

## Chapter 2

# International Diversity Management:

### Examples from the USA, South Africa, and Norway

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#### 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.

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