

# Cultural and Technological Influences on Global Business

Bryan Christiansen  
*PryMarke, LLC, USA*

Ekaterina Turkina  
*HEC Montreal, Canada*

Nigel Williams  
*Bournemouth University, UK*

Managing Director: Lindsay Johnston  
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## Chapter 2

# International Diversity Management: Examples from the USA, South Africa, and Norway

**Joana Vassilopoulou**  
*University of Sussex, UK*

**Cathrine Seierstad**  
*Brunel University, UK*

**Jose Pascal Da Rocha**  
*Columbia University, South Africa*

**Kurt April**  
*University of Cape Town, South Africa*

**Mustafa Ozbilgin**  
*Brunel University, UK*

### ABSTRACT

*This chapter develops earlier work in the field by Ozbilgin and Tatli (2008) and uses examples of three countries—the USA, South Africa, and Norway—to illustrate the complexity of managing diversity across national borders. Key challenges of international diversity management are highlighted. These three cases have been selected using a theoretically driven, maximum variation approach. The concept of diversity management initially evolved and was developed in the USA. In contrast, South Africa is of interest due to its specific Apartheid past and its post-Apartheid challenges related to diversity management. Lastly, Norway is ranked among the best and most equal countries in the world. By exploring these different examples, we question the assumption that there can be a one best way to manage diversity in an international context.*

The term diversity management originated in the USA before it emerged in other regions and countries of the world (Hays-Thomas, 2004; Kaiser & Prange, 2004). The term diversity management

often refers to management interventions which seek to recognise and value the contribution of individuals from groups that have been discriminated against or that are different from the

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dominant and privileged groups (Cox, 2001) and it extends to dealing with individual needs, as well as collective demands of a diverse workforce (Thomas, 1996; 2005). A more nuanced approach will reveal that diversity management is defined as a set of explicit and effective diversity practices, distinct from unmanaged growth in diversity, which tends to reduce corporate performance (Kochan et al., 2003). It is therefore crucial to expand the term of diversity management to its elements, characteristics and dimensions, including guiding paradigms in order to understand how companies reap the benefits of diversity and, at the same time, lessen the cost, so that it does not just become convenient, but rather natural and necessary to embrace diversity through coherent and complementary practices and policies.

Both research and practice provide a rather confusing compilation of best practices which tend to be unorganized, idiosyncratic, unprioritised and often bolted on as an afterthought. Research suggests diverse teams can be more innovative, creative, and thus even more productive (Cox, 2001; Hubbard, 2004), and the reality of Fortune 500 companies seems to reflect these findings. Companies such as IBM (Thomas, 2004) have spent considerable energy and resources to establish the diverse and inclusive company. By the end of the 1990s, three out of four Fortune 500 companies had launched a series of programs, aiming at addressing, enhancing and promoting the diverse workforce (Cauldron, 1998). Today, together with companies and the CEOs, a plethora of consultancy firms and scholarly work has followed suit, in order to help corporate executives and management to identify the milestones and key dimensions for managing diversity.

Using the example of the USA, South Africa and Norway, we illustrate diversity management in different contexts. The first section discusses diversity in the USA and presents the lack of ethnic diversity in senior positions as a key challenge. Next, we outline the different kinds of empowered powerlessness as one of the key challenges of

diversity management in South Africa, drawing on interviews with a particular type of under-researched empowered powerlessness, emerging, younger and mainly first-generation, African black executives who are placed in top senior executive positions in private- and non-profit organisations. The last country section elaborates on diversity management and gender equality in Norway and focuses on two key challenges in terms of diversity in that country: the lack of diversity and particular gender diversity in senior positions, and the knowledge gap on how to take advantage of the resources the diverse labour forces in Norway possess. Lastly, we provide concluding remarks.

## **THE MULTICULTURAL AND DIVERSE ORGANISATION IN THE USA**

It is crucial to highlight the role legislation and public policy has played to sustain diverse practices in organisations. This is even more so for the business world, as it typically responds to “what is good for business” (i.e., if corporate executives decide that diversity management no longer benefits the financial goals, then this trend may disappear). This is certainly the case in the USA where the progression of civil rights legislation from the 1960s and later outlawed job discrimination on the basis of sex, race, colour, religion, pregnancy, national origin, age, and disability. Those acts do not provide any protection against discrimination based on political beliefs and membership in organisations, except for a membership in unions. The latest addition to these strong legal acts (in comparison to the EU or other states) is the Lilly Ledbetter Wage Bill, signed by President Barack Obama (AKA Lilly Ledbetter Fair Pay Act of 2009), aimed at closing a loophole in the US legislation related to equal pay for equal work. In addition to these and other related acts, the strongest measure for companies to accept and allow for diversity management is the matter of compliance with current regulations.

