

A MODEL FOR MANAGING DIVERSITY IN ORGANISATIONS

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ABSTRACT

Increasing levels of cultural diversity in the workforce poses one of the most challenging human resource and organisational issues of our time. Increased workforce diversity means that organisations are becoming more heterogeneous in terms of gender, race and ethnicity. Such diverse people will, when placed in similar situations, perceive these situations differently and act differently in them. While diversity typically provides different perspectives on the same problem or situation it makes it more difficult to unify teams working together and to reach agreements. For this reason, workforce diversity has implications for organisational performance. However, unlike some other countries of the world, the effective management of workforce diversity is not a matter of choice in South Africa. It is crucial to the future prosperity and stability of the country and, possibly, the region. Notwithstanding the South African situation, however, there are a number of other global motivations driving the shift towards diversity in the workplace and, as a consequence, elevating the importance of the effective management of workforce diversity. A phenomenal surge in the growth of emerging markets, the extensive use of cross-functional, heterogeneous teams to produce creative solutions to business problems, an increased reliance on non-traditional workforce talent and the realities of today's workplace clearly demonstrate that diversity management has become a critical aspect of operating a business. The drive for diversity is, therefore, a business imperative. The purpose of this study was to identify key success factors for diversity management initiatives in organisations and to develop a model for the successful management of diversity. Owing to the context-rich nature of diversity management initiatives it was decided to use the multiple case study methodology, using three case studies. These three case studies were analysed in the light of research propositions generated from a review of the relevant literature on diversity management. While this methodology was able to facilitate the formulation of key success factors for diversity management initiatives and the development of a model for managing diversity within organisations, the context-rich nature of the diversity management initiatives implied that caution needed to be exercised when these key success factors were generalised and the model applied to other diversity management initiatives.

DECLARATION

I declare that this research report is my own unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination in any other University.

Thiruvasan Govindsamy

25th February 2005

DEDICATION

In memory of my mother, Athilutchmee Arumugam, whose eternal and unfailing love, support, dedication and belief in me made all this possible.

To an enchanted soul, a spirit of true greatness, kindness, compassion and love...Saras

- Athilutchmee Arumugam

They say memories are golden
Well maybe that is true
We never wanted memories
We only wanted you
A million times we needed you
A million times we cried
If love alone could have saved you
You never would have died

In life we loved you dearly
In death we love you still
In our hearts you hold a place
No one could ever fill
If tears could build a stairway
And heartache make a lane
We'd walk the path to heaven
And bring you home again

Our family chain is broken
And nothing seems the same
But as god calls us one by one
The chain will link again.

....I love you mum...

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LIST OF ABBREVIATIONS

COSATU	-	Congress of South African Trade Unions
SA	-	South Africa
EEO	-	Equal Employment Opportunity
EE	-	Equal Employment
AA	-	Affirmative Action
USA	-	United States of America
UK	-	United Kingdom
SHRM	-	Strategic Human Resource Management
SWOT	-	Strengths, Weaknesses, Opportunities and Threats
CEO	-	Chief Executive Officer
GM	-	General Manager
DMI	-	Diversity Management Initiative
HR	-	Human Resource (s)
MD	-	Managing Director
CSI	-	Corporate Social Investment

1. INTRODUCTION

1.1 Background to the Study

Diversity is a phenomenon present in and relevant to all countries. However, its significance is much heightened in South Africa, with its history of a society and an economy driven by racial and ethnic diversity and four decades of apartheid-legislated oppression, inequality and social division. Still today, after a decade of transformation and accelerated political change, South Africa remains a highly unequal society (COSATU, 1997). High expectations regarding the alleviation of poverty have accompanied the new political dispensation in South Africa since 1994, yet little progress appears to have been made in this regard (Zegeye, 2002). Some of the elements of social inequality that are continually present are impoverished human capital, poverty, and the uneven distribution of wealth, a lack of world competitiveness, and a shortage of skills (Denton & Vloeberghs, 2003).

In South African society race continues to shape experience (Cachalia, 2001), social integration is hardly widespread (Hawthorne, 1999), and racial diversity still provokes high levels of emotions (Friedman, 1998).

It is therefore evident that the removal of legislated discrimination has not translated into the pervasive eradication of racial prejudice and social discrimination in practice (Horwitz, 1994; Zegeye, 2002). For this reason, it can be argued that the last decade of democracy and transformation have marked only the beginning of social and economic transformation. There is a substantial body of literature reporting that South Africa as a nation and as an economy still faces significant challenges such as: finding creative solutions for integrating economic growth and development in parallel with overcoming deeply entrenched discriminatory practices and social discrimination (Horwitz, Bowmaker-Falconer & Searll, 1996); competing within a highly competitive and rapidly changing global economy after decades of isolation (Grobler, 1996; Denton & Vloeberghs, 2003); simultaneously generating economic growth at speeds that reduce the exorbitant unemployment rate in the country (Hazelhurst, 2000); and eradicating remaining forms of institutional discrimination to facilitate the integration of formerly disadvantaged groups into management ranks (Thomas & Robertshaw, 1999).

Maier (2002) points out that this last challenge is closely connected to the others and is of paramount importance in South Africa, where the economy is still dominated by a white minority (Horwitz *et al*, 1996; Zegeye, 2002).

Thus, even after democratic transition employment inequities pose serious challenges to the democratic state. Driven by the evident inequalities in employment patterns and practices with respect to access to employment, training, promotion and equitable remuneration especially for black people, woman and people with disabilities, the government has put in place legislation such as the Employment Equity Act to foster and promote sound and fair workplace practices, which are intended to correct the imbalances of the past and to create a workforce that reflects the demographics of the country (Republic of South Africa, 1998).

The Employment Equity Act provides for the mandatory implementation of affirmative action measures (by designated employers) and the reporting and monitoring thereof, “to redress the disadvantages in employment experienced by designated groups in order to ensure their equitable representation in all occupational categories and levels in the workplace” (Republic of South Africa, 1998: 12). The response of the designated South African employers has been the targeted recruitment of individuals from the designated groups in order to demonstrate a more representative workforce (Maier, 2002). However, as pointed out by Human, Bluen & Davies (1999), the ‘numbers game’ has not been complemented by the right organisational climate and, hence, these employment equity initiatives have mostly failed.

It has become apparent that whereas employment equity initiatives can be legislated, the organisational environment cannot and must be prepared to embrace and sustain employment equity initiatives (Thomas & Robertshaw, 1999). Maier (2002) argues further that as a result of the failures that have been experienced with employment equity initiatives, organisations seem to have shifted from ‘getting the numbers right’ to the question of how to lead diverse workgroups with their multiplicity of cultural and personal backgrounds. Horwitz *et al* (1996) point out that in order to create a culture of development in South Africa, organisations will have to develop a keener understanding of the dynamics of diversity development and diversity management. Notwithstanding the South African situation, however, there are a number of other global motivations driving the shift towards diversity in the workplace and elevating

the importance of the effective management of workforce diversity at an international level. A phenomenal surge in the growth of emerging markets, extensive use of cross-functional, heterogeneous teams to produce creative solutions to business problems, an increased reliance on non-traditional workforce talent and the realities of today's workplace clearly demonstrate that diversity management has become a critical aspect of operating a business (Rice, 1994; Denton & Vloeberghs, 2003).

Workforce diversity means that organisations are becoming more heterogeneous in terms of gender, race and ethnicity. However, the term "diversity" encompasses variation from the norm within groups of people. Workforce diversity means that organisations will increasingly be composed of people with different skills, experiences, outlooks, cultures, gender, race, etc. (Robbins, 1993). Such diverse people will, when placed in similar situations, perceive these differently and act differently. While diversity typically provides different perspectives on the same problem or situation it makes unifying teams working together and reaching agreements more difficult. In this way, workforce diversity has implications for organisational performance.

The following are some of the major advantages of workforce diversity for organisations (Robbins, 1996):

- 1) More complete information and knowledge is assimilated;
- 2) Increased diversity means that multiple perspectives will be put forward to any given situation resulting in increased creativity;
- 3) Increased acceptance and legitimacy of a decision are obtained if a diverse group of people participate in the decision-making process; and
- 4) Increased problem solving skills are generated.

The strongest case for diversity, however, is when teamwork is engaged in problem-solving and decision-making tasks, as heterogeneous teams bring together multiple perspectives and skills which, when managed effectively, increase the likelihood that the team will identify creative or unique situations in a cohesive manner (Robbins, 1996).

1.2 Context of the Study

Extensive and far-reaching labour legislation has been passed in South Africa over the last few years. The Employment Equity Act, which seeks to foster a fair employment environment and provide redress for those who suffered discrimination in the past, has become the cornerstone for social and economic reconstruction and development.

The preamble to the Employment Equity Act reads as follows:

“Preamble---Recognising---

that as a result of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market;
and

that those disparities create such pronounced disadvantages for certain categories of people that they cannot be redressed simply by repealing discriminatory laws.

Therefore, in order to—

promote the constitutional right of equality and the exercise of true democracy;

eliminate unfair discrimination in employment;

ensure the implementation of employment equity to redress the effects of discrimination;

achieve a diverse workforce broadly representative of our people;

promote economic development and efficiency in the workforce; and

give effect to the obligations of the Republic as a member of the International Labour Organisation,...” (Republic of South Africa, 1998: 1).

The purpose of the Act is to achieve equity in the workplace by:

- (a) Promoting equal opportunities and fair treatment through the elimination of unfair discrimination; and
- (b) Implementing affirmative action measures to redress the disadvantages in

employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce (Republic of South Africa, 1998).

In its promulgation of the Employment Equity Act the government has put a strong emphasis on the transformation of the workplace (Maier, 2002).

It must also be borne in mind that, in recent years, the issue of diversity has gained increasing attention for a number of reasons. Hartenian & Gudmundson (2000) argue that for some firms, compliance with equal employment opportunity (EEO) laws results in workforces that more accurately reflect their culturally diverse labour markets. In addition these authors argue that it may also be that labour market shortages produce a reliance on a more diverse pool of employees. They propose further that, whereas some employers hire persons from different cultural backgrounds on the belief that diversity itself is good, others may hire a diverse workforce assuming that firms will benefit economically.

Hence, diversity, which is often used as a synonym for multiculturalism (Strydom & Erwee, 1998) is becoming a norm in many organisations.

Although valuing diversity has become a watchword, Richard (2000) stresses the point that field research on the impact of a culturally diverse workforce on organisational performance has not been forthcoming.

Capowski (1996: 2) quotes the following from a speech by Tod White, a Princeton, N.J. based consultant:

“Diversity, which is such a wonderful word and a wonderful attribute of organizations, has become a euphemism for ‘let’s stop discriminating against women and blacks – which is also a fine objective – but it’s much more than that. It makes differences sound like a bad thing we need to overcome, when in fact differences are a great source of strength.”

While most companies acknowledge the importance of making diversity a business consideration, diversity is not a top business priority. Other business initiatives that

present more compelling, factual evidence of payback on investment win over diversity initiatives, which seems to offer less predictable and tangible benefits. As a result, many human resource executives revert to the argument that 'it's the right thing to do' and trust that management will back their suggestions to promote a diversity-friendly work environment, then wonder why nothing happens or why well-intended initiatives fail.

The presentation of a solid business case, however, can be used as an instrument to increase the likelihood of obtaining the leadership commitment and resources needed to successfully implement diversity initiatives (Robinson & Dechant, 1997).

The drive for diversity is a business imperative. In today's competitive marketplace, companies continue to look for proven methods of improving their performance and achieving corporate objectives. Many have pursued such strategies as upgrading their technology and developing the workforce to guide them. However, if companies are to be successful in an ever-changing environment, they must also view diversity as a business strategy that will distinguish them from the competition. Diversity in race, gender and age within senior management teams has been correlated with superior business performance, worker productivity, net operating profits, gross revenues, total assets, market share and shareholder value (Bureau of National Affairs, 1998). Thus, leveraging diversity can help companies achieve sustainable competitive advantage (Crockett, 1999).

Allen & Montgomery (2001: 156) quote Santiago Rodriguez, Microsoft's diversity director as saying:

" We need to stress that all human cultures have common needs, a common sense of humanity. But there are differences, too. How in the world do you please a customer, for example, if you don't know what he or she values? That's what culture is all about, that's what differences are all about. Diversity assumes not only that people are different – we know that – but that their difference is value-added. If you know how to harness that difference, you'll be more competitive as a corporation than those firms that don't, whether in the domestic marketplace, and certainly in the global marketplace."

Viewed in this way the object of managing diversity is not only to advance a social or political agenda but also to fulfil business goals through cultivating and coordinating the talents of an organisation's members.

1.3 Purpose of the Study

Diversity management has grown out of the need for organisations to address a changing workforce and other pervasive social pressures (Von Bergen, Soper & Foster, 2002). While organisations engage in diversity management out of a desire to assure that no person or group is discriminated against on the basis of age, race, gender, disability, ethnicity, or religion, diversity management itself is not just an equal employment opportunity issue, nor is it simply another name for affirmative action.

The diversity management approach has emerged from earlier concepts of equal opportunity (EO) and affirmative action (AA) (Thomas, 1990). Historically both EO and AA have been primarily legally driven, whereas diversity management is driven by the business case (Kandola & Fullerton, 1994a). Diversity management includes administering social environments and systems, along with organisational climate and procedures while recognising, being open to, and utilising human differences (Von Bergen *et al*, 2002).

Increasing cultural diversity in the workforce poses one of the most challenging human resource and organisational issues of our time. Academics and practitioners have sought to understand the impact of both cultural diversity and diversity management on organisational effectiveness (Richard, 2000), but it has been pointed out by Maier (2002) that neither cross cultural management research, the African management movement, the social psychological literature on diverse groups, nor the literature on leadership provides direct insights into the problem field of leading a diverse group of people.

It has been argued that Africa must develop the capacity to turn its ethnic, religious and racial diversity from a source of conflict and misunderstanding to a source of creative strength, mutual interdependence and synergy (Kiggundu, 1991). However, it is pointed out, by, Horwitz *et al* (1996) that a mature corporate culture of people

development does not yet exist in most South African organisations. Thus the goal of valuing diversity – to capitalise on the strengths of each individual group or subgroup to ensure that the whole is greater than the sum of the parts (Tung, 1995) – has not yet been fully realised by many organisations.

Unlike some other countries of the world the effective management of workforce diversity is not a matter of choice in South Africa; it is crucial to the future prosperity and stability of the country and possibly the region (Human, 1996). Human (1996) also goes on to argue, using Human (1993), that given this urgency it is surprising how few committed efforts towards managing diversity and affirmative action have been made. She asserts further that many organisations pay lip service to the need for affirmative action and managing diversity, yet few appear to have incorporated these kinds of objectives into either their strategic planning process or reward systems.

In addressing the challenge of managing diversity many organisations continue the search for quick-fix solutions in the form of workshops or interventions, which are not incorporated into overall strategic and human resource management processes (Human, 1993). Other organisations play the 'numbers game' and thereby underestimate the extent to which effective affirmative action requires fundamental changes to organisational culture and the way in which people are managed (Human, 1991).

Human (1996) concludes that meaningful and effective inter-cultural, inter-ethnic, inter-gender and inter-class situations require an ability to manage diversity in its broadest sense and that managing diversity, in turn, requires situational adaptability and good communication skills. Each of these affirms the value of diverse people and communicates positive expectancies. Such affirmation, in turn, can create the optimal conditions for effective cooperation and performance.

A powerful new impetus for managing cultural diversity centres on driving business growth by leveraging opportunities associated with increasing marketplace understanding, greater creativity, higher quality team problem solving and decision making, improved leadership effectiveness, and better global communications (Robinson & Dechant, 1997).

Diversity programmes constitute a creativity technique deliberately used to facilitate the decision process by using individual's inventive abilities within the organisation. Group diversity consciously brings together employees with varying perspectives and beliefs about issues or concerns (Jackson, Brett, Sessa, Cooper & Peyronnin, 1991). Diversity practices can therefore provide organisations with the expertise to regularly develop and market competitive new products by enhancing organisational creativity, problem solving and decision-making (Richard & Johnson, 2001).

The rationale behind this study can therefore be traced to the urgent need for the effective management of diversity in South Africa. The purpose of this study is to identify the key success factors of diversity management initiatives that have been implemented within organisations and to develop a model for the successful management of diversity that makes use of the key success factors identified.

1.4 The Research Problem

The research problem can be stated as:

the identification of key success factors of the diversity management initiatives that have been implemented within organisations and the development of a model for the successful management of diversity within organisations.

This research problem stems from the current business environment in South Africa, where the effective management of diversity is a business imperative, as a consequence of an increasingly diverse workforce driven by employment equity laws and in the face of increasing global competition where harnessing the potentially rich resources of a diverse group provides the basis for competitive advantage.

1.5 The Sub-problems

The sub-problems can be stated as the following:

Sub-problem One:

Identify key success factors for diversity management initiatives.

Sub-problem Two:

Test the validity of the key success factors that have been identified within organisations that have implemented diversity management initiatives.

Sub-problem Three:

Interpret the test data and relate the interpretations back to the key success factors that have been identified.

Sub-problem Four:

Propose a model for the successful management of diversity.

1.6 Delimitations of the Study

This study will be based on the perceptions of the most senior organisational member/s (Human Resource Directors or Managers) who have been directly responsible and accountable for the implementation and success of diversity management initiatives within their organisations. Other than this, the study will not attempt to directly measure the success or lack of success of the diversity management initiatives undertaken by the sampled companies as might be determined by the business objectives or any other objectives set at the time of decision making.

It is important to monitor progress, provide quantitative and qualitative evidence of organisational change, and measure the degree of diversity in the workforce of an

organisation. The AA approach advocates the use of quotas and targets to measure workforce diversity. However, it has been argued that the use of quotas and targets is inappropriate for measuring the degree to which organisations have implemented diversity initiatives (Kandola & Fullerton, 1994b). This study will not make use of any tests to attempt to predict the degree of diversity within the companies evaluated, except to confirm whether any diversity management programmes have been initiated and the reasons for embarking on such initiatives.

The research will go only as far as assessing the opinions and perceptions of the most senior organisational member/s (Human Resource Directors or Managers) directly accountable and responsible for the implementation and success of diversity management initiatives within their companies and will, therefore, not directly evaluate the diversity management initiatives within these sampled companies.

1.7 Significance of the Study

In a culturally diverse environment such as that found in South Africa, and in light of the recent democratic changes that have paved the way for social transformation, the management of diversity has been focused primarily on the management of demographic differences. This is mainly because for many corporate business leaders, the concept of diversity is limited to concern over compliance with employment equity laws and thus is associated with race or gender and regulations.

Yet the business imperative for diversity is driven by both legislative and competitive factors. Increasing global and local competition is forcing efforts to increase efficiency, productivity and profitability. Lattimer (1996) highlights that achieving competitive advantage ultimately means becoming smarter and more effective and will depend increasingly on the creativity and innovation of diverse employees that comprise an organisation's workforce.

When diversity is synonymous with regulations it prevents buy-in from key stakeholders who cannot see the true value in it and this often leads to the sidelining of the initiative, breeding cynicism and disengagement (Randolph, 2003). However, diversity represents bringing different backgrounds, cultures and generations into the same organisation (Richard & Johnson, 2001). This proposition by Richard &

Johnson (2001) contends that diversity can generate a variety of perspectives and when, managed positively, can foster group cohesion and creativity that should result in even higher levels of innovation and performance.

Thus, a diversity orientation results in a diverse culture where employees embrace their differences and use them to enhance organisational effectiveness through creativity and innovation. It has also been argued that more diverse groups make higher quality decisions, where creativity, consistent counter arguments and the introduction of new perspectives enhance the decision-making process (Milliken & Martins, 1996).

It has been argued further by Stoner & Russell-Chapin (1997: 6) that, aside from an intellectual awareness of diversity, there has been little progress beyond this point. These authors state that: "Many companies are experiencing diversity but failing to really manage it". Therefore, organisations need to evaluate and re-think their attitudes, practices, skills and systems in order to develop an environment that supports diversity (Mandell & Kohler-Gray, 1990) and where all employees are treated fairly and justly and feel comfortable (Fernandez, 1991).

The significance of this study therefore relates not only to companies that have yet to embrace the concept of diversity and embark on diversity management initiatives but also to companies that have tried without much success. Such companies will benefit from an evaluation, assessment and identification of key success factors of the diversity management initiatives that have been implemented within organisations and the development of a model for the effective management of diversity. The study might motivate managers not only to review their organisational profiles with respect to workforce diversity, but also to utilise these factors and the model to formulate, develop and implement integrated diversity management initiatives with a greater probability of success.

The results of this study might also prove significant in altering management perceptions – on diversity – from one where demographic differences are managed in response to regulatory pressures to one where diversity is managed as a business imperative and, for the development of sustainable competitive advantage.

1.8 Assumptions

The study will be based on the following underlying assumptions:

- a) The sampled companies have a diverse workforce based on the existence of diversity management programmes.
- b) The participants in the research will have sufficient knowledge and information of the specific diversity management initiatives for which they have been made responsible.
- c) The participants' perceptions and opinions as to the success or lack of success of the diversity management initiative will be fair and unbiased.
- d) There will be no overall bias brought about by any differences in views on diversity between the sampled companies, nor any significant ideological differences between the diversity management initiatives implemented.
- e) Diversity and diversity management have been important issues for the companies sampled and led to the implementation of the diversity management initiatives.
- f) This study will be restricted to companies based in Gauteng Province. This, however, does not automatically mean that the usefulness of the key success factors identified will be confined only to companies based in Gauteng. A further assumption is, therefore, that the implications of this study will be transferable across regional borders within South Africa or further afield.

1.9 Definitions of Terms

Diversity

“Diversity” refers to the increasing heterogeneity of the composition of the workforce of organisations with respect to the inclusion of different groups based on race, gender, ethnicity, culture, religion, language, nation of origin, age, sexual orientation, physical abilities, occupation and class (Kandola & Fullerton, 1994b).

Designated Employer

In terms of the Employment Equity Act (Republic of South Africa, 1998: 4) a designated employer is:

- a. “a person/organisation that employs 50 or more employees;
- b. a person/organisation that employs fewer than 50 employees but has a total annual turnover that is equal to or above the applicable turnover of a small business in terms of Schedule 4 of this Act;
- c. a municipality as referred to in Chapter 7 of the Constitution;
- d. an organ of state as defined in section 239 of the Constitution, but excluding local spheres of government, the National Defence Force, The National Intelligence Agency and the South African Secret Service; and
- e. an employer bound by collective agreement in terms of section 23 or 31 of the Labour Relations Act, which appoints it as a designated employer in terms of this Act, to the extent provided for in the agreement.”

Designated Groups

“Designated groups” refers to:

black people, women, and people with disabilities, where black people is a generic term encompassing Africans, Coloureds and Indians (Republic of South Africa, 1998: 4).

2. LITERATURE REVIEW

2.1 A Business Case for Diversity Management

This chapter covers a review of the relevant literature on the benefits of diverse workforces and the development of the business case for the successful and effective management of workforce diversity.

Proponents of diversity assert that the different opinions provided by culturally diverse work groups facilitate the generation of higher quality decisions (Cox, 1994; McLeod, Lobel & Cox, 1996). They also propose that minority views stimulate the consideration of non-obvious alternatives in work settings and appear to be useful for making valuable judgments in novel situations. Although this is true in the USA, with reference to minority representation in the organisational context, in South Africa the issue lies with the lack of representation of the majority of the population in the organisational context. In addition, heterogeneity in decision-making and problem-solving styles produces better decisions through the operation of a wider range of perspectives and a more thorough critical analysis of issues.

The current trends in globalisation and the ensuing nature of workforce demographics require people to collaborate in teams that cross cultural and geographical boundaries and render the existence of culturally diverse teams inevitable. DiStefano & Maznevski (2000) suggest that these teams in theory should create significant competitive advantage by bringing together different ideas, pools of knowledge and approaches to work and that compared to homogeneous teams they can be more creative, generate more and better alternatives to problems, and generate more and better criteria for evaluating alternatives.

DiStefano & Maznevski (2000) write further that because of the nature of culture, cultural differences also provide the greatest potential for creating value. Culture affects what we notice, how we interpret it, what we decide to do about it, and how we execute our ideas. Multicultural teams therefore have an enormous wealth of material with which to create innovative approaches to complex organisational challenges and a broad range of operating modes with which to develop new ways of

implementing solutions. Today's business cannot flourish without the creative value afforded by high-performing teams.

DiStefano & Maznevski (2000) highlight that differences are explicitly recognised and accepted, even nurtured, and their implications are incorporated into every facet of the group's processes. They point out that watching diverse teams is like watching a top performing jazz ensemble. The players all recognise the mastery of the others, and understand the potential for synergy arising from their combinations. They develop a constantly shifting dynamic that incorporates innovation into cooperative structures. They claim to have seen these distinctive teams create value by bringing highly successful products to market in record time, achieving quantum leaps in cost savings in a price-sensitive industry, inventing new types of alliances with global suppliers and clients, and moving successfully into territory that others have been unable to conquer.

2.1.1 Diversity and Competitive Advantage

The management literature has suggested that organisations should value diversity to enhance organisational effectiveness (Cox & Blake, 1991). They propose that the term managing diversity refers to a variety of management issues and activities related to the hiring and effective utilisation of personnel from different cultural backgrounds that can create competitive advantage.

These issues and activities are shown in **Figure 1**.

