organisations.

**5.2.4 Research Question 4: Does workforce diversity create problems for management and employees?**

The literature reveals that attitude enables people to scrutinise their values and beliefs about cultural differences and understand their origin (Ahmed et al. 2011). This is evident when employees of different cultural backgrounds bring a variety of values, work ethics and some ethnically and culturally noted behaviour. The literature confirms that a scrutiny of organisational policies shows that many organisations do not develop equity programmes and merely operate on the basis of legislative compliance (Strachan, French & Burgess 2010).

With regard to the benefits of a diverse workforce for employees, the findings indicate two important issues. While the first benefit relates to work practices which give
employees alternative options for conventional public holidays and special requests, the second one is more personal, as the analysis indicates that working with culturally diverse colleagues leads to an increased awareness and understanding of others’ cultures and cultural practices. In addition, the customers also benefit from a diverse workforce because it enables them to communicate with people of their own culture, or to speak in their native language (Podsiadlowski et al. 2013; Salomon & Schork 2003). As stated above, cultural practices are one of the four central themes discovered in this study, which will be discussed further below.

The literature confirms that cultural differences can lead to conflicts in the workplace owing to the fact that employees have different perception, fear, norms and beliefs that constitute real sources of most conflicts in the workplace (Obinna & Farkas 2011). The following example clearly illustrates the border between acceptable and unacceptable cultural practices: As detailed in Section 4.4.2.3, the Vietnamese youngster who grabbed his colleague's buttocks and flicked his genitals used culture as an excuse for his irresponsible and unacceptable behaviour in the workplace. He called it a cultural custom to justify his actions and, by doing so, hoped he might escape the consequences and appease the management. Cox (1993) claims that conflicts between diverse groups may also occur because of the misunderstandings and misperceptions in relation to the differences in their worldviews. In this case, the person who had been subjected to this behaviour strongly objected. If this way of greeting people had, as the perpetrator claimed, been a normal form of greeting among Vietnamese youth, the incident would have been described as an intergroup conflict in Cox’s terms. Further investigation showed it cannot be considered as such, but rather is as an excuse used by the worker to justify his behaviour.

The above example suggests that government regulations deal with the issues after the events occur, but a diversity policy provides awareness and understanding of cultural differences and offers mechanisms to prevent the rise of such problems. Therefore, in a comparative sense, it can be argued that the benchmark organisation is a diversity leader and is ahead of the other three organisations with respect to dealing with cultural practices on account of the diversity policy it has in place. However, it should also be noted that, in the Australian practice, there have been two pieces of legislation that have had a proactive approach to diversity management. These are gender-related
EEO and WGEA legislations. However, such a proactive approach does not exist in the Australian legislations dealing with other aspects of diversity such as ethnic and cultural dimensions.

In addition to the answers given to the research questions, the four central themes identified during the course of data analysis are also explored. The analysis of data across the four cases serves to identify similarities and differences in the structure and practices of policies. In doing so, the purpose is to provide further insight into issues concerning the case study results and the accuracy of the method itself. Then, the results of the cross-case comparison are discussed by comparing data from the four case studies.

The literature further reveals that recognition of ethnic/cultural differences helps other employees understand certain traditions observed by minorities such as religious practices which may be regarded as suspicious (Gilbert & Ivancevich 1999). Similarly, the interviews revealed that the four case studies were flexible in accommodating religious practices for their Christian and non-Christian employees. As described in the literature review, the results of a survey conducted by the Mexican Ministry of Education indicated that the dominant religion imposes its system on the population at large without adequately considering the needs of minorities, and hence the system leads to exclusion and discrimination (Aoun 2007). However, the findings of this study do not support those results, as there is ample evidence suggesting that work is tailored to accommodate religious and cultural practices as required in Australia based on the practices in the four case organisations. This is also partly because the religious representation in today’s Australian and Mexican societies are largely different. While Mexico has a fairly homogeneous religious representation of Catholicism, the majority of Anglo-Celtic Australians are not religious and the past differences between the Protestant and Catholic Australians are no longer substantially marked. However, it should also be noted that Australian population is ethically and culturally much more diverse. Hence, this particular finding of this study is indeed in line with Horne’s (2003) observation that Australian society does not consist of organised minorities or one specific minority, but rather a myriad of minorities.
Following the development of equal opportunity initiatives in Australia, diversity management has been described as second generation equal employment opportunity following the legislation of the anti-discrimination and affirmative action during the 1970s and 1980s (Teicher & Spearitt 1996). Diversity management is still in its infant stage. A report by the Industry Task Force on Leadership and Management Skills (Commonwealth of Australia 1995b) stated that while Australian managers are aware of diversity issues, these managers do not make the management of a diverse workforce a priority. However, the analysis of interview data reveals that management appreciates having a diverse workforce and sees a wide range of benefits to the organisation and customers. It can also be argued that the qualitative analysis conducted in this study nine years later does not confirm the statement made by the Industry Task Force on Leadership and Management Skills and perhaps practices have changed in some circumstances.

The literature indicates that the emphasis on managing diversity in Australia has been shifted from treating everyone the same, which was the approach used in the context of predominantly white male workforce, to managing people as individuals (Teicher & Spearitt 1996). Such a shift is a direct outcome of EEO and AA policies introduced by Australian governments. One of the examples given in Chapter 4 further confirms the shift from treating everyone the same to managing people as individuals. As detailed in Section 4.5.3, one of the organisations treated a Vietnamese chef as an individual by sending him to ESL classes to learn English, as they valued his expertise, skills and loyalty. This is a clear indication that organisations that value their diverse workforce provide training facilities and opportunities in order to keep benefiting from what they have to offer.

Commitment to diversity appears to be lacking in many Australian companies as indicated in Section 2.6.1. Sinclair (2006), for example, argues that there is resistance by companies with respect to enhancing and expanding diversity training despite various ‘awareness raising’ activities being conducted. The findings of the qualitative analysis in this study, which are presented in Chapter 4, seem to be in line with this particular observation. It indicates that Organisation A, which has a diversity policy, tends to run ongoing diversity training programs as part of that policy. Organisations that rely exclusively on government legislation for managing diversity in the
workplace do not have such ongoing training programs, but deal with issues and conflicts associated with cultural differences as they occur. Thus, the findings of this research indicate that institutionalised diversity policy leads to minimising, if not eliminating, the occurrence of such problems or conflicts through the use of diversity training programs.

One of the common themes which appeared in each organisation was that they all are sensitive and flexible towards religious differences and practices in their workforces. However, the data confirm that religion did not constitute a major source of conflict in the workplace, and organisations tended to use a zero tolerance policy when required to deal with a religion-based conflict between employees. The fact that religion did not constitute a major source of conflict can be explained by the flexibility shown in providing facilities for prayer rooms as well as allowing some workers to celebrate their religious festivities on alternative dates. It can also be suggested that this might stem from the apathetic nature of many Australians towards religion.