Non-compliance with existing legislation which supports diversity in organisations comes at a high cost for companies since the federal Equal Employment Opportunity and Affirmative Action (EEO/AA) standards sanctions organisations to meet the criteria. This is even the case for multinational corporations, and the EEO Commission has repeatedly disseminated public policy documents based on court based decisions in regards to non-compliance by a foreign employer that is controlled by an American employer in the field of financial control, common ownership, common management, and others (EEO Commission vs. Arabian American Oil Co, 1991). Required by law, EEO/AA programmes tend to be focused on the recruiting policies of companies to attain a certain percentage of minority employees, ensuring that HR policies are not discriminatory in nature and keeping the company out of trouble regarding non-compliance. Yet, the mere creation of conditions which allow for the raw nature of diversity to exist and to subsist are just the beginning of a long story (Harvey & Allard, 2002). Having legally secured and sustained diversity in the company, the creation of long-term mechanisms and strategic initiatives in order to manage diversity are equally important, as they allow for the active development, promotion and inclusion of different skills and perspectives of previously disadvantaged groups. Subsequently, this inclusive politic of diversity will lead to organizational change.

However, a brief overview of available literature on the topic shows an incoherent list of best practices (Schneider, Smith, & Paul, 2001; Kossek, Lobeland, & Brown, 2006; Garcia, Posthuma, & Colella, 2008) or lessons learned (Cox, 1994; 2001), which lack the sophisticated analysis of empirical- and data-driven research. This leads to a distorted understanding and appreciation of beliefs versus facts and the majority of the literature does not allow for evidence for what constitutes an effective strategy and appropriate measures of achievement. Measures of accountability tied

to pay and promotion do not necessarily address the actual process of re-designing compensation or performance evaluation systems (Kossek & Lobel, 1996). There is not enough comparative perspective on how various programmes and policies complement one another in an overall diversity strategy. It is also unclear what makes a best practice for an individual firm tick better than for another. It seems overall that best diversity practices were concentrated in certain industries rather than a “one-size-fit-all”-strategy. Therefore, type of industry, company size (smaller companies usually fare better in adaptive strategies), age of a company, location of HQs and affiliates, history with diversity issues, and demographic trends might be various key criteria to look for when attempting to research the linkage between policy and implementation of diversity strategies.

The goal of diversity management is not only about the transformation of organizational culture through the inclusion of a heterogeneous-pluralistic set of values and cultures, it is a form of organizational change. Beyond the mere contingents of leadership and management, the values of diversity need to be viewed as shared responsibility of every single employee in a company (Coleman, 1994). The imposition or implementation of diversity policies will not yield any relevant results if it is not preceded by fundamental changes in the organizational culture (Cox, 2001; Ely & Thomas, 2001). Currently, the trend in the USA is to do the following: 1) embrace diversity as a reality as the workforce is as diversified as pluralistic and companies address the contextual opportunities of demographics (Johnston and Packer, 1987); 2) provide employees with equal opportunities and to promote social justice through company policies and programmes (Kellough, 2006); and 3) to harness the logic of diversity management for companies to gain a global competitive advantage (through such practices as cost reductions due to lower absenteeism and turnover, reduced risks of discrimination lawsuits, effective marketing,

improved corporate image, better government contracts, etc.) (Kossek et al., 2006). A growing number of firms in the USA have adopted these three motivations for diversity management into their mission statements, putting great emphasis on the integrative power of a multi-cultural company.

One key challenge in the USA is the lack of ethnic diversity in senior positions. The recession in the country caused a decrease in employment of people of colour, and since demographics in the USA are changing rapidly, most companies are not keeping up with their promises and missions to diversify their workforce. This is especially disconcerting as top-level management in most US companies is not as diverse as some of the slogans may convey. If the diversity programs are not effective in producing a diverse workforce in regards to race, gender, and ethnicity, then most of these programmes are not providing the strategic source for optimizing the values and the profits of the company. This also means that senior management and leadership in an organisation need to understand the benefits of strategic recruitment and knowledge retention.

