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**DIVERSITY MANAGEMENT IN AUSTRALIAN COMPANIES
COMPLIANCE OR CONVICTION ?**

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DIVERSITY MANAGEMENT IN AUSTRALIAN COMPANIES: COMPLIANCE OR CONVICTION

Abstract

The perceptions of managers regarding diversity management in a sample of Australian companies was measured by a Diversity Survey adapted from Gardenswartz & Rowe (1993). The survey measures 277 managers' perceptions on symptoms of diversity related problems; openness to change of a company; the valuing and management of diversity in the companies; organisational barriers to diversity; individual attitudes towards diversity and organisational practices and policies. The majority of companies are primarily in the monocultural phase of evolution towards diversity sensitive workplace and need to be quicker to implement change initiatives such as diversity management. Companies in the multicultural phase and non-discriminatory stages of evolution are more open to change. Many individual managers indicate that they recognise and value diversity and are eager to redesign policies and practices to more effectively harness diversity.

The importance of contexts

Diversity is a socially constructed issue that must be studied in a cultural-historical context. For example diversity is more likely to be regarded as important in an environment where there is group heterogeneity and the power relationships among social categories are changing (Triandis, 1995).

The primary dimensions of diversity are age, ethnicity, gender, physical ability, race and the secondary dimensions of diversity are geographic location, income, marital status, military experience, parental status, religious beliefs, work experience, class, hierarchy as applied to an individual (Cox, 1991; Cox, 1993). Diversity in a work situation encompasses every individual difference that affects a task or a relationship (Jackson & Ruderman, 1995). American companies have been requested to comply with sex discrimination, affirmative action legislation since the 1980s (Griggs & Louw, 1995).

In Australia diversity within employee populations includes the issues of race, gender, culture of origin, age, colour, sexual orientation, disability as well as educational background, family responsibilities, religion, political belief, military experience, socio-economic status and styles of thinking. From 1984 to 1997 there was a 9% increase in the employment of women in the Australian Public service and a 13% increase of women in senior management. The Australian workforce has shown increasing percentages of people of non-English speaking backgrounds. There is a variety of federal and state anti discrimination laws dealing with Equal Employment Opportunity (EEO) and Affirmative Action (AA). Four EEO target groups are recognised namely women, people of Aboriginal and Torres Strait Islander decent, people of non-English-speaking background and people with disabilities. A 1989 National Agenda for a Multicultural Australia state that individuals have the right to express their own culture and beliefs and have a reciprocal responsibility to accept the right of others to express their views and values. In all three spheres of government diversity two distinct forces drive initiatives: compliance with EEO legislation and an emerging customer service and business focus. Generally government bodies are under more

intense pressure to comply with legislation than are private sector organisations. Private sector organisations created the Council for Equal Opportunity in Employment to assist them with strategies for compliance with existing laws. The 1995 Karpin report in 1995 highlights workforce diversity as one of the key factors for effective management. This report also notes that a low awareness of racism and sexism and relatively little discussion of diversity issues existed on executive level in Australian companies (Sinclair 1996).

In South Africa diversity in the workforce was effectively denied as a white minority group held the economic and political power. Assimilation by different race, ethnic and cultural groups into the dominant white culture in society and in the workforce was expected. During the 1980s in the absence of legislative changes, many American multinational companies withdrew from South Africa. Affirmative action and equal opportunity programs were instituted by a small number of key South African companies in an attempt to counteract the effects of discriminatory legislation. Most of these voluntary programs were concerned initially with 'black advancement' and centred on the abilities of black people and the necessity of training them to fit into white organisational life. Gradually the failure of many such racially based affirmative action programs lead to the reconceptualisation of the process of people development (Human, 1991). One of the first companies to identify the need to manage across cultural barriers was Cashbuild (Koopman, 1994) that designed systems and structures based on shared values and participative styles to institutionalise industrial democracy. The major change in government in 1994 brought changes to the constitution in 1996 to ensure equity in society and in the workplace. The constitution makes provision for a Public Protector, a Human Rights Commissioner and a Commission for Gender Equality (Albertyn & Erwee, 1995). An Employment Equity bill is tabled in 1998 that target Blacks, women and the disabled as groups to benefit from positive action in the workplace.