The examination of the Australian policy and legislation on diversity indicates that policies that have been introduced include affirmative action, which is no longer applicable, equal employment opportunities, and anti-harassment policies in the workplace. Owing to the fact that Australia is a multicultural society and continuously accepts migrants from various countries, the diversity of the workforce will increase. Multiculturalism has been an official policy in Australia since 1973, and the policies such as AA and EEO have been introduced within that context. The findings of this study indicate that relying exclusively on the existing government policies to managing a diverse workforce can lead to ineffective practices in organisations. As explained above in this section, there have been cases where a diversity policy would have been more effective in addressing diversity-related issues. Therefore, it should be noted that for those who do not introduce diversity policies, their success will ultimately be limited with the issues covered under EEO and anti-harassment legislation. The findings of this study clearly indicate that the anti-discrimination legislation does not produce desired outcome. Further research is therefore required to investigate whether enacting a diversity legislation would be beneficial to ensuring businesses proactively manage diversity.
5.2.5 Research Question 5: Does power distance impact the ability of managers in diverse organisations?

The views of Hofstede and Hofstede (2005) are supported by other scholars who regard power distance as the distribution of power and the way in which inequalities between people are culturally constructed (Cukier & Middleton 1996). They argue that employees who are frequently too scared to disagree with their autocratic or paternalistic bosses are unlikely to prefer a consultative boss (Hofstede & Hofstede 2005). In addition, many prefer a boss who makes decisions autocratically or paternalistically, whilst some go to the extreme of choosing a boss who governs by majority vote, which means that such a boss does not make the decisions by himself/herself at all (Hofstede & Hofstede 2005). Another contribution is that the notion of power distance and how it impacts relationships in the workplace must be considered when seeking to understand diversity management.

In answering the fifth research question of this study, the findings in regards to the challenges of a diverse workforce are critical. The qualitative data presented in Section 4.4.2 have helped to explore core issues associated to this question, especially in terms of identifying what kind of challenges the organisations face originating from religious and cultural practices. According to the data presented in that section, diversity management is actively occurring in all organisations. As the interview data above illustrate, all four organisations in this study experienced similar cultural and religious issues in the workplace, and they all managed to address these problems with the policies they had in place. However, unlike mere compliance with government legislation, the application of diversity policy seems to accommodate cultural and religious differences.

The interview data confirm that power distance, as conceived by Hofstede and Hofstede (2005), is an important source of conflict in organisations. The issues associated with power distance will be dealt with in detail below as one of the four core themes identified in this study. However, in answering this particular research question, it should be noted that, in the case of Indian employees belonging to different castes, the analysis illustrates that age and gender diversity in the workplace tend to cause conflicts in the context of power distance. The examples presented in
Section 4.4.2.1 confirm that age and gender diversity lead to clashes between employees due to differing opinions on whose authority should be respected. Hofstede and Hofstede (2005) state that the family can be seen as the prototype of all organisations. A person is not just an individual, but rather he or she is a member of a family. The onus is therefore on management to deal with cultural differences as revealed by the case data and implement a diversity policy. Furthermore, Trompenaars (1995) recognises this behaviour as an extension of the family culture and the metaphor of family, which is personal and hierarchical, looks at the ‘father’ of a family as the person with experience and authority. This notion is reflected in organisational structures which are described as power-oriented corporate cultures where the ‘father model’ is taken over by the person in charge who looks after their subordinates. Age difference as an element of power distance is of great importance in some cultures where elderly people command respect, care, attention, help and status. This can be seen as a source of intra-cultural problems in the workplace. For example, as analysed earlier in Chapter 4, older Indian workers refused to take orders from a younger Indian supervisor owing to the fact that Indian culture demands respect for older people by the younger ones, and rejects orders coming from younger people.

Gender is another central factor associated with conflicts in the workplace however it was not the focus of this study but it cannot be ignored within this context. The analysis of case studies indicates that gender can lead to conflicts. In Organisation C, some male workers would not discuss their problems with a female in charge such as the case of some Indian employees who find it difficult to accept females in positions of power and authority. Some employees even totally reject talking to a female manager. In addition, the data confirmed that socially-constructed gender roles could lead to conflicts as in the case of Indian workers refusing to take orders from or deal with female managers.

It should be noted that age is indeed an intra-cultural issue, as the older Indian workers do not have any issues with taking orders from non-Indian younger managers. Gender can also be seen as a problem where some Indians refused to discuss a problem with a female manager regardless of her ethnic background. This is due to the belief the person assuming the role of authority should be a man, not only as the head of the household, but also as the person in charge in the workplace of any
status. This particular example seems to be in line with Acker’s four sets of gendered processes in organisations. As elaborated by Benschop (2006, pp. 277-8), the expectation of “gender-appropriate organisational behavior” is a central element in relation to the gendered division of labour. In the above case, the Indian worker was warned by the management that he needs to follow orders given by the female manager regardless of gender and age. This example further confirms Cox’s (1993) assertion that gender differences and perceptions are based on past socialisations.

5.2.6 The Research Contribution

The major contribution of this research to the existing literature is that diversity brings skill development for all employees, enhances overall understanding of issues related to diversity, and leads to changes in workplace practices as each party recognises both needs and values each brings to the organisation.

Table 5.2 provides a summary of the contributions of this research. The findings from this research have been discussed in Chapter 4 and this section summarises the findings related to this study and the literature.

Table 5-2 Summary of research contribution

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>Status of Research Issue in the Extant Literature</th>
<th>Contribution of this Research</th>
</tr>
</thead>
</table>
| Research Question 1 Is multiculturalism in the workplace evident and if so, what is its impact on organisational practice? | - Multiculturalism became an official policy in Australia in 1973, easing the restrictions of the assimilation policies of the 1940s and 1950s (Koleth 2010).  
- Australia has developed into a multicultural society. The influx of migration has increased migrant participation in the workforce, leading to the current Australian policy and legislative framework (EOWA 2009; Strachan, French & Burgess 2010).  
- The current Australian policy and legislative framework which concentrates on establishing cultural diversity in the workplace far exceed employment equity policies and legislation (Silk et al. 2000). | Confirmation  
Diverse workforce leads to the qualitative improvement of the employee base.  
Confirmation  
Migration affects the workplace and initiates legislation.  
Confirmation                                                                 |
- Multicultural policy ended the perception that other cultures were inferior to and incompatible with the dominant white culture of Australia. Multiculturalism in Australia has affected the workplace where people of different cultural backgrounds are employed bringing with it benefits to the organisation (Jupp 1996).

- Three levels of impact are proposed: the first is the permanent immigration in recent years which has recovered from its previously low level. The second impact is the high level of immigration due to the reduction in unemployment rates and the high demand for labour. The third impact is the temporary immigration which has increased with globalisation (Collins 2008).