In fact, many organisations are offering equal opportunity programmes for young graduates. This strategy must be further developed since minorities, and especially African Americans, do not have the same access to higher management as do other ethnic groups. Mentoring and role modelling interventions could be developed and implemented. However, it may be time to re-discuss and re-consider the controversial affirmative action programmes. In many cases, white professionals have entered top positions early on in their careers, while minorities, especially African Americans, tend to reach higher positions much later and only through a dedicated network of mentors and sponsors. The spirit and actions which characterize the commitment and the emphasis on diversity is a leadership decision that continues beyond the policies and programmes of the organisation.

## **DIVERSITY MANAGEMENT IN SOUTH AFRICA: EMPOWERED POWERLESSNESS**

Diversity management remains a pressing issue in a number of on-going and challenging dimensions of South African society and the economy:

- Historical privilege and post-democracy privilege
- Gender-related issues including the gendered nature of work (particularly in the private sector)
- Complex ethnic issues such as the emerging post-Apartheid identity including whiteness
- Exclusion and economic gate-keeping
- Alliances and political gate-keeping
- Diversity issues relating to the changing demographics of the country (including immigrants)
- The worrying effects of economic and social exclusion (such as violent crime and psycho-social unworthiness)
- The challenges relating to the significant poverty gap (two-tiered society, with a marginalised economic poor versus world-class economic minority)
- Current educational and skills development hampered by historical racial practices
- The tensions relating to embracing multiculturalism (dominant mode in democratic South Africa) versus shifting to a more integrated society in which the nation supersedes culture.

During the last 15 years, South Africa has experienced significant and consistent economic growth until the recent global economic crises, and subsequently continued to experience growth. The real GDP growth rate was 4.2% (2005), 5.6% (2006), 5.5% (2007), 3.62% (2008), -1.54% (2009), 2.89% (2010), and 3.12% (2011) (World Bank, 2012). This growth has led to an improved busi-

ness climate, resulting in increased investment in South Africa, growth of industry and the general expansion of the economy (South Africa Business Forecast Report, 2011). The demand for skilled capacity in South Africa's corporate sector has increased, including the demand for both experienced- and emerging executive leadership. Such demand has brought to light an interesting racial/ethnic dynamic, which we are terming *empowered powerlessness*, particularly among the emerging (black) top executive class.

There are different kinds of *empowered powerlessness* in modern South Africa:

- Skilled foreigners/immigrants (empowered) working in the country in senior jobs (empowered) but finding that they are not fully accepted (powerlessness) and do not enjoy the 'closeness of friendship history' (powerlessness) to be close to the real decisions (powerlessness)
- Identity blurring (powerlessness) for, and non-acceptance (powerlessness) of, South Africans who were educated (empowered) and trained (empowered) in the West and returning to the country
- Senior (empowered), but younger, black executives working in the presence of more junior, but older, black staff (cultural powerlessness)
- The lack of self-esteem (powerlessness) and 'presence credibility' (powerlessness) associated with senior executives (empowered), white and black, who started and run very successful companies (empowered) but never reached high levels of tertiary education (powerlessness)
- Individuals with rural education and backgrounds (powerlessness) working in urban areas/cities
- White folk (historically empowered) in senior public sector roles (empowered) who are encumbered to the whims/wishes/vi-

sions of the dominant political elite (powerlessness), who are almost exclusively black, and do not always have their best interests at heart (powerlessness).

It is important to document the experience of empowered powerlessness from the perspective of the black emerging leader, primarily because the story has not been adequately told in South Africa. From the perspective of social studies, giving voice to experiences brings legitimacy, visibility and validity to the groups' experience. For instance, Aspers (2009), Wertz (2005), and Scott and Howell (2008) all stress the importance of doing research from an emic point of view, giving primacy to the experience of the research participant. Failure to give voice to an experience is to perpetrate the myth that such an experience does not exist. Given the large numbers of emerging black professionals and executives in South Africa, it is an omission that their experiences in South Africa's corporate environment are neither documented nor told. Such a silencing further perpetrates the power imbalances which exist between established corporate executives (most of whom are still white and male), and the emerging black executives.