As the socio-economic, legal and political contexts differ between societies, this study cannot assume that an American model and survey, piloted in South Africa, have cross-cultural equivalence in an Australian context. When testing a model developed in a particular context in another country, issues such as a lack of semantic equivalence across languages in a questionnaire, a lack of conceptual equivalence of models across cultures and normative differences are relevant in interpreting results (Behling & McFillen, 1997; Du Babcock & Babcock, 1997). The implication for cross national research is that questionnaires in the English language that are reliable in one country may contain concepts or phrases that are not interpreted consistently in another English speaking country. Not only language, but also stereotypes of other nations may hamper the negotiation process between managers who undertake business deals with their counterparts in other countries (Burns, Myers & Kakabadse, 1995; Kakabadse & Myers 1996). With regard to conceptual equivalence, Gray (1995) presents evidence that the measure of profits and information disclosed by companies worldwide are significantly influenced by national cultural characteristics.

A model of diversity climate

The *impact of diversity on organisational outcomes* is a complex interaction between individuals and their environment. The environmental situation includes organisational forces as well as intergroup factors focusing on the relationship between the majority group and the various minority groups (Cox, 1993).

Four individual-level factors (personal identity structures, prejudice, stereotyping and personality type), three intergroup factors (cultural differences, ethnocentrism and intergroup conflict) and four organisational context factors (organisational culture and acculturation processes, structural integration, *informal integration* and institutional bias) collectively define the *diversity climate* of the organisation. This diversity climate may influence individual career outcomes (affective and achievement outcomes). Affective outcomes include job satisfaction and involvement and it is argued that these elements of employee morale and satisfaction are related to identity groups (such as gender or racio-ethnicity). In both profit-making and non-profit organisations individual and group contributions ensure the achievement of organisational goals. The challenge facing companies and individual managers are therefore to create a diversity climate not only conducive to positive career outcomes for individual members but also fostering group cohesiveness, in order to achieve organisational effectiveness and competitiveness (Cox, 1993).

From monocultural companies to multicultural companies

There are organisational forms that are relevant in the transformation process towards greater diversity. There is a progression from parochial organisations, to ethnocentric organisations and finally to synergistic organisations (“creative combinations of our way and your way may be the best way”). A company can move from being a **monocultural** to a **multicultural** organisation by following twelve steps. A schematic representation of a continuum of these forms is provided evolving from a monocultural, exclusive organisation to “lip service given to inclusion” to “tokenism” to “a critical mass” to “tolerating/accepting diversity to eventually a multicultural, inclusive organisation which values diversity (Esty, Griffin & Hirsch, 1995). Table 1 shows how companies can be measured regarding their disposition towards diversity (Cox, 1993) and describes the characteristics of monolithic, plural and eventually multicultural organisations. The objective of managing diversity is seen as the creation of an organisation in which members of all social backgrounds can contribute and achieve their full potential and *multicultural* refers to those companies that achieve the objective of managing diversity. Two pilot studies tested the theory in South Africa and served as framework for the current research (Strydom & Erwee, 1998a & 199b).

In order to implement a diversity management program in a company, the prerequisite is to know the extent of diversity management within that company at a particular point in time. The aims of this Australian study are to a) adapt the American Gardenswartz and Rowe survey, tested in South Africa for Australian conditions, b) explore the perspective of managers on the management of diversity in a sample of Australian companies.

METHOD

Questionnaire design

A draft copy of the Survey was developed by adapting existing questionnaires of Gardenswartz and Rowe used in the USA and South Africa. The draft was circulated among a peer group of five Australian human resource and research methodology specialists to evaluate the format, language and concepts and the section on demographic characteristics of the respondents was changed to meet Australian conventions. A definition of diversity suitable for the Australian context was added to the introduction and headings were changed. The Diversity Survey includes the aim of the survey, definitions of concepts, biographical data and the subsections discussed below. Five point Likert scales were used for most sections except where the scoring key indicated the choice of a

specific format.