- Certain ethnic groups tend to maintain their cultural traditions and values to the extent that they practise them in the workplace in particular and in Australian society in general (Jupp & Clyne 2010).

Research Question 2
Do organisations utilise diverse employees’ unique skills?

- Skills allow organisational leaders and employees to make cultural competence and create a new work environment based on understanding, communication and cooperation (Ahmed et al. 2011).

- The importance of cultural diversity in the workplace and its impact on the way of life in Australia is that the more we develop our communication skills in our cultural diversity, the more we get global opportunities. Our diversity has an enormous impact on our life and work, making this nation a melting pot of ideas, hopes and aspirations (Assaf 2008).

- The focus should be on taking full advantage of employees’ skills and abilities in the organisation (Hollwell 2007).

- It is a challenge to accommodate reasonable adjustments, maximise and harness the potential of all employees, and recognise and value the cultural linguistic diversity in the workplace (El Shearif 2013).

Addition to knowledge
Multiculturalism is accepted and its benefits are recognised.

Confirmation
The extent of the impact of multiculturalism in the workplace.

Confirmation
The diverse workforce adheres to its own cultural traditions, and organisations maintain multiculturalism in the workplace.

Confirmation
Employees’ skills are important for the organisation.
- This view is shared by another scholar who supports developing individuals to perform to the best of their abilities (Singh 2002).

- Diversity is to recognise that people are different and supporting their differences to enable them to achieve their best (Chinnery & Bothwick 2005).

- In relation to experience gained prior to employment, a diverse workforce brings advantages to the organisation such as language skills, communication styles, country knowledge and life experience (Cope & Kalantzis 1997).

- Enhancing communication skills and productivity can increase a team’s effectiveness. The communication process may be influenced by cultural and religious background, age, gender, and first language (Kuga 1996).

- Behavioural diversity includes work styles, thinking styles, learning styles, communication styles, aspirations, beliefs, and value systems (Hubbard 2004).

Research Question 4
Does workforce diversity create problems for management and employees?

- Attitude enables people to scrutinise their values and beliefs about cultural differences and understand their origin (Ahmed et al. 2011).

- Employees of different cultural backgrounds bring a variety of values, work ethics, and some ethnically and culturally rooted behaviour (Jamieson & O’Mara 1991).

- A scrutiny of organisational policies shows that many organisations do not develop equity programs and merely operate on the basis of legislative compliance (Strachan, French & Burgess 2010).

Addition to knowledge
Language cliques, grouping of employees based on the native language they speak other than English, lead to suspicion amongst employees and customers who do not understand that language.

Confirmation
Awareness leads to a change of attitude, and it could be considered as a further enabling factor.
<table>
<thead>
<tr>
<th>Research Question 5</th>
<th>Confirmation</th>
<th>Confirmation</th>
<th>Addition to knowledge</th>
</tr>
</thead>
</table>
| Does power distance impact the ability of managers in diverse organisations? | - Employees who are frequently too scared to disagree with their autocratic or paternalistic bosses are unlikely to prefer a consultative boss (Hofstede & Hofstede 2005). | - Many prefer a boss who decides autocratically or paternalistically; whilst some go to the extreme by choosing a boss who governs by majority vote, which means that such a boss does not make the decisions by himself/herself at all (Hofstede & Hofstede 2005).
|                      | - The relationship between power distance and how it impacts relationships in the workplace is a significant issue. | | The notion of power distance and how it impacts relationships in the workplace must be considered when seeking to understand diversity management. |

Having addressed the research questions raised in this study, this chapter now explores the contribution to knowledge around the research problem below:

To discover what is defined as best practice in the area of strategic management of ethnic and cultural diversity in the workplace with a clear demonstration of the benefits, conflicts and challenges met by organisations.

The literature review identifies a clear gap concerning the implementation and monitoring of diversity policies in Australian settings. Exploration shows that the WGEA (formerly known as EOWA) has a voluntary reporting system and not all organisations report their practices. In addition, WGEA’s main focus is on women in the workplace. Current practices that consider or actively seek to include cultural diversity appear absent in many cases and certainly hidden from external consideration. The case studies indicate that organisations are mainly operating only in compliance to the various state and national laws on antidiscrimination rather than proactively seeking to manage diversity. Furthermore, the legislation offers ‘management by exception’, as only those organisations reported for a breach of the various acts and which do not settle at conciliation are reported for the public to see (Commonwealth of Australia 2012b; Workplace Gender Equality Agency 2014). This study identified various issues associated with the strategic management of diversity
in the workplace based on gender, culture, habits, traditions, age and language.

The core research findings provided in the above section revealed that various policies dealing with equal employment and fair treatment to all employees have been adopted, but not a diversity policy to address cultural and ethnic differences. It seems that the major outcome of the comparison between the three organisations and the benchmark organisation relates to the existence of four issues that the benchmark organisation can effectively address and manage as a result of their diversity policy. Complaints by dissatisfied employees in the workplace through the so-called Open Door Policy relating to any work-related matter such as discrimination, dismissal, and training constitutes the first issue. To guarantee an appropriate representation of Indigenous Australians is the second issue. While commitment to employing people with a disability to help them realise their full potential constitutes the third issue, the final one deals with Organisation A’s ability to be sensitive to generational differences of the staff they employ, which include Generations X, Y, baby boomers and veterans. Therefore, it is evident that there are serious differences between the benchmark and the other three organisations in terms of managing their diverse workforces. This indicates there is room for improvement.

This study confirms the existing knowledge in the literature regarding diversity management as being an enabling tool for productivity, profitability and employee effectiveness. One of its major contributions to the field of study is that a diverse workforce also leads to the qualitative improvement of the employee base. This implies that, in a multicultural setting, organisations could turn their diverse workforce to an asset through which they can serve diverse needs and demands associated with the services they provide as well as their ethnically and culturally diverse client base.

This study also aligns with the literature showing that cultural and ethnic differences can cause conflicts in the workplace (Amaram 2007; Aytemiz Seymen 2006; Dreachslin 2007; Ely & Thomas 2001; Foldy 2002; Huo, Binning & Begeny 2015; Kirkman 2001; Lever-Tracey & Quinlan 1988; Podsiadlowski et al. 2013; Shakhray 2009), and conflicts can emerge as age- and gender-related issues as well (Cockburn 1998; Foldy 2002; Healey 1998; Stewart & Coonan 2010; Thomas 1992). In terms of
diversity leading to conflicts, this study reveals that language cliques, grouping of employees based on the native language they speak, leads to suspicion amongst employees and customers who do not understand that language.