Therefore, Namhla Mniki-Mangaliso and Kurt April at the University of Cape Town decided to research a particular type of under-researched empowered powerlessness (i.e., emerging [younger and mainly first-generation] African black executives who are part of the population majority and placed in top, senior executive positions in private- and non-profit organisations but without the necessary corporate experience and (real) authority, and in particular their relationships with their mainly (minority population) white boards of directors/trustees. Not all such appointments are organic, given the aggressive employment equity laws of the country. The starting assumption of this research was that these emerging executives are significantly disempowered in the executive

milieu of workplace whiteness and unheard in upstream accountability relationships with their boards/trustees, while they remain quite powerful to their subordinates. The concept empowered powerlessness is used here to refer to this dichotomy between power and powerlessness.

Kivel (2002) explains that, in most cases, those who have power are often not conscious of it. In many ways, this understanding is similar to the concept of rank. Smit (2009, p. 91) defines rank as “the differentiated status afforded to an individual or a sub-group in a group as a result of the combination of power and privilege.” Unlike Kivel (2002), Steyn’s (2005) understanding is that power and domination is conscious and intentional. In her presentation on “White talk”, she explains that, in the democratic South Africa, the white minority have intentionally sought to retain economic power through morally acceptable means of racial domination (Steyn, 2005). She goes further to explain that through mechanisms such as the use of language, discourse domination, and belittling the historical past, the white minority continues to entrench and protect their institutional power in corporate South Africa (Steyn & Foster, 2008). In our research, the board was assumed to have power and higher rank than the executive head and his/her team. The extent to which this is a factor of race/ethnicity, status, or both was explored in this research.

Themes identified in the stories and experiences of the participants were categorised into the following six components (in order of prevalence): undermined decision-making space, collusion and exclusion, not-good-enough-syndrome, not much I can do, lack of skills and experience, and co-opted silence. Undermined decision-making space refers to an experience where executives feel they are not able to make decisions because their superiors do not make such decision-making space available. Instances were cited where decisions were made “above the executive’s head,” even though the authority for that decision lies with the executive. Another form is when the

board refuses to give approval to key decisions that need to be made for one to function optimally in their position. Another participant maintained that in most of the cases where his decisions as a black executive were not being accepted, the same decisions/proposals would be endorsed if they came from someone else, specifically white colleagues. Additionally, there was a tendency to micro-manage black executives under the guise of monitoring and supervising performance, because of lack of full trust in their competencies and experience.

The experience of collusion has been interlinked with experiences of exclusion by many of the research participants, as those parties who collude often do so to exclude and bypass the ‘other’ from important discussions and decisions. These two experiences combined are best expressed in the words of research participants:

*I was an outsider--and the knowledge person did not want to share the knowledge. My efforts of trying to work with this person were not working, and she had the ear of the big boss. So, it was like almost operating in an environment of a broken triangle where I was the bottom part--the missing bottom...and...It is possible to think that you are actually friends with White colleagues in the work environment, however, you discover that the same white colleagues socialise together outside work in weekend [barbeques] where black people are not invited, but are discussed in less-than-positive terms.*

Collusions often will not work if colleagues do not collude with their superiors, thus establishing a “them and us” scenario. Many of our research respondents expressed the fact that having a powerful superior, who is biased towards one party, creates an environment for collusion and exclusion of the “other.”

Another occurrence common among participants who had experienced being powerlessness while in positions of power was the feeling that



it did not matter how well they performed, they would never be good enough or perform on par with white colleagues, given the relatively short period that black folk have been allowed access into management roles in modern South Africa. One participant explained:

*Young black executives are coming into companies that have not been doing well and losing business from the government because of a lack of transformation. They come in ... these young energetic [black] people are helping, often through double the effort, to turn this thing around, opening doors, creating new opportunities—but white corporate culture still says that they are still not good enough.*

Similar responses from others have been attributed to the fact that the upper echelons of most companies are still white and, as some respondents put it: "... the pockets of black executives who are there ... well, some want to sit pretty and claim being the only black at the top rather than fight for real change" and "sometimes if I wanted to raise an issue [at strategic level], I will give it to someone who is white to raise it" because there would be a different reception for the input. It is "taken for granted that they know what they are talking about." Respondents expressed how boards often found any aspect of potential difference to question the credibility and performance of black executives (e.g., dress code [Western preferred], social norms [white cultural norms regarded as standard], communicative histories [common sayings, thought patterns, jokes, shared views, ideologies considered "normal"], religious affiliations [dominant white religions more acceptable] and sexual orientation [heterosexuality considered the norm]).

