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Protocol of Publication

LIGS University

Program	Ligs Conference
Specialization	Intercultural Communication
Given name and surname of the author	Liem, Bui Quoc
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Title of the paper / article	Institutional resistance to managing workplace diversity
Medium	
Publication date	
Approved by (supervisor's name)	
Turnitin check (Doctoral Supervisor will add this information)	

Short annotation

Firms nowadays have to change to meet the new requirements of diversity and optimize the potentiality of workforce from many backgrounds and cultures. Institutional practices will be changed and conducted to overcome institutional resistance to managing diversity at workplace that they can deal with diversity issues to create and maintain equality in all business aspects. This paper looks through three case studies of RMIT Vietnam, Intel Vietnam and Ford Motor with the application of diversity theory and institutional theory to see how they find institutional resistances and cope with them. Findings show that there is a need for (1) improving communication via many channels, (2) developing a learning organization to increase diversity awareness, (3) changing the corporate culture, especially work environment, (4) managing equality with human resources policies, and (5) integrate diversity initiatives into the corporate's strategic plan with clear action plans. The research is limited to Vietnamese context for first two cases but both firms have highly diverse work environment with workforce from many nationalities.

Keywords: diversity, diversity management, institutional resistance, workforce diversity, institutional outcome, diversity issues

Research questions:



The research aims to answer the following questions:

1. What is the firm's current workplace diversity?
2. What are their institutional resistances to managing workplace diversity?
3. How can they overcome those resistances?

1. Introduction and Literature Review

1.1 Managing workplace diversity

Diversity theory

Theory of diversity and diversity management started to develop in 1980s when demographic development stimulated diversity awareness of organizations looking for better managing ways (Janssens & Steyaert 2003). Throughout the work process, employees with diversified backgrounds among different departments have to work together to reach the common goals of the organization. There is actually social inequality in organizations and this can create certain resistance that is spread over the different groups and if this is not properly managed, intercultural conflicts may occur and trigger low productivity in workforce. Ely (1995 p.164) states diversity management as “freeing people from oppression and freeing people to explore themselves”. In general, diversity is defined as people or groups with different cultures with both visible characteristics and invisible characteristics that influence their attitudes and behaviors toward other people and issues (Carter et al. 1982 p.49, Daft 1994).

Diversity management

A firm with multicultural backgrounds needs to manage diversity from the top management to sustain continuous existence and development (Jabbar et al 2011). Cox and Blake (1991) state that effective diversity management can bring a competitive advantage to the firm as cost effectiveness, organizational flexibility and productivity, creativity enhancement, and resource acquisition. Besides, well-managed diversity can help reduce anger, disappointment, discrimination and inequality toward gender, race, religion and other issues. On the other hand, not managing diversity, a firm can risk cultural conflict, misunderstanding and widening suspicion that will lead to poor competitiveness (Nigel 2005). Diversity management can be defined as a way a firm tries to support, intervene and drive the people with diverse backgrounds and competences to work together in good harmony and understanding in an intercultural working environment. The firm develops diversity management practices formalized for both internal stakeholders and external stakeholders who need to work smoothly among departments.

Institutional outcomes related to managing workplace diversity

Possible outcomes of diversity management are building and maintaining a positive and inspiring workplace where everyone respects individual commonality and differences. This emphasizes the way a firm applies to manage people at differently cultural capacities, reducing cultural barriers or resistance (Patrick & Kumar 2012). This management will go through gender, race, age, competence, language, experience... by instructing people to perceive not only themselves but also others. Ozbilgin and Tatli (2008) confirm that organizational performance can be improved if diversity is successfully managed, leading to an increase in employee productivity and better employee satisfaction. Changes in workforce are the real concern for a firm in managing diversity in the scenarios of globalization and multiculturalism. Moreover, quickly developing technology in communication also changes the way employees interact with each other but supports better diversity management. These two factors force the continuing trend toward



diversification across a firm in all aspects of business and become significant organizational challenges (Green et al 2002).

1.2 Institutional resistance in managing workplace diversity

Institutional theory

Institutional theory focuses on the development of organizational structures and their maintenance in certain forms, however, the structures can be changed because of changes in culture to drive interests and reduce conflict (Greve & Argote 2015). The theory also explains organizational actions and changes across levels and contexts, therefore it provides the understanding of how an institution is founded, changed or transformed. Yang and Konrad (2011) see diversity management practices applied from this theory in terms of culture, social and professional norms, consistency across the organization and the acceptance of these practices from the organizational stakeholders. As institutional theory stresses normative contexts in an organization as an inter-connection between organizational structures, actions and social environment. The theory is applied to implicate diversity management or heterogeneity management can help an organization achieve homogeneity via institutional pressures (Scott 1995).