5.3 Implications for Practice

A central theme discovered in this study relates to organisational practice, which will be discussed around two contexts here: the policy framework in place (i.e. government regulations vis-à-vis diversity policy) and their implications for organisational practices such as recruitment, training and conflict management. Policies dealing with the management of diverse workforces aim at creating a workplace that is fair and flexible and which covers groups which include women in senior leadership roles, Aboriginal and Torres Strait Islander peoples; gay, lesbian, bisexual, transgender and intersex people; people from CALD backgrounds; and people with a disability. However, it has been argued in this study that diversity policy provides more tools and opportunities to organisations compared to government policies on issues such as EEO, AA and anti-harassment. As Ezeanu (2011) reports, under diversity policy organisations are committed to implementing plans, programs and initiatives aimed at recognising, respecting and promoting workforce diversity. This includes the recognition of skills, prior learning and experience. The policy ensures that employees are selected for positions on merit without unlawful discrimination and harassment.

Furthermore, diversity policy recognises the benefits of workforce diversity as well as skills, life experience, educational level, socio-economic groups, marital status, political affiliation, sexual orientation, gender, age, creed, religion, language, nationality, origin, disability, and members of minority groups. Therefore, implementing workplace diversity policies in line with industry-led codes of practice is imperative in organisations to promote equity, fairness and inclusion for the diverse workforce (Hays-Thomas & Bendick Jr. 2013; Pitts 2007; Sridhar & Sandeep 2014; Strachan, French & Burgess 2010; van Ewijk 2011; Wood 2010). There is evidence to suggest that forms of diversity such as age, language, ethnicity, religion and sex are considered as aspects of workforce diversity. The interviews conducted with the participants of the benchmark case revealed that management was able to manage diversity through awareness and willingness to learn about different cultures.
Strategies were introduced to manage the different views and characteristics, similarities and the differences and enhance the different needs and values of the organisation.

The data reveal that three of the four companies relied on EEO Policy committing the organisation to providing equal opportunities in employment and promotion based upon genuine merit, without discrimination in recruitment. However, EEO is not a substitute for a diversity policy which deals with cultural and ethnic differences including equality by breaking down barriers, eliminating discrimination and providing equal opportunities and access to all employees in the workplace. It incorporates the acceptance of individuals with their cultural differences and the valuation of their contributions and skills. There can be no equality of opportunity if cultural differences are not valued and taken into consideration by employers. Furthermore, Ezeanu (2011) claims that today’s world is a multicultural one where people of different cultural backgrounds work more in harmony than ever before. Ezeanu (2011) further suggests that diversity has the potential to improve the conditions at the workplace and to advance business results. So, understanding the benefits of diversity in the workplace and its management through an adequate policy framework can be seen as the key issues at stake.

Whilst the EEO deals with providing equal employment opportunities to all without discrimination, diversity policy clarifies cultural differences and creates awareness and comprehension of various cultural issues. If we follow Hubbard’s (2004) four types of diversity, workforce diversity, behavioural diversity, structural diversity and business and global diversity, it is believed that implementing diversity policy has clear advantages over EEO and AA. The interview data reveal that the organisations managing diversity through government legislation effectively address issues associated with workforce diversity and behavioural diversity under certain conditions as explained below. However, they fall short of providing an organisational practice addressing structural diversity encompassing interactions across functions, organisational hierarchies, divisions and subsidiaries.

The second important aspect of organisational practice relates to recruitment and training. Sinclair (2006) elaborates that commitment to diversity in many Australian
companies is still lacking. Although ‘awareness raising’ activities are conducted, some significant resistance exists with respect to more diversity training. In the case studies, only the benchmark organisation has diversity training as part of its diversity policy. The other organisations manage cultural issues as they occur in the workplace, whilst the structural diversity of the benchmark enables management to minimise, if not prevent, the occurrence of cultural problems. This means that having an established diversity policy framework enables management to deal with problems or issues consistently with the guidelines and tools of such a policy.

In the relevant literature, there are two competing paradigms that can shape the policies adopted by organisations with diverse workforces: the discrimination-and-fairness paradigm and the access-and-legitimacy paradigm (Champion, Hall & Williams 2011; Ely & Thomas 2001). According to the former, any differences amongst the members of culturally-diverse workforce are suppressed by management to preserve harmony in the workplace. In the latter paradigm, diversity is welcomed and celebrated not only because it is fair to do so, but because it also serves the business needs of organisations operating in multicultural environments. The findings from the interview data revealed that the fingerprints of both paradigms could be seen in the three smaller organisations. However, the findings further reveal that these two paradigms are not mutually exclusive and therefore can, willingly or unwillingly, co-exist in one organisation at the same time.

The training programs implemented in the organisations are also of a diverse nature, and they commonly include introductory training provided at the commencement of employment as an induction program incorporating team leadership and management, information systems, new technologies, product training, product presentation and custom-made tailoring. Newly recruited employees had to undergo these training procedures to prepare and equip them with enough information at the initial stage of employment. Section 2.4.1 of the literature review reveals that cross-cultural training presents cultural differences in a positive way is informative and important. As illustrated in Chapter 4, the case organisations also run various training programs at the time of recruitment and after employment. The analysis evidently shows that ongoing diversity training is not part of the training practices of organisations relying only on government regulations.
5.4 Implications for Policy

In relation to the implications for practice discussed in the above section, the major implication from the research findings is that there is a need for legislation forcing organisations to introduce, implement and monitor diversity policies in the workplace. As discussed in the above section in depth, the findings of confirm that diversity policy offers a more extensive list of tools and benefits to organisations than adopting government policies only. The example mentioned in Section 4.4.2.4 in relation to the conflict between two female workers, in which it was implied that a particular individual’s appearance indicated she was a criminal, can be seen as an evidence of new or cultural racism in the workplace. Dunn et al. (2004) believe that supplementing the already existing compulsory policies with diversity policy would help to minimise, if not eliminate, the potential risks posed by the emerging new racism in Australia targeting certain cultural groups such as Asian-Australians and Australians of Middle Eastern backgrounds. The findings confirm this view and indicate that cultural racism indeed occurs in the workplace, therefore there is a pressing need for diversity-related legislation dealing with cultural diversity in the workplace.

Therefore, one of the major contributions of this study is to highlight the need for the introduction of industry-led codes of practice that outline a framework for best practice in relation to diversity management beyond the existing anti-discrimination legislation. It appears that the issue of industry-led diversity standards has been subject to an intense discussion in the recent literature (Bennetta et al. 2013; Biga & Martin 2013; Hays-Thomas & Bendick Jr. 2013; Olivares 2013; Shyamsunder 2013); however, further research on how industry-led initiatives can be designed to address the existing problems and challenges is needed. It is also believed that organisations and HR professionals would see the value of such code of practice. Unions and industry associations should also support a best practice view, as it increases the chances of dealing with cultural and ethnic differences before conflict-provoking events occur.