A number of participants experienced the feeling that there was not much they could do to effect change in situations where they were experiencing powerlessness. In all the cases where this feeling was experienced, executives would have tried a

number of avenues to effect change; however, in the end they discovered none of these avenues were working and, in a sense, there was nothing really they could reasonably do to effect change. One participant claimed that "... you can push back on your own Director to intervene, but this has little impact because you know that the directive is coming from the white CEO's office,;" in other words, there was no recourse to affect change if the perpetrator was at the top. The end result often was the exiting of the frustrated black executive from the organisation.

Three participants spoke about having felt disempowered when they did not know enough about the job they were expected to do. This was the only instance mentioned by participants that reflected on their own internal judgement about their capacity, as opposed to being judged by others. A research participant explained that he felt disempowered when he started his role in finance and operations without a finance background. His solution was to quickly learn as much as possible about the areas he felt he did not know enough about. Another participant attested to this, stating that while her relationship with her CEO and board were great, she did feel overwhelmed in that she was COO at 27 years of age, and felt that her previous experience had not prepared her adequately for her current role.

She explained the additional home pressures: "I also have a young baby at home and I am married. This job needs me 24/7—so I get home after 8 or after 10. I don't need to be doing that right now." A different black participant had a similar experience in his first executive job, where he was CEO at the age of 30. He explained that there were no systems or policies in place, and he felt overwhelmed with the responsibility, particularly, as he felt that he could not turn to any of his white colleagues for fear of being questioned even further regarding his capabilities.

A CEO who led an executive recruitment and training company noted that she had seen instances where black executives have been co-opted by

white business to sit in powerful positions while having no say in decisions. In her experience, the underlying assumption is that the executive then gets compensated generously for his/her silence through company perks. She explained, “sometimes they will say ... okay, we will make you a CEO and give you all the perks that come with it, but don’t challenge anything, don’t challenge us on transformation, and just worry about your family ... they are bought into the inner circle of white leadership, where they are singled out as special and different from other Black people.” With a history of Apartheid, many black people find that they become adults with accompanying lack of self-esteem, lack of self-confidence and psychological cognitive dissonance (due to the dual truths they were told). Some of our research respondents claimed that they and others agree to these arrangements because they are tired of fighting, reach a point where they no longer care, they do not want to rock the boat, and they would rather focus on their families and their own wealth creation/stability. As a result of this, they show up to meetings, they become the face of the company and earn the money while, often, they are running their own businesses/initiatives on the side in order to “one day get out and stop sacrificing myself.”

In conclusion, the empowered powerless phenomenon begins with a perpetrator who, as a result of racism, sexism, and/or ageism, has a fundamental mistrust in the abilities of the emerging top executive. As a result, the perpetrator is convinced that the executive is not good enough to play the role they are playing in the organisation. Feelings of superiority are an integral part of this belief system. The perpetrator may then do a number of things to create an uncomfortable and hostile environment for the black executive. He/she may directly undermine the executive’s decision-making space; or he/she may silence the executive through co-option, collude against the executive, or exclude the executive from important work processes. All of these efforts fundamentally come to the same thing, which is undermined

decision-making space. If we have a brief look at the key issues facing the USA and South Africa, we can see that even when the key strand that we discuss is ethnicity, ethnic disadvantage is experienced in different ways in organisations. As the challenges are different, they call for different and specifically tailored solutions.

