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# Managing and Leading a Diverse Workforce: One of the Main Challenges in Management

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**Abstract**

In the recent years, there has been an increasing trend in organizations to give teams more responsibility to work on major tasks. More companies are getting to recognize that the best way to meet customer satisfaction, higher quality products, and faster service challenges is through coordinated efforts of employees. The increasing number of mergers, joint ventures and strategic alliances is bringing people from distinct cultures and types of organizations together. As a result, in the twenty first century managers have become more concerned with managing diversity in organizations. Diversity offers both potential costs and benefits for the organization. This research explains how managers can lead and manage diverse teams. Further, it shows how managers could manage more effectively diverse team whose members have different ages, genders and nationalities or even belong to distinct ethnic or cultural groups. Therefore, this research paper is focusing on one of the main recent challenges in management and business, which is managing and leading a diverse workforce. As a major challenge for all mangers in the world is to lead and treat a diverse workforce in an equitable and fair manner.

## 1. Introduction

In the recent years, the increasing number of mergers, joint ventures and strategic alliances is bringing people from distinct cultures and types of organizations together. As a result, in the twenty first century leaders has become

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more concerned with managing diversity in the organizations (Yukl, 2001). Workplace diversity refers to the variety of differences among people in an organization. Diversity could be related to some factors including: age, gender, culture, education, employee status, physical appearance, family status, regional origin, national origin, thinking style, religion, race and more (Agrawal, 2012). Diversity management is considered as the process aimed to both maintain and create a positive work environment, where all individuals' similarities and differences are valued, so that all individuals can maximize their contributions to organizations' strategic objectives and goals (Patrick & Kumar, 2012). It was found that cross cultural collaboration and teamwork are extremely crucial for organizational success. However, in order for all employees to function in a productive way, they have to learn to realize their differences as assets, rather than liabilities. Additionally, all diverse human resources need to realize that they are equally treated, so that they could be highly motivated towards their work. As a result, it could be deduced that managing a diverse work force is challenging to a great extent. Since diversity could enhance the business performance; however, if diversity was not managed effectively it could lead to multiple of adverse implications. These implications could include conflicts, miscommunication, higher levels of employee turnover, and other unintentional effects. Managers are accountable for the management of diversified workforce and they are liable for the employees' productivity, conflicts resolution and development in the organizations. However, it was found that the art of managing diversity constitutes a great challenge to managers charged with the liability of leading diverse teams (Agrawal, 2012). Therefore, this research aims to discuss and explain how managers could manage and lead a diverse workforce. Further, it provides some recommendations to guide managers to be able deal with diversity challenges in business.

## 2. Literature Review

According to previous research some authors concluded that diversity could be considered as a source of strength to the organizations while others concluded that diversity could be considered as a source of weakness. Excessive studies that have examined the relationship between team performance and diversity over the past few decades have produced contradictory and mixed results (Stahl et al., 2010). Therefore, diversity could be viewed as a double edge sword. The positive implications of diversity are usually acknowledged in terms of cognitive outcomes such as greater innovation, ideas and creativity that employees from distinct social backgrounds could bring. However, the negative implications of diversity are usually acknowledged in terms of adverse behavioral and affective outcomes such as less social cohesion, relational conflicts and higher staff turnover due to employees' perceived dissimilarity and adverse stereotypes about dissimilar employees (Azmat, Hartel& Fujimoto, 2013).

Based on a pervious study diversity was found to be reducing the organizations' speed to respond and act, which could lead to lower performance (Eisenhardt, 1989; Chen and MacMillan, 1992). Some studies found that diverse workforce usually suffer from low trust, stress, low job satisfaction, communication difficulties and absenteeism (Alder, 1991; O'Reilly, Caldwell & Barnett, et al., 1989; Tsui, Egan & O'Reilly, 1992; Zenger and Lawrence, 1989). Employees that are different from their coworkers usually report feelings of discomfort and lower levels of organizational commitment (Tsui et al., 1992).

Another study concluded that more nationalities in a group would mean more debates, creativity, variety of information as well as increased performance. This is due to the fact that each nationality is expected to add to the groups' experience and knowledge (Jehn, Northcraft, & Neale, 1999); Watson et al., 1993). On the other side, in other studies it was found that when a worker is placed with a group of workers who have distinct nationalities other than his own nationality, he is more likely to maintain social distance (Parillo and Donoghue, 2005; Verkuyten and Kinket, 2000). Social distance could be referred to as the degree of unwillingness to interact with other members in the group (Chan and Goto, 2003). This is due to the fact that people are used to be more comfortable when they interact with those, whom they perceive to be similar to them. Based on previous research, it was found that people tend to like those whom they feel that they are similar to them and dislike those whom they see that they are dissimilar to them. For instance, Dutch people in the Netherlands consider themselves to be closer or have a smaller social distance to English People compared to Turks. Therefore, it could be implied that a dutch person will be interacting more willingly and comfortably with an English person in his work team compared to a Turk (Hraba,