In this section, two major implications of strategic diversity management for policy and practice will also be highlighted. The introduction of diversity policy may face
objections and resistance from members of management and some segments of the workforce. Management has to understand the importance of change, the reasons for change and how it will benefit both the employees and organisation. The onus is on management to introduce the change for the benefit of all in the workplace, and to help employees cope with the change by convincing them that the change is imperative to keep abreast of modern society. Employees must be told that change is necessary to improve the working conditions by introducing a new policy covering employees’ rights and equality. Making it compulsory for employers to have diversity policies can also help to deal with the problems associated with the so-called uncertainty avoidance, defined as “the extent to which the members of a culture feel threatened by ambiguous or unknown situations” (Hofstede & Hofstede 2005, p. 167).

The other implication is the lack of transparency on the part of organisations about whether they have diversity policies and their apparent unwillingness to talk about it or discuss it with openness, candidness and clarity at any time. As stated, forty organisations involved in different businesses were requested to participate to conduct interviews with management and discuss the operation of their diversity policies. Unfortunately, only Organisation A, accepted the request. The others refused to discuss their diversity policies. Therefore, it can be concluded that having a voluntary diversity policy can lead to secrecy if the members of the management team are not prepared to talk about it, and legislating the requirement to have a diversity policy would ensure transparency and openness. Furthermore, the introduction of industry-led codes of practice in relation to diversity management could constitute a solid start to remedy such problems. Such industry standards would enable not only employees and employers but also researchers to assess and scrutinize management of diversity in organisations. In addition, industry-led standards dealing with management of diversity can be coupled with award systems such as Employer of Choice, which would facilitate the introduction of workplace diversity policies in organisations as such an award would improve the corporate image of the organisation.

5.5 Implications for Theory

The literature review revealed the need to investigate the issues associated with the social structure of Australian society, which has been subject to changes in the age of globalisation with increasing levels of ethnic diversity through immigration. These
issues were investigated in this study which led to the findings. People are now part of a worldwide economy and are subject to competition coming from all directions. Thus, workplace diversity has become an important issue for management in organisations today.

One of the central theoretical issues examined in this research on the strategic management of ethnic and cultural diversity is the concept of power distance which explains behavioural outcomes as a result of cultural underpinnings. As developed by Hofstede and Hofstede (2005), the concept has a direct impact on management of diversity in the workplace. In one of his previous studies, Hofstede (1984) also suggests that people from diverse backgrounds show adherence and commitment to their cultural differences and maintain a continuity and attachment to their values and beliefs. The analysis of case studies provides extensive support to this argument, as indicated by the examples where one of the employees of Indian origin refused to take orders from a younger female supervisor, and where a Chilean employee kissed his colleagues to say “hello”. This behaviour offended employees from other cultural backgrounds.

The literature also indicates that understanding the impact of cultural differences in the workplace enables management to manage ethnic and cultural diversity in a way that leads to an environment of harmony, peace, appreciation and productivity (Cox 2001; Kirkman 2001; Thomas 1992). The examination of management practices in the benchmark organisation (Organisation A) indicated that such an understanding has real and tangible outcomes. These are indicated by the application of various management practices in the organisation, such as providing prayer rooms as well as a special type of leave under a flexible leave scheme allowing employees of other ethnic origins to celebrate their cultural and religious festivities.

In recent years, there has been an increasing emphasis on the issue of inclusion in the field of diversity management. As Shore et al. (2011) summarise, there are two conclusions regarding the literature on inclusion. The first encompasses practices involving insider status by sharing information, participation in decision-making and having a voice. The second is the clear theme that inclusion has positive consequences for employees and organisations, yet, little is known about how or why this happens.
Other relevant theoretical implications of this study relate to the dimensions of diversity examined in Section 1.6. The research findings clearly indicate that the primary dimensions of diversity including race, ethnicity, gender and age are also primary sources of the conflicts in the four organisations, as discussed in relation to gender and age in Section 4.4.2.1, and race and ethnicity in Sections 4.4.2.2 to 4.4.2.4. The key examples include the Indian workers refusing to take orders from a younger supervisor, or male workers refusing to discuss issues with a female in charge, or the derogatory comments made by a female worker about the appearance of a colleague in the workplace. The secondary dimensions of diversity encompass issues such as religion, culture, family status and language, which are again covered in Sections 4.4.1 and 4.4.2 in the analysis of the interviews conducted with the four organisations.

With regard to the second dimensions of diversity, the key examples include Muslim men not shaking hands with women, the Vietnamese worker grabbing colleagues’ buttocks as a way of greeting, the view of the father as being the head of the family in the Indian culture as a reflection of family status, and finally in relation to language the so-called Indo-China wall referring to the language-related communication problems between Indian and Chinese workers. It is therefore evident that unmanaged diversity in the workplace is increasingly becoming a serious challenge for organisations in achieving their organisational goals. This is especially true for key migrant-receiving countries such as Australia. Mazur (2010, p. 5) perceives diversity as a “double-edged sword”, and the findings confirm that diversity in the workplace provides both benefits and challenges to organisations. In this context, this qualitative study should be regarded as confirmatory for current theory, as its core findings illustrate that understanding cultural differences and practices is certainly valuable given that diversity has the potential to increase creativity and productivity in increasingly competitive markets.

5.6 Limitations of Research

Section 1.9 provided the limitations and justifications of the scope of this research. The case study selection and the research methodology are discussed in Section 3.6, where it was explained that the case study sample was restricted to four organisations.
and the findings arising out of this research are confined to those sampled organisations and may not apply to other organisations involved in similar business activities. Thus, they may not be generalised across other sectors. Further research should be considered in other sectors across Australia, particularly where the population may be considered less diverse as a base line.

Despite its limitations, this research provided enough information to demonstrate the need for further research into diversity policies and lack of transparency in Australian organisations. Organisations have avoided scrutiny about this issue for a long time and the media coverage on receiving or giving awards for cultural achievements could be misleading unless the policy is audited or accountable to pertinent authorities. As stated above, about forty organisations with existing diversity policies rejected the invitation to be interviewed by the researcher.

The findings, although not conclusive, nevertheless highlight several issues. There is a lack of government regulations in relation to the implementation of diversity policies in the workplace. There is agreement that the participants believe that a diverse workforce has benefits and contributes to increased production, harmony and equity, especially at the management level. In addition, whilst most participants believe business and diversity can be reconciled, they also agree that recognition of skills, prior learning and experiences promote equity, fairness and inclusion for the diverse workforce. Through the interviews, it also appears that most participants tend to encourage a diverse workforce in a multicultural society reflecting the present trend of Australian social structure and work environment. These and other issues identified in this research could have an impact on business and require further research.