### **DIVERSITY MANAGEMENT IN NORWAY: HOW TO MANAGE DIVERSITY IN NORWAY?**

The case of Norway will focus on two diversity challenges: the lack of women in senior position and the use of gender quotas, and the knowledge gap on how to take advantage of the resources the diverse labour forces in Norway possess. Norway is ranked among the most equalitarian countries (WEF, 2008), and is often used when exemplifying successful policies at promoting equality between the sexes (The Nordic Council of Ministers, 2007). In fact, both strategies in terms of equality of access (such as equal opportunity/ affirmative action) and substantive benefits (such as welfare) have been in place for the last 30 years. Norway has a social democratic welfare approach (Esping-Andersen, 1990) with state policies designed around a weak breadwinner model and a strong commitment to gender equity (Melkas & Anker, 1997). Yet, although Norway has a strong focus on equality, with long traditions of using equal opportunity (EO) strategies, the labour market is characterised by strong patterns of vertical sex segregation. While the proportion of women in Norwegian politics is high, the patterns differ in other areas of the labour market such as academia and the private sector (Seierstad & Healy, 2012; Seierstad & Opsahl, 2011). There are a variety of governmental strategies in place, such as EO/ AA aimed at increasing the share of women in specific settings, in particular in senior positions. In fact, Norway is seen as a frontrunner in terms of strategies for improving women’s situation in

the labour market. Yet, you still find strong levels of vertical sex segregation.

Political strategies are vital for influencing the situation for women and men, not only related to the labour market, but in the domestic sphere and society as well. Hence, political strategies and state intervention are in use globally to counteract vertical sex segregation and the selection of men over women to get more equal and democratic societies, and to take advantage of all the human resources which exist. Strategies can be of different natures. While equality of access means that states can intervene in the public sphere by passing legislation that either promotes or inhibits women's access to participate in all occupations, substantive benefits take the approach that states can interfere in the private sphere by taking over some of the responsibilities of families (e.g., childcare, cash support) (Chang, 2000).

In Norway, gender balance is a political goal (Teigen, 2003). A variety of strategies for promoting equality are in place, and a range of initiatives and directives have over the past three decades been introduced which aim to challenge and eliminate discrimination and inequality between the sexes. Legally regulated quota arrangements were first introduced in 1981 in the Gender Equality Act, which regulates the gender composition of publicly appointed boards, councils and committees. For 25 years this was the only type of quota procedure which was subject to legislation. The introduction of gender representation regulation on boards for public limited companies, requiring all boards to have a minimum of 40% of each sex by 2008, was the first type of regulation for the private sector. This is a radical step for challenging the lack of diversity in senior positions within organisations. Although there are legal guidelines for improving equality and diversity within organisations in terms of gender in Norway, Seierstad (2011) argues that this will not successfully be achieved without the support from the individual organisations. Moreover, it is questionable if radical changes in the labour market, especially in senior positions,

will occur without legal requirements. In terms of gender and diversity, we can point out several puzzles. For example, in relation to the introduction of the gender representation regulations for boards, the private sector was given the option of voluntary increase the share of women on boards. If they successfully increased the share of women, the gender representation regulations would be withdrawn. This did not occur; hence, in the private sector there was a need for state-controlled compulsory strategies to make the change.

The share of women on boards increased to approximately 40%. This indicates that the radical strategy of legislation was a successful tool for improving gender balance, which could guide international policymakers. Nevertheless, it is also evident that even though companies complied with the law and reached the minimum target, the women's share is not higher than the required minimum. In fact, from 2008 to 2011 there has been little movement in terms of gender representation on boards. This could suggest that companies are still simply complying with the law, and not moving towards further equality between the sexes (Seierstad and Opsahl, 2011).

After the introduction of the gender representation law, the share of women increased to approximately 40%. In terms of the chair position, there have been little movements with still only approximately 4% of the chairs being women. Hence, the legal requirements have not yet changed the gender balance for the most senior positions. Maybe surprisingly, it has found strong support for the use of radical strategies on boards among women (Seierstad, 2011). The participants referred to homo-social reproduction (Kanter, 1997) and organisational barrier (Acker, 1990; 2006), not merit for them not having directorships before the law was introduced. Moreover, women directors questioned organisational cultures embracing diversity as they found that merit is not working and they identified barriers in the labour market. Consequently, as the system has been gendered

and biased, it was an acceptance of radical strategies, such as AA.

Nevertheless, once AA strategies are in place, merit is embraced as criteria and seen as important and beneficial from the utility side. There is a paradox in terms of the merit discourse: while there is a rejection of a meritocratic society, it is accepted that AA can create a system where merit becomes more of gender-neutral criteria. It is proven that women that got directorships as a result of the gender representation law has been asked to be in positions not affected by gender regulations, hence, organisations have seen the benefit of attracting a more diverse workforce at senior levels.