Cox & Blake (1991) propose that social responsibility goals of organisations are only one area that benefits from the management of diversity. This statement implies that in the South African context the goal of managing diversity successfully should not be limited to simply redressing the disparities that have resulted from apartheid and other discriminatory laws and practices. Thus, in South Africa, managing diversity within organisations must be expanded beyond redressing the disparities in employment, occupation and income within the national labour market, which have created pronounced disadvantages for certain categories of people. It must also be linked to the goal of creating competitive advantage.

Cox & Blake (1991) focus on six other areas where diversity can create competitive advantage. These, they argue, are as follows:

1. Cost Argument

Cox & Blake (1991) suggest that as organisations become more diverse, the cost of a poor effort in integrating workers will increase. Those organisations, which handle this well, will thus create cost advantages over those, which do not. The cost implications arise from higher levels of absenteeism and staff turnover among women and people of colour as a result of low job satisfaction and morale. In addition, costs could arise from lawsuits related to sexual, race and age discrimination.

2. Resource-Acquisition Argument

Companies develop reputations on favourability as prospective employers for women and different ethnic groups. Those with the best reputations for managing diversity will win the competition for the best personnel. As the pool of skilled labour changes composition and becomes more of an issue, this edge will become increasingly important (Cox & Blake, 1991).

3. Marketing Argument

In multinational organisations, the insight and cultural sensitivity that members with roots in other countries bring to the marketing effort should improve these efforts in important ways. The same rationale applies in marketing to sub-populations within domestic operations. Here the insight and cultural sensitivity that members with roots in these sub-populations bring, should lead to improved and more successful marketing efforts (Cox & Blake, 1991).

4. Creativity Argument

Cox & Blake (1991) suggest that diversity of perspectives and less emphasis on conformity to norms of the past (which characterise the modern approach to management of diversity) should improve the level of creativity. They further assert

that if people from different gender, nationality and racioethnic groups hold different attitudes and perspectives on issues, then cultural diversity should increase team creativity and innovation. This argument is supported by DiStefano & Maznevski (2000).

5. Problem-Solving Argument

Heterogeneity in decision-making and problem-solving groups potentially produces better decisions through a wider range of perspectives and a more thorough analysis of issues. Cox & Blake (1991) assert that attitudes, cognitive functioning, and beliefs are not randomly distributed in the population but tend to vary systematically with demographic variables such as age, race, and gender. Thus, an expected consequence of increased cultural diversity in organisations is the presence of different perspectives for problem solving, decision making, and creative tasks.

6. System Flexibility

Cox & Blake (1991) suggest that an implication of the multicultural model for managing diversity is that the system will become less determinant, less standardised and, therefore, more fluid. The increased fluidity should create greater flexibility to react to environmental changes (i.e. reactions should be faster and less expensive).

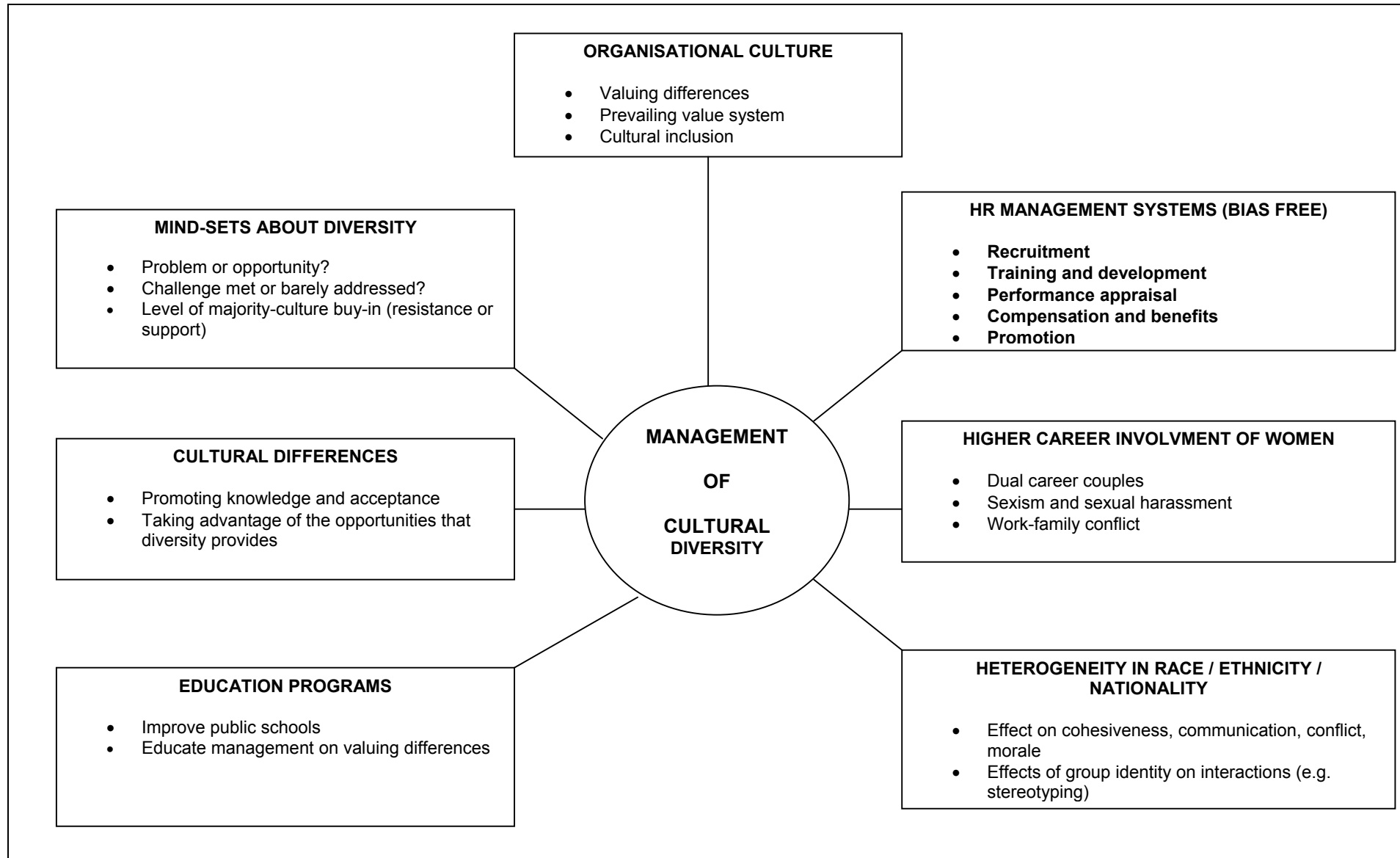


Figure 1: Spheres of Activity in the Management of Cultural Diversity

Source: Cox & Blake (1991: 46)

Raatikainen (2002: 2) describes his view on the effect of diversity on innovation as follows:

“If creativity springs from divergence, then a great source of ideas is in the multicultural world”.

Raatikainen (2002) cites Goleman's (1996) summary of this view on diversity by mentioning that international companies have an increasing need for employees who not only put any bias aside to appreciate people from diverse cultures and markets but also turn that appreciation into competitive advantage. There is also a potential fruit for diversity, in terms of heightened collective creativity and entrepreneurial energy.

This argument is supported by, Filley, House & Kerr (1976) who propose that along with increasing marketplace understanding, the optimisation of a diverse workforce, can stimulate creativity and innovation.

2.1.2 Diversity and Group Performance

A longitudinal study of 83 groups (Polzer, Milton & Swann Jr., 2002) revealed that diversity tended to improve creative task performance in groups with high interpersonal congruence. The study examined interpersonal congruence, the degree to which group members see others as themselves, as a moderator of the relationship between diversity and group effectiveness. Although diversity undermined the performance of groups with low interpersonal congruence, the interpersonal congruence approach itself suggests that group members can achieve harmonious and effective work processes by expressing rather than suppressing the characteristics that make them unique.

Group members can differ in functional specialisation and demographic or cultural identities, such as age, race, sex and citizenship (Milliken and Martins, 1996) and a group's diversity is defined by the heterogeneity of all such individual attributes within the group. These differences among group members give rise to varied ideas, perspectives, knowledge, and skills that can improve their ability to solve problems and accomplish their work (Polzer *et al*, 2002).

The argument that interpersonal congruence and diversity may jointly influence task performance (Polzer *et al*, 2002) asserts that beyond simply nullifying the detrimental effects of diversity on social integration, group identification and conflict, and high levels of interpersonal congruence may enable diversity to have a positive effect on task performance.

High interpersonal congruence should encourage group members to apply to the task the differences in knowledge, experiences, perspectives, and networks associated with their cultural identities and categorical differences (Ely & Thomas, 2001). Groups that openly deliberate their diverse perspectives are likely to be more creative (Amabile, Conti, Coon, Lazenby & Herron, 1996) and generate more alternatives for novel situations than groups that do not (Nemeth & Kwan, 1987; Smith, Tindale & Dugoni, 1996).

The more unusual or unorthodox ideas a group generates to solve its work problems, the more likely it is to consider a wide variety of relevant information and ultimately discover solutions that are original and appropriately complex.

Beyond encouraging members to generate more ideas, it is suggested that high interpersonal congruence within diverse work groups should provide a foundation for members to challenge each other's ideas fully while finding ways to integrate their disparate perspectives. Such processes are essential for effective group decision-making (Polzer *et al*, 2002).

Thus Polzer *et al* (2002) predict that members of any group, however diverse or whatever their circumstances, have the capacity to fully capitalise on their diversity, but that the effect of diversity will be moderated by interpersonal congruence.

2.1.3 Diversity and Organisational Effectiveness

The successful management of diversity is a key issue for all those interested in the theoretical development and practical application of strategic human resource management (Cassell, 2000). It is asserted here that the management of diversity is a mechanism to improve organisational effectiveness. Diversity is seen as a key element of overall business policy that is linked to an organisation's strategy and that

presents a business case for moving towards a diverse workforce where the skills of all groups, are recognised. Given that the emphasis is clearly on the business benefits that diversity can accrue for a company, it is important to highlight some of these benefits.

According to Cassell (2000: 2) these benefits include:

- Best use of human resources (reduced staff turnover, motivated workforce and better recruitment);
- Flexible workforce to aid re-structuring;
- The workforce being representative of the local community;
- Improved corporate image with potential employees and customers;
- The greater likelihood of attracting ethical investors;
- Managers being able to integrate equality into corporate objectives; and
- The development of new business ideas from a diverse workforce.

Cassell (2000) further cites Kandola & Fullerton's (1994a) suggestion that diversity must pervade the entire organisation, if it is to be successful and that the focus should be on ensuring that all individuals can maximise their potential regardless of any groups they may belong to. Thus, it is through the application of these principles that the full benefits of managing diversity can be accrued.

Von Bergen *et al* (2002) add to this argument in their assertion that regardless of the reasons for diversity and diversity management initiatives, decision makers expect an array of positive outcomes from these activities. These expectations include (Von Bergen *et al*, 2002: 2):

- Enhanced personal effectiveness and interpersonal communications among employees;
- Responsiveness to social and demographic changes;
- Reduction of litigation and quicker resolution of disputes;
- A climate of fairness and equity;
- Greater productivity on complex tasks; and
- Increased sales, revenue and profits.

Von Bergen *et al*, (2002) also emphasise that diversity entails recognising, being open to and utilising human differences, and assert that the goal is to create a positive work environment for all employees. Thus, these authors also highlight the point that the full benefits of diversity management can only be realised through the application of specific diversity management principles.

Some organisations, however, are not easily convinced of the benefits of diversity. Council (2001) proposes that many companies will not pursue diversification until they perceive direct bottom-line benefits. He does, however, suggest that there are a number of good business reasons to champion diversity in the workplace. Three of these reasons are set out below (Council, 2001: 2).

- Employee retention can be much higher for companies that have greater diversity, as people like to feel comfortable in their work environment. A diversified workforce allows people to relax and socialise with co-workers, which leads to higher job satisfaction and less employee turnover.
- The company can realise a cost saving with minority and women vendors who may have a lower cost structure. These vendors often have lower overhead costs, which can be passed on to their customers. This also provides the company with greater flexibility.
- Minority property managers have a competitive edge to offer employers. When a multicultural and diverse client base is being served, it is beneficial for that client base to see diversity in the people who are responsible for managing their properties.

Companies that have, however, pursued diversification are implementing specific strategies to help attract and retain high achieving minority executives in order to achieve their diversity goals (Council, 2001). Although diversity management in South Africa is mostly associated with the under-representation of the majority of the population in organisations, and the subsequent need to redress this situation, it would be useful to mention some of these strategies as they might not be exclusively applicable to environments that present with minority groups. Thus, they may provide insight that can be applied to the South African context, which presents with the under-representation of the majority of the population in organisations.

Some of these strategies include: (Council, 2001: 3):

- Ensuring internal corporate support to help advance the career goals of minority groups and giving timely and specific feedback about performance;
- Constructing job responsibilities and roles so that minorities have the authority to impact the broader picture of the organisation and can contribute to decisions and strategy, problem solving and policy making;
- Identifying and training informal mentors to advocate upward mobility for minorities and women;
- Building a workplace community that supports open dialogue to discuss perceived discrimination that could impede minority advancement;
- Offering internships to women and minorities interested in a real estate career;
- Sponsoring a scholarship to someone in the company;
- Targeting minority publications when advertising staff vacancies;
- Establishing goals for all departments and levels of the company with respect to hiring and promoting people of colour and women;
- Increasing the quality of women and minority recruits through improved college relationship programmes;
- Exposing women and minority employees with high potential to the same developmental jobs that have traditionally led to senior management positions for their white male counterparts; and
- Whenever possible, supporting women and minority networks in the workplace.

Council (2001) asserts that the implementation of these strategies is indicative of the fact that companies are recognising that a diversified workforce can provide a greater pool from which to choose new employees. He maintains that the 'savvy' company will stay ahead of the curve and lead the way, thereby reaping the benefits of such progressive policies.

The benefits of diversity are not necessarily limited to any specific types of industries or operational areas within industries. Alexander (2002) provides evidence to support this statement in his evaluation of diversity in the nursing environment. He proposes that valuing diversity is the 'how-to' of valuing and managing relationships and valuing relationships is the heart of valuing diversity, which calls for cultural

competence at all organisational levels. From this perspective of diversity, the following benefits are derived from cultural competence in the nursing environment (Alexander, 2002: 4):

- Products and services are consistent with patient population needs;
- Increased customer recruitment, satisfaction, retention and care access exist;
- Maximum use can be made of limited resources; and
- Overall health outcomes can improve.

In brief conclusion, then, it is clear that there are significant benefits to be derived from a diverse workforce and, for this reason, there is a definite business case for the successful and effective management of diversity within organisations.

2.2 Critical Success Factors for the Management of Diversity

“The basic concept of managing diversity accepts that the workforce consists of a diverse population of people. The diversity consists of visible and non-visible differences, which will include factors such as sex, age, background, race, disability, personality and work-style. It is founded on the premise that harnessing these differences will create a productive environment in which everybody feels valued, where their talents are being fully utilized and in which organizational goals are met.” (Kandola & Fullerton, 1994b: 8)

Managing diversity should be considered to be an active phenomenon that involves supervising or coordinating and directing the diversity or differences individuals bring to an organisation to ensure that the organisation’s strategic goals are being fully and effectively met (Friday & Friday, 2003). It includes the process of building specific skills and the creation of policies that derive the best from each employee (Sadri & Tran, 2002). Therefore, managing diversity suggests that differences between people should be effectively managed (Cassell, 1996).

In the last few decades, many organisations have implemented various diversity management initiatives (Koonce, 2001). However, Friday & Friday (2003) point out that most have not used a planned change approach. These authors also argue that there is a high probability that this lack of a planned change approach contributes

towards the purported ineffectiveness of many of these diversity management initiatives. In light of these considerations, organisations attempting to maximise the potential benefits of diversity should design a 'planned change-corporate diversity strategy' prior to implementing diversity initiatives (Friday & Friday, 2003). Such a strategy is especially significant for organisations with highly diversified workforces and will contribute to the long-term effectiveness of diversity management initiatives.

Iles (1995) notes that the literature on the USA and UK stresses the development of an organisational culture that values differences and focuses on developing programmes that imbue this philosophy throughout the organisation. He points out, however, that it is much less clear what organisations must do in order to value and manage diversity effectively and how organisations might be developed in ways that enable such valuing to take place. Iles (1995) asserts further that learning to work successfully with differences is becoming imperative, but that the mechanisms for achieving this need clarification.

Against this backdrop the importance of identifying key success factors for such a planned diversity management initiative and the development of a model for the effective management of diversity becomes apparent.

The scope of this section covers a review of the relevant literature on diversity management, and the identification of factors that impact on the successful management of diversity.

2.2.1 Leadership and Diversity

The concept of leadership has been interpreted differently by different people and is defined according to individual perspectives. Following an evaluation of the various definitions of leadership as discussed below, it can be concluded that there is consensus on the generalisation that leadership is the process of influencing the activities of an individual or a group in an effort directed towards the achievement of goals in any particular situation (Hersey & Blanchard, 1993). Leadership is defined as "the initiation and maintenance of structure in expectation and interaction" by Stogdill (1974: 411) while Gardner (1995) proposes that leadership is the process of influencing the thoughts and behaviours of others.

A more structured definition of leadership, is presented by Tannenbaum, Weschler & Massarik (1961: 24), where they define leadership as the “interpersonal influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals”. More recently, however, it has been asserted by Kotter (1990) that leadership is the process of creating a vision and strategic direction for the organisation, as well as the communication of that vision to the people and customers of that organisation. Leadership includes inspiring, motivating and aligning the organisation and its people towards the achievement of this vision.

It should be noted that there are indeed strong arguments that see leadership as a major determinant of organisational effectiveness under varied circumstances (Katz & Kahn, 1978; Peters & Waterman, 1982).

Diversity management requires top leadership support, commitment and, above all, direction (Carnevale & Stone, 1994), as managing diversity should extend beyond legal compliance and equal opportunity initiatives. Conklin (2001) asserts that the required change will not occur unless there is commitment to diversity, at all levels of the organisation, especially at the senior management levels where it is strategically important and least in evidence.

McCuiston, Wooldridge & Pierce (2004) highlight the need for leaders who are proactive about learning from diversity, committed to establishing a climate of openness, equity, tolerance and, most importantly, inclusion, and who possess excellent communication, facilitation and team-building skills.

Cox (1991a) argues that there is a need for champions of diversity who will take strong personal stands on the need for change, become role models of the behaviours required for change and assist with moving the organisation forward. He stresses the importance of the support and genuine commitment of top management towards cultural diversity, but also asserts that champions are also needed at other levels of the organisation. Cox (1991a) highlights that some organisations are addressing the leadership requirement by forming task forces or advisory committees on diversity, which are often headed by a senior manager, while other organisations have a designated diversity manager to manage their diversity initiatives. He argues

that in the presence of effective and genuinely committed leadership the issue of diversity will feature prominently in the corporate strategy, will consistently be made part of senior level staff meetings, and that there will be a greater willingness to change human resource management systems accordingly.

Cox (1991a) argues further that top management leadership and commitment will facilitate the allocation of human, financial and technical resources towards diversity initiatives for a period of years and not months or weeks, which is crucial for the long-term success of such initiatives.

Finding support in the work of Burns (1978), Maier (2002) points out that leadership can be divided into transactional and transformational leadership, although these concepts are not mutually exclusive, as the same leader may use both types of leadership at different times in different situations (Bass, 1985). An overview of transactional leadership reveals that it is based on bureaucratic authority and legitimacy, where work standards, assignments and task-oriented goals are emphasised by transactional leaders who utilise rewards and punishments to influence employee performance (Maier, 2002).

Transformational leadership, as described by Burns (1978), is the process by which both leaders and followers elevate each other to higher levels of morality and motivation. Burns (1978) also asserts that transformational leadership may involve influencing peers, superiors and subordinates. Tichy & Devanna (1986) propose that for transformational leadership to be effective, leaders must recognise the need for change, challenge current assumptions, and create a new vision. It is also important to note that, because organisational culture is likely to determine the actions and behaviours of its members, the task of transformational leadership is principally rooted in creating, changing, and shaping organisational culture (Schein, 1992).

Effective transformational leadership as described by Bass & Alvolio (1994) comprises the following four dimensions:

1. Idealised Influence: a behaviour that results in the admiration, respect and trust of followers;

- 2. Inspirational Motivation: behaviours that provide meaning and challenge to followers' work, articulate expectations clearly, and demonstrate commitment to overall goals;
- 3. Intellectual Stimulation: behaviours soliciting creativity and encouraging novel and new approaches to performing work; and
- 4. Individualised Consideration: reflecting behaviours such as listening attentively and paying attention to follower achievement and growth needs.

House & Aditya (1997) highlight the effectiveness of transformational leadership in its ability to bring about change. Maier (2002) asserts that leadership is generally viewed as involving the articulation of an organisational vision, the introduction of major change, the provision of inspiration, and dealing with highly stressful and troublesome challenges. In the South African context the role and importance of transformational leadership is pointed out by Denton & Vloeberghs (2003) in their evaluation of the leadership challenges facing organisations in the 'new South Africa'.

An argument for leadership as defined by the concept of transformational leadership, as a key element in the successful management of diversity can be further drawn from Cox's (1991b) typology concerning the concerns and attitudes that organisational members have towards diversity. There are three levels of organisations in the typology: monolithic, pluralistic, and multicultural organisations.

Monolithic organisations are the least developed with regards to diversity and are managed by one large demographic group where all other groups are expected to conform to the norms and values of the majority group. The next level of diversity development is known as a pluralistic organisation, and is typically populated by a more diverse set of employees, as a result of the organisation having made special attempts to hire and promote minority group members. However, minority groups are still expected to adhere to the norms and values of the majority group.

The third and final level of development represents those organisations that are leading the pack in terms of diversity and are reaping the greatest benefits. They are classified as multicultural organisations, where diversity is valued and where members are encouraged to learn from each other, and the norms and values from various groups are adopted.

On the basis of this elaboration of Cox's (1991b) typology it can be asserted that, depending on their level of development, organisations will need to move themselves from either the monolithic or pluralistic levels to the multicultural level to facilitate the successful management of diversity. This movement ultimately implies engaging the process of organisational change or transformation, thus highlighting the need for and importance of leadership or transformational leadership in this case.

Therefore, in light of the arguments put forward thus far, the role and importance of leadership or leadership as defined by the concept of transformational leadership in the transformation of organisations, and more specifically, in diversity management become apparent.

2.2.2 Strategy and Diversity

Managing diversity can be regarded as a strategic issue in the widest sense, which is viewed as being crucial for economic and competitive success (Wilson & Iles, 1999).

Diversity management initiatives are typically implemented by human resource departments and human resource professionals. In view of this role of the human resources function, diversity management initiatives should be placed strategically within the human resource business plan, and the purpose and goals of such diversity initiatives should be integrated with those of other human resource initiatives, together with a clear articulation and demonstration of how these initiatives support the organisation's mission (Diamante & Giglio, 1994). Diamante & Giglio (1994) further argue that there must be alignment between top management's business plan and human resource's diversity objectives for such initiatives to be effective. They highlight that in the absence of such a collective approach ambiguity about the diversity programmes contribution to organisational success will develop, and will inevitably lead to the internal decay of the diversity initiative.

Dansky, Weech-Maldonado & De Souza (2003: 243) propose that, “under the rubric of strategic human resource management (SHRM), researchers have linked corporate strategy to human resource practices such as staffing and training”. According to Wright & McMahan (1992), SHRM can be defined as the pattern of planned resource deployments and activities that are aimed at enabling an organisation to achieve its goals. It has been further pointed out by Porter (1985) that organisations obtain their competitive advantages through the resources that they employ.

This argument, has been broadened by Barney (1991) in his definition of resources as including all organisational assets, with the organisation’s workforce being the main one of these. It has been further argued (Barney & Wright, 1998) that sustainable competitive advantage can be obtained if an organisation’s workforce creates value that is rare and hard to imitate. An organisation meets these criteria if it develops and maintains a culturally diverse workforce in a supportive and enabling environment. Thus, diversity-focused human resource practices have their origins in the corporate boardroom where strategic decisions that influence the entire organisation are made (Dansky *et al*, 2003).

Strategy is conceptualised as a coherent stream of decisions that aligns the organisation with its environment and shapes internal policies and procedures (Hambrick, 1983). Notwithstanding the fact that organisational strategies vary widely by nature and scope, there is empirical support for the benefits of strategic planning (Miller & Cardinal, 1994).

Miles & Snow (1978) define strategic orientation as the rate at which organisations change their products and markets. They further propose a typology for the classification of organisations according to four strategic orientations, with the underlying theme of each typology being the degree of pro-activity with the external environment:

1. Prospectors: Organisations that consistently attempt to be first in the market by stressing innovation and flexibility to respond quickly to changes. These organisations are more aggressive and externally focused than the others.

2. Defenders: Organisations that concentrate on a stable core of services and emphasise tight control of resources. These organisations imitate prospectors but also have an external focus.
3. Analysers: Organisations that try to balance innovation with cost containment. These organisations are internally focused.
4. Reactors: Organisations that have no consistent strategy. These organisations have no pattern of internal or external focus.

Prospectors and Defenders are expected to demonstrate cultural diversity and proactive diversity management practices since cultural diversity provides organisations with diverse experience and knowledge, which is consistent with the externally driven, market-focused strategic orientations that characterises these organisations (Dansky *et al*, 2003).