This research looked at the strategic management of ethnic and cultural diversity in the workplace in the entertainment industry. However, this study lays the foundations for looking at how businesses operate in relation to diversity, especially where their client base and location are ethnically diverse.
5.7 Implications for Further Research

The literature review shows that commitment to diversity in many Australian companies is still lacking. Although ‘awareness raising’ activities are conducted, some significant resistance exists with respect to diversity training (Konrad, Prasad & Pringle 2006). It will therefore be beneficial and necessary to conduct further research in three main areas. Further research is imperative in the strategic management of ethnic and cultural diversity in Australian settings; especially there is arguably a new phase of racism emerging that targets certain social groups such as Asian Australians and Muslims.

The findings of this research could also be utilised for inter-disciplinary research. It is believed that one of the pressing issues that need to be addressed relates to the link between human rights and diversity management in the workplace. Therefore, an inter-disciplinary research project across human rights law, public law, commercial law and workplace sociology would greatly contribute to the body of the existing knowledge. There are also opportunities for interdisciplinary research crossing management and international politics on the impacts of politico-cultural conflicts in the international scene on the attitudes and relations of employees in an ethnically and culturally diverse workplace.

As previously stressed, the lack of transparency was evident in organisations that refused to be interviewed about their diversity policies. Thus, the findings provide the basic foundations upon which future research may be based to expand cultural issues relating to the lack of transparency. Future studies can also deal with the question how to encourage organisations to implement and reveal their diversity policies.

Future research would also look closely at legislation laws dealing with diversity-related issues and their implementation in different sectors. Cross-country examinations, especially between Australia and other key migrant-receiving countries, would also constitute another key research area. Comparative studies across various industries would also contribute to the body of knowledge by examining the implementation of diversity policies, and help us to find out whether certain industries are more prone to diversity-related conflicts and therefore require special attention.
The final area that requires further research relates to the complex relationship between CSR and diversity management. This is because diversity management is becoming an important element of presenting a good corporate image as discussed in Section 3.7.2. It is this corporate image that organisations maintain through their commitment to CSR.

5.8 Summary

The aim of this thesis was to examine the strategic management of ethnic and cultural diversity from the front-line managers’ perspectives in Australian settings. There is a lack of transparency among organisations that purport to have diversity policies in the workplace but management is unwilling to discuss the implications, advantages or disadvantages of such policies.

A case study approach was adopted as the research methodology. This involved conducting interviews, using documents review and data collection tools. The researcher conducted interviews with four organisations, one being used as benchmark. The major findings were the results of data collection and data analysis carried out by the researcher. Thus, the findings of this research highlighted four main themes which need to be addressed in diversity policy, namely power distance, cultural practice, communication and English understanding and organisational practice. These central themes provide a rich insight into the benefits and challenges associated with diversity in the workplace as well as how organisations manage diverse workforce strategically. The findings also indicate that organisations with diversity policies have potentially stronger management tools for dealing with challenges associated with ethnic and cultural differences and also reap more benefits from having a diverse workforce than do organisations that only adhere to equal employment or anti-discrimination legislation.

Diversity management is still in its infancy, but the managers interviewed in the case studies expressed their appreciation of the benefits of having a diverse workforce. This study suggests that industry-led codes of practice are necessary in Australia to cover the implementation and transparency of diversity policies in the workplace. Moreover, language proved to be an overriding skill for employment, but community language skills are regarded as being valuable assets to an organisation. When
employees communicate skilfully with customers from various backgrounds, customer service improves, because the employees’ language and cultural knowledge enable the organisation to reduce skill shortages, have access to overseas markets and create successful export opportunities. The findings from the interviews revealed that colloquial language used in the workplace could be problematic and caused some misunderstanding and lack of communication with employees of culturally and linguistically diverse backgrounds. One important addition of this study to knowledge is that language cliques can be problematic as they lead to suspicion amongst employees and customers who do not understand that language. This research has also identified that the issues such as age and gender in some cultures cause conflicts in the workplace. The final conclusion is that there is an apparent need for the introduction of industry-led codes of practice in relation to diversity management as a way of self-regulation that goes beyond the existing anti-discrimination policy. This would enable organisations to take a more proactive approach in introducing workplace diversity policy, especially if it is also coupled with employee-oriented award systems such as Employer of Choice. Workplace diversity policy would essentially provide mechanisms for organisations to manage cultural differences effectively before problem events occur in the workplace.
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6 APPENDICES

Appendix A: Human Research Ethics Committee

Notification

To: A/Prof Michelle Wallace / Emile Chidiac
Graduate College of Management
michelle.wallace@scu.edu.au , wserone@optusnet.com.au

From: Secretary, Human Research Ethics Committee
Division of Research, R. Block

Date: 25 May 2010


Responses to queries from the HRESC requested

Approval Number ECN-10-089

The Southern Cross University Human Research Ethics Committee has established, in accordance with the National Statement on Ethical Conduct in Human Research – Section 5/Processes of Research Governance and Ethical Review, a procedure for expedited review by a delegated authority.

Your ethics application was considered by the HRESC, Tweed/Gold Coast at the meeting on 12 May. Responses to the HRESC queries have been received and the application is now approved.

The approval is subject to the usual standard conditions of approval.

Standard Conditions in accordance with the National Statement on Ethical Conduct in Human Research (National Statement) (NS).

1. Monitoring NS 5.5.1 – 5.5.10
Responsibility for ensuring that research is reliably monitored lies with the institution under which the research is conducted. Mechanisms for monitoring can include:
(a) reports from researchers;
(b) reports from independent agencies (such as a data and safety monitoring board);
(c) review of adverse event reports;
(d) random inspections of research sites, data, or consent documentation; and
(e) interviews with research participants or other forms of feedback from them.

The following should be noted:

(a) All ethics approvals are valid for 12 months unless specified otherwise. If research is continuing after 12 months, then the ethics approval MUST be renewed. Complete the Annual Report/Renewal form and send to the Secretary of the HREC.
(b) **NS 5.5.5**
Generally, the researcher/s **provide a report every 12 months** on the progress to date or outcome in the case of completed research specifically including:
- The maintenance and security of the records.
- Compliance with the approved proposal
- Compliance with any conditions of approval.
- Any changes of protocol to the research.

Note: Compliance to the reporting is **mandatory** to the approval of this research.

(c) Specifically, that the researchers **report immediately** and notify the HREC, in writing, for approval of **any change in protocol. NS 5.5.3**

(d) That a report is sent to HREC when the **project has been completed.**

(e) That the researchers **report immediately any circumstance** that might affect ethical acceptance of the research protocol. **NS 5.5.3**

(f) That the researchers **report immediately any serious adverse events/effects** on participants. **NS 5.5.3**

2. **Research conducted overseas**  
**NS 4.8.1 – 4.8.21**
That, if research is conducted in a country other than Australia, all research protocols for that country are followed ethically and with appropriate cultural sensitivity.

3. **Complaints**  
**NS 5.6.1 – 5.6.7**
Institutions may receive complaints about researchers or the conduct of research, or about the conduct of a Human Research Ethics Committee (HREC) or other review body.

