**Role of Management in Managing Organizational Diversity**

Organizational diversity enables individuals from diverse backgrounds, religions, communities, age groups, experiences, educational qualifications and so on to work on a common platform, striving hard towards achieving the goals and objectives of the organization within the shortest possible time frame.

**Management plays an essential role in managing organizational diversity:**

All individuals need to be treated equally. If you have recruited someone, he/she is your employee and thus indispensable resource of the organization. Do not misbehave once he/she joins. You have no rights to ill treat the other individual just because he is a peon. Management should not forget that even the office boy is an employee of the organization and ought to be treated with utmost respect and care, the same way you treat your other employees. Make them feel important. Do not make separate policies for them. Remember, even they have the right to enjoy company’s benefits, the way others do.

Every employee is important irrespective of designation; amount of time spent in the organization or educational qualification and contributes in his/her own way. Organization B had all types of employees, some who recently joined and some who were there in the system for quite some time. Joe was never called for team meetings because he joined the organization just one month back. This certainly is a wrong practice. **Management and superiors need to ensure that every individual is called for team meetings and also has the liberty to contribute in formulating team strategies and organization policies**. Remember, an organization does not always need experienced people but also young and dynamic individuals who have the passion for innovation and accepting challenges. Do not neglect someone just because he is new to the industry. You never know when he comes up with a wonderful idea which would benefit not only the team but the entire organization.

**Appraisals and incentive plans need to be similar for everyone**. If you have decided for twenty percent hike, make sure it is same for everyone, be it the general manager, manager, executive or the office boy. Even the office boy has the right to ask for his appointment letter. It is his right. Appraisals should be strictly done based on individual’s performance over a period of year and nothing else.

Encourage effective communication at the workplace. No employee should be left out of important discussions. Management needs to ensure transparency at all levels of hierarchy. This is in fact the best way to effectively manage organizational diversity.

You really need to take good care of your female employees to promote a healthy work culture. Ensure your male employees are not misbehaving with their female counterparts and if they do so, you need to take strict action immediately. Do not ask your female employees to work till late unless and until there is an emergency and you have a deadline to follow. If you have asked them to do so, make sure you arrange a cab to drop them home. Ask your administration department to make proper arrangements for them if they need to travel out of the city.

**It is the responsibility of the management to encourage individuals to celebrate and enjoy all festivals irrespective of their religion and community**. We may be Hindu, Muslim, Sikh or Christian, but above all we are Indians. Do not be happy because 25th December is a holiday and you will have another day to watch your favourite movie or spend some time with your family. Do celebrate all festivals and enjoy them to the fullest. Do not ignore someone just because he/she does not belong to your religion. Believe me, individuals who do so have no rights to be a part of the system.

## Phase IV: Strategic Management

Phase IV joins strategic planning and management in a single process. Only a few companies that we studied are clearly managed strategically, and all of them are multinational, diversified manufacturing corporations. The challenge of planning for the needs of hundreds of different and rapidly evolving businesses, serving thousands of product/markets in dozens of distinct national environments, has pushed them to generate sophisticated, uniquely effective planning techniques. However, it is not so much planning technique that sets these organizations apart, but rather the thoroughness with which management links strategic planning to operational decision making. This is largely accomplished by three mechanisms:

1. A planning framework that cuts across organizational boundaries and facilitates strategic decision making about customer groups and resources.
2. A planning process that stimulates entrepreneurial thinking.
3. A corporate value system that reinforces managers’ commitment to the company’s strategy.

### Planning framework.

As noted previously, many Phase III companies rely on the SBU concept to provide a planning framework—often with disappointing results. However, there are frequently more levels at which strategically important decisions must be made than the two implicit in SBU theory. Moreover, today’s organization structure may not be the ideal framework in which to plan for tomorrow’s business, and a strategically managed company may arrange its planning process on as many as five distinct planning levels:

