

Understanding Organizational Approaches to Diversity

- a European perspective

NB! I am currently in the phase of writing up results and analysis of the study

Introduction

Due to increased globalization and the demographic work-force changes across the globe where minorities have increased significantly in numbers (e.g. Merrill-Sands et al. 2000), the diversity debate is moving from 'a legal and moral obligation' to an inevitable reality inside and outside of today's organizations (Kwak, 2003). Literally hundreds of studies have addressed diversity and its numerous effects (i.e. on performance) and potential moderators, but most fall short of providing guidance and insights to how organizations interpret and approach diversity as a strategic issue.

This study is intended to increase our in-depth understanding of *how* organizations interpret and respond to diversity. An increasing understanding of the interpretation and processes that lead to strategic action is a key to organizational adaptation and change models (Jackson and Dutton 1988; Dutton and Ashford 1993; Thomas et al. 1993) and potentially to richer future examinations of diversity's link to performance.

Research Question: How do organizations interpret and respond to diversity as a strategic issue ?

Strategic Issues

Strategic issues can be defined as events, developments or trends that are perceived by decision-makers to have a major impact on their organization's performance (e.g. Ansoff 1965). Decision makers selectively attend to some emerging developments while ignoring others, and subsequently label and categorize these (Dutton and Jackson 1987). The categorization, such as 'threat' and 'opportunity', is important as it affects the communication and implementation of an issue. The categorization is part of the *interpretation*; the process through which data & information is given meaning and actions are chosen (Daft and Weick 1984). This is of great importance as a pre-requisite for a response, for example to environmental changes (e.g. Schneider and De Meyer 1991).

Strategic decisions do not come pre-formulated however, as they are complex, 'messy' (compared to operational decisions) and highly contextual (Ackoff quoted in Dutton et al. 1983; Dutton and Jackson 1987; Schneider 1994; Ocasio 1997). Thus, the process by which organizations interpret strategic issues is affected by the *context* in which they occur (Gioia et al. 1994). It is therefore questionable to what extent the emergence of an issue and the related decision making follows a linear path, as often suggested in the strategic literature, and is motivated only by 'straightforward' rational and economical arguments.

Why Diversity is a Potential Strategic Issue

Diversity *can* positively affect adaptability and performance. With increasing environmental complexity, diverse groups are suggested to be better suited for appropriate responses, as they mirror environmental complexity (Milliken and Martins 1996). Diverse groups are expected to have a greater variety of social networks and thus richer sources of information (Jackson et al. 2003); to have a better market place understanding; and to produce a variety of ideas and perspectives that enhance problem solving, creativity and innovation (e.g. Cox and Blake 1991; Cox 1983; Jackson 1992; Hitt et al. 1997; O'Reilly et al. 1998).

While many scholars question the positive effects of diversity, they do emphasize the contextual conditions surrounding it. Several recently published articles are calling out for a more cross-level and multi-dimensional approach for diversity research (e.g. Jackson et al. 2003; Jackson and Joshi 2004; Ashkanasy et al. 2002; Jehn et al. 1999), and looking at larger units or entire organizations. A key argument in favor of this is that social processes and their outcome are likely to be influenced by the complex confluence of diversity dimensions, rather than isolated dimensions. Altogether this supports a need for more context-rich case based diversity studies (e.g. Rouse and Daellenbach 1999) and process explanatory studies (Lawrence 1997) – which is proposed here.

Research Strategy

A qualitative, exploratory *instrumental case* study following grounded theory (Glaser and Strauss, 1967) where the emerging theory is ‘transparently observable’ (Pettigrew 1988). The use of a single case study is often to illuminate and better understand the process of emergence and also to ‘get as close to the world of managers, and to interpret this world and its problems from the inside’ (Dalton 1959).

Triangulation in the classic sense is in the combination of multiple sources (interviews, textual analysis and observation). Also informant verification will be used. One method that will extend the classic triangulation and validity is the use of *tree graphs* (rooted in decision trees and cognitive maps). It is recommended by several authors to combine the techniques of GT and EDM or schema analysis, (e.g. Conrad 1982; Ryan and Bernard, 2000) and it has been applied in few significant studies (e.g. Jehn 1997).