In the section “Symptoms of diversity related problems”, the respondents are requested to indicate whether a specific symptom is applicable or present in their working environment. In the section “Extent of organisational change”, the total score of a respondent can fall within one of four possible categories: a) a score of 50 to 70 - the culture of the organization is open to change and the organization reacts and adapts quickly; b) a score of 40 to 49 - the organization understands that change is a reality, is open to change, but has not yet fully embraced it, nor is it harnessing change to make it work for the organization; c) a score of 30 to 39 - the organization understands the value of change but needs to be more open to its reality and quicker in the implementation process; d) a score of 14 to 29 - if the organization does not get better at adapting, its longevity will be affected negatively (Gardenswartz et al 1993).

The section “Status quo in the companies regarding diversity management”, indicates that organisations experience three stages in the evolution towards a diversity sensitive environment: a) Monocultural: The organization acts as though all the employees are the same. There is an expectation to conform to a standard (for example a white, male model) and success is achieved by following the expectations and norms of this model. *Others* are expected to assimilate and adopt the dominant style of the organization, b) Non-discriminatory: Usually as a result of government regulations or threats of employees grievances, organisations begin to adhere to affirmative action or equal employment opportunity regulations such as meeting quotas in hiring and promotions and removing obstacles to equal advancement opportunities. Employees of non-mainstream groups experience the need to assimilate as well as a desire for the organization to accommodate their needs. Compromise is usually the way to deal with conflict; c) Multicultural: Differences are recognised as well as the valuing of culture, background, preferences and values. Assimilation is not the way to deal with conflict but rather the creation of new norms that allow employees freedom of choice. Policies and procedures are flexible, applied equitably and no one is exploited (Gardenswartz & Rowe, 1993 p 274).

Respondents are asked to rank-order eight potential “Organisational barriers to diversity” with 1 being the most important obstacle to 8 being the least important obstacle.

In the section “How much is diversity valued in your company “ a respondent’s attitudinal predisposition towards or against diversity is assessed with 20 questions to obtain an indication to what extent diversity is either being valued (multicultural view) or resisted (monocultural view). The bigger the score, the greater the acceptance or resistance of diversity factors, with the maximum score being 50. The respondents’ scores are integrated and the uneven items are subtracted from the even items.

Respondents assess “How is diversity managed in your environment” by analysing three sub-components that add up to an aggregate score. Respondents are asked to rate statements on their Individual attitudes and beliefs, the Organisation’s Values and Norms and Management Practices and Policies.

Frequency analyses of the biographical and other data was done. The sample was then split according to their responses on section D ie. Status Quo at your company re diversity management

for cross-tabulation. Gardenswartz & Rowe (1993) argue that organisations experience three stages in the evolution towards a diversity sensitive environment namely monocultural, non-discriminatory and multicultural. The set of analyses is tested for significance of differences in biographical groups on the monocultural and multicultural companies.

Sample

All Australian candidates (n=786) enrolled for the MBA, Graduate Certificate and Graduate Diploma courses (distance education delivery mode) at the University of Southern Queensland were requested to participate in the study. This smaller sample was selected from the population of 1035 that included overseas students. The latter were removed as there may be too many legal and societal differences influencing diversity management in companies for comparison. Two hundred and seventy seven useable questionnaires were returned - a response rate of 35 percent.

The sample consists of 70 percent males and 30 percent females and the respondents are mostly (78 percent) MBA students enrolled in distance education mode. Only 14 percent were enrolled for the Graduate certificate, 8 percent for the Graduate diploma and other graduate degrees. Fifteen percent of the sample is Chief executive officers or managers reporting directly to the CEO, 13 percent is senior managers, 38 percent middle managers and 21 percent is first line supervisors. The age groups are mainly 31 to 40 years (46 percent) with the age group 41 to 60 at 29 percent of the sample and the less than 30 years group at 25 percent of the sample. The sample was split almost evenly between respondents from private sector (48 percent) and public sector organisations. The majority of industry sectors represented were business services (26%), educational (13%), manufacturing (11%), cultural (10%) and government administration (8%) with mining, communications and business at 5 to 6 percent. The MBA candidates worked mostly in General management (17%), Finance (13%), Marketing (12%), Human resource management (12%), Information systems (8%), engineering and training (both 6%). A third of the sample worked in companies with over 5000 employees, a third worked in companies between 501 to 5000 employees, approximately a quarter worked in medium sized companies with 101 to 500 employees with only 16% working in smaller companies (less than 100 workers).