1. Product/market planning: The lowest level at which strategic planning takes place is the product/market unit, where typically product, price, sales, and service are planned, and competitors identified. Product/market planners often have no control over different sets of manufacturing facilities and so must accept a predetermined set of business economics.
2. Business-unit planning: The bulk of the planning effort in most diversified make-and-sell companies is done at a level where largely self-contained businesses control their own market position and cost structure. These individual business-unit plans become the building blocks of the corporate strategic plan.
3. Shared resource planning: To achieve economies of scale or to avoid the problem of sub-critical mass (e.g., in R&D facilities), resources are shared. In some cases, the assignment of resource priorities to different business units or the development of a plan to manage a corporate resource as a whole is strategically important. In resource-based or process-oriented industries, strategies for shared resource units often determine or constrain business-unit strategy.
4. Shared concern planning: In some large companies, a distinct level of planning responsibility is required to devise strategies that meet the unique needs of certain industry or geographic customer groups or to plan for technologies (e.g., microprocessors, fiber optics) used by a number of business units.
5. Corporate-level planning: dentifying worldwide technical and market trends not picked up by business-unit planners, setting corporate objectives, and marshaling the financial and human resources to meet those objectives are finally the responsibility of corporate headquarters.

For corporations involved in only a few, closely related product/markets, a two- or three-level planning framework may be entirely adequate. Even when additional planning levels are required, these companies need not insert another level of organizational hierarchy in order to plan shared resources or customer sector problems. Experience suggests, however, that it is important to recognize such issues where they exist and to assign explicit planning responsibility to an appropriate individual or group in the organization.

#### **Read more about**

[What You Lose with Your New Strategy](https://hbr.org/2022/07/what-you-lose-with-your-new-strategy)

Otherwise, critical business decisions can slip between the cracks, and the corporation as a whole may find itself unable to capitalize on its strategic opportunities. Because the selection of a framework for planning will tend to influence the range of alternatives proposed, few strategic planning choices are more important. The definition of a strategic planning framework is, therefore, a pivotal responsibility of top management, supported by the corporate planning staff.

### Planning process.

While planning as comprehensively and thoroughly as possible, Phase IV companies also try to keep their planning process flexible and creative.

A principal weakness of Phase II and III strategic planning processes is their inescapable entanglement in the formal corporate calendar. Strategic planning easily degenerates into a mind-numbing bureaucratic exercise, punctuated by ritualistic formal planning meetings that neither inform top management nor help business managers to get their jobs done. Division managers have been known to attempt to escape from the burden of “useless” annual planning by proposing that they fold their businesses into other SBUs, at least for planning purposes.

To avoid such problems, one European conglomerate has ordained that each of its SBUs initially study its business thoroughly, lay out a detailed strategy, and then replan as necessary. It has found that well-managed businesses in relatively stable industries can often exist quite comfortably with routine monitoring against strategic goals every quarter and an intensive strategic review every three to five years. The time saved from detailed annual planning sessions for every business is devoted to businesses in fast-changing environments or those not performing according to the corporate blueprint.

Because it is hard to institutionalize a process that can reliably produce creative plans, strategically managed companies challenge and stimulate their managers’ thinking by:

* Stressing competitiveness: The requirement for thorough understanding of competitors’ strategies recently has been the planning keynote of a U.S. electrical products company well known for its commitment to planning. Top management comes to the planning meetings prepared by its staff to bore in on a few key issues or events. “If, as you say, our competitors are only three years away from introducing microprocessors in their control units, why are they already talking about it in their annual reports?” the president might ask. “What cost savings could our customers achieve with microprocessor-controlled equipment?” or “Who are our competitors’ leading engineers?” It takes only one such grilling session to make division managers aware of gaps in their competitive information.
* Focusing on a theme: Several major companies periodically reinvigorate their planning processes by asking their managers to key annual plans to a specified theme. International business, new manufacturing process technology, the value of our products to customers, and alternative channels of distribution have all been used successfully. This approach has obvious limitations: it doesn’t work with business units in trouble, and it should be avoided until the value of formal planning is well established.
* Negotiating objectives: Several companies are trying to negotiate strategically consistent objectives between corporate headquarters and business-unit general management. “We want two years and $35 million in additional investment to prove to you we can make this into a 35% gross margin business,” said the new general manager of a division in trouble. “During that time we will make zero profit, but we’ll strengthen our market share by three points and reduce material waste at our Atlanta plant from 10% to 3%. Alternatively, you can have $4 million per year at the bottom line next year and $6 million the year after that. No investment, and only minimal share loss. But be prepared to sell out the whole division, because after that it’s all downhill.” Faced with clear options, corporate management could suggest ideas and concessions that would promise them most of their share growth and some profitability for much less cash commitment up front.
* Demanding strategic insights: Avoiding competition by an indirect approach is the essence of creative and innovative strategy: a reformulation of a product’s function, the development of new manufacturing methods or distribution channels, or the discovery of dimensions of competition to which traditional competitors are blind. One way to generate this kind of thinking is to ask each business manager to describe the specific business advantage he or she intends to achieve. Top management reviews each business plan skeptically. As one CEO tells division heads: “If you can’t tell me something about your business I don’t already know, you probably aren’t going to surprise our competitors either.” This technique relies heavily on the corporate planning staff, who are charged with demonstrating to uncreative business-unit planners that there are new ways of looking at old businesses.