Women directors in Norway have “proven to be competent; hence, few of the arguments related to lack of human capital as was visible in the national debate before the introduction of quotas had been justified. The gender representation law has increased the focus on diversity beyond gender. In fact, there has been more focus on diversity in terms of age, background and ethnicity. After the introduction of the gender representation law, there has been an increased focus on diversity within organisations at all levels. This indicates that organisations are focusing more on the argument of diversity management and the business case for diversity.

Moreover, the Norwegian labour market is characterised by strong patterns of race segregation where the lack of people from ethnic minority backgrounds in senior positions, both in public and private sector organisations is apparent. Additionally, the unemployment rate for people from ethnic minority backgrounds is higher than for the population in total. This indicates that there is a need to focus on diversity within the labour market. Traavik (2006) argues there are two key challenges in terms of diversity in Norway. First, to make sure that the senior positions within organisations are diverse. Second, to increase knowledge on how to take advantage of the resources that the diverse labour forces in Norway

possesses. It is obvious there are several areas where the Norwegian organisations are failing in terms of taking advantage of the populations’ potential, where the diverse demographics at macro level are not found within the labour market. Further, the resilience of segregation in the labour market for gender, race as well as other minority groups, are seen as having essential implications for individuals, economic growth and efficiency (Clark et al., 2003), and labour market rigidities ((Anker, 1997).

In addition, the persistence of expectations and stereotypes of what is appropriate for specific groups to do has negative effects on education and training and can therefore result in inequalities, which might also be carried on into future generations. For any organisation, attracting the best candidates is crucial from a business perspective. Nevertheless, changes in the population require changes within the organisations in terms of organisational culture, leadership and strategies. What types of strategies to use to change labour market patterns are debated. While AA/EO strategies have a long tradition, diversity management, with the focus on individual organisations and the business case for diversity is a newer approach.

However, Norway is a relatively small country, with approximately five million people. Changes in terms of the increase of women in the labour market, women’s situation in the labour market, globalisation, increased migration, EU’s free movement of labour, as well as the aging population has yielded the need for organisations to rethink strategies in terms of how to manage their workforce. Some of the key challenges in terms of the lack of diversity in the Norwegian labour market are related to these areas: the lack of women in senior positions in the private sector; the lack of women in senior positions in academia; the lack of women in senior positions on boards; the gender pay gap; the lack of skilled labour, such as doctor, nurses, and engineers in the labour market, while you find unemployed nurses, doctors, and engineers of ethnic minority background;

the lack of people with minority backgrounds in senior positions in private sector, public sector, and in politics; higher unemployment rate among people with ethnic minority backgrounds than for the population in total and lastly older workers are left behind in the labour market despite ability and willingness to work (Seierstad & Healy, 2012; Teigen, 2003; Seierstad & Opsahl, 2011; Nordhaug & Nordhaug, 2004; Traavik, 2006).

It is also important for Norwegian organisations to rethink challenges in terms of diversity management and how to best take advantage of resources available. Arguments for focusing on equality and diversity are many. While AA/EO often focuses on the justice case for equality, diversity management is built around the business case. The discourses in terms of increasing the share of women in organisations have recently been centred on utility rationales. Utility justifications focus on the benefits of increasing the share of for example women, drawing in part on notions of human capital, and the business case for equality. Human capital arguments state that since the total potential of a population is about evenly distributed between men and women, the paucity of women in high status positions means the talent potential is not fully exploited (Hernes, 1987).

In Norway's case, with more women than men pursuing higher education, this is an important argument. Some aspects of this argument go further to claim that women have a special contribution to make (e.g., through their supposed emotional labour and capacities for connectivity that are complementary to the skills and capacities) (Teigen, 2003). The recent financial crisis, for example, has given new prominence to arguments that women possess qualities and characteristics necessary for organisational success in the 21st century (Lewis & Simpson, 2010). Hence, the focus is on the organisational advantage gained by including women (Hernes, 1987; Helgesen, 1990). This focus shifts from strategies as a tool to prevent discrimination towards seeing strategies and diversity management as a means of

organisational enhancement by recruiting women. For example, Helgesen (1990) takes the position that because of gender differences in management styles, attitudes, experiences, and interests, more women in male-dominated areas will contribute to new perspectives and ways of solving problems, which will result in higher productivity and a better working environment. Therefore, to increase the share of women can be supported taking the position that it is important to correct for biased criteria of merit to enable the identification of talented among the disadvantaged, thereby adding them to the labour pool.