RESULTS

Symptoms of diversity related problems

The Cronbach Alpha reliability of this section is 0.87 and is the highest reliability of the subscales. Of the 15 symptoms that have come to be associated with diversity problems in the workplace, the following receive a relatively high endorsement of the “Present everywhere” and “Present to a certain extent” categories:

- Ethnic, racial or gender slurs or jokes (39.4% of companies confirms that this is a problem)
- Increase in grievances by members of minority groups (33.9%)
- Mistakes and productivity problems due to staff not understanding directions (28.2%)
- Lack of social interaction between members of diverse groups (27%)
- Difficulty in recruiting and retaining members of different groups (23.4%)
- Barriers in promotion for diverse employees (22.1%).

Extent of organisational change

The Cronbach Alpha reliability of this section is 0.79. These respondents indicate that their companies can be classified according to the openness for change in the organisational systems:

Need to Adapt:	11.3% (29 companies)
Need to be quicker to implement:	25.7% (66 companies)
Open but not embracing Change:	40.5% (104 companies)
Open to Change	22.6% (58 companies)

The arithmetic mean of the respondents was obtained: the highest score is 66 and the lowest score is 23 with a mean of $X = 42$, $SD = 9.2$. Respondents perceive the Australian company culture as “Open but not embracing change”.

The relevant means for gender groups are as follows: Female: $X = 42.5$; Male: $X = 42.0$ indicating no significant difference between the scores of men and women regarding the Australian companies openness to change. The relevant means for different levels of the hierarchy are: Higher level managers $X = 47.3$, Senior managers $X = 40.8$ and supervisors $X = 42.4$. Senior management levels are significantly different from the scores of middle and supervisory levels of management as they hold more positive views of the openness of change

By doing an item-analysis, giving focus to items where less than 50% of the respondents rated these items as applicable, the following items emerge:

Table 2 Positive and negative indicators of change in the Extent of Change Section

Positive change indicators:	Negative reactions to change:
Managers chose Almost always/to a large extent	Managers chose Seldom/ Almost never
When problems emerge, there is a willingness to fix them (Almost always = 59.2%)	Rewards are handed out to suit the preference of the person rewarded (Seldom = 60.5%)
Change is viewed as a challenge (56%)	We can bring about changes very easily: 50%
Our strategic plan is revised as needed (55.1%)	People at all levels can build or refine structures (49.3%)
My supervisor values new ideas and implements them quickly (54%)	There is little variation in the style of dress of employees (44.2%)
Policies are reviewed annually (48.6%)	Performance evaluations here measure staff's adaptation to change (41%)
Our training and services reflect awareness of a diverse customer base (49.8%).	

There is an openness to suggestions from all people in the company (41.9%)	
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These contrasting reactions to change in different companies in the sample illustrate the existence of two fundamentally divergent approaches to the management of change and diversity in Australian companies.

Status quo in the companies regarding diversity management

The Cronbach Alpha reliability of this section is 0.73. The respondents describe the evolution towards a diversity sensitive environment in their organisations. Examining across items where either a monocultural, non-discriminatory or multicultural option is chosen, the most frequent category choice indicates the stage the company is in. The highest proportion of respondents believe that their companies are primarily in the monocultural phase:

46% of the respondents indicated that their companies are in the **monocultural** stage (112 companies):

25% of the respondents indicated that their companies are in the **non-discriminatory** stage (61 companies); and

29% of the respondents indicated that their companies are in the **multicultural** stage (72 companies).

An instructive part of this section emerges from an item-analysis regarding the unchecked c) responses. The following questions have less than 25% of the responses in the multicultural choice:

- There is much variety in employee's style of dress
- Many options are available to support staff with children and dependants
- Norms are flexible enough to include everyone
- Working towards a diverse staff is seen as a strategic advantage
- People value differences and want to see diversity cultivated
- More time is spent on training employees to communicate effectively across gender and cultural barriers.

There are no significant differences in the distribution of monocultural, non-discriminatory or multicultural stages between gender groups, levels of management categories, years of employment and company size categories.