Indeed in their study of 203 hospitals, and using Miles & Snow's (1978) typology of strategic orientations, Dansky *et al* (2003) conclude that externally focused organisations engage in more active diversity management.

Thus, it can be argued that the linkage of diversity management initiatives to an organisations strategy creates a platform for the success of diversity management initiatives.

Richard (2000) proposes that an organisation's business strategy can either impede or foster the effectiveness of its diverse workforce. Richard, Kochan & McMillan-Capehart (2002) identify organisational strategies as a moderating factor that may facilitate the effectiveness of diversity management initiatives and highlight the fact that an organisation's business strategy should be consistent with other aspects of the firm. These authors also assert that diversity must be linked to a broader set of interrelated organisational processes and variables, which must include business strategy.

Kossek & Lobel (1996) argue that diversity enlargement recruitment strategies are not voluntarily initiated, but are coerced by labour market demands and popular

‘politically correct’ state-of-the-art management sentiment. Thus, newly recruited employees are expected to assimilate into the existing corporate or organisational culture. It is, however, asserted (Kossek & Lobel, 1996) that organisational strategies should be facilitative of the needs and wants of new recruits and that the managing diversity strategies should fit with the mission and values of the organisation – that is to say, the strategy of the organisation.

Koonce (2001) highlights the fact that many organisations have implemented various diversity management initiatives as part of their corporate diversity strategy, but many have not utilised a planned change approach to strategically align their initiatives with their long-term objectives and strategic positioning (Friday & Friday, 2003). Friday & Friday (2003: 864) argue that a ‘planned change-corporate diversity strategy’ that is aligned with an organisation’s overall strategy produces diversity initiatives that are aligned with the organisation’s strategic goals, policies, procedures, and systems.

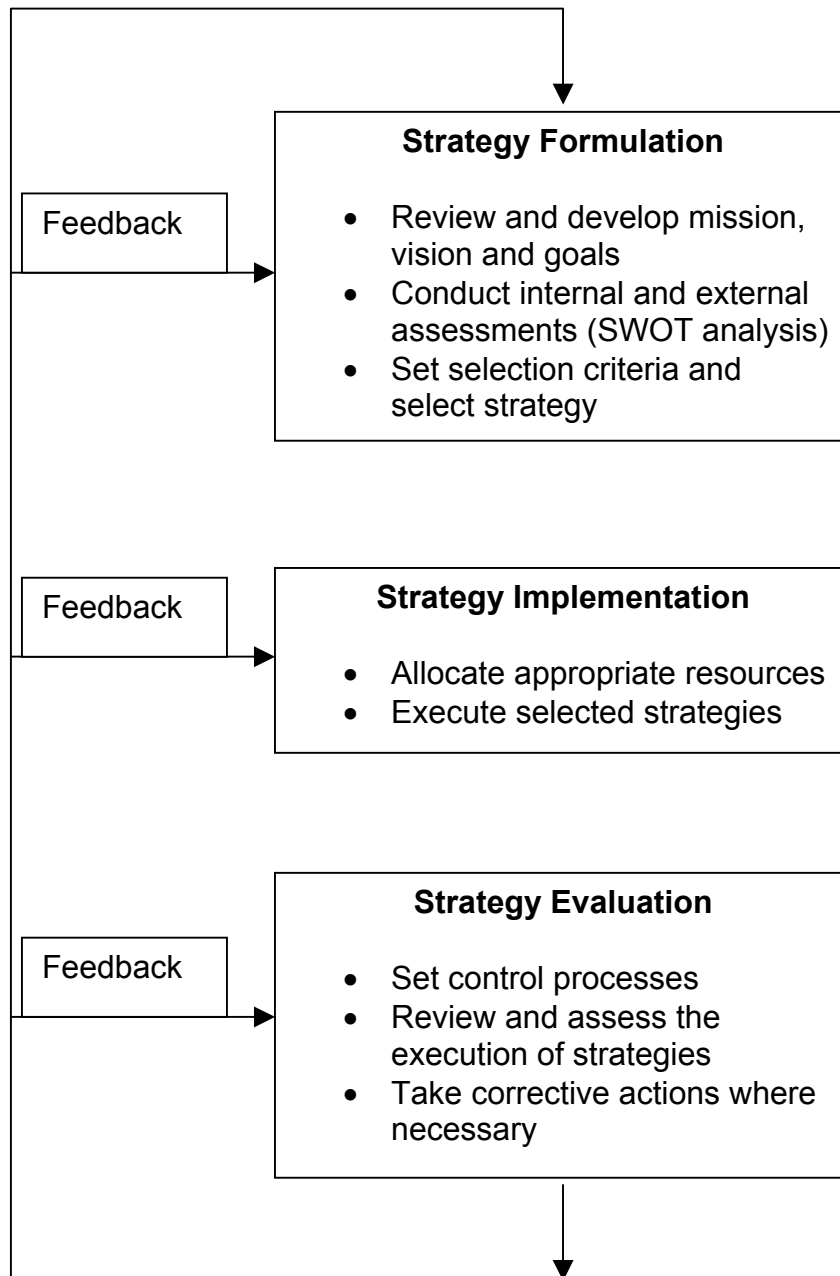
Such alignment will ultimately make diversity an integral part of the organisation’s culture and will significantly contribute to the long-term effectiveness of such diversity initiatives that are aimed at effectively managing all of the organisation’s human resources (Friday & Friday, 2003). These authors further assert that the purported ineffectiveness of many diversity initiatives can probably be attributed to the lack of strategic alignment between the various diversity initiatives and organisational strategy. This argument highlights the importance of organisational strategy with regards to its impact on the success of diversity management initiatives.

The strategic management process is employed by many organisations (Porter, 1985; Steiner, 1997; David, 2001). The components of the strategic management process are generally accepted as strategy formulation, strategy implementation and strategy evaluation and are illustrated in **Figure 2** (Hill & Jones, 1998; David, 2001).

Within this framework, strategy formulation includes reviewing and developing an organisation’s mission, vision and long-term goals; strategy implementation includes the allocation of appropriate resources to ensure that the selected strategies are executed; and strategy evaluation includes setting control processes to periodically review and evaluate the implemented strategies to establish if the planned outcomes

are being achieved and if corrective actions need to be taken (Steiner, 1997; Hill & Jones, 1998; David, 2001).

Figure 2: The Strategic Management Process

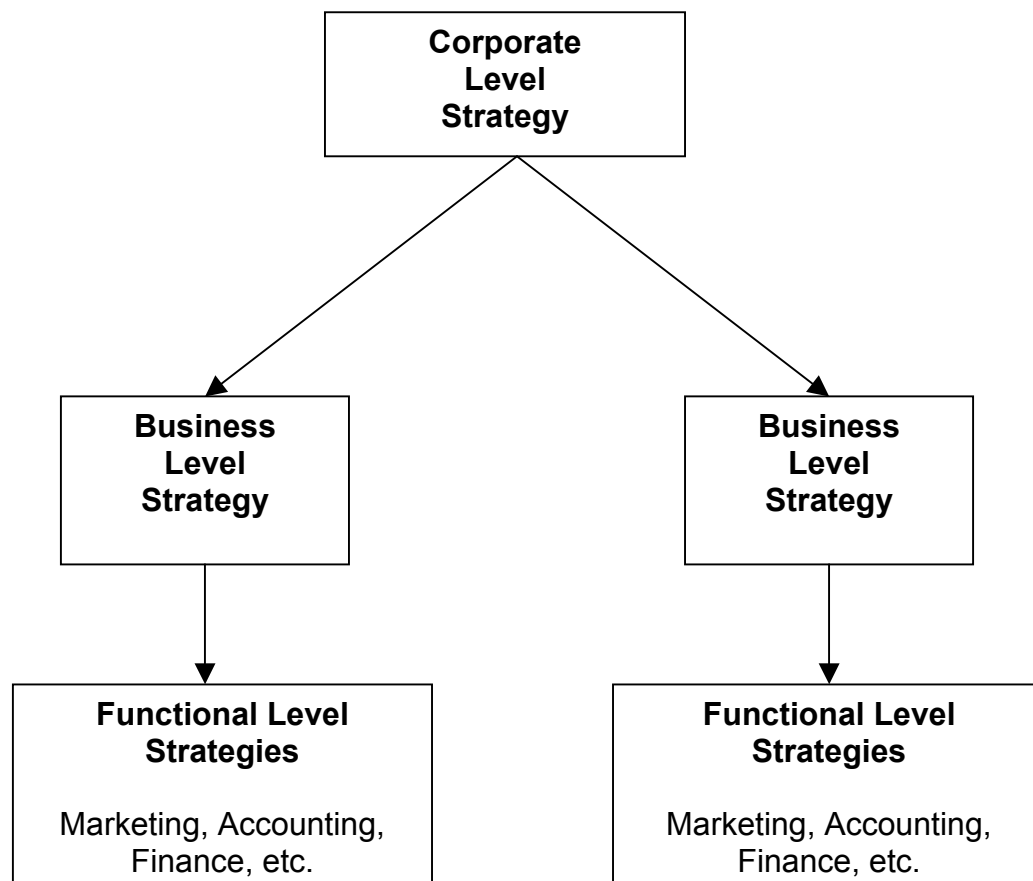


Source: Hill & Jones, 1998; David 2001

Evaluating large-scale organisations, one can usually identify three levels of strategy as illustrated in **Figure 3**. The corporate-level strategies provide the over-arching direction for the organisation by defining the organisation's purpose and lines of business within which it will operate, whereas business-level strategies provide the

blueprint that enables an organisation to leverage its resources within a particular business. Lastly, functional level strategies support the organisation's business-level strategies by providing guidance for suitable short-term activities required by each functional area to meet the goals established in the business level strategy (Hill & Jones, 1998; David, 2001).

Figure 3: The Three Levels of Organisational Strategy



Source: Hill & Jones, 1998, David, 2001

Thus, it is asserted that properly aligned corporate-, business-, and functional-level strategies facilitate the achievement of organisational goals (Porter 1985; Hill & Jones, 1998; David, 2001). Therefore, an organisation attempting to implement and manage diversity initiatives should devise a diversity strategy that is properly aligned with its corporate strategy and strategic positioning as illustrated in **Figure 4**. This alignment is essential in order for such initiatives to be successful (Friday & Friday, 2003).

Figure 4: Alignment Between Corporate Strategy and Diversity Strategy



Source: Friday & Friday, 2003

2.2.3 Communication and Diversity

Communication is often problematic between people sharing the same language, similar experiences and familiar environments, and when these factors are not shared amongst people who have to routinely communicate with each other the problem is magnified (Rijamampianina & Maxwell, 2002). Cox (1991a) argues that if diversity is not managed effectively within organisations one of the major costs they will have to bear will be a breakdown in communications. Such thinking implies that suitable and effective communication is an important factor to be considered in any diversity management initiative.

Many authors have highlighted effective communication as an important element of diversity management initiatives. Copeland (1988) has stressed the need for managers to encourage constructive communication about differences and to treat people equally but not unfairly, building on individual differences. Ahmed, Fullerton, Kandola & Robertson (1995) highlight the importance of developing a clear vision and policy regarding diversity and then communicating this to the workforce. Iles (1995) highlights communicative competency as a key diversity management competency.

In addressing the issue of how to effectively manage a diverse workforce, Darling & Fogliasso (1999) highlight the importance of meaningful communication and its role in the perception and interpretation of organisational messages. Following his study of 166 leading corporations, Winterle (1992) developed an inventory of diversity initiatives within which communications activities was identified as one of the major topical areas of importance.

Diamante & Giglio (1994) add support to the importance of effective communications in any diversity initiative by asserting that an essential part of any diversity management initiative is the proper clarification of mutual expectations between management and employees. Sadri & Tran (2002) add to this argument by proposing that most workplace diversity initiatives fail because many people do not have a complete understanding of what managing diversity entails or requires of them.

Hicks-Clarke & Iles (2000) argue that although some organisations do have specific diversity management policies and procedures in place, the individual characteristics of different managers will strongly influence their perceptions of these policies and procedures and might therefore influence the implementation and outcomes of these policies and procedures. Therefore, communication to individual managers about the diversity policies and procedures in the organisation, which can create a positive climate for diversity, is very important.

Effective communication strategies can facilitate the management of workforce diversity by promoting integration and equality in the workplace, and the resultant improved supervisor-subordinate communication will further propel organisations towards achieving this goal (Sadri & Tran, 2002). Euske & Roberts (1987) argue that an improvement in relational communication in the workplace will lead to an increase in job satisfaction and worker involvement and, ultimately, to higher productivity.

Therefore, notwithstanding the fact that the link between effective communication and employee satisfaction is stronger than the link between communication and employee productivity (O'Reilly & Anderson, 1980; Pincus, 1986), the importance of perceived openness in superior-subordinate communication cannot be denied (Sadri & Tran, 2002). Sadri & Tran (2002) further assert that although openness in superior-subordinate communication is only one ingredient in the recipe for effective business

communication it is an essential element in the overall process and a path to facilitating diversity and creating perceptions of fairness and equity among employees in the workplace.

Tung (1993) proposes that effective communication is a factor that facilitates organisational performance in organisations that employ innovative business strategies. He further proposes that among diverse populations, communication competency stems from:

- A willingness to acknowledge that differences exist;
- A genuine attempt to understand differences; and
- A desire to value the differences between groups and sub-groups and to combine the better of all groups, thereby increasing organisational effectiveness.

Creativity amongst work groups is enhanced with the inclusion of the views and efforts of a diverse workforce (Watson, Kumar & Michaelsen, 1993), and an economic advantage is obtained from the greater amount of innovative information, which ultimately creates a cultural synergy (Oliver, 1990). Harris & Moran (1987) propose that this cultural synergy facilitates the production of integrative solutions that maximises the needs and aspirations of the individual and the organisation.

Allen & Montgomery (2001) argue that top management must be convinced of the benefits of diversity and, once committed, they must then create a vision for the future and communicate it to the rest of the organisation. They further assert that management communication must include a show of symbolic support for the diversity vision in their words and actions such as speeches, letters, and other communications that include pro-diversity rhetoric.

Swanson (2002) points out that diversity initiatives create uncertainty for organisational stakeholders and, in order to reduce this uncertainty, the diversity initiative must be clearly explained and reinforced. He also argues that a cohesive plan and programme are essential for anticipating and answering the objections that arise from internal backlash, stockholder alarm, and internal resistance to the allocation of resources to diversity initiatives.

In view of this during both the planning and the implementation stages of diversity management initiatives all communication and interaction must deliver a sense of high aspirations and transparency (Swanson, 2002). Salomon & Schork (2003) assert that during the implementation of diversity management initiatives the diversity strategies must be communicated loudly, widely, and unapologetically. These authors add that public recognition of diversity contributions will emphasise not only the importance of the diversity initiative but also the corporate commitment towards diversity, thus facilitating the organisation-wide acceptance of and commitment to such diversity initiatives.

2.2.4 Culture and Diversity

In exploring the “best practices” employed by organisations seeking to address the challenges associated with developing and integrating a diverse workforce, Salomon & Schork (2003) point out that although numerical goals are important as quantifiable indicators of progress in the area of diversity, changing the numbers, especially in the higher-level positions, takes time and perseverance, and concentrating on the numbers alone can lead to successful recruitment but poor retention. These authors elaborate that for long-term change an organisation must concentrate on changing the environment, which means changing the corporate culture within the organisation.

When a culture of cooperation and teamwork is induced within an organisation, inter-group bias along dimensions such as race and gender can be reduced (Gaertner, Mann, Dovidio, Murrell & Pomare, 1990). Chatman, Polzer, Barsade & Neale (1997) conclude that the effects of diversity are moderated by organisational culture, in the sense that conflict arising from group heterogeneity can be seen as more beneficial for groups with a collectivist organisational culture. In their literature review on the effects of diversity, Williams & O'Reilly (1997) conclude that managers might find organisational culture to be a powerful way in which to use informational and social processes to encourage solidarity rather than divisiveness. Chatman & Barsade (1995) also discuss how organisational cultures that foster cooperation and commitment may be created.

Following his study of 166 leading corporations, Winterle (1992) developed an inventory of diversity initiatives within which culture change initiatives was identified as one of the major topical areas. Wilson (2000) asserts that diversity initiatives require a deliberate move towards a culture of inclusion supported by an enabling environment. He also notes that cultures of 'inclusion' have been experimented with by some organisations in the UK to encourage diversity.

Cox (1991b) argues that organisations that wish to minimise the drawbacks of diversity – in terms of workgroup cohesiveness, interpersonal conflict, turnover and coherent action on major organisational goals – must create multicultural organisations. He describes the typical organisation as either monolithic (homogeneous membership with a culture dominated by one cultural group) or pluralistic (ostensibly diverse membership but still culturally monolithic and without valuing or using differences to the organisation's benefit) and contrasts this against the multicultural organisation that he describes as one in which members of non-traditional backgrounds can contribute and reach their fullest potential. According to Cox (1991b), the specific features of multicultural organisations can be described as follows:

- Pluralism with reciprocal acculturation according to which all cultural groups respect, value and learn from each other;
- Full structural integration of all cultural groups so that they are well represented at all levels of the organisation;
- Full integration of minority culture-group members in the informal networks of the organisation;
- An absence of prejudice or discrimination;
- Equal identification of minority and majority group members with the goals of the organisation, and with the opportunity for alignment of organisational and personal goal achievement; and
- A minimum of inter-group conflict, which is based on race, gender, nationality and other identity groups of organisational members.

Thus, Cox (1991b) argues that an analysis and change of organisational culture and human resource practice systems constitute an important step in transforming traditional organisations into multicultural ones.

Allen & Montgomery (2001), using Cox's (1991b) typology highlight the fact that organisations leading the pack in terms of diversity are classified as multicultural organisations and that the transition from monolithic or pluralistic organisations to diverse multicultural organisations requires, essentially, a change in organisational culture. These authors argue that these multicultural organisations have created a unique organisational culture and actually value the diversity that they have created within their workforce.

Allen & Montgomery (2001) propose further that this new organisational culture, which creates an environment in which differing viewpoints are valued and given consideration, is better suited to deal with an increasingly multicultural and fast-changing marketplace and thus produces a competitive advantage.

Hicks-Clarke & Iles (2000) argue that corporate culture and human resource management policies and procedures need to be supportive of diversity in order to create a positive climate for diversity, thus asserting that the climate of an organisation is heavily influenced by the organisation's culture. Many authors argue that climate and diversity are related terms and that climate is one aspect of culture or one part of culture that refers to the broad pattern of an organisation's values and beliefs (Burke & McKeen, 1992; Moran & Volkwein 1992; Schneider, Gunnarson & Niles-Jolly, 1994).

Cox (1991b) points out that there is a need for the creation of a climate in which all groups feel valued. It has also been argued by Hicks-Clarke & Iles (2000) that, organisational climates (a subset of culture) in which human resource diversity is valued and in which employees from diverse backgrounds feel welcome and included foster a positive climate for diversity.

In their research, Hicks-Clarke & Iles (2000: 325) take climate as a "strand of culture", and define it according to Reicher & Schneider (1990) as the perception of particular aspects of the organisation, based largely on organisational rules, regulations and individuals' interpretation of these rules and regulations. Hicks-Clarke & Iles (2000) assert that in order for diversity management initiatives to be successful organisations need to develop a positive climate for diversity. They conclude that if an organisation wishes to create a positive climate for diversity and facilitate the

development of positive attitudes, the specific elements that develop a positive climate for diversity – such as diversity policies and procedures (e.g. employment equity policies), but more generally all other organisational policies and procedures and their perceived fairness, the make up of managerial levels in the organisation, perceived organisational support for diversity and more especially organisational justice – need to be considered.

In particular, Hicks-Clarke & Iles (2000) highlight organisational justice as an important predictor of a positive climate for diversity. They define organisational justice to include procedural justice, which refers to the perceived fairness or justice of organisational procedures and processes, and distributive justice, which refers to the perceived fairness or justice of the organisational outcome or decision. Following from this definition they note that unless employees felt that procedures and policies were fair and just, in both procedural and distributive terms then it would be difficult to argue that equity was present or that diversity was valued. Thus, these authors assert that organisations need to ensure that their HR policies and practices relating to recruitment, selection, development, appraisal and reward management are seen to be just and fair.

This need for HR policies and practices that are fair and just, underpins the argument that in order to create an environment in which human resource diversity is valued and in which employees from diverse backgrounds feel welcomed and included, organisations need to create a positive climate for diversity, which represents a change in one aspect of the culture of an organisation (Hicks-Clarke & Iles, 2000).

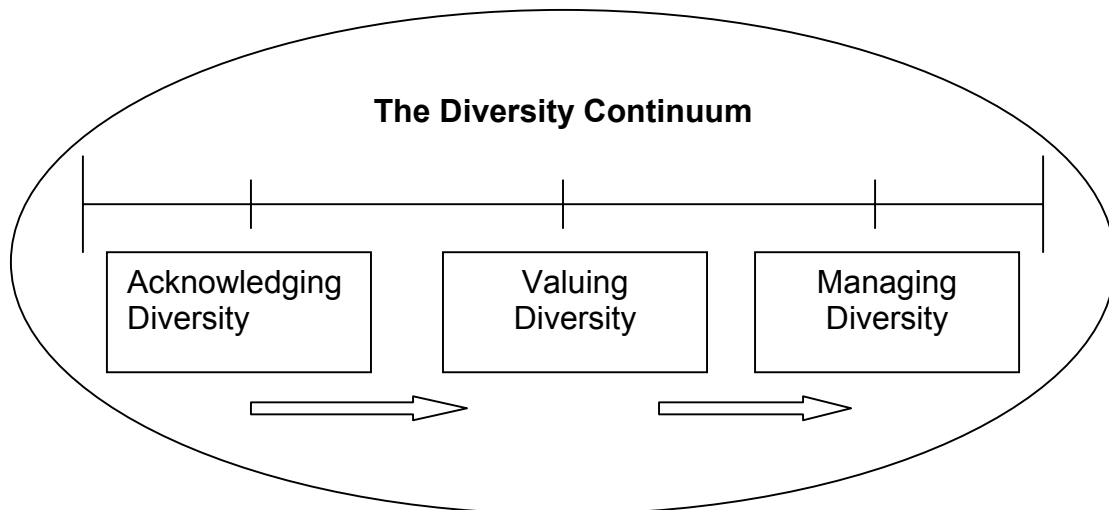
Thomas (1991) argues strongly that managing diversity is closely linked to corporate culture. He stresses the importance of examining basic assumptions that are unexamined and unconscious and that drive the culture of an organisation. He conceptualises the organisational culture as the roots of a tree, where the roots are invisible and below the surface, but produce the visible parts of the tree. With this conceptualisation of organisational culture and its impact on organisational diversity it is advocated by Thomas (1991) that managing diversity is a transformation process that necessitates:

1. Identifying the Roots: Elements of the corporate culture that influence the organisation's diversity philosophy are identified.
2. Assessing the Roots: All elements of corporate culture that influence the organisation's diversity philosophy are assessed to determine whether they support or hinder the diversity management process.
3. Changing the roots that are Hindrances: All elements of corporate culture that hinder the diversity management process are changed.
4. Changing the Systems: Existing systems are modified and changed so that they re-affirm the changes to the corporate culture and foster diversity.

Friday & Friday (2003) argue that an organisation should be proactive in systematically managing diversity, instead of being reactive and waiting for a diversity crisis to develop before making a change. In this argument they make use of the Lewin-Schein change model (Lewin, 1951; Schein, 1992).

The Lewin-Schein change model (Lewin, 1951; Schein, 1992) identifies three stages to organisational change: unfreezing, change (moving) and refreezing. In using this model Friday & Friday (2003) propose that in the unfreezing stage the organisation's culture, which includes perceptions, attitudes and behaviours towards diversity, should be changed and moved from one end of the diversity continuum to the other, with managing diversity being the desired outcome. This is illustrated in **Figure 5**. They describe this move as a process of culturally reengineering the organisation and its members to a true state of managing diversity. In this way, the authors highlight culture and cultural interventions as an important component of managing diversity.

Figure 5: The Diversity Continuum



Source: Friday & Friday (2003: 875)

Diamante & Giglio (1994) assert that the organisational culture needs to be considered when diversity strategies are developed and, furthermore, that the culture must be congruent with the diversity strategies. They argue that diversity initiatives should be introduced in a manner that initiates a change in the culture of the organisation without bringing about rejection. In the context of Schneider's argument (Schneider, 1990) that organisational culture and climate impact on the willingness of such organisations to deal with the topic of diversity, Diamante & Giglio (1994: 14) propose a taxonomy of five organisations, as reflected in **Table 1**. This taxonomy, they argue can be used as a diagnostic for developing diversity programmes that target cultural change within organisations.

These authors propose further that an awareness of the willingness of organisations to deal with the topic of diversity becomes critical as it implies an assessment of the organisation – directed at determining how to successfully implement diversity management programmes – targeted at changing organisational culture.

The taxonomy highlights the point that some organisational cultures do not support diversity management initiatives and, therefore, a change in culture is essential for the success of such initiatives.