### Corporate value system.

The value system shared by the company’s top and middle managers provides a third, less visible linkage between planning and action. Although the leadership styles and organizational climates of companies that can be called strategically managed vary considerably, and in even one company a great deal of diversity can be found, four common themes emerge from interviews with personnel at all levels in strategically managed companies:

1. The value of teamwork, which leads to task-oriented organizational flexibility.
2. Entrepreneurial drive, or the commitment to making things happen.
3. Open communication, rather than the preservation of confidentiality.
4. A shared belief that the enterprise can largely create its own future, rather than be buffeted into a predetermined corner by the winds of environmental change.

Teamwork on task force projects is the rule rather than the exception in strategically managed companies. Instead of fearing these uniquely dangerous expeditions beyond the security of the organizational thrust, managers learn to live with the ambiguity that teams create in return for the excitement and variety of new challenges.

The resulting continual reorganization can appear bizarre from outside the organization. For example:

* Observers trying to make sense of top management personnel changes in one highly successful telecommunications company were left scratching their heads, as first the chairman stepped down to become president and then he was further demoted to become CEO of a major subsidiary. Who was running the company, observers asked. Which individual was responsible for their brilliantly executed strategy? No one. The whole team at the top was so strong that no single manager deserved sole credit. The changes in title visible to the public were more an indication of the successful execution of phases of the company’s strategy than they were signals of the rise or fall of a single individual’s career.

Entrepreneurial drive among managers and technical personnel at all levels is a valued form of behavior in strategically managed companies. One organization’s top management was eager to get in on the ground floor of a synthetic fuel equipment business. Six levels down from top management, an applications engineer in the specialty metals division was faced with a notice of a substantial cost overrun on an expensive piece of test equipment.

Instead of cancelling the order to source the equipment from a less costly supplier and thereby incur a six-month delay, the engineer went to the boss, and eventually to the boss’s boss, to find out whether the delay to execution of the company’s strategy was worth the cost savings. As a result, the engineer did overrun the project budget, but the test equipment was available when needed.

Confidentiality about the company’s strategy is one of the hardest things for top management to give up. And yet it is impossible for a company to be strategically managed without the involvement of wide niches of relatively junior people in many aspects of the company’s strategic plans. It is not necessary for top managers to divulge everything, but as a minimum, junior managers should know the strategic purposes their actions serve.

## What is organizational culture and leadership?

Organizational culture and leadership is a set of values that defines a company and how the company's leadership exemplifies and reinforces those values. It defines the behaviors and actions the company expects employees to take to create a positive environment while helping the business succeed. Organizational culture also guides a company's mission and objectives, making it important to clearly define so each employee fully understands the mission they're working towards.

## How leadership affects organizational culture

Managers can teach organizational culture through social interactions. Through their own actions, leaders show employees what behavior is acceptable and encouraged. Here are ways that leadership affects organizational culture and leadership:

### Defines and teaches core values

You can define a strong business culture by its firmly held core values that are organized, shared and transmitted by employees. Leaders are role models who demonstrate behaviors that reflect the company's core values. Effective leaders show their employees what actions they should take to fully embrace workplace values. It's the duty of a leader to translate the mission of an organization into tangible results.

### Fosters a desire to learn

A quality leader demonstrates a genuine interest in promoting the growth of their employees. For that reason, they freely share what they know with others. They help team members build a career path, then share the knowledge that the employee needs to follow it. Leaders promote the idea that employees can learn from any opportunity.

By encouraging employees to take risks in order to grow their knowledge base, effective leaders are able to foster a culture of learning and growth. Employees who feel safe to explore and learn may find their work more fulfilling and meaningful. They feel more inclined to collaborate and learn from others.

**Related:** [**How To Create a Company Culture in 6 Steps**](https://www.indeed.com/career-advice/career-development/how-to-create-a-company-culture)

### Promotes a culture of recognition

When leaders let employees know that their contributions are valuable, they foster a culture of recognition. The task of the leader is to reward and incentivize hard work and good behavior. When leaders give positive praise, they help employees feel fulfilled and confident. Leadership fosters a culture of appreciation. Quality leaders encourage their employees to recognize other coworkers for their positive contributions. For instance, during a team meeting, a manager could ask coworkers to share specific instances of when a colleague excelled. A workplace culture where everyone celebrates success builds stronger teams.