Two factors are important in determining perceptions of the stage of diversity namely the **sector** and the **extent of organisational change**. Respondents in public sector organisations have an even distribution of perceptions whether their companies are monocultural (30%), non-discriminatory (37%) or multicultural (33%). Respondents in private sector companies are more likely to describe their company as monocultural (61%) rather than multicultural (25%) and least likely to be non-discriminatory – ($\chi^2=27.18$, $DF=4$, $p<.00002$).

Table 3 Cross-tabulation between Extent of Organisational Change and Stage of Evolution

	Multicultural	Non-discriminatory	Monocultural
Needs to adapt	4%	4%	92%
Needs to be quicker to implement	11.7%	30%	58.3%
Open but not embracing change	26.9%	29%	44.1%
Open to change	60.8%	23.5%	15.7%

The extent of organisational change is also differentially associated with the phase or stage of diversity. Ninety two percent of those respondents in companies classified as ‘need to adapt’ are regarded as monocultural. This means that those companies that are identified as ‘need to adapt’ are six times more likely to be monocultural than companies classified as ‘open to change’. There is a significant relationship between being more ‘open to change’ companies and the multicultural phase. Non-discriminatory companies have a higher percentage in the “needs to be quicker to implement” and a lower in the “open to change” category than the multicultural companies. The cross-tabulations reveals the first systematic trend between propensity for change and multiculturalism.

Identifying organisational barriers to diversity

The following items were ranked among the **most important** barriers:

- The size of our company
- Diversity is not seen as a top priority issue
- The cost of implementation of a diversity management system
- Strong belief in a system that favours merit.

The instruction to rank the obstacles caused the most confusion for respondents and therefore the subscale elicited the least responses. It is recommended that this subscale be eliminated from the survey.

How much is diversity valued in your company

Gardenswartz and Rowe (1995) calculate an aggregate score for how much diversity is valued in this section. A respondent’s attitudinal predisposition towards or against diversity is assessed to obtain an indication to what extent diversity is either being valued or resisted.

Multicultural view (even-numbered items):	38.7/50 (77.4%)
Monocultural view (uneven-numbered items).....	- 30.9/50 (61.8%)
<i>Aggregate attitude of whether diversity is valued</i>	<u>+ 7.8% (15.6%)</u>

When looking only at the score of the even items, it seems as though the respondents perceive the Australian companies as having a culture that values diversity. Comparing this result with the findings of the other sections indicates the extent to which this perception is supported by other results. There is already an indication of differences about this perception as is evident in the high score on the monocultural items. A diverse culture will (ideally) score 0 (nil) on the *monocultural view* that will mean that the score below the line, reflecting the diversity valuing culture.

The reliabilities for the section Value of Diversity was 0.44 for monocultural, 0.25 for multicultural and 0.26 for all 20 items. We decided to develop a new approach to scoring or analysing the responses. When the number of times the respondents agree or strongly agree to the ten ‘resisting diversity’ items is counted, the mean is 4.2. However when the ten items measuring ‘valuing diversity’ are used the mean is 7.4. A paired samples t-test indicate that the ‘valuing diversity’ mean was significantly higher than the ‘resisting diversity’ mean ($t=-19.249$, $DF=276$, $p<.0001$). Further the average percentage of questions in the ‘agree with’ category ‘resisting diversity’ is 42 percent as compared to the ‘valuing diversity’ category 74 percent which represents a difference in favour of valuing diversity.

The categories ‘valuing diversity’ and ‘resisting diversity’ are cross-tabulated with the classification of companies as monocultural, non-discriminatory and multicultural. As expected, respondents from multicultural stage companies have lower average percentage agreement with the ‘resisting diversity’ category (38.6%) than those in monocultural companies (47.1%). The percentage agreement for the ‘valuing diversity’ category was highest for the non-discriminatory companies although this is not significantly different for multicultural companies ($F=.920$, $p<.400$). The types of companies differed significantly in terms of their reactions to ‘resisting diversity’ ($F=8.0$, $p<.0001$ – 39% of multicultural companies to 36% of non-discriminatory companies to 47% of monocultural companies).

While larger companies have increasingly higher levels of ‘valuing diversity’ responses ($F=1.409$, $p<.246$), increase in company size is related to increases in responses on the ‘resisting diversity’ category. Companies with more than 1000 employees are far more likely to resist diversity (45% - $F=3.3$, $p<.039$).