Table 1: Taxonomy of Organisations

Delusional	Organisations, that are not aware of racial, gender, ethnic or other demographic differences in the workplace that require attention. Such organisations are typically homogeneous, autocratic in style, and have a bureaucratic work environment. They see no need for programmes that highlight human diversity.
No Affect	Organisations that 'talk the talk' but experience no genuine emotion or concern for workforce issues related to diversity. Affirmative action and employment equity policies exist but there is no organisational commitment to the complete and total utilisation of all qualified individuals. Diversity in such an organisation is perceived as a nuisance and not as an integral part of the corporate structure.
Norm-sensitive	An organisation that emulates peer organisations by expressing concern for diversity issues. Diversity programmes in these organisations resemble those that have already been established within peer organisations. Commitment to diversity is short term.
Approach-avoidance Conflict	An organisation that wants to address the issue of diversity but is simultaneously hesitant to confront these issues. This is symptomatic of an organisation filled with frustration, confusion and conflict over goals, and where interpersonal issues are often dealt with on a superficial level. Such organisations maintain the desire to both approach and avoid workplace diversity resulting in a permanent state of confusion over the issue of diversity.
Self-actualised	An organisation that appreciates the complexity of a heterogeneous workplace and where there is a genuine concern for improving interpersonal relations in the workplace in order to provide a healthier work environment. Diversity is viewed as an organisational reality and is defined as, but not limited to, differences based on race, gender, and ethnicity. Commitment to improving business by improving relations among a diverse employee base is long term.

Source: Diamante & Giglio (1994: 14)

What is clear from the literature is that the implementation of diversity management initiatives is based on organisational culture (Ross & Schneider, 1992; McDougall, 1996) and, in order to effectively manage and value diversity, it is suggested that cultural transformation take place (Carnevale & Stone, 1994).

2.2.5 Training and Diversity

Salomon & Schork (2003: 42) note that the “best practices” associated with diversity initiatives include diversity training for the entire workforce and specific training for managers. They add that the best training programmes focus on inclusion and ensure that everyone within the organisation understands diversity in its broadest terms.

Understanding the concept of and importance of diversity is often associated with educational awareness, sensitivity, and diversity training (Ferguson & Johnston, 1995). Rijamampianina & Maxwell (2002) note that training in general involves empowering people and that the empowerment concept manifests itself at all levels of societal interaction. Rijamampianina & Maxwell (2002: 4) assert that: “It is found in giving voice to the disenfranchised, in allowing the weak or marginalised to have access to opportunity needed to forge their own destinies, in allowing every employee the possibility of becoming the producer of his or her own welfare”.

These authors point out further that in addition to fulfilling any functional training requirements, training within multicultural organisations must:

1. Build new diversity-interaction skills;
2. Reinforce existing diversity-interaction skills; and
3. Inventory skill-building methodologies.

Following his study of 166 leading corporations Winterle (1992) developed an inventory of diversity initiatives within which education and training activities were identified as a major topical area. Copeland (1988) also stresses the need for training to facilitate the success of diversity management initiatives but positions his argument from the point of view that managers need to train employees who are different in the unwritten rules of the organisation and in what they need to do in order to succeed in their jobs.

Allen & Montgomery (2001) argue that the lack of appropriate diversity training and the consequent failure to provide employees with the tools necessary to put the theory into practice is a common reason for the failure of diversity initiatives. They

point out further that the identification of critical diversity-related skills and competencies that will be required for the organisation to successfully manage diversity initiatives should form part of top management's diversity vision and planning process. These authors also note that while the organisation is recruiting a diverse staff, existing staff should be provided with diversity training. They identify two different approaches to diversity education and training programs: individual awareness and systemic cultural change, and suggest that organisations employ both approaches by creating diversity awareness within the organisation while also working on team-building and problem-solving efforts that target systemic cultural issues.

Cox (1991a) highlights managing and valuing diversity training to be the most prevalent starting point for managing diversity initiatives. He identifies two types of diversity training, which are often combined in practice: the first of these is awareness training, which focuses on creating an understanding of the need for and the meaning of managing and valuing diversity while also increasing employee's self awareness on diversity related issues such as stereotyping and cross-cultural insensitivity; and the second is skill-building training, which educates employees in specific cultural differences and on how to respond to differences in the workplace. Cox (1991a) also stresses the importance of deploying diversity training as an on-going educational process, rather than as a single once-off seminar. He also argues that training does have its limitations as an organisational change tool and should, therefore, not be used in isolation, but as a crucial first step.

Grubb (1995) highlights the need for diversity-training programmes that attempt to change individuals' perceptions of diversity and how they communicate with people different from themselves.

Friday & Friday (2003) stress the importance of diversity training and, more especially, appropriate and effective diversity training, by highlighting the drawbacks of ineffective diversity training, which are that:

- They do not build skills that facilitate the ability of employees to manage interactions with individuals different from themselves;

- They are not sufficiently rigorous or of a long enough duration to facilitate a shift in paradigm in the way in which employees treat individuals different from themselves; and
- They do not produce the enduring reinforcement mechanisms that need to become embedded in the culture of the organisation by ensuring that the inputs of all employees are successfully managed and, as a consequence, that the organisations strategic goals are met.

Friday & Friday (2003) propose further that, employees at all levels of the organisation need to participate in diversity training that comprehensively encapsulates managing the diversity process in order to produce an enduring change in the culture of the organisation towards one that supports diversity management initiatives.

The expected outcomes of such diversity training are detailed as employee skill building in the following areas (Friday & Friday, 2003: 869).

1. "The ability to clearly articulate ideas and feelings;
2. Improved conflict management skills;
3. Effective giving and receiving of feedback;
4. Effective listening;
5. Group observation skills; and
6. Group decision making skills".

Friday & Friday (2003) note that individuals will have to work through and come to terms with their feelings, thoughts, attitudes and behaviours toward diversity and other members of the organisation from whom they are different and that the above outcomes of diversity training will facilitate modified attitudes and behaviours and healthy interaction between diverse individuals. Thus, diversity training and, more specifically, appropriate diversity training is highlighted as an important element for facilitating the success of diversity management initiatives.

2.2.6 Conflict Management and Diversity

As long as organisations are composed of and operated by human beings, there will always be conflict; whether conflict is viewed as desirable or not the fact is that it will exist (Darling & Fogliasso, 1999). Conflict arises as a result of a variety of factors: such as changes in personnel, corporate philosophy and vision; financial climate and differences in opinions, social customs, individual backgrounds, goals, expectations, values, proposed courses of action and suggestions about how to best handle a situation; the shifting of power, political views, frames of reference, experiences and culture; and from individual and group prejudices (Darling & Fogliasso, 1999).

It is pointed out by Darling & Fogliasso (1999) that as the diversity of the workforce increases within organisations, these differences become heightened and make conflict unavoidable and, hence, will result in numerous and continuing conflicts within organisations that may leave deep-rooted scars that are unseen.

Northcraft & Neale (1990) point out that a certain amount of interpersonal conflict is inevitable and, perhaps, even healthy in organisations. However, when conflict is not managed properly it becomes destructive, especially when it is excessive (Rijamampianina & Maxwell, 2002). The practices of constructive conflict management that builds on the idea that conflict is a key to unlocking the potential of group decision making is put forward by Rijamampianina & Maxwell (2002) as useful for the management of multicultural groups, as it encourages variety, openness, and challenge.

Rijamampianina & Maxwell (2002) argue further that within multicultural groups, the constructive-conflict approach could ensure that members are called upon to contribute their thoughts and ideas regardless of cultural backgrounds, and that the inherent diversity of such a group is valued.

Rijamampianina & Maxwell (2002) support their point with the use of the work of Schweiger, Sandberg & Rechner (1989) to argue that group decision making can be improved by constructive conflict management practices, because it facilitates the integration of the knowledge and perspectives of all members of the organisation and prevents the uncritical acceptance of different alternatives.

However, it is necessary to take cognisance of the fact that employees may require training in the constructive management approach and practice in its implementation (Schweiger, Sandberg, & Ragan, 1986; Tjosvold, 1991).

The presence or development of conflict within an organisation has very often been viewed as a sign of a problem; however, the fact that conflict signals differences of opinions – which in turn results in debate and thus the awareness of different alternatives – means that the presence of conflict can be seen as a sign of a very good organisation. Walton (1976) argues that conflict can lead to change, change can lead to adaptation and, finally, adaptation can lead to survival.

Members of a diverse group are likely to experience low levels of mutual attraction as indicated by social psychological research, which argues that dissimilarity works counter to attraction (Byrne, 1971; Schneider, 1987). Adler (1992) points out that low levels of mutual attraction lead to dislike and mistrust. It is also highlighted that low levels of mutual attraction lead to stress and tension (Triandis, Hall & Ewen, 1965; Wiersema & Bantel, 1992). Milliken & Martins (1996) assert that visible demographic dissimilarities, in particular, provoke these feelings of unease. Differences in backgrounds, especially those manifested in ethnic and linguistic form, can lead to miscommunication and misunderstanding, resulting in communication inaccuracy, which can also lead to tension (Adler, 1992).

Richard *et al* (2002) note that as visible diversity within organisations increases, conflict among team members will also increase, and they assert that this increased level of conflict ultimately impacts on the success of diversity management initiatives. These authors argue that according to social identity theory, belonging to a group based on a demographic trait such as race creates a psychological state, which confers social identity or a collective representation of self-identity and behaviour.

It has been highlighted by Messick & Massie (1989) that the process of self-categorisation is dependent often on social categories such as race, gender and age. Tajfel (1982) points out that the psychological processes associated with social identity result in the creation of distinct group behaviour such as solidarity within a particular group, conformity to the group's norms, and discrimination against out-groups.

Loden & Rosener (1991) point out that the out-group is typically seen as deficient and that this perception triggers a process that results in increased stereotyping, polarisation and anxiety. Richard *et al* (2002) find support in the work of Martin & Shanrahan (1983), Moreland (1985), Stephan & Stephan (1985), and Triandis, Kurowski & Gelfand (1993) for their argument that these effects within diverse groups lead to negative outcomes such as decreased satisfaction within the group, increased turnover, lowered levels of cohesiveness, reduced intra-group communication, decreased cooperation and, most importantly, higher levels of conflict.

It is also argued that because of their high visibility, differences in race, gender and age foster categorisation leading to inter-group bias, which results in high levels of affective conflict (Pelled, 1996). Affective conflict is defined by Pelled (1996) to reflect interpersonal clashes that are characterised by anger, distrust, frustration, and other negative emotions. Affective conflict results in the limited sharing of information and decreased interaction among diverse organisational members (Amason & Sapienza, 1997), lowered levels of productivity and satisfaction (Gladstein, 1984; Wall & Nolan, 1986), and decreased organisational effectiveness (Evan, 1965).

Donnellon & Kolb (1994) assert that affective conflict does not disappear if it is ignored, thus suggesting the need for appropriate intervention. Richard *et al* (2002) point out that affective conflict can be reduced by the introduction of, first, conflict-management training to minimise interpersonal conflict based on group identity such as race gender and age; and, second, bias-reduction training to eliminate discrimination and prejudice. Donnellon & Kolb (1994) stress the importance of conflict management by further pointing out that as organisational diversity increases, affective conflict also increases, thus impeding organisational performance. To counter these negative effects organisations will need to invest in efforts to improve the capacity of employees to effectively manage conflict such as by building skills in problem solving and conflict resolution.

Cox (1991a) asserts that if diversity is not effectively managed one of the major potential costs to the organisation will be interpersonal conflict, which will inhibit the success of diversity management initiatives. This assertion implies that effective conflict management is crucial to the success of diversity management initiatives.

Darling & Fogliasso (1999) assert that while conflict does have its associated costs, it can also bring great benefits to organisations, when it is recognised, acknowledged and managed in a positive, constructive and proper manner. These authors assert that effective conflict management allows for creative processes to occur and for new and innovative possibilities to be considered, while minimising any negative consequences by producing behaviour that exhibits respect and courtesy to all involved. They argue further that if properly managed and creatively deployed to stimulate personal development, conflict can foster an understanding and appreciation of differences and the recognition that these very differences have something positive to offer.

Therefore, it can be argued that, in the presence of increasingly diverse workforces, conflict is inevitable. However, this conflict can be positive for organisations and, more especially, it can facilitate the success of diversity management initiatives. In order for this potential of conflict to be realised, it is critical that organisations recognise the existence of conflict, acknowledge its usefulness, and encourage the exploration of different points of views, even if this results in conflict, and deploy an effective plan for the management of conflict (Darling & Fogliasso, 1999).

This section has reviewed the relevant literature on factors that might impact on the successful management of diversity within organisations. The outcome has been the identification and presentation of six factors that might impact on diversity management. Each of these factors will be presented again in Section 2.3 under propositions.

2.3 Propositions

Based on the six factors identified in the previous section the following propositions are being made regarding the management of diversity:

Proposition 1

Effective and committed transformational leadership is critical to the success of diversity management.

This is because:

Leadership can influence the activities of an individual or group towards achieving specific objectives.

[Tannenbaum *et al*, 1961; Stogdill, 1974; Kotter, 1990; Hersey & Blanchard, 1993; Gardner, 1995]

Diversity management requires proactive, committed leaders who will take a strong personal stand on the need for and importance of change and will become role models in the change process.

[Carnevale & Stone, 1994; Cox, 1991a; Conklin, 2001; McCuiston *et al*, 2004]

Leadership is a major determinant of organisational effectiveness.

[Katz & Kahn, 1978; Peters & Waterman, 1982]

Diversity management means transformation, which requires leadership that can facilitate and enable organisational transformation.

[Burns, 1978; Bass, 1985; Tichy & Devanna, 1986; Cox, 1991b; Schein, 1992; Bass & Alvolio, 1994; House & Aditya, 1997; Maier, 2002]

Proposition 2

Strategic alignment between diversity management initiatives and organisational or corporate strategy and positioning is critical to the successful management of diversity.

This is because of the need for:

Alignment between top management's business plans and human resources diversity management initiatives.

[Wright & McMahan, 1992; Diamante & Giglio, 1994; Wilson & Iles, 1999; Dansky et al, 2003]

A supportive and enabling environment that, facilitates the development of a culturally diverse workforce and produces a competitive advantage.

[Porter, 1985; Barney, 1991; Barney & Wright, 1998; Dansky et al, 2003]

An organisational strategy that focuses on long-term goals and allocates the appropriate resources to support the long-term management of diversity, that is responsive to its environment and that shapes policies and procedures accordingly.

[Miles & Snow, 1978; Hambrick, 1983; Porter 1985; Miller & Cardinal, 1994; Steiner, 1997; Hill & Jones, 1998; David, 2001; Dansky et al, 2003; Friday & Friday, 2003]

Awareness that an organisation's strategy can either impede or foster the effectiveness of its diverse workforce.

[Kossek & Lobel, 1996; Koonce, 2001; Richard, 2000; Richard et al, 2002; Friday & Friday, 2003]

Proposition 3

Consistent, meaningful and effective communication and communication strategies are critical to the successful management of diversity.

This is by reason of:

The difficulties inherent in the communication across differences within a diverse organisation.

[Cox, 1991a; Rijamampianina & Maxwell, 2002]

The importance of widely communicating a clear vision and policy regarding the diversity management initiative.

[Copeland, 1988; Ahmed et al, 1995; Iles, 1995]

The impact of communication on the understanding and interpretation of organisational messages.

[Winterle, 1992; Diamante & Giglio, 1994; Darling & Fogliasso, 1999; Hicks-Clarke & Iles, 2000; Sadri & Tran, 2002]

Effective and meaningful communication can improve supervisor-subordinate relational communication, promote integration and equity in the workplace, and improve productivity.

[O'Reilly & Anderson, 1980; Pincus, 1986; Euske & Roberts, 1987; Harris & Moran, 1987; Oliver, 1990; Tung, 1993; Watson *et al*, 1993; Sadri & Tran, 2002]

Communication that is symbolic of the importance of and commitment to diversity.

[Allen & Montgomery, 2001; Swanson, 2002; Salomon & Schork, 2003]

Proposition 4

The nature and manifestation of the culture of an organisation are critical to the success of diversity management.

This is because:

The effects of diversity on an organisation's workforce are moderated by organisational culture.

[Gaertner *et al*, 1990; Chatman & Basade, 1995; Chatman *et al*, 1997; Williams & O'Reilly, 1997]

An organisation wishing to minimise the drawbacks of diversity must create a multicultural environment.

[Gaertner *et al*, 1990; Cox, 1991b; Allen & Montgomery, 2001]

Diversity management requires a long-term cultural transformation process.

[Thomas, 1991; Winterle, 1992; Carnevale & Stone, 1994; Wilson, 2000; Friday & Friday, 2003; Salomon & Schork, 2003]

Corporate culture and policies must be supportive of diversity to create a positive climate for diversity management.

[Cox, 1991b; Burke & McKeen, 1992; Moran & Volkwein, 1992; Schneider *et al*, 1994; Hicks-Clarke & Iles, 2000]

Organisational culture must be congruent with diversity management strategies.

[Schneider, 1990; Ross & Schneider, 1992; Diamante & Giglio, 1994; McDougall, 1996]

Proposition 5

Diversity training for the entire workforce is critical to the success of diversity management.

This is because:

Training ensures everyone in the organisation is aware of and understands diversity in its broadest sense.

[Cox, 1991a; Ferguson & Johnston, 1995; Salomon & Schork, 2003]

Training builds and reinforces diversity-interaction skills.

[Copeland, 1988; Cox, 1991a; Winterle, 1992; Grubb, 1995; Rijamampianina & Maxwell, 2002; Friday & Friday, 2003]

Training provides the tools necessary to enable organisational members to put diversity theory into practice.

[Cox, 1991a; Allen & Montgomery, 2001; Friday & Friday, 2003]

Proposition 6

Effective conflict management practices are critical to the successful management of diversity.

This is because:

Conflict arises out of the presence of and increasing diversity within organisations.

[Evan, 1965; Triandis *et al*, 1965; Byrne, 1971; Tajfel, 1982; Gladstein, 1984; Wall & Nolan, 1986; Schneider, 1987; Messick & Massie, 1989; Loden & Rosener, 1991; Adler, 1992; Wiersema & Bantel, 1992; Millikin & Martins, 1996; Pelled, 1996; Amason & Sapienza, 1997; Darling & Fogliasso, 1999; Richard *et al*, 2002]

When conflict is not managed properly it becomes destructive.

[Northcraft & Neale, 1990; Cox, 1991a; Donnellon & Kolb, 1994; Darling & Fogliasso, 1999; Rijamampianina & Maxwell, 2002]

If conflict is managed properly it can be positive and lead to personal and organisational development.

[Walton, 1976; Schweiger *et al*, 1989; Tjosvold, 1991; Darling & Fogliasso, 1999; Richard *et al*, 2002]

3. RESEARCH METHODOLOGY

3.1 Research Method

The researcher proposes to identify key success factors of the diversity management initiatives that have been implemented within organisations and, develop a model for the effective management of diversity using the factors identified. These aims will be achieved by evaluating the effect of the factors listed below on the diversity management initiatives undertaken by selected companies, as perceived by the most senior organisational member/s of these companies (Human Resource Directors or Managers) directly responsible and accountable for the initiative:

1. Leadership
2. Strategy
3. Communication
4. Culture
5. Training
6. Conflict Management

The nature of this research accepts the potential existence of multiple possible realities constructed by different individuals (Leedy & Ormrod, 2001). Leedy & Ormrod (2001) recommend that research of this nature – where different individuals may have constructed different and equally valid realities relevant to the problem and where no single reality underlies the research problem – is most suited to qualitative research. For this reason, qualitative research was undertaken for this study. The term “qualitative research” encompasses several approaches to research that are, in some respects, quite different from each other (Leedy & Ormrod, 2001). However, qualitative approaches have two things in common (Leedy & Ormrod, 2001): firstly, they focus on phenomena that occur in their natural settings (that is, in the “real world”); and, secondly, they involve studying these phenomena in all their complexity. Leedy & Ormrod (2001) include verification and evaluation as two of the four purposes that qualitative research studies typically serve, where verification allows a researcher to test the validity of certain assumptions, claims, theories or generalisations within real-world contexts, and evaluation provides a means through

which a researcher can judge the effectiveness of particular policies, practices or innovations.

This qualitative research is based on the case study methodology and, more specifically, on the multiple or collective case study methodology. Case studies can be seen to satisfy the three tenets of qualitative research: describing, understanding, and explaining. According to Yin (1984) case study research facilitates the understanding of complex issues and can extend experience and add strength to what is already known about certain topics through previous research, as it emphasises detailed contextual analysis of a limited number of events or conditions and their relationships. Yin (1984) adds that social scientists have made wide use of this qualitative research method to examine contemporary real-life situations and provide the basis for the application of ideas and extension of methods.

Yin (1984: 23) defines the case study research method as follows:

“A case study is an empirical inquiry that:

- investigates a contemporary phenomenon within its real-life context; when
- the boundaries between phenomenon and context are not clearly evident; and in which,
- multiple sources of evidence are used”.

Yin (1984) asserts that case studies are generalisable to theoretical propositions and that the investigator’s goal is to expand and generalise theories (analytical generalisation). He highlights that case studies are used in many settings as a research strategy, including the setting of organisational and management studies, and that they contribute uniquely to knowledge of individual, organisational, social and political phenomena. Yin (1984) writes further that the distinctive need for case studies arises out of the desire to understand complex social phenomena and that case studies allow an investigation to retain the holistic and meaningful characteristics of real-life events such as organisational and managerial processes.

Yin (1984) asserts that “how” and “why” questions favour the use of case studies because they are more explanatory and they deal with operational links that need to

be traced over time rather than mere frequencies or incidence. He proposes that the case study methodology is preferred when there is a need to determine how or why a programme or intervention has worked or has not worked. Yin (1984) concludes that the case study has a distinct strategic advantage as a research method when a “how” or “why” question is being asked about a contemporary set of events over which the investigator has little or no control.

Leedy & Ormrod (2001) explain that a case study involves the in-depth study of a particular event or programme and that the focus may be on a single case in some instances, and on two or more cases in others, which helps to make comparisons, build theory or propose generalisations. Such an approach is called a multiple or collective case study. Thus, case studies can be single- or multiple-case designs, where the evidence from multiple case studies is often considered more compelling and the overall study is regarded more robust (Yin, 1984). It was therefore decided that the research propositions as formulated in Chapter 2 (2.3) of this study would be examined through the use of the multiple case study method.

3.2 Type of Case Study to be Used

Yin (1993) identifies six possible types of case studies. Firstly, the research may be based on either single or multiple cases and, secondly, the case study may be exploratory, descriptive, or explanatory (2 x 3 = 6).

Exploratory case studies aim at defining the questions and hypothesis for subsequent studies, or at determining the feasibility of chosen research procedures. Descriptive case studies present a complete description of a phenomenon within its context. Finally, explanatory case studies present data that sheds light on cause-effect relationships.

The research propositions in Chapter 2 (2.3) were stated in “cause-effect” terms. For this reason, an explanatory case study was deemed to be appropriate for the purposes of this research.

3.3 Unit of Analysis

The first step in case study research is to establish a firm research focus to which the researcher can refer over the course of the study. A firm research focus is achieved by, forming questions about the study or problem to be studied and, determining the purpose of the study. The case or cases included in the study are referred to as the research object/s or unit/s of analysis and can be a person, a group of people, or an organisation. Each unit of analysis is likely to be intricately connected to political, social, historical and personal issues, providing a wide range of possibilities for questions and adding complexity to the case study. To assist in targeting and formulating questions the researcher conducts a thorough literature review. This review establishes what research has been previously conducted and leads to refined, insightful questions about the problem. Once the nature of the questions of the study, in terms of “who”, “what”, “where”, “how” and “why” have been precisely clarified, the next step is to develop the propositions for the study. Propositions are needed to help identify the relevant information to be collected about each unit of analysis. Each proposition directs attention to something that should be examined within the scope of the study. Without propositions, an investigator might be tempted to collect “everything,” which is impossible to do. Thus, the more a study contains specific propositions the more it will stay within feasible limits (Yin, 1984).

Yin (1984) maintains that, with case study research, there is no issue more important than defining the unit of analysis. This definition is deemed to be important so as to ensure that the scope of the case study is clearly set out. He highlights that case studies have been done about decisions, programmes, the implementation process and about organisational change and that none of these are easily defined in terms of the beginning or end points of the case. As a general rule Yin (1984) proposes that the definition of the unit of analysis must be related to the way the initial research questions were defined. He also states that specific time boundaries are needed to define the beginning and the end of each case. The primary unit of analysis for this research was diversity management initiatives within organisations, where each organisation was the secondary unit of analysis that placed the initiative into context. With regard to time period, the beginning of each case was deemed to be the launch date of the diversity management initiative and the end of the case was deemed to be the present time, as diversity management initiatives by nature are ongoing.

3.4 Selection of Cases

Case study research generally answers one or more questions, which begin with “how” or “why”. The questions are targeted to a limited number of events or conditions and their inter-relationships. Yin (1984) maintains that multiple case study designs must follow a replication logic. This is different from sampling logic, where a selection is made out of a population for inclusion in the study. This type of sample selection is improper in a multiple case study. Multiple cases should be considered in the same way as multiple experiments, i.e. in terms of replication logic. In a multiple case study each case must be carefully selected so that it either predicts similar results (a literal replication) or produces contrary results but for predictable reasons (a theoretical replication). If all cases turn out as predicted then, in aggregate, they will have provided compelling support for the initial set of propositions. If the cases are in some way contradictory, the initial set of propositions must be revised and retested with another set of cases (Yin, 1984).