Issues in the management of workplace diversity

The biggest concerns for an organization are contemporary discussions over race, gender, religions, backgrounds, age, sexual orientation... do not stop once it is not aware of creating a primarily homogeneous firm (Pushkala 1997). It can be seen that the workforce has changed a lot with an increasing number of women entering the boardroom as well as the movement of workforce from many nationalities. These changes strongly influence long-established power structure and lead to change in both organizational structure and organizational culture and as a result, there is a desire for managing workplace diversity. Rejecting cultural differences and maintaining cultural commonalities can threaten the corporate existence, so a firm needs to change though it faces a lot of barriers or resistances. Diversity becomes an issue that needs to be managed for more sustainable development and better corporate stability in an era of market globalization. Inner dynamics of diversity become driving forces for a firm to think of planning steps for managing diversity and people from different races can feel motivated to work better.

Factors influencing diversity management

Managing workplace diversity, a firm has to look at personal awareness and personal biases (Koonce 2001). Though there are exceptions to the rules of diversity management, equality should be maintained at an acceptable level. It is not usually about equal employment opportunity but about creating dialogues for every staff to have a chance to speak, raise their voice or communicate any change in policies (Losyk 1996). Cultural biases and prejudices can lead to cultural discrimination and conflicts, so managing diversity becomes harder if the manager cannot harmonize the working environment. Managing diversity is not about managing the differences among the group but rather than that, they try to increase the extent of mutual acceptance, learning, and adaptation. Lančarič et al. (2015) state in their research that there are three main factors influencing this management: legal form, number of employees and shares of different sources of capital. The form of an organization reflects the owner's perception toward building its corporate culture and the levels of control and decision making. Employees' perception toward diversity is important regardless of their sizes when they care about the benefits of diversity management. The



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corporate culture is defined by that of the owner with the biggest or bigger shares of capital, so the way to manage diversity will reflect this owner's perception.

Resistance to managing workplace diversity

The first resistance is the effort to manage diversity is this process is not continuous and it is done as symbolic, so investing in time and energy to this is not substantive (Allison 1999). Second, there is lack of responses from employees to engage in the diversity process and many employment tactics have been done basing on genders and races. If this management is executed separately with the firm's strategic plan, it will not gain the success (Wentling 2004), so it needs to be aligned with the whole corporate goal. Lack of cooperation among departments and employees can trigger certain failures of the management and even the managerial and behavioral skills of line managers also contribute to this unsucces. Cavanagh (1997) reports some common resistance as "backlash against any commitment to multiculturalism, the continuing anger and disappointment of women and minorities and the systematic institutional resistance within organizations to differences". Major resistance is from people in the firm as they do not understand the value of diversity or they are not well-trained about this issue. Another is work environment when more people have to work under high pressure to meet the deadline and key performance indicators, so they have less time to get involved in the management process. Furthermore, a firm is not sure about how diversity is evaluated and does not have any clear policies initiating diversity as one of priorities.

2. Overcoming resistance to managing workplace diversity

Improving communication

Hopkins & Hopkins (1994) state that there is a strong relationship between a firm's communication and managing diversity. Better communication among departments and employees can enhance job satisfaction, employee engagement and work productivity (Euske & Robers 1987). Employees are required and persuaded to work in a team and interact with other teams, which is the best way to manage diversity and improve communication between management and employees. Letting the staff work together in a close communication environment can help them understand each other and from that accept the differences and adjust their own behaviors (Bhadurya et al 1999). Feedback system is established that members in a team can exchange information as a main source of understanding.

Developing a learning organization

A system of interaction among members within a firm can be constructed to help them learn from each other via learning sessions. Cross-cultural learning can be held in the intercultural contexts via many methods as organizing events, holding seminars, talking face-to-face and even using a cultural facilitator. Group learning is the best way as people can study in a group, sharing what they need and listening to what they expect. A learning organization with intercultural perspective can enhance the exchange of information and feedback and from that members can perceive mutual cultural via real cultural activities. The role of line manager is very important in this learning process, especially in encouraging his staff to engage in learning and developing (McMillen et al. 1997).