**Related:** [**A Guide to Meaningful Employee Recognition**](https://www.indeed.com/career-advice/career-development/employee-recognition)

### Encourages a shared vision

Effective leaders define a shared goal for which everyone can strive. They promote a vision of the future that's positive and value-based. By outlining detailed steps, they show team members how to successfully reach a goal. Employees receive a clear understanding of their role within any collective process and collaborate to achieve a shared vision of the future. Being able to describe a realistic vision inspires employees to be more productive. When they accomplish goals, employees feel fulfilled and valued. Seeing results helps them understand how they contribute to the company.

**Related:** [**14 Traits of Visionary Leaders**](https://www.indeed.com/career-advice/career-development/traits-of-visionary-leadership)

### Changes the culture

Leaders understand that workplace culture continually grows and changes. Understanding the dynamic nature of the workplace helps them guide their team members through these changes.

When changes in company culture are necessary, leaders have a responsibility to communicate the information to employees effectively. Cultural changes require clear communication with every person in an organization. Leaders who value workplace culture understand that their duty is to keep actively creating a healthy organizational culture. They show their [team members](https://www.indeed.com/career-advice/career-development/team-oriented-workplace-culture-characteristics) what behaviors align with the cultural changes and what behaviors they can alter.

**Related:** [**Establishing a High-Performance Culture at Work**](https://www.indeed.com/career-advice/career-development/high-performance-culture)

### Improves job satisfaction

Job satisfaction is the feeling of how well the working environment meets the needs of employees. It relies on an employee's evaluation of the company values and how they agree with their core values. A variety of factors influence job satisfaction, including the quality of leadership. Leaders are typically mindful of how their leadership style affects employees.

Employees who are more satisfied with their work are more likely to have better job performance. Choosing a leadership style that benefits an organization and its employees is one of the most effective ways to improve job satisfaction. Many leadership styles exist, and it's common to use several types based on the situation. Some leaders use a combination of many styles to fit their needs.

**Related:** [**How To Improve Employee Morale and Job Satisfaction**](https://www.indeed.com/career-advice/career-development/how-to-improve-employee-morale-and-job-satisfaction)

### Ensures accountability

Accountability is essential for leaders to shape organizational culture. Leaders hold people accountable to ensure that they remain responsible for completing their work. Leaders help show employees that organizational culture exists to guide them to success. Having a culture of accountability starts with comprehensive job descriptions that outline measures of success. A quality leader is transparent with their team members about the standards they expect employees to meet. During reviews, leaders can further elaborate on expectations and standards. If they give employees clear, measurable steps to success, employees may be more likely to meet and exceed expectations.

# 5 Common Ethical Issues in the Workplace

Recent headline-making ethical issues, particularly those tied to discrimination and sexual harassment, have shed light on unethical conduct in the workplace and how these ethical lapses can permeate employee relations, business practices, and operations. According to the [**Ethics & Compliance Initiative’s 2018 Global Benchmark on Workplace Ethics**](https://www.ethics.org/knowledge-center/interactive-maps/), 30% of employees in the U.S. personally observed misconduct in the past 12 months, a number close to the global median for misconduct observation. These ethical breaches often occur unreported or unaddressed, and when totaled, can command a hefty cost. Unethical practices spurred more than half of the largest bankruptcies in the past 30 years, like Enron, Lehman Brothers, and WorldCom, and can take a larger economic toll, estimated at $1.228 trillion, according to the [**Society for Human Resource Management**](https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Ethical-Workplace-Culture.pdf).

These numbers suggest you’ll likely encounter ethical dilemmas in your workplace. Here are five ethically questionable issues you may face in the workplace and [**how you can respond**](https://www.michiganstateuniversityonline.com/resources/leadership/how-to-respond-to-an-ethical-dilemma/).

***Unethical Leadership***

Having a personal issue with your boss is one thing, but reporting to a person who is behaving unethically is another. This may come in an obvious form, like manipulating numbers in a report or spending company money on inappropriate activities; however, it can also occur more subtly, in the form of bullying, accepting inappropriate gifts from suppliers, or asking you to skip a standard procedure *just once.*With studies indicating that managers are responsible for [**60% of workplace misconduct**](https://www.shrm.org/hr-today/news/hr-magazine/pages/0414-ethical-workplace-culture.aspx), the abuse of leadership authority is an unfortunate reality.