Each individual case study consists of a “whole” study”, in which convergent evidence is sought regarding the facts and conclusions for the case; each case’s conclusions are then considered to be the information needing replication by other individual cases. For each individual case, the report should indicate how and why a particular proposition was demonstrated or not demonstrated and across the cases, the report should indicate the extent of the replication logic. Thus, when using multiple cases, each case is treated as a single case and each case’s conclusions are used, as information contributing to the whole study, but each case remains a single case. A useful step in the selection of cases is to refer back to the purpose of the study in order to focus attention on where to look for cases and cases that will satisfy the purpose of the study and answer the research questions/propositions posed (Yin, 1984).

This particular multiple case study, includes, three pharmaceutical companies. The selection of the three pharmaceutical companies was based on the existence of a diversity management initiative within each company and the proximity of the three companies to the Midrand (Gauteng) Business District. This suggests an element of convenience in the selection of the cases included in the study. The companies were evaluated for suitability, contacted, and approval to conduct the research was

requested. Approval was sought using an authorised letter from the University of the Witwatersrand (Wits Business School), detailing the researcher's identity, and the purpose, nature and scope of the research. Three of the companies that granted approval for the research formed part of the study.

3.5 Sources of Evidence and Triangulation

A key strength of the case study method involves using multiple sources of data and multiple techniques in the data-gathering process. Yin (1984) maintains that the major rationale for using multiple sources of data is to achieve data triangulation. He adds that the advantage of using multiple sources of data and data triangulation is the development of converging lines of inquiry. For this reason, any finding or conclusion in a case study is likely to be more convincing and accurate if it is based on several different sources of data, following a corroboratory mode. Yin (1984) identifies six primary sources of data for case study research:

- “Documentation
- Archival Records
- Interviews
- Direct Observation
- Participant Observation
- Physical Artifacts” (Yin, 1984: 78)

Not all sources are essential in every case study but the importance of multiple sources of data to the reliability of the study is well established (Yin, 1984). To this end, this study will make use of the following sources of evidence:

- Interviews with the most senior organisational member (Human Resource Director or Manager) directly responsible and accountable for the diversity management initiative.
- Documentation
 - Letters, memoranda, and other communiqués;

- Agenda's, announcements, minutes of meetings and other written reports of events;
 - Administrative documents – proposals, progress reports and other internal documents; and
 - Formal studies or evaluations of the “site” under study.
- Interviews with senior managers who monitored the diversity management initiative.

3.6 Interview Candidates

In order to contribute to the triangulation objectives as outlined in Section 3.5, interview candidates were selected according to their perceived ability to offer differing perspectives on the same issue. For each organisation the first interview candidate was the most senior organisational member directly responsible and accountable for the diversity management initiative. As diversity management initiatives generally fall into the domain of Human Resources Management, it was anticipated that this individual would most likely be the Human Resources Director or Human Resources Manager.

The second interview candidate was another Director or Senior Manager within the organisation who had been involved in the implementation of the diversity management initiative and who had opportunity to monitor the process.

3.7 The Structured In-depth Interview

Yin (1984) points out that one of the most important sources of case study information is the interview. He argues that, overall, interviews are an essential source of case study evidence because most case studies are about human affairs and these human affairs should be interpreted and reported through the eyes of specific interviewees who can provide important insights into a situation. He writes further that interviews may take several forms, one of which is a structured interview, in which an interviewee is interviewed for a short period of time (for example, an hour) and where the interviewer is likely to follow a certain set of questions derived from the purpose of the study, the literature review, and the propositions of the study.

The greatest value of the personal interview lies in the depth and detail of information that can be gained, far exceeding the information from surveys. Interviewers can note conditions of the interview, probe with additional questions and gather supplemental information. The advantages of in-depth qualitative research on relatively small samples are well documented in the social science literature when the intention is to generate information about complex social dynamics which cannot be accessed using quantitative survey questionnaires (Miles & Huberman, 1994).

Leedy & Ormrod (2001) advance that the primary advantages of the structured interview is flexibility, in that the researcher can shift focus as new data comes to light, and the space afforded the researcher for open-mindedness and creativity. These authors however, warn that the disadvantages of structured interviews is that the researcher by nature of his presence may alter what people say and how it unfolds and that the recording of events may be problematic, as written notes are often insufficient to capture the richness of what one is observing.

It is also suggested that the interpretation of data in a qualitative study will inevitably be influenced by the researcher's biases and values to some extent and for this reason, Leedy & Ormrod (2001) propose that the researcher make a concerted effort to look for evidence that contradicts his hypothesis.

Two structured in-depth interviews were carried out within each of the three selected companies for the purpose of obtaining the data for this multiple case study. The specific organisational members (most senior organisational members directly accountable and responsible for the implementation and success of the diversity management initiative – the Human Resources Director or Manager and a second Director or Senior Manager) that were interviewed were selected on an access/availability basis.

The prospective participants were contacted telephonically and were given a brief overview of the nature, purpose and scope of the study and the methodology that would be used. The researcher simultaneously obtained confirmation from each of the prospective participants with regards to their willingness and ability to participate in the research project. All interviews were conducted in person and with the use of a structured interview schedule. Permission was also requested for the recording of the

interviews, and it was confirmed by the researcher that the transcriptions and the recordings would only be used for the purposes of this research. All participants consented to the recording of the interviews. Extensive notes were made directly after the interview in order to capture the points made during the interview in as much detail as possible. All information volunteered by the participants was used for analysis.

The objective of this in-depth interview process was to identify and collect data and elicit the perceptions and opinions of the participants on the issues that are set out in the paragraphs below.

1. The extent to which leadership within the organisation either contributed to or impeded the successful implementation of the diversity management initiative and the lessons learnt.
2. The degree to which there was alignment between the organisational strategy and positioning and the diversity management initiative undertaken, the nature and scope of the alignment, and the impact of the alignment or the lack of alignment on the success of the diversity management initiative.
3. The extent to which there was consistent, meaningful and effective communication about the diversity initiative to all organisational members. The nature and scope of the communication. The nature of the communication methods employed. The impact of the communication on the success or lack of success of the diversity management initiative.
4. The extent to which the organisational culture facilitated the implementation of the diversity programme and the degree to which cultural change was emphasised, including any cultural intervention measures employed and the nature, scope and outcome of these interventions. The lessons learnt about organisational culture and its impact on diversity management.

5. The extent to which diversity training was provided to all organisational members. The nature, scope, purpose, duration and outcomes of the training provided. The impact of the training on the outcome of the diversity management initiative.
6. The extent to which conflict management was practiced. The nature of the practices and the lessons learnt. The scope and outcomes of the practices employed. The impact of conflict management practices or the lack of such practices on the diversity management initiative.

The structured in-depth interviews revolved around these central questions in order that useful information regarding these central themes could be elicited. The specific questions were informed by the literature review.

3.8 Data Analysis

According to Yin (1984), data analysis consists of examining, categorising, tabulating, or otherwise recombining the evidence to address the initial propositions of the study. He identifies two general strategies for analysing the data collected for a case study. The first and preferred strategy is to use the theoretical propositions developed from the literature review as the framework for the analysis. The second strategy involves the development of a descriptive framework that may be used to analyse the case. Yin advocates the use of this strategy only in those instances when theoretical propositions are absent.

For this study, the research propositions as outlined in Chapter 2 (2.3) formed the basic framework that was used for the analysis of the data. The data from each case was interpreted and linked to the propositions. The data from all three cases was summarised, organised, and integrated to relate back to the propositions made and the findings of the literature review. On conclusion the report was reviewed for possible weaknesses, contradictions and over-interpretation of trivial issues as recommended by Terre Blanche & Kelly (1999).

The responses from the respondents were, therefore, assessed and any patterns or trends that were reflected in the data were grouped together. These groups of

patterns or trends were interpreted and reported on in as complete and unbiased a way as possible. The results of the interpretation of these groups of patterns or trends were then related back to the propositions put forward in an attempt to identify possible connections. The connections identified were then examined against the existing theory as described in the literature review.

The nature of the research methodology and the method of data analysis presented the possibility that the researcher might find other issues (in addition to the above mentioned ones) to be studied after scrutinising the data. When this occurred these new issues were incorporated into the results and the discussion of the results.

3.9 Case Study Data Base

Yin (1984) maintains that the lack of a formal database for research that is case-study based is one of the major shortcomings of current case study research efforts. The aim of this database is to allow other investigators to review the evidence directly, rather than to rely solely on the researcher's interpretations. Appendices A through to D provide the data that underpinned this research report.

3.10 Validity and Reliability

The validity of a research instrument refers to how well it measures what it is supposed to be measuring, while reliability refers to the accuracy and consistency with which an instrument produces results (Leedy & Ormrod, 2001).

3.10.1 External Validity

External validity reflects whether or not the research findings are generalisable beyond the immediate case or cases. The more variations in places, people and procedures a case can withstand and still yield the same findings, the higher the level of external validity. Techniques such as cross-case examination and within-case examination, along with the literature review, will help ensure external validity in this study.

3.10.2 Internal Validity

Internal validity is usually a problem with inferences in case studies. Internal validity demonstrates that certain conditions lead to other conditions and requires the use of multiple pieces of evidence from multiple sources to uncover convergent lines of inquiry. This study made use of multiple sources of evidence.

3.10.3 Construct Validity

Construct validity requires the researcher to use the correct measures for the concepts being studied. Construct validity can be maintained by the use of multiple sources of information and by having the draft case study report reviewed by key informants.

3.10.4 Reliability

Reliability has to do with the accuracy and precision of the measurement procedure. Equivalence considers how much error may be introduced into the research by different investigators. In an attempt to ensure equivalence, solely the researcher conducted each of the in-depth interviews. In addition during the introductory stage of the in-depth interviews, the researcher provided the participants with brief and consistent definitions of the issues under evaluation.

4. A MODEL FOR MANAGING DIVERSITY

The outcome of the literature review was the identification of six factors that are argued to be critical to the success of diversity management initiatives. These six factors are the basis of the six propositions that were tested during the course of this research. The results of the testing of the propositions were then used to develop and propose a model for the successful implementation of diversity management initiatives. This unfolds in the Chapters that follow.

5. CASE STUDY NARRATIVE: WYETH SA

5.1 Interviewees

Mr Gordan Whitefield	Human Resources Manager	(Appendix A1)
Mr Jay Hooghuis	Chief Executive Officer	(Appendix A2)

5.2 Introduction

Wyeth SA (Pty) Ltd is the South African Affiliate of Wyeth International, which is a US-based multinational pharmaceutical company engaged in the research, discovery, development, manufacture, distribution and sale of a diversified line of pharmaceutical products. Wyeth is one of the world's largest research-based pharmaceutical and healthcare product companies, and is also a global leader in pharmaceuticals, consumer healthcare products and animal healthcare products. Worldwide, the company focuses on finding ground-breaking medical therapies, and has one of the largest commitments to clinical research.

Company Mission, Vision and Values (Appendix B1)

Wyeth has established mission, vision and values statements, which point to where the company intends to go and offer clear guidance for corporate decision making and individual actions. These, mission, vision and values statements are set out below.

Company Mission

"We bring to the world pharmaceutical and healthcare products that improve lives and deliver outstanding value to our customers and shareholders."

Company Vision

"Our vision is to lead the way to a healthier world. By carrying out this vision at every level of our organization, we will be recognized by our employees, customers and

shareholders as the best pharmaceutical company in the world, resulting in value for all.”

Company Values

Wyeth’s values system is positioned as a critical factor that underpins the company’s efforts in the achievement of its stated mission and vision. These values are as follows:

- * “Quality: We are committed to excellence – in the results we achieve and how we achieve them.

- * Integrity: We do what is right for our customers, our communities, our shareholders and ourselves.

- * Respect for:
People We promote a diverse culture and an environment of mutual respect for our employees, our customers and our communities.

- * Leadership: We value people at every level who lead by example, take pride in what they do and inspire others.

- * Collaboration: We value teamwork – working together to achieve common goals is the foundation of our success.”

5.3 The Story

In 2000 Wyeth developed and introduced a Global Diversity Strategy (Appendix B2). This Global Diversity Strategy was designed as a tool to help each business unit build its diversity action plan. The audience for the strategy, were, managers, human resource business partners, core support services and teams of individuals who were responsible for developing diversity action plans for their business units. Within Wyeth’s Global Diversity Strategy, diversity is firstly defined as differences in age, culture, function, gender, language, national origin, race, regional origin, religion,

sexual orientation and other factors. Secondly, business culture is defined as one that will respect all employees, regardless of their diversity and foster the ability of employees to express their individuality and contribute their knowledge and strengths towards achieving the common goal of being a top-tier global pharmaceutical company. Finally, the stated diversity vision is to be a world-class pharmaceutical organisation that builds its strength through the successful integration of the diverse cultures, backgrounds and experiences of its employees around the world.

To support this diversity vision, Wyeth developed a business case for diversity. The business case for diversity was based on the premise that improved diversity management would increase the company's competitive status by:

- Achieving excellence through improved recruitment, development and retention of high-potential individuals from an increasingly diverse candidate pool;
- Improving relationships and expanding business with global and diverse customer and client communities;
- Enhancing creativity and problem-solving ability, while working toward finding solutions for diseases and conditions affecting people around the world; and
- Evaluating the internal and external company image.

The long-term objectives of the Global Diversity Strategy were identified as:

- To develop a workforce that consists of the most capable people available at all levels, reflecting the diversity of the countries and regions in which they operate;
- To develop an environment where all employees have a positive awareness/appreciation for differences and where all employees have the opportunity to be successful;
- To enhance shareholder value by leveraging diversity and enhancing creativity and problem solving and to ultimately increase market share, enhance customer relationships, maximise team effectiveness and improve employee morale; and
- To contribute to the transformation of the company to a culture of inclusiveness.

The company also outlined general aspirations in key functional areas that would serve as a guide to business units for their future diversity-planning efforts. These functional areas are described in the paragraphs that follow.

Recruiting

The key aspect here was to expand the universe from which employee selection was being made. This meant the identification of new sources for candidates, increased involvement of managers in the recruiting process, and strengthening of sourcing pipelines. Some of the recruitment initiatives were:

- Completion of an annual diversity recruiting plan;
- University and college visit's and company representation at job fairs supporting diversity recruitment; and
- Establishing a diversity department to identify centres of influence.

Retention

The retention of key employees who contribute to company goals was highlighted as a critical business issue, as a result of various internal surveys that underscored the need to create a more inclusive environment for all employees. Some of the strategies employed to improve employee retention were:

- Expansion of the succession-planning programme to include a specific development and promotional-planning process to accelerate the advancement of women and minority grade levels;
- The use of an all-employee survey to assess internal diversity perspectives and identification of needs; and
- Establishment of employee networks with key senior leaders as advisors.

Diversity Training

Diversity education and implementation of changes were considered key elements of Wyeth's diversity journey. This journey included continuous education to minimise culture clashes and to improve work relationships. This type of education was

targeted at all employees at all levels of the organisation. Some of the training initiatives were:

- Diversity awareness training for all managers;
- Gender and intercultural communication training for all managers;
- Diversity skill training for all managers;
- Integration of diversity metrics into the performance management process;
- A multicultural interviewing module;
- A multicultural marketing/sales workshop; and
- A disability-management workshop.

Communication

The role of communication was also highlighted within the diversity strategy as it was recognised that the key diversity direction, messages and updates needed to be communicated to both management and employees. It was further emphasized by the company that, these messages needed to be timely and strategically placed from an inclusive perspective to facilitate effective communication to all employees. Some of the communication initiatives were as follows:

- Publication of a Wyeth diversity brochure reflecting direction and successes;
- Annual communications from Presidents and Senior Vice-Presidents of Human Resources on the importance of diversity as it relates to the business;
- Publication of diversity articles internally in Wyeth media, such as the diversity-website page; and
- Annual internal publication of a Wyeth diversity report card.

Accountability

To set the stage for internalising the commitment to diversity goals, it was deemed to be important that leadership efforts in this area be linked to performance goals. Therefore, an infrastructure was established to make these links. Some of the initiatives that supported this effort were as follows:

- The requirement for all business units to have a documented annual diversity action plan with measurable and actionable initiatives;
- Incentive compensation linked to achievement of leaders' and business units' diversity goals;
- Bi-annual executive management reviews of diversity progress of Wyeth within each business unit; and
- Compliance with the company's commitments and requirements outlined in its Small Business Subcontracting Plan, which was designed to increase the company's subcontracting with small disadvantaged business concerns.

This Global Diversity Strategy was mandated to be applicable as a philosophy throughout the organisation, regardless of the country or the culture. Within the South African context, however, the South African Affiliate Wyeth SA (Pty) Ltd faced the task of implementing both the company's Global Diversity Strategy and the South African governments' employment equity legislation. Mr. Gordon Whitefield, the Human Resources Director, maintained that in the local context the South African management team agreed that they would align the company's employment equity programme with the Global Diversity Strategy. Hence, Wyeth South Africa used the company's Global Diversity Strategy as a key driver of their employment equity programme within the South African context, rendering their employment equity programme synonymous with the Global Diversity Strategy. This alignment ensured that the South African affiliate was compliant both to internal company policies and local government legislation. This agreement was included in the company's Human Resources Business Plan for 2003, which identified diversity as a separate planning and reporting item. The relevant section of this Business Plan was made available to the researcher (Appendix B3).

Some instructions contained in the Business Diversity Strategy and reported in the Human Resources Business Plan for 2003 are as follows (Appendix B3):

1. Establish a diversity team responsible for developing a diversity action plan;
2. Communicate this plan throughout the business unit;
3. Require department diversity initiatives from each Division Director that address the specific objectives in the plan;
4. Hold the management staff accountable for results; and

5. Communicate progress on the diversity action plan semi-annually to all employees in the business unit.

The Business Diversity Strategy also identified specific principles to be applied, possible stumbling blocks to the strategy, critical success factors, and what would be required of management to ensure the successful implementation of the strategy.

The principles applicable were that the diversity initiative must be:

- Defensible, i.e. credible and meaningful;
- Sustainable, i.e. supportive of the business;
- Inclusive, i.e. with involvement from all employees; and
- Implementable, i.e. livable and realistic.

The possible stumbling blocks that were identified were:

- If the initiative was not driven from the top;
- If it was simply a numbers game;
- If it was not values driven or competitive;
- If it was not integrated into the business;
- If it was not performance driven; and
- If it was culturally narrow and not all diversity issues were tackled.

The critical success factors identified were that:

- Communication must come from the top;
- Managers must be the custodians and have accountability;
- Natural processes be used where possible;
- It be an overall targeting process rather than specific allocation of positions;
and
- Protection exists for intellectual capital.

Finally the requirements of management were that they must:

- Provide support for the Working Group to complete the plan and for the implementation process;
- Embrace the philosophy and seek creative ways to make difficult decisions work for the organisation; and
- Identify specific actions at the departmental and individual level that will further the objectives of the plan.

Thus, having established the Human Resources Business Plan for diversity management the company had set the stage for implementation. During 2003 an employment equity steering committee comprising senior managers (with the CEO retaining overall accountability as the head of the steering committee) and an external consultant was convened at Wyeth South Africa for the purpose of defining the basis of an employment equity effort. This was identified as the company mission, vision and values statements, as articulated during the period 2001/2002, and the organisation's Superior Workforce Model (Appendix B4).

The steering committee, known as Steercom, together with the consultant met to consider relevant legislation concerning equity in organisations (the Labour Relations Act, Basic Conditions of Employment Act, and the Employment Equity Act itself) and to determine the elements to be complied with and the specific objectives to be set. Mr Whitefield maintained that, in addition to working towards being more reflective of the demographics of the country, the objectives of the initiative were to cultivate a diverse workforce that worked in harmony. He added that the company philosophy was that with greater cultural diversity a higher level of creativity and innovation could be achieved, which would lead to greater profitability. Thus, the idea was to develop an environment where all employees had the opportunity to be successful, and thus to enhance shareholder value by leveraging diversity to support business objectives.

This view was supported by Mr. Hooghuis who explained that the reason the company had embarked on this initiative was that it recognised the benefits that could be gained from a diverse workforce, and that the biggest objective was to source these benefits by investing in their human capital. He added that the objective was also to improve employee morale and retention.

The next step undertaken by the company was to get a representative group of the workforce involved in the process to drive the initiative from the bottom upwards. Transparent inclusion of all relevant stakeholders was achieved through the appointment of an, employment equity Working Forum, which took over the duties of the initial equity team (Steercom). The profile of this Forum reflected the internal constituencies in the organisation, including race, gender, geographical region and level. A detailed and inclusive education/communication process was also initiated, to all regions and levels in the organisation, for providing opportunity for discussion and response to the process and its intended outcomes.

The Forum was then convened and trained by the external consultant in the finer details of its role, and relevant information pertaining to diversity, employment equity and the analysis of barriers was provided. In addition, the workforce profile was made available to them for comment and consensus. A series of joint meetings between the Forum, Human Resources and senior management designed to assess the current status, future requirements, and implementation measures was convened.

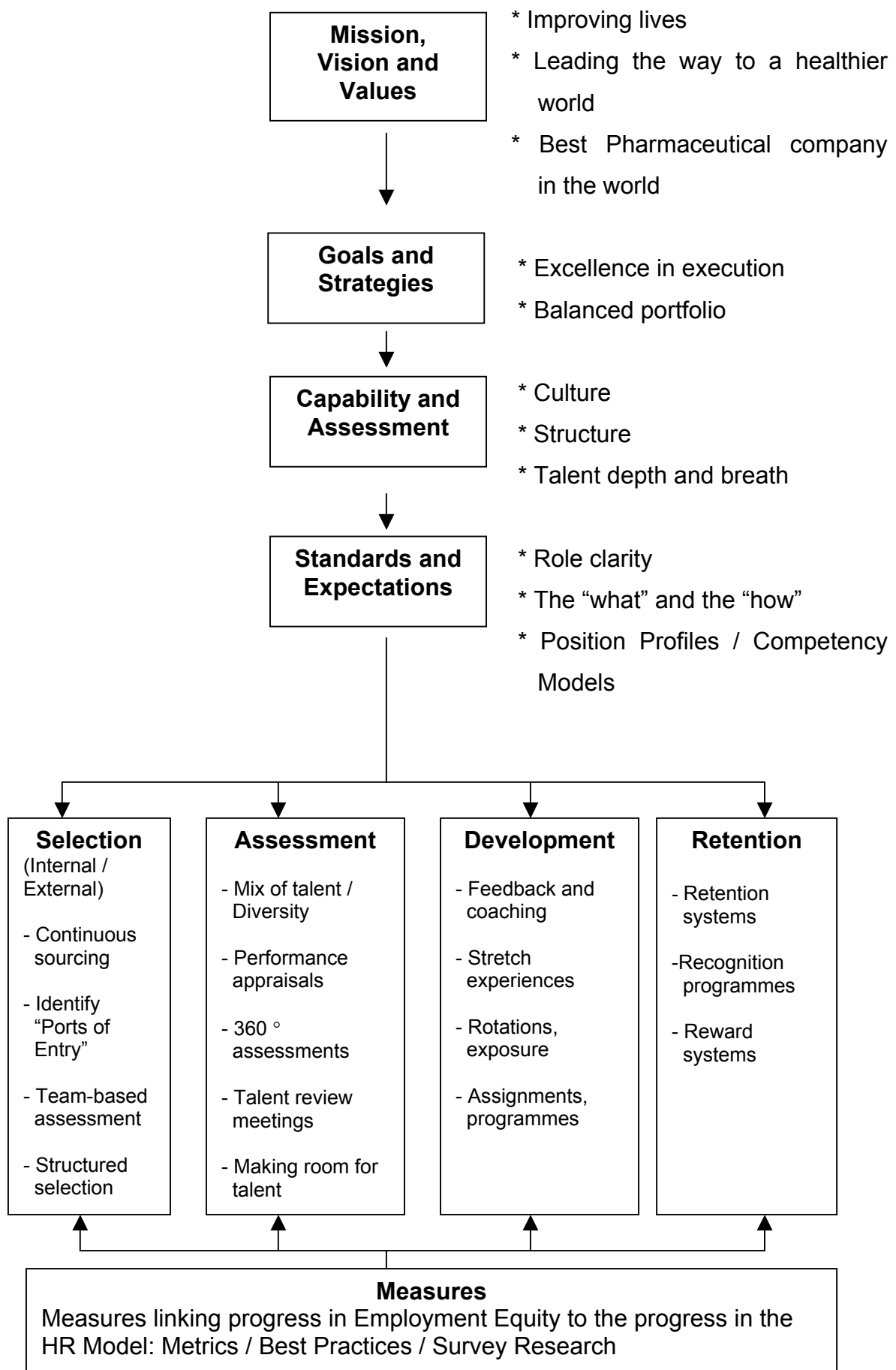
Senior managers were required to assess their areas in terms of the diversity strategy and set up a targeting process, in order to address the gaps in the workforce profile in a manner that would ensure progress, but would not expose the organisation to unnecessary performance weaknesses. The targets were consolidated, agreed to by senior management, and presented to the Forum for comment and consensus.

Prior to the completion of the plan, however, a spot survey was conducted among Wyeth employees to determine the general level of awareness and the types of perspectives that existed around the principles and implementation of the employment equity programme. The results of the survey were recorded on the company's intranet and made available to all employees. The results were also used to identify issues amongst the workforce that needed to be resolved in order for the initiative to be successful. The finalisation of the plan was then handed to the Human Resources Department in consultation with the Forum.