Complaints may be made by participants, researchers, staff of institutions, or others. All complaints should be handled promptly and sensitively.

*Complaints about the ethical conduct of this research should be addressed in writing to the following:*

Ethics Complaints Officer  
HREC  
Southern Cross University  
PO Box 157  
Lismore, NSW, 2480  
Email: ethics.lismore@scu.edu.au

*All complaints are investigated fully and according to due process under the National Statement on Ethical Conduct in Human Research and this University. Any complaint you make will be treated in confidence and you will be informed of the outcome.*

*All participants in research conducted by Southern Cross University should be advised of the above procedure and be given a copy of the contact details for the Complaints Officer. They should also be aware of the ethics approval number issued by the Human Research Ethics Committee.*

Jacqueline Hudson  
Acting, HREC Administration  
Ph: (02) 6626 9139  
E. ethics.lismore@scu.edu.au  
E. sue.kelly@scu.edu.au

Associate Professor Peter Miller  
Acting Chair, HRESC  
Ph: 07 5506 9311  
E. peter.miller@scu.edu.au
Appendix B: Consent Form

CONSENT FORM
DBA Research at Southern Cross University

Researcher: Emile Chidiac

1. I ...........................................................................(please print) consent to be interviewed as part of the DBA research being conducted by Emile Chidiac. I have read the information sheet for this project and understand its contents. I have read the nature and purpose of the research project, so far as it affects me, fully explained to my satisfaction by the researcher. My consent is freely given.

2. I understand that the information gained during the research project may be published as a thesis, in academic journals, or in books, and that, other than attribution of direct quotes, my name will not be used in relation to any information I have provided, unless I have indicated that my name can be used.

3. I understand that my personal information such as my name and contact details will be kept confidential so far as the law allows. This form and any other identifying materials will be stored separately in a locked office at Southern Cross University. Collected data will be kept in a locked cabin/password-protected computer for a minimum of five years, so far as the law allows.

4. I understand that although any comments I make will not be attributed to me in any publication, unless I have indicated that my name can be used, it is possible that others may guess the source of information, and I should avoid disclosing information to the researchers that is defamatory of any person. I would like direct quotes to be attributed.

5. I understand that I withdraw consent to be interviewed at any stage, without providing any reason and that this will not have any adverse consequences for me. If I withdraw, the information I provide will not be used by the project, if I indicated that I wish this to be the case.

Signed ............................................................... Date ................................

Audio taping
I consent to have my interview audio taped by the interviewer. I understand that the tapes will be stored securely at Southern Cross University and will be kept in a locked cabinet or password-protected computer for a minimum of five years, so far as the law allows.

Signed ............................................................... Date ................................

Researcher to complete

I Emile Chidiac certify that I have explained the nature and procedures of the research project to ........................................ and consider that he/she understands what is involved.

Signed ............................................................... Date .............................
Appendix C: Information Sheet

DBA Research at Southern Cross University

Name of Project: A Study of the Strategic Management of Cultural and Ethnic Diversity in Australian Settings – A Multiple Case Study

My name is Emile Chidiac. I am conducting research on strategic management of cultural and ethnic diversity in the workplace through Southern Cross University. You are invited to participate in a study being conducted that seeks to investigate the management of diversity in the workplace by organisations such as yours. This research forms part of Doctorate of Business Administration being conducted by me and supervised by Dr. Lynn Gribble.

The study involves interviews around the topic of the strategic management of ethnic and cultural diversity with front-line managers in private and public organisations in Australia.

Procedures to be followed
Your interview will take roughly one hour covering demographic information relating to your position, age and gender. No other personal information will be collected by the researcher. You will be asked some questions raised by the researcher about company policy and practices relating to ethnic diversity and your answers will be recorded on a digital voice recorder to save time and ensure the accuracy of details given by you. I have attached a list of the questions we might cover.

Participation is purely voluntary and no financial remuneration or incentive will be offered for taking part in this research. There are no travel expenses nor are they any costs associated with participation in this research. There is no cost to you apart from your time.

Possible Discomforts and Risks
This research is low risk to the participants and it does not involve intrusive questioning techniques. The interview questions will be of impersonal nature and participants will have the option to quit the interview for whatever reason without having negative impact on them. The confidentiality of their responses will be guaranteed in accordance with research ethics guidelines enforced at the university. Consequently, there are no foreseeable risks or psychological and/or physical discomforts to the participants. Questions about ethnic diversity and cultural backgrounds of the participants will be restricted to general information only. No private or personal information about the ethnicity or cultural backgrounds of the participants will be sought or elicited.

Responsibilities of the researcher
It is our duty to make sure that any information given by you is protected. Your name and other identifying information will not be attached to data collected. Your name will only be used to facilitate an appointment for the interview. Any identifying information will be destroyed after your participation in the study.
It is essential that you sign a consent form before you participate in this research. Due to this necessity, a procedure has been set in place to ensure that your personal details can at no time be matched, identified or tracked back to the data collected on your performance in this project.

All signed consent forms will be held in safe storage at the university for a period of five years before being destroyed. The information will be presented as overall detail. The research finding may be submitted for publication.

**Freedom of Consent**
If you decide to participate, you are free to withdraw your consent and to discontinue participation at any time. However, we would appreciate you letting us know your decision.

**Inquiries**
This form is yours to keep for future reference. If you have any questions, we expect you to ask us. If you have any additional questions at any time please ask:

**Researcher**
Emile Chidiac
Graduate College of Management
Southern Cross University
PO Box 157
Lismore NSW 2480
Email: e.chidiac.10@scu.edu.au
Phone: 0408 000 230

**Supervisor**
Dr. Lynn Gribble
Graduate College of Management
Southern Cross University
PO Box 157
Lismore NSW 2480
Email: lynn.gribble@scu.edu.au
Phone: 02 9281 4266

The ethical aspects of this study have been approved by the Southern Cross University Human Research Ethics Committee. The Approval Number is ECN-10-089. If you have complaints or reservations about any ethical aspect of your participation in this research, you may contact the Committee through the Ethics Complaints Officer:

Ethics Complaints Officer
HREC
Southern Cross University
PO Box 157
Lismore NSW 2480
Telephone: (02) 6626 9139 or fax (02) 6626 9145
Email: ethics@scu.edu.au

All complaints, in the first instance, should be in writing to the above address. All complaints are investigated fully and according to due process under the National Statement and this University. Any complaint you make will be treated in confidence and you will be informed of the outcome.
Appendix D: Interview Questions

This interview will take approximately 45 minutes.