***Toxic Workplace Culture***

Organizations helmed by unethical leadership are more often than not plagued by a toxic workplace culture. Leaders who think nothing of taking bribes, manipulating sales figures and data or pressuring employees or business associates for “favors” (whether they be personal or financial), will think nothing of disrespecting and bullying their employees. With the current emphasis in many organizations to hire for “cultural fit,” a toxic culture can be exacerbated by continually repopulating the company with like-minded personalities and toxic mentalities. Even worse, hiring for “cultural fit” can become a smokescreen for discrimination, which can result in more ethical issues and legal ramifications.

***Discrimination and Harassment***

Laws require organizations to be equal employment opportunity employers. Organizations must recruit a diverse workforce, enforce policies and training that support an [**equal opportunity program**](https://www.eeoc.gov/laws/types/index.cfm), and foster an environment that is respectful of all types of people. Unfortunately, there are still many whose practices break with EEOC guidelines.  When discrimination and harassment of employees based on race, ethnicity, gender, disability or age occurs, not only has an ethical line been crossed but a legal one as well. Most companies are vigilant to avoid the costly legal and public ramifications of discrimination and harassment, so you may encounter this ethical dilemma in more subtle ways, from seemingly “harmless” off-color jokes by a manager to a more pervasive “group think” mentality that can be a symptom of a toxic culture. This could be a group mentality toward an “other” group (for example, women aren’t a good fit for our group). Your best response is to maintain your personal values and repel such intolerant, unethical or illegal group norms by offering an alternative, inclusive perspective as the best choice for the group and the organization.

***Unrealistic and Conflicting Goals***

Your organization sets a goal—it could be a monthly sales figure or product production number—that seems unrealistic, even unattainable. While not unethical in and of itself (after all, having driven leadership with aggressive company goals is crucial to innovation and growth), it’s how employees, and even some leaders, go about reaching the goal that could raise an ethical red flag. Unrealistic objectives can spur leaders to put undue pressure on their employees, and employees may consider cutting corners or breaching ethical or legal guidelines to obtain them. Cutting corners ethically is a shortcut that rarely pays off, and if your entire team or department is failing to meet goals, company leadership needs that feedback to revisit those goals and re-evaluate performance expectations.

***Questionable Use of Company Technology***

While this may feel like a minor blip in the grand scheme of workplace ethics, the improper use of the internet and company technology is a huge cost for organizations in lost time, worker productivity and company dollars. One survey found that [**64% of employees**](https://www.bizjournals.com/philadelphia/blog/guest-comment/2015/01/most-common-unethical-behaviors-in-the.html) visit non-work related websites during the workday. Not only is it a misuse of company tools and technology, but it’s also a misuse of company time. Whether you’re taking hourly breaks to check your social media news feed or know that your coworker is using company technology resources to work on freelance jobs, this “little white lie” of workplace ethics can create a snowball effect. The response to this one is simple: when you’re working on the company’s computer on the company’s time, just don’t do it, even as tempting as it may be.

## Ethical Issues Create Slippery Slopes

Not all ethical breaches are as dramatic as those that make headlines, but all ethical violations are wrong nonetheless. When you find yourself faced with an unethical situation or leader, think about what you value most as an individual and as a professional to guide your response. Knowing when to say when can be a personal ethical dilemma unto itself. While it’s crucial to speak up when witnessing unethical behavior, the greater the risks to the company or your direct manager, the greater the pressure you may feel to go along with or ignore the behavior, especially if blowing the whistle could put your career in jeopardy. Consider that 53% of employees who reported ethical misconduct in their companies said they experienced some form of retaliation, according to the 2016 National Business Ethics survey by the Ethics and Compliance Initiative and as reported by [**The New York Times**](https://www.nytimes.com/2017/07/06/smarter-living/work-ethics-advice.html).

Using euphemisms to dilute the severity of unethical behavior, avoiding addressing the behavior, or rationalizing that “most” employees are going along with the breach anyway are practices that can fester, driving out good employees, ruining careers and putting a company at risk. If you find yourself working in a culture that accepts and even facilitates unethical behavior, or resorts to professional retaliation when these issues are brought to light, you’ll have to decide whether to stay and condone your company’s practices or if it’s time to go.