The Plan

The qualitative activities of the Wyeth Plan were structured around the Superior Workforce Model illustrated below (Appendix B4). It was decided that all activities created through the employment equity initiative or through the activities of the Working Forum would be linked back to existing practices, or to elements of this Model. The quantitative aspects of the plan, however, were not made available to the researcher.

Wyeth Superior Workforce Model



The issues described in the paragraphs below were identified as priority issues as a result of the employment equity analysis and agreed to after consultation with the Working Forum and the Chief Executive Officer (specific action plans were developed to address the weakness identified within each one, but were not made available for the purposes of this study). The basis of prioritisation was the need to align the employment equity programme with global diversity priorities and to address those areas of weakness.

Selection

There was consensus that Line Management required assistance in aligning its procurement of human resources with developing a more diversified workforce, without prejudicing the company's capacity to compete. The objective here was to locate the sourcing of diverse employment applications that would help develop a diverse workforce.

Assessment

There was consensus that Line Management required assistance in identifying and directing high potential internal or external designated staff who would fit into the company standards and values, without prejudicing the company's capacity to compete. The objectives were: to maximise the potential inherent in a diverse workforce and to align local initiatives with the global diversity ideology; to keep employees tuned into the need to discover the value in diversity rather than the frustrations; and to place a core business focus on the need of leadership to embrace the employment equity imperative constructively.

Development

Once again there was consensus that Line Management required assistance in identifying and deploying development activities that would support the policy and practice of employment equity without prejudicing the company's capacity to compete. The objective was, to maximise the capacity of high-potential employees within a diverse workforce, and to assist in the integration of employees within a diverse workforce.

Retention

Retention issues dealt with assisting Line Management to retain high-potential employees, in particular staff supporting the employment equity processes, without prejudicing the company's capacity to compete. The objective was to build a rational and consensual base for the implementation of activities that would assist to retain key staff.

Once the plan was completed there was widespread communication to all employees about the changes that were going to take place. This took the form of an initial message from the CEO to all employees and a document posted on the intranet (Appendix B5) answering questions that had been identified by the survey conducted earlier. Thereafter, posters were put up and several meetings arranged for each of the different managerial levels and employees, where the specific action plans of the initiative were explained. Following this, new and amended policies and procedures were distributed throughout the organisation, which were used to train all employees and these became the standards that would be used during performance appraisals.

Although no further information was made available to the researcher in terms of the implementation process, Mr Hooghuis and Mr Whitefield both asserted in their interviews that the initiative was successful. Mr Hooghuis maintained that the initiative was successful because:

- There was a definite change in the company's employee profile, which became more diverse at all levels;
- There was a greater level of collaboration amongst employees of diverse backgrounds and a greater willingness to interact with each other as evidenced at conferences; and
- Internal surveys showed that employee morale had improved.

Mr Whitefield maintained that although there was initial resistance, the success of the initiative is evidenced by:

- The greater understanding of different cultures amongst employees as reflected, firstly, in the provision of appropriate meals at conferences and

lunches for different religious groups (e.g. Kosher meals for Jewish employees); and, secondly, the scheduling of meetings outside of Friday afternoons when Muslim employees have to go to Mosque;

- The willingness of employees of different races to share rooms at conferences;
- The company's policies towards the external environment (e.g. when some doctors were not willing to see black sales representatives they were deleted from call lists); and
- The application of the preferred supplier policy, which seeks to establish diversity amongst the company's suppliers.

Mr Whitefield reported in his 2005 Human Resources Business Plan that the diversity management initiative at Wyeth SA (Pty) Ltd had been successfully implemented, that the 2004 diversity targets had been met, and that the company was well on track for 2005 (Appendix B6).

6. CASE STUDY NARRATIVE: ELI LILLY SA

6.1 Interviewees

Mrs Vivien Katzuv	(Human Resources Manager)	(Appendix A3)
Mrs Annelie de Klerk	(Projects Manager)	(Appendix A4)

6.2 Introduction

Eli Lilly South Africa is a leading innovation-driven pharmaceutical company and is the South African Affiliate of Eli Lilly International, a leading innovation-driven multinational pharmaceutical company based in the US. Lilly products treat depression, schizophrenia, attention-deficit hyperactivity disorder, diabetes, osteoporosis, and many other conditions. Eli Lilly has been operational in South Africa since 1937, initially through Johnson & Johnson who were appointed sole distributors of Lilly products. In 1963 a plant was built to manufacture Lilly products locally. Six years later the company outgrew the facilities and they doubled the size of the administration block. Since then several more additions have been made to the building. The South African manufacturing operations were closed in 1998 as a result of a global review of manufacturing capacity and production costs.

Like the rest of the pharmaceutical industry, Lilly South Africa faces challenges of products coming off patent, maintaining a rich product pipeline, and operating in an increasingly difficult local environment. Eli Lilly South Africa is currently divided between South Africa and Sub-Saharan Africa, with a total headcount of 150 employees. The senior management team in South Africa consists of:

General Manager	:	Christopher Whitfield
Human Resource Director	:	Jeanette Schwegmann
Financial Director	:	Hennie Visser
Medical Director	:	Kennedy Mubaiwa
Marketing Director	:	Jannie Oosthuizen
Speciality Business Director	:	Steven Hoerter
Sales Director	:	Guillaume van Niekerk

Regulatory and Legal Affairs : Engela Dedwith
Manager and Managing Director
Corporate Affairs Director : Sipho Moshokane

Mr Whitfield's vision for Lilly South Africa during his tenure as General Manager is to grow the business locally, to grow the people who work for Lilly, and for Lilly to be a good South African Corporate citizen (Appendix C1). The corporate culture of Lilly is integrally linked around its employees, who are viewed as the company's most valuable asset, and Mr. Whitfield asserts that being recognised for three consecutive years as being one of the top 20 twenty best employers in South Africa is testimony to the strong company culture that is in place as a result of unwavering adherence to company values (Appendix C2). The company's three key values are respect for people, integrity, and performance excellence. Mrs Jeanette Schwegmann, the Human Resources Director, explains that company values are well integrated into the way in which each employee behaves (Appendix C3). She maintains that every Lilly employee is encouraged to strive, using these values as a foundation, towards excellence and innovative business solutions.

The leadership at Lilly South Africa is described as very accountable and intent on providing an environment where people can flourish. Mr Whitfield explains that this management style requires very open communication about the company vision and how individuals fit into that vision (Appendix C3). From a human resources perspective, the company considers understanding and managing diversity as one of the most critical challenges it faces (Appendix C4).

Company Mission, Vision and Values (Appendix C5)

Company Mission

The company's mission reads as follows:

"We provide customers 'Answers That Matter' through innovative, medicines, information and exceptional service that enable people to live longer, healthier and more active lives."

Strategic Intent

The company's strategic intent reads as follows:

"By providing for the unmet needs of our customers through a continuous stream of innovation we will stay ahead of our competitors."

Vision

The company's vision reads as follows:

"'Answers That Matter' is the foundation of our promise to our customers. We will deliver on our promise by listening to and understanding the needs of our customers and providing unmatched value. To provide our customers with unmatched value we will create four dimensions of competitive advantage:

- Generating and accelerating a flow of pharmaceutical products from internal discovery and externally sources that address our customers' unmet needs
- Manufacturing and supplying our portfolio of products at an ever-increasing level of quality and service
- Providing information, services and delivery systems that maximize the customer-defined value and that drive the early and sustained adoption of our products
- Partnering to obtain access to high-potential molecules and strengthen key capabilities, thereby creating more value for Lilly and our partner from Lilly assets than we could achieve on our own

Our organization will be adaptive and highly flexible, allowing us to respond to both internal and external changes."

Values

The company's values reads as follows:

- “Respect for People

We maintain an environment built on mutual respect, openness and individual integrity. Respect for people includes concern for the interests of all people who touch – or are touched by – our company: customers, employees, shareholders, partners, suppliers and communities.

- Integrity

We conduct our business in a way that embraces the very highest standards of honesty and ethical behaviour and is consistent with all applicable laws and regulations. We are honest in our dealings with customers, employees, suppliers, competitors, shareholders and the community.

- Excellence

We pursue pharmaceutical innovation, provide high-quality products and strive to deliver superior business results. Our quest for excellence is reflected in our unsurpassed focus on quality and a continuous search for new ways to improve everything we do. As a result, customers around the world will choose our products, enabling us to generate a superior financial performance that benefits our shareholders, employees and the communities where we live.”

6.3 The Story

At the beginning of 2003 management at Eli Lilly South Africa was very aware that the company was experiencing organisational issues. The results of previous surveys conducted at the company such as “Voice of the Employee” and “Voice of the Customer” revealed that there were organisational workforce issues to be addressed and that the organisation needed to do things differently. At this point, it was agreed to engage the services of an external consultant to decide on the way forward.

Partnering with the consultancy and using its existing information as a starting point, the company carried out several employee focus groups, which were designed to draw out the themes around which the organisational issues revolved. The themes derived from the focus groups were then used to develop a baseline diversity survey, which was to be administered to every employee for completion.

The aim of the baseline diversity survey was to confirm what was already known from the data at hand, what was identified from the focus groups and to drill down further to more specific issues that would help with the development of a plan on how to move forward and address the issues that existed. According to Mrs Katzuv, the Human Resources Manager, several issues were identified from the baseline diversity survey, none of which, however, were a shock to management who were aware at the time that the issues were prevalent.

Using the information obtained from the baseline diversity survey, which was conducted in April 2003, a proposal was put together on the way forward to resolving the issues that had been identified and to transforming the workforce. The proposal was then presented to the “Lilly South Africa Operations Committee”, (also referred to as Opscom), which is a committee, constituting all the directors of the company, for review and approval. The proposal was duly approved and the necessary resources allocated for implementation.

Mrs Katzuv explained that the objective of the initiative was to develop a multicultural environment that embraced diversity, with a workforce that was reflective of the demographics of the country and, in order to do this, the company had to change people’s mindsets and build diversity into the culture of the company. She added that there was also a business imperative for it, not just locally according to government legislation, but also globally.

Mrs Katzuv went on further to explain that the long-term aim was to build a self-sustaining multicultural organisation that did not need policing to be diverse and embrace diversity. The philosophy was that if the implementation of the diversity management initiative went successfully then the Diversity Task Force would not be required because the principles would become part of culture of the organisation and the Diversity Task Force would have worked itself out of a job.

Mrs de Klerk, the Projects Manager, maintained that at the time, the implementation of the diversity management initiative was in the best interests of the company. The reason for this, she asserted, was that with the new government regulations that were introduced in the South African arena of business, the company had to change the demographics of its workforce, which meant that the workforce had to be properly managed to facilitate a smooth transition.

Mrs de Klerk explained further that in order to do this the company had to create an environment of openness and transparency and get rid of all the “baggage” people were carrying around. An environment of openness and transparency she added, if embedded into the culture of the company would get people to know each other, understand each other and work together without any problems. The message was that it did not matter if one was Black, White, Coloured or Indian or whether one spoke English or Afrikaans, but that everyone was all there to do what they did best.

The proposal that was approved by the Operations Committee consisted of three parts:

- A. The Change Enablement Route Map;
- B. The Diversity Process Model; and
- C. The Principles Underpinning the Diversity Initiative.

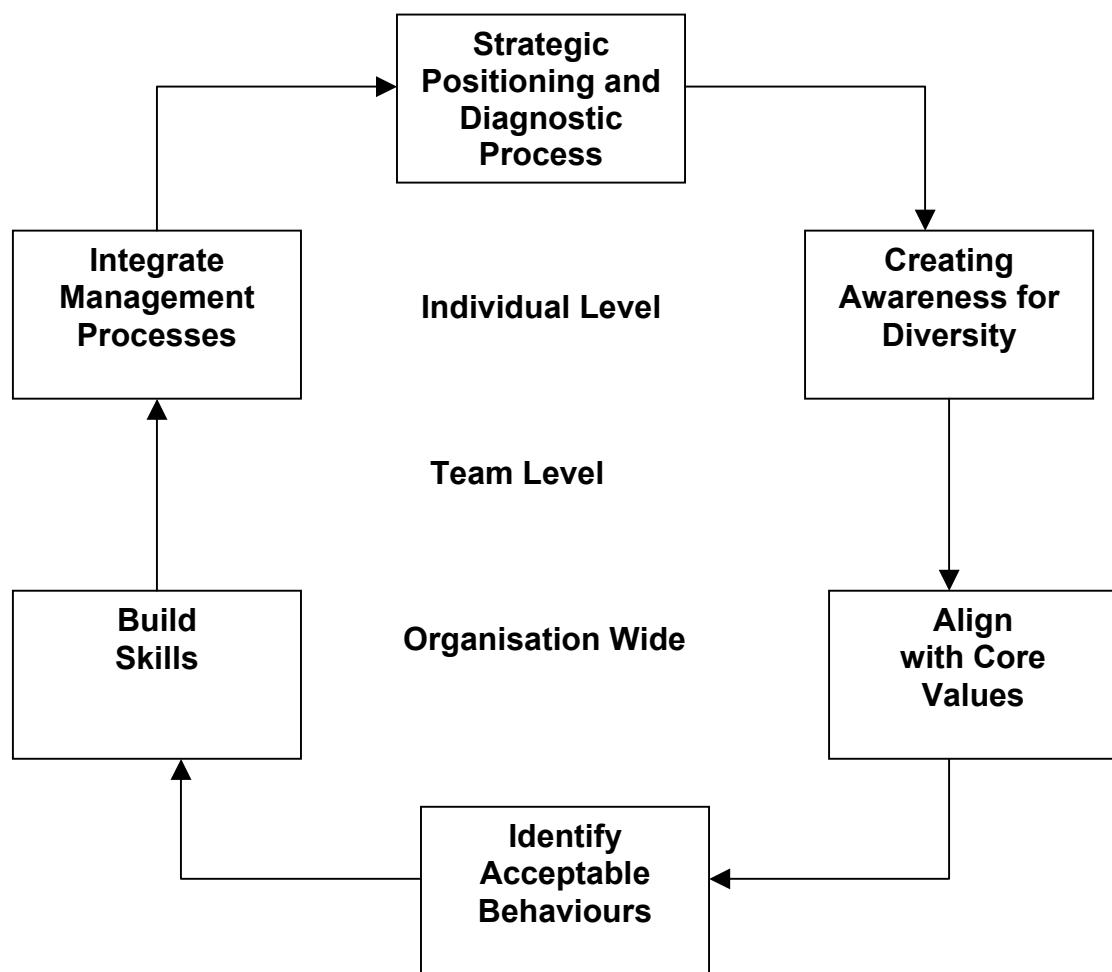
Each of these three parts is outlined in the paragraphs that follow.

A. The Change Enablement Route Map (Appendix C6)

UPSTREAM: Setting the Foundation for Success	1	Prepare to Lead the Change
	2	Create Organisational Vision, Commitment and Capacity
	3	Assess the Situation to Determine Design Requirements
MIDSTREAM: Design	4	Design the Desired State
	5	Analyse the Impact
	6	Plan and Organise for Implementation
DOWNSTREAM: Implementation	7	Implement the Change
	8	Celebrate and Integrate the New State
	9	Learn and Correct Course

This was the underlying framework that would support the entire change process that would be set in motion on implementation of the diversity management initiative.

B. The Diversity Process Model (Appendix C7)



This was the model that would transform the organisation's workforce into a diverse multicultural one by incorporating diversity into the organisation's strategy and strategic positioning.

C. The Principles Underpinning the Diversity Intervention (Appendix C8)

- Systems thinking must guide the diversity management intervention at all times;
- Diversity is not a "stand alone" intervention and integration is achievable;
- Change takes place through engagement and participation; and
- A principled approach to diversity intervention should be followed.

These were the principles applied at Lilly in implementing the diversity management initiative.

The key to the whole diversity management initiative, however, was the Diversity Management Process Model (Appendix C7), which guided the whole diversity management initiative. This Model was used to track the whole process as detailed in the paragraphs that follow.

Strategic Positioning and Diagnostic Process

This phase of the model included the work done early in 2003, which had diagnosed the organisational workforce issues, the focus groups that were conducted thereafter, and the baseline diversity survey that was carried out in 2003. In addition, a business case for diversity management was developed that would highlight the need for diversity to all employees. One of the key issues that came out of this phase was the need to develop a diversity sensitisation program for all employees. The recommendation for a diversity sensitisation program was highlighted to have fed directly out of the baseline diversity survey that was conducted. This recommendation led directly into the next phase of the model.

Creating an Awareness for Diversity

Creating awareness around diversity was an important issue for the company, as a deficiency in this area had been identified by the baseline diversity survey. Therefore, in order to build an awareness of diversity within the organisation, it was decided that diversity sensitisation workshops would be run for all employees. Thus, a comprehensive two-day diversity sensitisation workshop was developed in partnership with the consultancy (Appendix C9). The purpose of the workshop was to lay the foundation for a company culture that would embrace an increasingly diverse workforce. As such, the suggested outcomes of the workshop were (Appendix C9):

- “To build a common understanding on the strategic business challenges facing Lilly in creating employment equity and a culture where diverse employees can perform to their fullest potential.
- To create a common language in Lilly when communicating on diversity.
- Build acceptance that people of Lilly come from diverse cultural backgrounds, with different opportunities and experiences.

- Promote acceptance and awareness that difference is positive, not negative.
- To consider the feedback on the Employee Survey and to develop consensus on the next steps.”

In September 2003 the Lilly Operations Committee piloted the two-day diversity sensitisation workshop. The Operations Committee immediately bought into it and made it compulsory for all employees to attend. Extensive communication was sent out to all employees by voice mail and e-mail teasers informing them of the two-day offsite workshop. The entire organisation was divided into several groups, each of which would then attend separate workshops. The groups were strategically put together to ensure that each one was as diverse as possible in terms of race, ethnicity, religion, language, sex, age, level, function, and geographic location in terms of the South African provinces.

Employees from all over the country were flown to Johannesburg and booked into a local hotel overnight to attend the training. At every workshop the seating positions were strategically planned in order to get as diverse a group of employees as possible at each table. For each two-day workshop at least two or three members of the Lilly Operations Committee were present as full participants, which was pointed out by the Mrs Katzuv as a firm indication of top management’s commitment to the process.

The workshops were run from October 2003 through November 2003. According to Mrs de Klerk employees were encouraged to be open and honest and say what they expected from the workshop and what they thought about it. She also maintained that difficult issues and personal experiences were related and talked through and that real progress was made in terms of building awareness of diversity. According to Mrs Katzuv the feedback from employees was that the workshop was brilliant.

Part of the workshop was a brainstorming session in which employees were engaged in classifying diversity and identifying and highlighting issues that needed to be dealt with. All the issues from each workshop were then consolidated and clustered into four major themes that could be used as the basis for future interventions in changing the culture of the organisation and aligning the diversity initiative with the core values

of the company. Mrs Katzuv asserted that these interventions were expected to facilitate the development of a self-sustaining multicultural organisation that would eventually not need policing.

Align with Core Values

At the end of 2003, once the four major themes had been derived a Diversity Task Force was set up, which would review the issues and themes from the workshops and identify possible interventions. The Diversity Task Force was made open to all employees for participation either by employee nomination by each other or self-nomination. All employees who were nominated and all who were self-nominated were accepted into the Diversity Task Force. The Diversity Task Force also consisted of members of the Operations Committee. Thereafter, the entire Diversity Task Force was taken offsite for a one-day workshop. During the workshop the Diversity Task Force was split into four sub-groups, each being allocated for discussion one of the four themes that had been identified. Each group was tasked to brainstorm its theme and develop a strategic framework with specific interventions and outcomes in line with the core values that would address the issues that were clustered into that theme.

Identify Acceptable Behaviours

Thus, after the one-day workshop each sub-group worked independently on its theme and developed and recommended interventions that would address the issues identified within that theme. These recommendations were then put forward to the Lilly Operations Committee for review and approval. Where the Operations Committee felt that the recommendations would help resolve the problems identified, approval was granted for implementation and the necessary resources were allocated. This then fed into the next step of the Diversity Process Model.

Build Skills

Once approval for implementation of a recommended intervention was granted, the sub-group went ahead with the implementation process. This resulted in the introduction of new policies or the amendment of old policies and procedures. These

changes and action plans were communicated to all employees throughout the organisation and made highly visible through the use of e-mails and posters. Ultimately, though, the introduction and amendment of policies and procedures meant new ways of doing things, and employees were formally made aware of the changes, and where necessary training was provided in order to change behaviours and to develop the necessary skills for the long-term success of the intervention.

Integrate Management Processes

This last step of the Model was intended to institutionalise the changes and make them a part of the way the organisation did things. Thus, the interventions were integrated into all management processes. Once an intervention had been implemented, it became part of management's objective to ensure that the intervention was a success. This integration of the interventions into all management processes was highlighted by the fact that the interventions themselves were included as assessment criteria for performance appraisals. Managers at all levels of the organisation had to ensure that any of the interventions that were implemented were discussed at their meetings, and progress was monitored, evaluated and recorded. In addition, if problems were experienced these had to be reported through the normal management reporting channels and corrective action would have to be planned in consultation with the Diversity Task Force. Ultimately, the Diversity Process Model itself was integrated into all management processes in order to make it self-sustaining.

Mrs de Klerk asserted that the diversity management initiative was successful but added that, although it started well, it was not yet finished as the company had lost focus due to significant changes in the regulatory environment, such as the new pricing regulations that had been gazetted by the National Department of Health. She maintained that the initiative had helped render people less sensitive about diversity issues and that the environment was a lot less uncomfortable. She added that the initiative had set a lot of minds at ease, especially amongst white males who had felt threatened by the thought that if the company implemented diversity management they would lose their jobs in five years. Finally, she commented that many of the interventions recommended by the Diversity Task Force had been successfully

implemented and had led to significant changes in the way the company operated, and amongst employees.

Mrs Katzuv also maintained that the diversity management initiative had been successful and cited several reasons for this. Firstly, she explained that for the initial baseline diversity survey, where a 50 % response rate would have been considered high, a 76 % response rate had been achieved. Secondly, she explained that the feedback from employees after the sensitisation training was very positive and that there were actually many volunteers for the Diversity Task Force. Thirdly, she asserted that from a human resources perspective there had been a definite change in employees' behaviour after the training.

7. CASE STUDY NARRATIVE: ASPEN PHARMACARE SA

7.1 Interviewees

Mr Bassie Burger (Group HR Senior Executive) (Appendix A5)

Mr Mike Chase (MD, Infant Nutrition Division) (Appendix A6)

7.2 Introduction

Aspen Pharmacare is a South African pharmaceutical company that markets an extensive range of pharmaceutical and consumer healthcare products. Prior to 1999 Aspen and Pharmacare were two separate organisations with Pharmacare being the independent pharmaceutical manufacturing subsidiary of South African Druggists. In 1999, however, Aspen bought over the Pharmacare subsidiary from South African Druggists and merged the two organisations to create Aspen Pharmacare.

The company is most notably the leading supplier of generic medicines to the South African private and public sectors and it is the second largest supplier in the highly competitive pharmacy-only or over the counter sector of the pharmaceutical market. The company has a heritage of over 150 years and, having pioneered the development of generic medicines in South Africa, has grown to become Africa's largest manufacturer of generic pharmaceutical products and a major supplier of branded pharmaceutical and healthcare products to the Southern African market.

Aspen Pharmacare produces an extensive range of products for the local and international, ethical, generic, over the counter (OTC), personal care and nutraceutical markets. It offers in excess of 650 products in several therapeutic categories such as cough and cold products, gastro intestinal products, analgesic products, antibiotic products, lifestyle products, slimming products, and vitamin and mineral supplements. Aspen Pharmacare is listed on the JSE Securities Exchange (South Africa) and has a current market capitalisation of approximately R3.5 billion. It also has growing subsidiaries in the United Kingdom and in Australia.

The company supplies diverse markets including mines, parastatals, private and public hospitals, pharmacies, doctors and retail chains, and within South Africa it

employs the largest sales force for the public and private sectors to market their extensive range of products. The company has well-established relationships with a number of leading global pharmaceutical companies. Agreements allowing for the production of antiretrovirals (ARVs) were concluded with Bristol Meyers Squib for the generics of their products Zerit and Videx, with GlaxoSmithKline for the generics of their products Combivir, AZT and 3TC, and with Boehringer Ingelheim for the production, distribution and sale of their product Nevirapine (marketed world wide by Boehringer as Viramune). In addition a 12-year co-marketing agreement was concluded with Novartis South Africa (Pty), the South African affiliate of Novartis International, allowing Aspen to market a range of Novartis's products.

Owing to these numerous agreements concluded with international companies, and together with its own capabilities, the company asserts that it has South Africa's largest pipeline of generic products, and promises to maintain its leadership position into the future.

Company Strategic Intent and Core Values (Appendix D1)

Strategic Intent

Aspen Pharmacare states its strategic intent to be:

"Aggressive growth in the Pharmaceutical Industry through Flexible, Entrepreneurial and Competent people."

Core Values

The company has also developed a set of core values through an organisation-wide consultative process, which is referred to as "The Pharmacare Way". These core values are stated as:

- Passion for the Customer;
- Empowerment;
- Ubuntu – the spirit of unity and togetherness and respect for each other;
- Communication;

- Entrepreneurship; and
- A sense of Urgency.

Mr Burger, the Group Senior Human Resources Executive, maintained that these values are reflective of the culture that is perpetuated throughout the organisation and that they are the foundation of the company's business strategy.