The employment history of respondents is important in reflecting the average agreement with the ‘resisting diversity’ category, however this result is influenced by the low number ($n=3$) of self-employed respondents ($F=5.229$, $p<.002$). The experience categories of “less than 5 years” and “more than 5 years” indicate that resisting diversity is significantly higher for respondents with more than five years experience than those with less experience. No significant differences between gender or sector categories were found.

How is diversity managed in your environment?

The Cronbach Alpha reliability of this section originally ranged from 0.39 to 0.53. After item and factor analysis of the subscale the reliability of the new item groupings is 0.74.

Gardenswartz and Rowe (1995) calculate a total aggregate score for diversity management in this section. When the subtotal scores of the three sub-components are added, the final score regarding the Australian sample's overall management of diversity is:

Individual attitudes and beliefs: Mean 24.8 (maximum 30) (mean/max. x100).....	82.7%
Organisational values and norms: Mean 25.2 (max. 42) (mean/max. x 100).....	60%
Management practices and policies: Mean 17.9 (max. 27) (mean/max. x 100)	66.3%
<i>Total aggregate score for diversity management:</i>	<i>68.7%</i>

Out of a possible 99 the *score achieved* 68 indicates that the companies are managing diversity at 68.7% despite this being relatively higher than several subcomponents. However, this should be interpreted in the context of “Only when all three of the levels of organization functioning work in concert, diversity is effectively managed as a corporate asset” (Gardenswartz & Rowe, 1993, p. 267).

The scores for Individual Attitudes and beliefs are the *highest*. The startling result is that scores for Organisational values and norms and Management Practices are lower than Individual Attitudes and Beliefs – despite legislation governing equal opportunities and affirmative action practices in companies. A cautionary note must be sounded as this set of items had the lowest original reliabilities and formed a small third factor in the new item groupings.

Multicultural, non-discriminatory and monocultural companies reveal significant differences in the management of diversity levels in terms of the total scores ($F=46.741$, $p<. 0001$). Companies classified as multicultural are better at managing diversity (74%) than the non-discriminatory companies (69%) and monocultural companies (64%).

Management level as a category does not distinguish between perceived levels of success in managing diversity. However, Post Hoc tests indicate a difference between Upper level managers and Middle level managers, with upper level managers perceiving their companies as slightly better (70%) at managing diversity than middle level managers (67.1%, $p<. 046$). The pattern for gender, sector, size of firm and years of employment show no significant differences in the components for managing diversity.

T-tests indicate differences between management levels in determining their perceptions of their company as a monocultural company

Mono-culture	Cases	Mean	SD	T value	DF	2 tail sig.	Se of diff.
CEO	14	.224	.194				
Senior	36	.4049	.281	-2.58	34.30	.014	.070
CEO	14	.225	.194				
Middle	105	.390	.254	-3.02	19.47	.007	.058
CEO	14	.224	.194				
First line	58	.4177	.258	-3.1	25.37	.005	.062

The higher the management levels the lower the scores on monocultural scale. The middle, senior and first line supervisors have a more entrenched view that their companies are monocultural.

MULTI-culture	CASES	Mean	SD	T value	DF	2 Tail	SE of diff.
CEO	14	.4786	.330				
Senior	36	.2616	.226	2.26	17.96	.037	.096
CEO	14	.4786	.330				
Middle	105	.2749	.241	2.23	14.90	.042	.091
CEO	14	.4786	.330				
First line	58	.2530	.201	2.45	15.41	.027	.092

The higher the management levels the higher the scores on multicultural scale. The CEOs have a more enduring belief that their companies are multicultural.

DISCUSSION

Diversity is a socially constructed issue that must be studied in an socio-economic, legal and cultural context. In the Australian context only three subscales had acceptable reliabilities (Diversity related problems, Extent of Organisational Change and Status Quo), two subscales had to be item and factor analysed to increase the reliabilities (Value & Management of Diversity) and one section (Barriers) had to be eliminated. These results indicate that the cross-cultural equivalence of an American survey in an Australian or South African context must not be assumed but needs to be investigated further.