Changing corporate culture

With the rapidly changing technology and the increasingly competitive environment, a firm not only changes the organizational structure but also its corporate culture to maintain productivity and



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competitiveness (Sackmann & Eggenhofer-Rehart 2009). Leadership and behavioral characteristics should be trained and changed to be aligned with diverse management within the context of industry that the firm works in (Beer & Eisenstat 1996). The change process should link diversity mission and all stakeholders of the firm to make sure that they understand the purposes of change. Line managers take the key roles to lead change and become examples for their staff to change their attitudes and behaviors (Mohrman & Cummings 1989). People with diverse background can find it hard to understand and work with each other but when the corporate culture is compatible, they can work more smoothly. Conducting regular surveys is very necessary to understand how well people interact with others at work and after work. Cultural events and social ceremonies can help to increase this interaction for better mutual understanding and cultural conflict minimizing.

Managing equality

Equality is shown in many activities of a firm including recruitment, training, promotion, motivation... with the aspects of race, age, gender, religion... Performance appraisal is a human resource activity that can be done to measure staff performance and using 360 degree evaluation can help improve equality (Kilian et al. 2005). People do not discriminate each other if they do not look at those aspects to make comparisons or choose preferences. Equality issue can be set as value to measure a firm's performance and individual performance, so to manage equality, the firm can offer equal job opportunities to everyone. Besides, with a clear career path or corporate ladder applied equally to everyone, they can establish equality culture internally and increase better job satisfaction.

Integrating diversity initiatives into the corporate's strategic plan

The goal of diversity management should be aligned with the overall goal of a firm's strategy or diversity initiatives should be integrated to its strategic plan. The completion of this goal is departmental responsibility and placed in departmental job profile divided into individual job profile. The staff can be paid for their successful diversity performance and taken as a good example for everyone in case they achieve the goal. Diversity initiatives can be successful if the staff is well-guided and well-monitored and they have the rights to understand the benefits of performing diversity initiatives. A diversity department or diversity facilitator can be established to direct other departments to go on the right way and match the diversity mission of the whole firm (Wentling 2004).

3. Case studies

3.1 Case study 1 - RMIT Vietnam

Overview of managing diversity at RMIT Vietnam

RMIT Vietnam was established more than 15 years ago and attracted lecturers and staff from more than 43 countries to work and develop their education career. RMIT attracts 84,000 students worldwide with 7 percent of non-English speaking students and 23 percent of international students outside Australia. Kimpton (2019) states that "building a culture of inclusion and diversity for staff and students is one of their key organizational values". The work environment becomes more and more intercultural and diversity management is applied to all aspects of business from recruitment and retention to innovation and collaboration. The main purpose of managing diversity is creating and maintaining a diversified workforce that is engaged, motivated and productive. It both focuses on both the diversity of staff but also that of its



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customers as students mostly from Vietnam and and exchange students from Australia, Korea and other countries.

Resistance

The university conducted a staff survey in 2015 but could not recognize the main risks that the overseas staff and the local staff experience in the workplace. Quickly changing technology of communication helps everyone to communicate with each other more easily but this can lead to lack of face-to-face interaction and hesitation to share. Women are underrepresented in taking senior academic positions and senior executive positions, showing gender inequality and discrimination between the local staff and foreign staff. Barriers of languages are also resistance when many people speak English with different accents and intonations, sometimes making themselves find difficult to understand and creating conflicts. Cultural diversity is seen with big differences in “birthplace, ancestry, ethnicity, cultural traditions, societal structures, and religions”. Another major resistance is RMIT Vietnam has three semesters instead of two in other campuses in other countries, so most of the people work very hard to maintain the labor contract and meet the deadlines and consequently, they do not have much time for gathering and understanding each other.

Overcoming resistance

The university is aware of the rapidly changing workforce demographics that challenges leaderships and all levels of management in attracting and retaining people from diverse backgrounds. Training sessions, intercultural events and diversity initiatives are conducted to help from staff and students to community partnerships and institutional memberships understand the values of diversity as well as participate in the management process. To deal with intercultural issues, the university creates a diverse global environment for both students and staff to experience different cultural backgrounds and see the difference as something new to learn. Under diverse circumstances, they arrange a good communication and collaboration system for students and staff to exchange information, give feedback and improve work and study conditions with the aim to achieve diversity vision. Action plans focus on gender equality, diverse genders, sexes and sexualities, disabilities with high commitment to building a highly diverse university community. They, with culturally and linguistically diverse backgrounds, can join RMIT practices and supports for diversity with safety and wellness. The organization established a continuous learning environment which persuades staff to learn further under the supervision of other staff with diverse knowledge and also persuades students to study in diverse teams with broad consultation from their lecturers from different countries.