1. Describe your organisation’s dominant culture
2. Now, think about this in terms of a country, is it more Australian, US, UK, French etc?
3. Do you believe in the main this is adopted by all persons working here?
4. When I say diversity management, what comes to mind for you?
5. Do you have a diversity policy?
6. Do you have EEO, AA or anti discrimination policies?
7. Do you believe your organisation has a diverse/multicultural workforce?
8. What benefits do you see from having a multicultural workforce?
9. Have you experienced any conflicts that you believe are based on ethnicity or aboriginal background such as religious or cultural differences?
10. Do you leverage the multicultural background of your staff such as having them deal with particular client groups?
11. Do you provide for different cultural requirements such as a prayer room or special leave for religious purposes? What about early finishes or flexibility for Shabbat? Time off for Eid?
12. Have you observed any practices that ensure fuller participation of NESB or Indigenous workers?
13. Is any training provided to you or your staff in terms of diversity, EEO or AA?
14. What are the major challenges you face in relation to managing diversity?
15. Anything else you would like to tell us in relation to diversity?
16. State your background and position in the organisation.
Appendix E: Differences between Small and Large Power Distance Societies

Table 6-1 Key differences between small and large power distance societies

<table>
<thead>
<tr>
<th>Small power distance</th>
<th>Large power distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inequalities among people should be minimized</td>
<td>Inequalities among people are both expected and desired</td>
</tr>
<tr>
<td>There should be, and there is to some extent, interdependence between less and more powerful people</td>
<td>Less powerful people should be dependent on the more powerful; in practice, less powerful people are polarised between dependence and counterdependence</td>
</tr>
<tr>
<td>Parents treat children as equals</td>
<td>Parents teach children obedience</td>
</tr>
<tr>
<td>Children treat parents as equals</td>
<td>Children treat parents with respect</td>
</tr>
<tr>
<td>Teachers expect initiatives from students in class</td>
<td>Teachers are expected to tell all initiatives in class</td>
</tr>
<tr>
<td>Teachers are experts who transfer impersonal truths</td>
<td>Teachers are gurus who transfer personal wisdom</td>
</tr>
<tr>
<td>Students treat teachers as equals</td>
<td>Students treat teachers with respect</td>
</tr>
<tr>
<td>More educated persons hold less authoritarian values than less educated persons</td>
<td>Both more and less educated persons show almost equally authoritarian values</td>
</tr>
<tr>
<td>Hierarchy in organisations means an inequality of roles, established for convenience</td>
<td>Hierarchy in organisations reflect the existential inequality between higher-ups and lower-downs</td>
</tr>
<tr>
<td>Decentralisation is popular</td>
<td>Centralisation is popular</td>
</tr>
<tr>
<td>Narrow salary range between top and bottom of organisations</td>
<td>Wide salary range between top and bottom of organisation</td>
</tr>
<tr>
<td>Subordinates expect to be consulted</td>
<td>Subordinates expect to be told what to do</td>
</tr>
<tr>
<td>The ideal boss is a resourceful democrat</td>
<td>The ideal boss is a benevolent autocrat or good father</td>
</tr>
<tr>
<td>Privileges and status symbols are frowned upon</td>
<td>Privileges and status symbols for managers are both expected and popular</td>
</tr>
</tbody>
</table>

Source: Hofstede and Hofstede (2005, p.37)
## Appendix F: British English/American English

### Vocabulary

<table>
<thead>
<tr>
<th>British English</th>
<th>American English</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-clockwise</td>
<td>Counter-clockwise</td>
</tr>
<tr>
<td>Articulated lorry</td>
<td>Trailer truck</td>
</tr>
<tr>
<td>Barrister</td>
<td>Attorney</td>
</tr>
<tr>
<td>Biscuit</td>
<td>Cookie</td>
</tr>
<tr>
<td>Block of Flats</td>
<td>Apartment Building</td>
</tr>
<tr>
<td>Bonnet (car)</td>
<td>Hood</td>
</tr>
<tr>
<td>Boot</td>
<td>Trunk</td>
</tr>
<tr>
<td>Caravan</td>
<td>Trailer</td>
</tr>
<tr>
<td>Car Park</td>
<td>Parking Lot</td>
</tr>
<tr>
<td>Chemist’s Shop</td>
<td>Drugstore, Pharmacy</td>
</tr>
<tr>
<td>The Cinema</td>
<td>The Movies</td>
</tr>
<tr>
<td>Clothes Peg</td>
<td>Clothespin</td>
</tr>
<tr>
<td>Crossroads</td>
<td>Intersection; Crossroads (rural)</td>
</tr>
<tr>
<td>Drawing-pin</td>
<td>Thumbtack</td>
</tr>
<tr>
<td>Dual Carriageway</td>
<td>Divided Highway</td>
</tr>
<tr>
<td>Dummy (for baby)</td>
<td>Pacifier</td>
</tr>
<tr>
<td>Dustbin</td>
<td>Garbage can, Trash ban</td>
</tr>
<tr>
<td>Holiday</td>
<td>Vacation</td>
</tr>
<tr>
<td>Lift</td>
<td>Elevator</td>
</tr>
<tr>
<td>Mad</td>
<td>Crazy, Insane</td>
</tr>
<tr>
<td>Motorbike</td>
<td>Motorcycle</td>
</tr>
<tr>
<td>Nappy</td>
<td>Diaper</td>
</tr>
<tr>
<td>Naugs and Crosses</td>
<td>Tic-tack-toe</td>
</tr>
<tr>
<td>Pavement</td>
<td>Sidewalk</td>
</tr>
<tr>
<td>Petrol</td>
<td>Gas, Gasoline</td>
</tr>
<tr>
<td>Pocket money</td>
<td>Allowance</td>
</tr>
<tr>
<td>Postcode</td>
<td>Zip Code</td>
</tr>
<tr>
<td>Postman</td>
<td>Mailman, mail carrier, letter carrier</td>
</tr>
<tr>
<td>Pub</td>
<td>Bar</td>
</tr>
<tr>
<td>Rubber</td>
<td>Eraser</td>
</tr>
<tr>
<td>Rubbish</td>
<td>Garbage, Trash</td>
</tr>
<tr>
<td>Rubbish-bin</td>
<td>Garbage Can, Trashcan</td>
</tr>
<tr>
<td>Silencer (car)</td>
<td>Muffler</td>
</tr>
<tr>
<td>Solicitor</td>
<td>Lawyer, Attorney</td>
</tr>
<tr>
<td>Sweets</td>
<td>Candy</td>
</tr>
<tr>
<td>Tea Towel</td>
<td>Dish Towel</td>
</tr>
<tr>
<td>Third-party Insurance</td>
<td>Liability Insurance</td>
</tr>
<tr>
<td>Timetable</td>
<td>Schedule</td>
</tr>
<tr>
<td>Tin</td>
<td>Can</td>
</tr>
<tr>
<td>Torch</td>
<td>Flashlight</td>
</tr>
<tr>
<td>Windscreen</td>
<td>Windshield</td>
</tr>
</tbody>
</table>

Source: *British and American terms* 2014