7.3 The Story

In 1996 senior management at Pharmacare decided that the company needed to be transformed or it would face the risk of being out of step not only with the changing culture of South African society but also with the South African economy, which was experiencing dramatic changes, especially in the health sector (Appendix D2). Mr Chase, the Managing Director of the Infant Nutrition division maintained that there was no other way forward and that it would not have been possible to have retained the culture of the past in a changing world. In this way, the organisation embarked on a strategic transformation process, which was planned and developed in 1996, initiated in 1997, and ran through to the end of 1998.

Mr Chase asserted that at the Infant Nutrition division, the bottom line objective of the diversity management initiative and transformation process was improved productivity. At the time, there was strong conflict between management and workers on the shopfloor. As a result of this conflict there was very little communication at any level within the division. He added that to make things worse there was internal fraud and the factory had degenerated into a loss-making business. In view of this, he explained, there was no alternative but to change.

Mr Burger maintained that the main objective of the initiative was to find a common set of values, philosophies and perspectives that would bind all employees together as a company. He added that as a company they wanted to facilitate the process of employees gaining a better understanding of one another, that would transform the company to one that was more multicultural and accepting of everyone.

Early in 1997, senior management began informing all employees of the transformation process that the organisation would be embarking upon. In a

document distributed to all employees, entitled “Our Future: Let’s work together to control our Destiny” (Appendix D2), it was explained to all employees that the South African healthcare market was in a process of dramatic change, heralding a new era for the company. Senior Management ensured that the content of the document described the industry through the 1970’s and 1980’s and highlighted the fact that during these periods South Africa had been isolated from the rest of the world and had therefore been largely protected from international developments and competitive forces. This, senior management asserted had resulted in South African companies becoming inefficient, unproductive and internationally uncompetitive in all areas of business. The document went on to explain that the dramatic changes of the 1990’s not only brought democracy to South Africa but also tough international competitors who were planning their invasion of the South African economy. In addition to this, a new National Health Act was going to be promulgated and cost containment measures were going to be implemented by healthcare funders to arrest the spiralling cost increases in healthcare to make it more affordable to the greater population.

The emphasis of the document was on change and the fact that, during times of significant change, companies either meet challenges and succeed or buckle under the pressure and fail. The message was that the change would bring huge challenges that would completely alter the way in which the company conducted its business and that the way in which the company responded to these changes and challenges would be critical for future success. It was also asserted that everybody had an important role to play and that the organisation could only rise up to meet these challenges and win if all employees joined forces, fought side by side, did things differently, and converted the challenges into opportunities.

The document closed off by explaining that to meet the challenges, the senior management teams of all the organisation’s business divisions had joined forces to develop a new Pharmacare strategy and that specific action plans had been agreed to and were already at different stages of implementation. It was, however, highlighted that in order to ensure complete success of the entire Pharmacare strategy, the first priority was to communicate the strategy to everyone in the organisation in such a way that all employees had a good understanding of the strategic direction the organisation was moving in.

The final statements were that by learning from the past and looking towards the future, the Pharmacare strategy would, if implemented successfully, help the organisation succeed and ultimately control its own destiny.

Thus, the organisation was informed of the transformation process that was going to unfold and was prepared for the next stage of the process, which was a detailed illustration and explanation of the entire Pharmacare strategy to all employees. The Pharamcare strategy was a complete business strategy, which incorporated workforce diversity and diversity management into business principles. It had its foundation in the Pharamcare values that would be established later through an organisation-wide consultative process unfolding as part of the diversity management initiative.

The senior management of Pharmacare proceeded to the next stage of the strategic transformation process, which was to communicate the entire Pharamcare strategy to all employees. This was done in the form of a strategy manual that was developed and once again distributed to all employees throughout the organisation. Three parts of this manual were made available for the purposes of this case study and were used to document and report on the diversity management initiative.

The first part of the manual entitled, “Our Pharmacare Strategy” (Appendix D3) outlines:

- The organisation’s strategic intent/vision, which Mr Burger asserted, was and still is to be leaders in affordable healthcare;
- The organisation’s espoused core values, which Mr Burger explained were incorporated into the values that were later developed in consultation with all employees:
 - What we say – We do
 - Caring for our people and Customers
 - Strong innovation and free thinking;
- The organisation’s philosophy towards core competencies; and

- How the strategic intent/vision, the core values and the core competencies would come together and drive the business successfully into the future.

The second part of the manual (Appendix D4) comprised an illustration of the strategic change process, which depicted where changes would be targeted at, and was entitled, “The How to of Strategy”. This was followed by a list of strategic action plans which, when implemented, would lead to transformation. The illustration of the “How to of Strategy” outlined an overview of elements of the current structure of the organisation on one side and a description of the various elements of the culture of the organisation on the other side with a pharmacist’s mixing bowl in the middle. The mixing bowl was representative of the message that the two sides would need to be changed/transformed in order for the company to move into the future and be successful with its new strategy. The illustration expanded the organisation’s structure and culture into the following elements:

Organisational Structure		Organisational Culture
Distribution		Thinking
Financial Systems		Attitudes
Information Flow		Mindsets
Production Methods:	Technologies	Norms
	Costing	Traditions
	System	Beliefs
	Relationships	Values
	Organisation	Customs
	H.R. Policies	Ways

The strategic action plans consisted of a list of 12 integrated, organisational-wide action plans that would be implemented in all functional areas of the company. Included in this list were two strategic action plans that addressed the issue of diversity management.

These were outlined as follows (Appendix D4, strategic action plans 5 and 6):

- Transformation/Change Process
 - Affirmative Change Processes;
 - Affirmative Action;
 - Corporate Social Investment (CSI) e.g. Housing;
 - Appropriate Structures; and
 - Strategic Leadership.

- Live our Core Value of Caring for Our People
 - Training and Development;
 - Improved communication and Information;
 - Participation/Co-determination/Collaboration; and
 - A healthy climate for people to develop and excel.

The third part of the manual (Appendix D5) was a detailed diagrammatic illustration and a detailed description of the strategy that would be followed in managing diversity and transforming the organisation's workforce. This detailed transformation strategy was an integration of the two strategic action plans identified above in the second part of the manual (Appendix D4) and was referred to as the "Affirmative Change Process". The name adopted for this overall process was "The Pharmacare Way" (Appendix D5).

The "Affirmative Change Process" was an organisational transformation model that was founded on four pillars. In the model, each of the pillars was expanded to include different elements that would be addressed as part of the transformation process. Mr Burger maintained that these pillars were intended to function as levers that would be pulled to bring about transformation. The model also included strategic values as a component of its structure. The strategic values were positioned as the roof that housed the four pillars of the model. In so doing, Mr. Burger explained, the strategic values were positioned as the "glue" that would connect all four pillars and hold them together (Appendix 5), thus ensuring a principled, integrated, and consistent application of the model. He did, however, also highlight the fact that the strategic

values themselves were, planned to be developed later as part of the diversity management initiative through an organisation-wide consultative process referred to as the “Work Ethics/Values Foundation” (Appendix D5).

The elements of the model as illustrated in Appendix D5 were:

Structures/Work Processes

- World Class Manufacturing / Sourcing
 - Core Competencies
 - Transformation Agreement(All stakeholders – Values Foundation)
- Pharmacare Performance Management System
 - 360 Assessments
 - Self Directed Work Teams
- Human Resources Policies and Procedures
- Marketing Business Plans
- Communication Channels
 - Pharmacare News
 - Briefing Groups
 - Continuity Groups

Culture

- Participative and Performance Focused
 - Accountabilities
 - True Joint Decision Making
 - Free and Open Discussion without Fear of Victimisation
- People Involvement (Empowerment)
 - Knowledge
 - Skills

- Unity in Diversity
 - To Share and Build on Commonalities but also to Respect Differences
 - Values Foundation

Behaviour and Skills

- Strategic Leadership
- Transformational Leadership Skills
- Business Skills and Knowledge (Value Chain – Channels)
- Competency Profiling
 - Industry Training Board
 - Multi-Skilling
 - Sales, Marketing and Negotiation Skills
- Interpersonal Skills/Understanding

Equity/Corporate Social Responsibility

- Affirmative Change Policy
 - Affirmative Action Policy
- Succession Planning
 - Training and Development
 - Adult Basic Education and Training
 - Life Skills
- Community Projects

Reflecting on this model, Mr Burger described the whole process as follows:

“ The whole idea with this process was that we needed the glue to bond everyone. As we came through the gate we needed a set of principles that bind us. Our thinking, our perceptions about work, our work ethics and the way in which, we

operate as a company. I may go home and have some other issues that I believe in or follow and that is fine, but when I come to work that glue part kicks in. That was the idea behind the Affirmative Change Process and the Values Foundation.”

Thus, with the details of the strategic transformation process model that was going to be implemented having been communicated to all employees, the stage was set for the actual implementation of the initiative. The starting point of the whole initiative was the development of the Work Ethics/Values Foundation. This was to be established through a company-wide consultative process (Appendix D5). The methodology that was used to develop the Values Foundation was a series of diversity sensitisation workshops that were conducted in what was referred to as Continuity Groups. Mr Burger asserted that the diversity management initiative was values based and that the intention was to initially find common values amongst all employees out of the history of the various demographic groups and apply these to the affirmative change process model (Appendix D5).

The structure, composition and implementation of the Continuity Groups was carefully planned to operate in the manner set out below (Appendix D5).

At the centre was the Pharmacare Continuity Group, which was a consolidation of all the Continuity Groups across the organisation. Moving outwards from the centre, each division was isolated as a separate Continuity Group. Where a division had several sites, each site was further isolated as a Continuity Group (e.g. the Technical and Operations Division was made up of several manufacturing sites at different locations in the country – the Port Elizabeth Plant (Lennon), the East London Plant, the Clayville Plant in Johannesburg and the Intramed Plant in Johannesburg). Each one of these sites was isolated as individual Continuity Groups and together they comprised the Technical and Operations Continuity Group. Each division/site was then further broken down into several Continuity Groups, thus establishing a chain of small Continuity Groups across the entire organisation. These small Continuity Groups within each division were made up of a diverse set of employees across race, gender, age, level, language, religion etc.

With the chain of Continuity Groups established at each division/site the next step was to send each of the Continuity Groups on diversity-sensitisation workshops.

Thus at every division/site each Continuity Group attended a diversity-sensitisation workshop. These workshops were facilitated by a consultancy called ITISA. In addition, the senior management team at Pharmacare went around the country to every division/site addressing staff and attending the Continuity Group sensitisation sessions. This tour of the organisation by the senior management team was planned in the form of a roadshow Mr Burger explained. He also maintained that the idea behind the diversity sensitisation workshops was to put employees of all races (Whites, Blacks, Coloureds, Indians) – all from different backgrounds with different perspectives and different value systems, from the top of the organisation to the bottom – into one room and to get them to share their stories and experiences so that each group could understand the other groups better.

Mr Burger explained further that it was a “cut to the core” type of interaction that was excellently facilitated and that it was quite an “eye opener” for many people, to have shared with each other the different perspectives of their historical backgrounds. Firstly, he asserted that the information used by the facilitator to kick the workshops off was basic, uncomplicated, and factual. Secondly, he maintained that the sharing that this led to amongst the diverse groups of employees in terms of stories, experiences and perspectives was certainly not “pseudo” but that they “cut to the core” of the baggage that was being carried around. An example he related was the discussion about the former pass laws, according to which people of colour could work in towns but could not stay in or near towns. He explained that many people did not know this and could not understand how it could ever have come into legislation. He recalled a white male employee, Mr Jan van Zyl standing up, walking out of the room and “bawling his eyes out” in the middle of this session. Mr van Zyl later explained that he never knew these things and he could not understand that that was what had really happened.

These Continuity Group diversity-sensitisation sessions continued throughout the organisation at each division/site. The ultimate goal of the diversity-sensitisation sessions was twofold. Firstly, they constituted an attempt to build a greater understanding and appreciation amongst employees, not only of each other and their different cultural backgrounds, but also of the whole concept of diversity in the workforce. The second goal was for each Continuity Group to consider the different cultural backgrounds of its constituents, and out of that identify, develop a set of

common values, value-driving forces and value-restraining forces that could be applied to all employees and that the entire organisation could aspire towards. This was the final output of each of the Continuity Groups.

Once all the Continuity Groups had completed their sensitisation sessions, what followed was a process of consolidation. At each division/site the output from each of the small Continuity Groups, was consolidated into one document. Since the small Continuity Groups within each division/site together made up the Continuity Group for the division/site this consolidated document became the Continuity Group output for each division/site. Where a division was made up of several sites, the Continuity Group output from each site was consolidated into one document, which represented the output of that division.

Furthermore, since all the divisions, when taken together, made up the total Pharmacare Continuity Group, the output from each was consolidated to reflect the output of the entire organisation as a Continuity Group (Appendix D5). This, Mr Burger, maintained is reflective of the consultative process, which fed from the bottom of the organisation to the very top and included input from every employee. In this way a set of common values was developed and accepted by all stakeholders. These values formed the basis of the Transformation Agreement that was later agreed to by all stakeholders. The set of common values was termed the “Values Foundation” and became known as “The Pharmacare Way”. These values were then integrated into the affirmative change process model and those strategic values reflected as the roof embracing the four pillars of transformation or, as explained by Mr Burger, the “glue” that would hold all four pillars together.

The duration of this entire process was approximately 18 months, which, Mr Burger maintained, presented a separate set of challenges in terms of keeping the organisation focused on the effort. Once the Values Foundation was established, however, and the Transformation Agreement was in place, the company proceeded with the implementation of the rest of the affirmative change process model. This included specific changes (as identified earlier) in the structure and work processes of the organisation, the culture of the organisation, the behaviour and skills profile of employees, and improved equity and corporate social responsibility.

Both Mr Chase and Mr Burger maintained that the diversity management initiative at Pharmacare had been successful. Mr Chase asserted that when the company started the initiative there was a budgeted and accepted reject level in the Infant Nutrition division of 3.5 % of production, which was always exceeded. He pointed out that during the course of the diversity management initiative the factory operated at a reject-free level for 18 months. He attributed this to the fact that the diversity management initiative had been integrated with the company's manufacturing strategy, which was based on a zero-defect-level philosophy. The integration, he argued, had been achieved via the Values Foundation that was developed as part of the diversity management initiative. He also cited the success of company events such as Christmas Parties, where the fact that employees now socialised and partied together was evidence of the success of the initiative.

Mr Burger explained that the diversity management initiative had actually set the platform for many of the successes that the company had enjoyed after its implementation. He asserted that the current success of the company was a result of the strategies that had been put in place during the diversity management initiative and the new mindset that had been cultivated. He also maintained that the initiative had added value to peoples lives and that they had become used to change and to doing things differently, thus rendering them more innovative and entrepreneurial.

8. CROSS CASE ANALYSIS

Section 8.1 uses the research propositions formulated and set out in Chapter 2 (2.3) to form a framework of analysis for the three case studies and the interviews that were conducted at each of the three organisations on which the case studies were based.

8.1 Analysis of Propositions

8.1.1 Proposition 1

Effective and committed transformational leadership is critical to the success of diversity management.

In all three of the cases – Wyeth, Eli Lilly, and Aspen Pharmacare – there is evidence to suggest that the presence of effective and committed transformational leadership was key to the success of the Diversity Management Initiatives (DMIs) that were implemented.

Wyeth

In the case of Wyeth, the importance of the role of leadership was clearly highlighted in the Human Resources Business Plan for diversity management (Appendix B5). The content of this business plan included details of possible stumbling blocks that might hinder the Diversity Management Initiative (DMI), critical success factors that would support the DMI, and an outline of the supportive role that management would have to play in order to ensure the success of the DMI. Firstly, one of the possible stumbling blocks that were identified as being able to jeopardise the diversity process was if the DMI were not driven from the top. Secondly, two of the factors that were identified as being critical to ensuring the success of the DMI were communication coming from the top and managers being custodians of the process and showing accountability. Thirdly, the role specified for management during the DMI included that they embrace the philosophy and seek creative ways to make difficult decisions work for the organisation, identify specific actions at the departmental level and

individual level that further the objectives of the initiative, and provide support for the Working Forum to complete the implementation of the DMI.

In addition to this, top management at Wyeth played an important and very visible role in the entire DMI. Firstly, the funding for the initiative was discussed and approved by the Board of Directors. Secondly, the CEO set up the Steering Committee over which he retained overall accountability as Chairperson. Thirdly, top management ensured that the topic of diversity was on the agenda of important company meetings such as pre-cycle sales meetings and most importantly, the quarterly “Town-Hall Meetings” (a company-wide meeting held every quarter for all employees, during which the CEO addressed staff on important business and organisational developments). Finally, the message from top management to all employees attending these meetings and others was that the DMI was non-negotiable and that it had to be successful. In this way, a firm stand was taken on the issue of diversity and management demonstrated its commitment to the DMI.

Another issue that highlighted the presence of committed transformational leadership at Wyeth was the integration of the DMI with the company’s values system. Firstly, the values system was introduced in an attempt to transform the culture of the organisation and, secondly, the system was designed so that it could be integrated into the performance appraisal system. This ensured that employees were assessed not only on business results but also on their adherence to the company’s values. Thus, the integration of the DMI with the company’s values system meant that the success of the DMI and the achievement of its related objectives formed part of the performance objectives against which employees would be appraised. This was a bold statement by top management that diversity management was as important as any other business objective.

Mr Hooghuis maintained that the DMI was led from the very top of the organisation and that leadership had been essential at the beginning of the process. The importance of this leadership, he explained, was that the process involved a long-term change in the structure of the company and such a change required the support and commitment of top management in order for it to pervade the company in a sustained manner. He asserted that leadership had to be seen to support the DMI in

a bold way and that, in the case of Wyeth, this eased the tension amongst employees.

Mr Whitefield maintained that in his opinion leadership was critical to the success of the DMI at Wyeth. He asserted that there was full support from the CEO who had played a central role during the launch of the initiative and that the Human Resources Manager had been passionate about the principles of diversity and committed to the process. Mr Whitefield added, that although the leadership shown had been excellent, it could have been improved if a greater proportion of the senior management team had visibly demonstrated their support for the DMI. Notwithstanding this, he argued that without effective and committed leadership, the success of the DMI would have been jeopardised.

Eli Lilly

In the case of Eli Lilly, leadership was also highlighted as a critical component of their Diversity Management Initiative (DMI). In the Change Enablement Route Map (Appendix C6) that was introduced to support the DMI, leadership was identified as an essential component that would set the foundation for the success of the initiative. It is important to note that this is located in the 'Upstream' part of the map as part of the initial stages of the change-enablement process. This Route Map also identifies the creation of organisational vision, commitment and capacity as important factors for successful change to occur. These factors however are fundamentally leadership responsibilities.

In addition, several other issues highlighted the prominent role that leadership played in the DMI at Eli Lilly. Firstly, preparations for the DMI began only once the Operations Committee had bought into the process as a business imperative. Secondly, the entire Operations Committee was fully engaged in developing the initiative and even selecting the consultant that was hired to assist with its implementation. Thirdly, it was the General Manager (GM) who informed all staff about the baseline diversity survey that was conducted, encouraging them to participate.

According to Mrs Katzuv, as a result of this action on the part of the GM, the company elicited a 76 % response rate, when a 50 % response rate would have been considered high enough. The GM also played a significant role in creating excitement amongst employees with regard to the DMI and personally addressed employees at the beginning of every diversity-sensitisation workshop that was conducted.

Fourthly, the entire Operations Committee led the process by piloting the two-day diversity-sensitisation workshop and then making sure that at least two or three Operations Committee members were present as full participants at all the other diversity-sensitisation workshops that were conducted throughout the organisation. According to Mrs Katzuv, this commitment was indicative of a major positive statement on the part of top management because, having made a verbal commitment to the DMI, having provided the resources for implementation, and having led the process by piloting the diversity-sensitisation workshop, their presence as full participants during all the other workshops clearly and visibly demonstrate their backing of the initiative.

Mrs Katzuv added another dimension to the leadership component, in her assertion that the Diversity Task Force that was set up also played a role in leading the DMI. She argued that in leading people one has to decide how to win their buy-in and ensure that they do not feel that the process is one that is only top-down. In this regard, she maintained that the Diversity Task Force helped in pulling people into the process and leading from the bottom upwards.

Mrs de Klerk maintained that the leadership at Eli Lilly was very committed to the DMI and highlighted this as a strong point of the company's diversity initiative. She argued that this was evident from the resources that were committed to the initiative in terms of company time that was allocated for the two-day off-site diversity sensitisation-workshops, the funding for the workshops, and the company time allocated for the Diversity Task Force to develop and implement the interventions that would support the DMI. She asserted further that the entire top management team, including the GM, worked hard to ensure that the DMI fed through the system and that there was follow-through afterwards.

Aspen Pharmacare

In the case of Aspen Pharmacare, the company firstly identified strategic leadership as an important component of the transformation strategy (Appendix D4, strategic action plan 5). Secondly, the company highlighted the role of strategic leadership and transformational leadership skills under the heading “Behaviours and Skills” in the affirmative change process model that was used (Appendix D5). This thoroughness of approach is a strong indication of the degree of importance that was placed on leadership as a component of the transformation process of which diversity management was only a part at Aspen.

Further evidence of leadership commitment to the process was the macro picture that top management had presented to all employees as far as the need for change was concerned, and the total strategy in terms of the diversity management that had been developed. In fact, the first set of documents that were distributed to all employees (Appendix D2) ended with a brief motivational message from the CEO, Mr Kobus Nel. In addition to this, top management committed significant resources to the process, both in the form of employee work time and the budget that was required to conduct the diversity-sensitisation workshops. Further to this, as the diversity-sensitisation workshops unfolded throughout the organisation, the top management team travelled around the country, visiting all company sites, not only explaining the whole process to employees but also participating in the diversity-sensitisation workshops.

Mr Burger explained that these site visits presented significant challenges to management, and related one particular incident involving one of the directors. The director in question, when addressing employees during a diversity-sensitisation workshop at one of the sites was shouted down by an employee and was totally taken aback but persevered to diffuse the situation, which led to a major breakthrough. This, Mr Burger, asserted was a good demonstration of top management’s commitment to the Diversity Management Initiative (DMI). Mr Burger maintained that there was very good leadership presence during the DMI, making specific reference to transformational leadership.

According to Mr Chase, leadership did, indeed, help the DMI at Aspen Pharmacare. He maintained that if leadership had not believed in what it was doing, this would

have rubbed off onto the rest of the employees and the initiative would have failed. He asserted that leadership was critical in getting the buy-in of employees at all levels, especially during the initial stages of the process, but added that, at times, management did have to “bulldoze” it through, because of resistance.

Mr Chase argued that the DMI (referring to the philosophy behind diversity management) could have been demanded by employees but only driven by leadership, and that if leadership had not driven the process, the end result would have been further conflict amongst employees. This particular argument by Mr Chase would seem to indicate that the presence of strong leadership assisted in easing the tension that was present among employees at the time. Mr Chase maintained that leadership was essential in pushing the process forward, as it would not have flowed forward on its own.

8.1.2 Proposition 2

Strategic alignment between diversity management initiatives and organisational or corporate strategy and positioning is critical to the successful management of diversity.

In all three cases there is documented evidence indicating alignment with and integration of the Diversity Management Initiatives (DMIs) to the organisation's business or corporate strategies.

Wyeth

At Wyeth the first evidence of the company's attempt to create alignment between the DMI and its business strategy is the development of a business case for the DMI. This business case was based on the premise that improved diversity management would increase the company's competitive status. The company also outlined long-term objectives for the DMI, such as enhancing shareholder value by leveraging diversity and enhancing creativity and problem solving to increase market share; enhancing customer relationships; maximising team effectiveness; and improving employee morale. The company also developed its Business Diversity Strategy within the Human Resources Business Plan (Appendix B3), which elevated the issue to the same level as any other item on the company's overall business plan. In addition, this alignment of the DMI with the organisation's business strategy is evidenced by the fact that the success of the DMI and the achievement of its related objectives formed part of the performance objectives against which employees would be evaluated. This link to the performance objectives of employees was achieved by the integration of the DMI with the company's values system, which formed an important part of individual performance appraisals.

Further evidence that highlighted the existence of alignment between the DMI and the company's business strategy is the, "Wyeth Superior Workforce Model" (Appendix B4). This Model shows the link established between the company's mission, vision and values and its goals and strategies. The model links diversity in the workforce to the capability that resides within the company to facilitate the achievement of its goals and successfully implement its strategies.

This linkage is established in terms of the depth and breath of talent that exists within the workforce. The Model goes further to expand on how the organisation intended to develop and sustain a diverse workforce to build the capabilities it required for success.

Mr Whitefield explained that diversity is part of the company's key business goals and progress towards diversity goals is reported on an annual basis, both locally and internationally. He asserted that the company regards having a diverse workforce to be a key asset, one that assists in the understanding of the needs of a diverse market and how to meet those needs. He maintained that effective management of diversity in Wyeth's workforce seemed to improve employee morale, and performance levels and commitment to the company.

Mr Whitefield explained further that building diversity into the company's business principles had the effect of making it a strategic priority that could not be pushed aside, thus providing the credibility that facilitated the acceptance of the initiative throughout the organisation. He added that alignment of the DMI with the organisation's business strategy was key to getting buy-in, not only from senior managers but from middle management as well. This, he maintained, was as the result of having linked the DMI to individual performance monitoring measures.