## **CONCLUSION**

Exploring the three examples of the USA, South Africa, and Norway, this chapter provides an overview of how diversity is managed in different countries and what some of the key challenges of diversity management are in these countries. Firstly, for the USA, we showed that diversity management is still an evolving and growing value-based notion on how to run a company in today's globally interconnected world. However, many diversity management specialists tend to provide cookbooks of best practices, including a set of recipes and remedies to tackle the organizational opportunities of diversity. Yet, it is important to emphasise the human dimension of diversity and that management needs to understand the history of its people, the context the company operates in, and the future of its people. The country needs to establish the right mix of whole change systems, leadership, inclusivity, transparency, equity and responsiveness, paired with the anthropological tools of observing, analysing, scaling, and utility to assess the feasibility of many diversity policies and programmes. This will prove to be useful if diversity is to take place not at the surface but with substance, relevance and sustenance.

In the second country case, South Africa, we discussed the different kinds of empowered pow-

erlessness phenomena. Empowered powerless is a result of feelings of superiority on side of the perpetrator and racism, sexism, and/or ageism, which translates into a fundamental mistrust in the abilities of the emerging top executive investigated in this section. There is a belief that the studied executives are deficient and unable to fully fulfil their organisational role. According to the study presented, black executives are confronted with an uncomfortable and hostile environment for the black executive. Moreover, their executive decision-making space is undermined: they are silenced through co-option, colluded against, or excluded from important work processes. Empowered powerlessness should therefore be an important consideration in diversity management and inclusion in the South African environment.

Lastly, in Norway, Traavik (2006) argues there are two key challenges in terms of diversity management. First, to make sure that the senior positions within organisations are diverse. Second, to increase knowledge on how to take advantage of the resources that the diverse labour forces in Norway possesses. Paradoxically, although there are strong business case arguments for having a more diverse labour force, it seems like organisations need some help in terms of acknowledging this benefit. There is a need to rethink the use of radical strategies. In fact, recently, the academic as well as political debates globally have highlighted the need and opened for the possibility of taking more radical steps to challenge vertical sex segregation. The introduction of gender representation regulations for boards in order to ensure gender diversity within senior positions was a successful strategy. Moreover, to take advantage of the resources in the labour force it is crucial to focus on diversity and diversity management within organisations. This underlines the importance of legal regulations as well as organisational diversity management strategies in order to successfully change the situation for specific groups and utilise the potential within the labour force (Noon, 2010).

Although it is crucial to highlight the strong utility and business case arguments for diversity, it is also important to remember the moral and justice case as barriers in the labour market are still preventing underrepresented groups maximising their potential within the labour market, both within senior levels and in the labour market in general.

In conclusion, it can be summarised that two important points surface when looking at the different country examples provided in this chapter. Firstly, international is a fallacy in international diversity management, as can be seen from our examples (Tatli et al., in press). Diversity management happens locally and needs to address different challenges in different circumstances and contexts. It is a false assumption that diversity can be managed internationally without acknowledging the importance of each specific country context and without tailoring diversity management measures and policies in a way that they address local challenges and requirements. One of the ways organisations seek to overcome cross-national contextual differences is to adopt an approach, which facilitates dialogue and cross-fertilisation of ideas and practices among country representatives (Ozbilgin et al., in press).

The business-case argument brings us to the second point. Although these three countries are facing very different challenges in terms of diversity management, we found there is one common subject emerging when looking closer at all three examples. In all three cases, we can find a call for the moral and justice case for diversity management, instead of the business-case alone. Similar research on global organisations demonstrates that rich repertoires of business cases for diversity management are emerging. In fact, business case definitions are wide and broad enough to capture unique national needs, organisations idiosyncracies and legacies. The expansion in the language of business case for diversity is also mirrored in the range of activities that global and international organisations adopt (Oner et al.,

2012; Karabacakoglu & Ozbilgin, 2010; Jonsen & Ozbilgin, in press).

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