The organisation's attitude towards change in the company creates the context in which diversity is managed in the company. The managers depict the majority of their companies as “Open but not embracing change” or that the companies need to be quicker to implement change initiatives such as diversity management. More than a third of the sample indicated that ethnic, racial or gender slurs or jokes and an increase in grievances by members of minority groups are symptoms of

diversity related problems. The highest proportion of respondents believes that their companies are primarily in the monocultural phase of evolution towards a diversity sensitive workplace.

A company's policies and beliefs about the management of diversity gradually evolves over time. Two factors are important in determining perceptions of the stage of diversity namely the **sector** and the **extent of organisational change**. The extent of organisational change is also differentially associated with the phase or stage of diversity. Ninety two percent of those respondents in companies classified as 'need to adapt' are regarded as monocultural. In contrast companies in the multicultural phase and non-discriminatory stages of evolution are more open to change. These results are confirmed by results in the section on valuing diversity. Equal proportions of managers in public sector organisations describe such institutions as monocultural, non-discriminatory or multicultural. However, managers in private sector companies are more likely to describe their company as monocultural. The middle, senior and first line supervisors note that their companies are monocultural whereas CEOs believe that their companies are multicultural.

Companies are classified according to whether they value diversity or resist diversity and the results were cross-tabulated with the classification of companies as monocultural, non-discriminatory and multicultural. Managers from multicultural stage and non-discriminatory stage companies have lower average percentage agreement with the 'resisting diversity' category than those in monocultural companies. While larger companies have increasingly higher levels of 'valuing diversity' responses, companies with more than 1000 employees are more likely to resist diversity.

Managers believe that their personal attitudes are supportive of managing and valuing diversity. When it comes to practices as expressed in the companies' procedures and policies, they comply mainly with legal imperatives but do not match the perception of respondents that individual managers are more enlightened than the company policies and practices. This suggests that organisational values and norms and management practices are slower to change within companies despite legislation inducing compliance.

An Australian focus group of two Human Resource specialists, a statistical analyst and three Equal Opportunity specialists were requested to assist in the interpretation and contextualisation of these results.

The question was raised whether the sample is based mainly in Queensland but analysis of the enrolments of the MBA students indicate that they are spread throughout Australia. It is pointed out that the sample includes a significant number of large companies and also public sector companies. The size of the private sector companies could indicate that they are the second generation of originally British or American companies in primary or manufacturing industries. Such companies have their own history regarding the implementation of diversity management. Public sector companies are expected to adhere to the requirements of affirmative action legislation, whereas private sector companies tend to comply if the economic imperatives are clear.

Another issue is the extent to which the respondents are engaged in managing diversity in their companies. For example an Equal Opportunity Officer could have a clearer understanding of and is responsible for the implementation of diversity management than a line manager who is not dealing with diverse employees in a particular department and who may only observe the implementation.

A related theme is that managers in companies that can be classified as multicultural have the most experience with the complexities of managing diversity. They may therefore give a more accurate analysis of the extent of change that is still needed, but also be more critical of their achievements. A monocultural company that has made lesser adaptations may be proud of their achievements but may also be less critical or relatively unaware of the extent of changes that still has to be made.

The information presented above has been acquired by means of questionnaires and reflects respondents' subjective perceptions regarding specific questions. Data was not obtained from the companies with reference to the composition of their personnel regarding full-time and part-time employees. This type of data would have placed the findings in context.

The results seem to confirm statements by Prasad, Mills, Elm and Prasad (1997) that there is a backlash against any commitment to multiculturalism continued disappointment of women and minorities and a systematic institutional resistance within organisations to difference.

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Table 1 Relationship between organisation form and dimensions of the diversity climate (Cox 1993)

Dimension	Organizational Form		
	Monolithic	Plural	<i>Multicultural</i>
1. Culture	Ignores or actively discourages diversity	Ignores or tolerates diversity	Values diversity
2. Acculturation	Assimilation	Assimilation	Pluralism
3. Degree of structural integration	Minimal	Partial	Full
4. Degree of informal integration	Minimal	Limited	Full
5. Institutional bias in HR systems	Omnipresent	Prevalent	Minimised or eliminated
6. Intergroup conflict	Minimal, due to identity homogeneity	Significant	Minimised by management attention

Figure 1 Interactional model of the impact of diversity on individual career outcomes and organisational effectiveness (Cox ,1991a & 1993 - **focus of this study typed in bold italics**)