3.2 Case study 2 - Intel Vietnam

Overview of managing diversity at Intel Vietnam

Intel Vietnam was established in 2007 with the mission of developing digital communication technology, chip manufacturing and retaining a competitive diverse workforce. The workforce is employed from many countries around the world and they have diverse backgrounds, so creating and maintaining a diverse work environment is not an easy activity. They are committed to diversity locally and globally by working with a variety of local and global partners and gaining “diverse leadership toward religions, races, genders and education”. In Vietnam, they engage in local activities as teaching and training nearly 90,000 teachers and technicians to enhance their IT technology competence through the country. This is not only a



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corporate social responsibility but also a commitment to local involvement that becomes a genuine goal of diversity.

Resistance

There is a lack of workforce that is qualified enough to meet up with the requirements of continuous projects and this forces the firm to sponsor Vietnamese students with scholarships to study in America. Male accounts for 75% and 83% in boardroom while American African staff accounts for 3.5%. The firm finds it hard to change the workforce structure with the big number of employees and the change in this structure is very slow, influencing the dynamics of employees. They also try to improve the value of sharing among the work community as it is still underestimated and it is another obstacle that limits the firm to move forward. It is not easy for the firm to manage diversity with the mission of becoming a representative for technology future but they commit to continue to pursue this.

Overcoming resistance

To deal with the shortage of workforce, the firm liaises with RMIT Vietnam in training and employing students and granting scholarships to students to be educated overseas. Female students and candidates and minor ethnic staff are given priority to engage in equal education and employment opportunities to involve more females in the boardroom and research activities. Workforce diversity is considered as a good way to find potential candidates from many sources to invite talents to join the firm. They commit to create and maintain one culture where all staff are welcome to enjoy working, living, learning and sharing but individual identity is assured. Gender diversity is expressed in the code of conduct with high commitment to LGBT staff who can work equally with others and be themselves in creativity and innovation.

3.3 Case study 3 - Ford Motor

Throughout the history of Ford Motor Company, inclusion has been a part of the company's success as the great products our diverse employee base has created. Ford is a leader in diversity and inclusion, and both remain key Ford business strategies. You'll find diversity at every level of the company, from the boardroom to the design studio, from the plant floors to the engineering centres. Ford's senior executive leadership team fully endorses this model and takes great pride in celebrating their workforce that reflects the society in which they live and work. Their diversity makes them a better company, a stronger company, by bringing in fresh ideas, perspectives, experiences and life responsibilities, and by fostering a truly collaborative workplace. Attracting, retaining, and developing amazing talent that is empowered to work together to compete and win is a fundamental aspect of Ford's fitness.

Ford Motor Company is an equal opportunity employer committed to a culturally diverse workforce. All qualified applicants receives consideration for employment without regard to race, religion, colour, age, sex, national origin, sexual orientation, gender identity, disability status or protected veteran status. Ford Motor Company is also committed to take affirmative action to employ and advance in employment of such persons.

4. Conclusions

A firm needs to prepare action plans to manage diversity in the workplace to respond to diversity growth because of globalization and technology advancement. Unfortunately but unsurprisingly, they may face



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certain barriers or resistance to their efforts for diversity and this places high pressures on managers responsibilities for promoting organizational change in structure and diversity. RMIT Vietnam, Intel Vietnam and Ford Motors are three examples illustrating how they recognize diversity management as one of the key priorities and how they can overcome institutional resistance to this process. This process is continuous as benefits of diversity are clearly understood in terms of maintaining sustainable development and competitive edge. Institutional arrangements are made to turn a firm into non-discrimination and diversity promotion, which is still a big challenge for the firms around the world.

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Doctoral Supervisor's feedback (approximately 100 words):

This article is approved with the following feedback:

The content looks good.

It still needs work on grammar and spelling. Please have this reviewed by a native English speaker.

I would also suggest the inclusion of more scholarly resources within the past five years.