Mr. Hooghuis maintained that in building the diversity strategy into the Superior Workforce Model it was made fundamental to the company's business strategy and, therefore, to the way in which the company conducted business. This, he asserted, meant that it became a key area to focus on, and if performance was poor in the area of diversity management this was reflected as part of the company's overall results. He added that diversity seen as a company result forced both management and employees to be proactive about diversity management, which was exactly what was required for success. Mr. Hooghuis explained further that if diversity management had not been part of the business strategy, then the company would have run the risk of being reactive and would have ended up playing the numbers game. This he maintained would ultimately have led to failure because a sound foundation for a truly diverse workforce would not have been created. Without this alignment, the DMI would have faded and not become part of the culture of the company.

Eli Lilly

At Eli Lilly, the first evidence of alignment of the DMI with the company's business strategy was the "Change Enablement Route Map" (Appendix C6). This entire Route Map was designed to guide the company through a process of transformation and facilitate the integration of changes into the way business was conducted. One of the key components of the Map was the creation of organisational vision, commitment, and capacity in order to support the DMI. In order to achieve this, the company allocated resources to support the initiative, both in terms of the required funding and in terms of management and employee time. Furthermore in order for the return on the investment in the DMI to be realised in a measurable way, the DMI would have to have been aligned with the company's business strategy and performance goals.

The second piece of evidence that demonstrates alignment between the DMI and the company's business strategy is the Diversity Process Model that was employed (Appendix C7). The very first phase of the model depicts the "Strategic Positioning and Diagnostic Process". In this phase, the company's workforce issues were diagnosed and the baseline diversity survey was conducted in order to confirm the diagnosis. This process highlighted the issue of diversity management to be of strategic importance, which resulted in the development of the business case for the DMI.

Having identified and positioned diversity management as an important part of the company's business strategy, the second phase of the model goes on to specify the creation of awareness for diversity, alignment of the DMI with the company's core values, identification of acceptable behaviours that support the DMI, building of the necessary skills in the workforce and, finally, the integration of these behaviours and skills into all management processes. This methodology of integrating the DMI into all management processes and the fact that the process was expanding from the individual level to the team level and then to the organisational level suggests a determined effort to align the DMI with the company's business strategy.

Mrs de Klerk maintained that there was alignment between the DMI and the company's business strategy and that this alignment centred on the core principles of

the business. This, she asserted, forced diversity management to become part of the company's culture and how business was conducted.

Mrs de Klerk also highlighted the fact that the message from the corporate level was that diversity was a part of the Lilly business, as the company was multinational and had a global presence. She explained that, because of the alignment with business strategy, the DMI became a company objective and, as such, was linked to individual performance objectives. This, she explained, rendered the success of the DMI very important in terms of the company's overall results and in terms of individual performance appraisals. Thus, she maintained, the alignment was very important as it forced the commitment that was required from employees, kept them focused, and prevented the initiative from being relegated to a lower priority.

According to Mrs Katzuv, the alignment of the DMI with the company's business strategy was critical, as there had to be a business imperative for it. She maintained that successful diversity management was part of the South African affiliate's overall objectives and as such, was viewed as at the same level as any other business objective. Referring to the Diversity Process Model (Appendix C7), she pointed out that diversity was woven into the company's values and integrated into management processes. This, she maintained, was clear evidence of the alignment of the DMI with the company's business strategy as, the company's values were an integral part of its business strategy.

Mrs Katzuv asserted further that the linkage of diversity to the company's business principles and performance objectives helped in obtaining the buy-in that was required from employees. In addition, she argued, organisational culture could not have been changed overnight and had to be a process of evolution. She maintained that the incorporation of diversity management into the company's business strategy, the way in which it operated, and its systems and its processes facilitated this evolutionary change process from the inside out.

Aspen Pharmacare

At Aspen Pharmacare the DMI was part of the company's greater strategic transformation process. This message was explained in detail to all employees from the outset. The DMI was, thus, part of an integrated business strategy aimed at improving the organisation's productivity and competitive position. The message from top management to all employees was that, because of the changes in the country and the increased level of competition, the company had to strategically transform itself in order to compete more effectively and be successful. In fact, senior management informed all employees that a new strategy had already been developed and specific action plans been agreed to (Appendix D2). This strategy was a complete business strategy, which incorporated workforce diversity and diversity management into core business principles and company values. The transformation process included the development of the organisation's strategic intent/vision, core values and core competencies and an explanation of how all three of these would be integrated to drive the business successfully into the future (Appendix D3).

Another issue that highlighted the alignment of the DMI with the company's business strategy was the illustration of the strategic change process and the list of strategic action plans (Appendix D4) that was distributed to all employees. Included in this list were two strategic action plans that addressed the issue of diversity. These were:

- The Transformation/Change Process; and
- Living the Company's Core Value of Caring for People.

These plans positioned the DMI as an integral part of the overall strategic transformation process.

Finally, the strongest evidence of alignment between the DMI and the company's business strategy was the "Affirmative Change Process" model (Appendix D5). This model presented a detailed illustration of how diversity management was going to be integrated and aligned with the organisation's overall business strategy. The illustration firstly depicted changes in structures and work processes, such as: the focus on World Class Manufacturing (WCM) and the Transformation Agreement

(which was a fundamental aspect of the DMI); the development of human resource policies and marketing business plans; and the Pharmacare performance management system. Secondly, it highlighted specific aspects of the company's culture that would be focused on, such as participation, empowerment, and unity in diversity. Thirdly, it highlighted changes in behaviours and skills, such as transformational leadership skills, business skills and knowledge, competency profiles, and interpersonal skills and understanding. Lastly, the model highlights a greater focus on Corporate Social Responsibility (CSR). In this way, the model illustrates how alignment was developed between the DMI and the company's overall business strategy.

Mr Burger explained that the pillars of the affirmative change process model that was used (Appendix D5) were founded on the company's business strategy. He maintained that the key to ensuring the success of the DMI lay in making it an organisation-wide issue, building it into the organisation's strategy framework, and including it as an element of the balanced scorecard. This, he asserted, enabled the company to monitor progress and keep it at a very high level of importance. He added that because the DMI was part of the company's business strategy and, therefore, measurable, the company got the required commitment from each of the divisional heads, which ensured that the strategy was implemented and that the initiative was successful. According to Mr Burger an integrated strategy functions as a hook and without this hook the DMI would have been relegated to the position of an isolated bubble in a corner.

Mr Chase explained that in the Infant Nutrition division, the DMI was linked to improved productivity and World Class Manufacturing. He maintained that this was the basis for turning the Infant Nutrition division around and making it profitable once more. He asserted that the specific element that pulled the alignment between the DMI and business strategy together was the zero-defect-level philosophy. He pointed out the fact that the zero-level-defect philosophy was part of the entire process and that management reported the progress that the division was making to all employees towards one thousand tons of reject-free product on a daily basis. The point he made here was that by aligning the DMI to the division's business strategy and, more specifically to World Class Manufacturing and its associated zero-defect-level philosophy, the DMI itself was made measurable in terms of its impact on

employee performance. This, he maintained, was reflected in the progress made towards the thousand tons of reject-free product that was produced. Mr Chase asserted that if the DMI were not made part of the company's business strategy in this way, it would not have been measurable and the company would not have obtained the commitment that was required from employees. He also highlighted the importance of having centred the DMI on common values, and asserted that this relationship with common values was another way in which the DMI, was shown to be aligned to the company's overall business strategy.

8.1.3 **Proposition 3**

Consistent, meaningful and effective communication and communication strategies are critical to the successful management of diversity.

The evidence from all three case studies indicate that organisation-wide communication aimed at building awareness of the DMI amongst employees, advising them of what their roles would be, informing them of the nature and purpose of the DMI and creating excitement around it were significant parts of each of the initiatives.

Wyeth

At Wyeth the communication process started with the US-based parent company, which developed a Global Diversity Strategy and circulated it to all affiliates on a global basis. This Global Diversity Strategy communicated the business case for the DMI, the long-term objectives of the DMI and went further to highlight general aspirations intended to guide the DMI. In fact, one of the key aspirations of the diversity strategy was identified as communication. This aspiration emphasised that the key diversity direction and message had to be communicated to management and employees throughout the organisation. It was also pointed out that these messages needed to be timely and strategically placed from an inclusive perspective, in order to facilitate effective communication to all employees. Further to this, recommendations were made as to specific communication methods that could be used to achieve these objectives.

At the South African affiliate, one of the factors that were identified as being critical for the success of the DMI was communication, which, the company asserted, had to come from top management. For this reason, the company embarked on a detailed communication process aimed at all employees at all levels within the organisation. The process was aimed at informing them of the DMI and providing them with the opportunity for internal discussion and debate. In addition, a spot survey was conducted among employees to determine the general level of awareness of and the perspectives held on diversity. The results of this survey were made available to all staff (on the intranet) and were also used to identify workforce issues that needed to

be resolved in order for the DMI to be successful. Finally, prior to the implementation of the DMI, several communication initiatives were launched. The CEO sent out a personal message to all employees by e-mail, informing them of the changes that were going to take place, several meetings were held for each of the management levels and for employees, posters were put up to build awareness of the DMI, and a document answering frequently asked questions (as determined from the spot survey) was placed on the intranet (Appendix B5).

Mr Hooghuis maintained that communication was most important for the DMI. He asserted that the company embarked on open, transparent, proactive and positive communication to all employees and that the importance of diversity management was explained, not only within the organisational context, but also in the general context of South African society. He added that they ensured that all employees were made aware of what was intended and what the anticipated outcomes were.

Mr Hooghuis also maintained that the communication is ongoing in several forms. Firstly, as CEO, he provides feedback to all staff once a quarter at “Town-Hall” meetings, where he reports on progress made in terms of positive outcomes and on areas where improvement is required. Secondly, periodic employee-perception surveys are conducted in terms of diversity management practices and employment equity, the results of which are posted on the company’s intranet site and used as the basis for dealing with unresolved issues. Mr Hooghuis asserted further that there is nothing more important than consistent, open communication to all employees as a basis for launching any DMI, as it is the only way to mobilise the entire organisation in a concerted effort towards embracing diversity and developing a truly diverse workforce.

According to Mr Whitefield, communication to employees detailing what the company intended doing was very open and clear. He maintained that the communication process assisted in several areas: it helped explain the business imperative for the DMI to all employees; it helped prepare them for what was to come; it helped diffuse fears of job losses (thereby overcoming resistance); it helped in developing momentum for the initiative; it helped in building awareness of successes that were being achieved; it helped create a sense of urgency for the process; and it helped in winning organisation-wide buy-in for the initiative.

Mr Whitefield asserted that communication is still ongoing in terms of meetings, performance appraisals and annual reports, and that it has also become part of the internal talent review process, which is aimed at identifying a diverse group of employees for development. He did, however, add that a higher level of communication could be developed in terms of feedback on successes that have been achieved. Finally, he maintained that the importance of communication and diversity would be elevated as the topic of AIDS and AIDS-related practices took centre stage.

Eli Lilly

In the case of Eli Lilly, an important point to note is that the company's leadership style is described as very accountable and intent on providing an environment where people can flourish. With regards to this leadership style the CEO, Mr. Whitfield, highlights the importance of very open communication about the company vision and how individuals fit into this vision (Appendix C3).

Further to this general statement, the DMI at Eli Lilly centred on extensive communication. Firstly, it was through the use of surveys and focus groups that the company's workforce issues were identified and diagnosed. Secondly, one of the principles underpinning the DMI was that change would take place through engagement and participation (Appendix C8). The application of this principle can only be observed through evidence of extensive communication and dissemination of information. The evidence of the application of this principle lies in the following communication initiatives launched by the company:

- Voice messages from the GM were sent to all employees informing them of the DMI;
- The voice messages were followed up with e-mail teasers to all employees;
- The GM attempted to create a sense of excitement about the whole initiative;
- Advertisements, video clips and power-point presentations containing specific details of the DMI were broadcasted to employees over the internal television station; and
- The GM addressed each of the diversity-sensitisation workshops in person.

Thirdly, the second phase of the Diversity Process Model (Appendix C7) depicts the creation of awareness for diversity, as an important component of the DMI. Although creating awareness formed part of the training in the form of the diversity-sensitisation workshops, a document detailing the purpose of these workshops was sent out to all employees in advance (Appendix C9). The first part of this document introduced the concept of diversity, the purpose of the diversity-sensitisation workshops, and the suggested outcomes for the workshops. The second part of this document provided the full programme for the workshop, detailing specific topics that would be covered (Appendix 9).

In addition to this, the Diversity Process Model also depicts the identification of acceptable behaviours that support diversity and the building of skills that support these behaviours as important components of the DMI. This part of the Model was fundamentally a process of communication as it involved informing employees of acceptable behaviours and training them in order to develop the skills that support these behaviours. This process was reflected by the fact that one of the outcomes of the DMI was the development of new procedures and the amendment of old ones, which required employees to be retrained.

Mrs de Klerk maintained that the communication that was carried out as part of the DMI resulted in all employees being involved in the process, which was good because it decreased resistance. She also pointed out the fact that, if employees had not been well informed they would not have been able to fully participate in the process and that it was the communication that had built up the excitement and enthusiasm for the initiative. She asserted that overall, the communication stopped employees from being prejudiced about the initiative and being overly cynical and skeptical.

Mrs de Klerk maintained further that the strengths of the communication were that: it clearly informed everyone of exactly what was going to happen and that it was not an option but a necessity; it forced the topic of diversity to be discussed at all meetings; and it was the GM that addressed each of the diversity-sensitisation workshops. She asserted that although the communication was bold and forceful it had managed to highlight the issues that needed to be dealt with in such a way that employees did not feel like they were being accused of anything. She did, however, comment that

communication could have been improved after all the diversity-sensitisation workshops had been completed.

Mrs de Klerk argued that once the workshops were over and the Diversity Task Force had been set up, the rest of the company lost touch with the process to a certain extent. This, she maintained, could have been remedied by more regular communication in the form of announcements celebrating the successes that were being achieved as is done for other business results. She did, however, point out that this recommendation was currently being implemented by one of the sub-groups of the Diversity Task Force.

According to Mrs Katzuv, there was extensive communication to all employees, aimed at explaining the whole process and building up excitement for the DMI. She maintained that the content of each piece of communication was carefully drafted to ensure that it was clear and transparent and that, in addition to voice messages and e-mails, the company's internal television station was used to broadcast advertisements, video clips and Power Point presentations in order to deliver as much information as possible to all employees. She asserted that the effect of this was to create a "buzz" amongst employees about the whole process and peek their curiosities. Mrs Katzuv did, however support, Mrs de Klerk's comment that the regularity of the communication could have been improved, especially after the diversity-sensitisation workshops had been completed, but maintained some information had been inserted in the Lilly update, which is an electronic news journal distributed to all employees on a weekly basis.

Aspen Pharmacare

In the case of Aspen Pharmacare, there was evidence of extensive communication that took the form of written documents that were sent out to all employees. The first of these documents provided detailed explanations to all employees on the need for change (Appendix D2). Following this, further information was distributed to all employees in the form of a strategy manual. This manual included, firstly, an elaboration of the company's strategic vision/intent, core values and core competencies (Appendix D3). Secondly, it included an illustration of the strategic change process and a list of the strategic action plans (Appendix D4) that were part

of the process. One of the strategic action plans listed, centred on living the core value of caring for people. Further to this, one of the elements of this particular strategic action plan was specified to be improved communication and information.

Thirdly, the strategy manual included a detailed description of the “Affirmative Change Process” model (Appendix D5) that would be employed to transform the workforce and manage diversity. Within this model the first section titled, “Structures/Work Processes” pointed out specific communication channels that would be utilised during the transformation process. These included Pharmacare News Publications, Briefing Groups, and Continuity Groups. In addition to this, the next section of the model, titled “Culture” highlighted free and open discussion without fear of discrimination as an important element of participation. This is a strong indication that effective and meaningful communication was considered to be an important part of the DMI.

Mr Burger confirmed that detailed information was indeed distributed to all employees and that the intention was to put everyone in the picture of the transformation process. He maintained that, as part of the communication process, the top management team travelled to all the company’s sites, addressing employees, and explaining the details of the transformation process. He pointed out that this was followed up with posters that were put up at all the sites. These posters presented information about the transformation process and how diversity fitted into this process.

Mr Burger maintained further that the strong point of the communication was that it came from top management and that members of top management actually went to all company sites to convey the same message. He pointed out, however, that when the organisation moved into a busy operational period, communication about the DMI was pushed aside to a certain extent and asserted that it is at this point that it could have been improved. In this regard, Mr Burger maintained, that communication needed to be an on-going process that kept people focused on the DMI in an informed manner.

According to Mr Chase, there were regular meetings and discussion groups at the Infant Nutrition division, which ultimately led to the birth of their Workplace Forum. He

asserted that during the DMI, shop stewards even attended management meetings so that they could give feedback to staff, which aided communication considerably.

Mr Chase highlighted the fact that during the process management identified important issues that were relevant to the DMI and used these as the basis for some of the communication that they embarked on. The example he related was that of the daily feedback on the reject-free product that was produced. This, he maintained, was important, as it was part of the DMI in terms of the linkage to the division's business strategy with regards to World Class Manufacturing and the associated zero-defect-level. He did, however, admit that the communication could have been improved if it had been more regular and maintained that this is currently an issue at the Infant Care division.

Mr Chase asserted further that the communication that was carried out was more than just about informing people but also about building trust and providing people with honest, factual information to keep the process transparent. He pointed out that it was also about understanding employees – a pointer to the fact that communication was not one sided but allowed for feedback from employees.

8.1.4 Proposition 4

The nature and manifestation of the culture of an organisation is critical to the success of diversity management.

The evidence in all three cases strongly suggests that organisational culture played an important role in each of the Diversity Management Initiatives (DMIs). A further point to note is that in each of the three cases, company values were used as a major driver of cultural change and transformation.

Wyeth

At Wyeth, the first point to note is that one of the company's five values, i.e. Respect for People, specifies that the company will proactively seek to develop a diverse workforce and an environment of mutual respect, not only for employees but also for customers and the communities within which they operate. Secondly, the long-term objectives that were specified for the DMI highlighted the focus that was placed on organisational culture. One of these objectives was to develop an environment in which all employees had a positive awareness and appreciation for differences, and another was to contribute to the transformation of the company to a culture of inclusiveness.

The third point that highlighted the focus that was placed on organisational culture was the outline of one of the aspirations for the DMI, i.e. the Diversity Training aspiration. Here, training was specified to include continuous education to minimise cultural clashes and for improving employee work relationships. The significance of this is that it was an attempt by the company to develop a culture of tolerance among employees.

Another issue that highlighted the fact that organisational culture was a major consideration for the DMI was that prior to the implementation of the initiative the company pointed out possible stumbling blocks that might hinder the success of the DMI. One of the stumbling blocks that were identified by the South African affiliate in their Human Resources Business Plan (Appendix B3) related to the cultural focus of the DMI. The argument was that the success of the DMI might be compromised if the

focus of the initiative was culturally narrow and, if it did not tackle all diversity issues. Thus, it can be concluded that the focus at Wyeth was on creating a multicultural environment where employees of all backgrounds could fit in.

Finally, in the Superior Workforce Model (Appendix D4) that was used for the DMI, organisational culture is recognised as an important element in the development of a superior workforce. In the Model, culture is included as an element of organisational capability and assessment. This section of the Model also includes the structure of the organisation and the depth and breath of talent residing in the workforce in terms of the mix of talent and diversity. Each, of these two elements, can exert significant influence over the culture of the organisation. Thus, there were several pieces of evidence that suggested that organisational culture and, more specifically, the development of a culture that supported the management of diversity played an important role in the DMI.

According to Mr Hooghuis, although the organisational culture that existed at the time of the DMI was quite progressive there were remnants of the old South African culture that needed to be changed. These cultural inheritances he maintained tended to obstruct the DMI because there was fear of change, unawareness of cultural differences, and a reluctance to engage openly in understanding one another. He asserted that to address this issue the company had attempted to promote a more open and tolerant culture that was based on an understanding and acceptance of the diversity within the workforce.

He pointed out that one of the strengths of the DMI was that the company launched its mission, vision and values system at the same time as part of a formalised organization-wide cultural-change effort. These values he maintained were the foundation of the DMI and provided immense support for the initiative because they asserted that the company would embrace and build a diverse workforce, develop all employees, and treat everyone equally and fairly. Mr Hooghuis asserted further that following the implementation of the DMI there had been a definite change in the company's culture as there appeared to be more awareness of diversity-related issues, more sensitivity to differences, better communication between employees, more open and friendly relationships, and improved employee morale.

With regards to diversity management, Mr Hooghuis maintained that the organisational culture that prevailed could be a hindrance to the successful management of diversity. Therefore, consideration needed to be given to the organisational context in which diversity management was being implemented. He argued that organisations that still carry deep-rooted conflict from the apartheid era would find greater difficulty in managing diversity, unless significant changes in their culture took place. Thus, he maintained that it would be appropriate to firstly evaluate the culture that existed within the organisation and the industry within which the organisation operated in order to identify specific cultural changes that might be required to support the implementation of a DMI.

Mr Whitefield explained that the culture that existed at Wyeth did support the DMI to a certain extent, due to the progressive nature of pharmaceutical companies and the fact that in a multinational company such as Wyeth diversity within the organisation was promoted on a global basis. He did, however, point out that there was resistance towards the DMI amongst certain sections of the employee population, which was indicative of cultural intolerance. He maintained that the consultative process that was employed in implementing the DMI and open and transparent communication were two of the factors that mediated this resistance. Other factors that he highlighted as being important in supporting the DMI were the promotion of a culture of tolerance and acceptance and the introduction of the company's mission, vision and values system. He emphasised the values system to have been of particular importance. This, he explained, was due to the fact that the DMI was linked to the company's values, which were key drivers of the culture of the company.

Mr Whitefield asserted further that one of the intentions behind the DMI was to create an environment of openness, transparency, and freedom of expression. He maintained that there had been a huge emphasis placed on the understanding of differences and on collaboration. This, he explained, was achieved as a result of having made it clear to all employees that business results alone were not important but also how these results were achieved and the manner in which employees conducted themselves in achieving them. These actions were interventions directed at impacting on the culture of the company.

According to Mr Whitefield, the culture at the company had changed since the implementation of the DMI, as employees were more aware of the diversity that existed within the workforce and were more willing to interact and work together. With regards to diversity management, he maintained that an awareness of organisational culture was a very important aspect of any DMI, as there would always be resistance to change, especially in the South African context because of the legacy of decades of apartheid. He added that cultural change aimed at developing a multicultural environment that prided itself on tolerance would be essential.

Eli Lilly

At Eli Lilly, once again an important point to note regarding culture is the company values. The value of particular importance for the company is that of Respect for People. This value, as stated by the company, seeks to maintain an environment built on mutual respect, openness, and inclusion. Respect for people was defined further to include concern for the interests of all people.

The cultural aspect of the DMI at Eli Lilly becomes apparent when the reason that the company embarked on the initiative is considered. Firstly, the company's senior management team was aware that there were organisational workforce issues that needed to be addressed. Secondly, after diagnosing the nature of these issues the senior management team determined that in order to effectively resolve them the company had to develop a multicultural environment. In fact, Mrs de Klerk emphasised the point that the DMI was aimed at creating a culture where people got to know each other, understand each other, and work together without any problems.

Another issue that highlighted the role of culture within the DMI was the stated purpose of the diversity sensitisation workshops. The purpose of these workshops as detailed to employees (Appendix 9) was to lay the foundation for a company culture that would embrace an increasingly diverse workforce. In addition, one of the outcomes that were suggested for the diversity sensitisation-workshops (Appendix 9) made specific reference to organisational culture. This specific outcome explained that one of the intentions of the workshops was to build a common understanding on the strategic business challenges facing the company in creating employment equity

and in creating a culture where diverse employees could perform to their fullest potential.

Further evidence suggesting that organisational culture was a significant aspect of the DMI can be located within the Diversity Process Model (Appendix C7). Three components of the model can be shown to be interventions that impacted on organisational culture. The three components in question as defined in the Model are as follows: Creating Awareness of Diversity; Identifying Acceptable Behaviours; and Building Skills. In attempting to create awareness of diversity amongst employees the intended outcome was to develop a greater sensitivity to the inherent differences between employees and a greater understanding and acceptance of these differences. This was as an attempt to build a culture of tolerance and respect. With regards to the second two components, employee behaviour is a specific component of organisational culture and, therefore, any intervention intended to change the behaviour of employees by the means of developing specific skills, was an attempt to change the culture of the organisation.

Mrs Katzuv maintained that the existing organisational culture helped the DMI as a result of the pre-existing focus on both the company's core values and leadership behaviours. She explained that employees were measured on two axes. The first axis measured what employees do and the second one measured how they do it. The first axis was an appraisal of employees in terms of their success in achieving specified performance objectives, and the second axis was an evaluation of their adherence to the company values. She pointed out that the values were reflective of the culture that the company aspired towards and asserted that the right framework for embarking on the DMI was set as a result of this culture having being driven from the top and the values having being enforced.

Mrs Katzuv also maintained that the DMI had resulted in a change of organisational culture but emphasised that it was an evolving process where the change was reflected in employees and the way in which they interacted. She asserted that employees appeared to be more open to healthy debate and to agreeing to disagree without being disrespectful. With regards to diversity management she maintained that important considerations were the culture of the organisation, the culture of the country or society within which the organisation operated, and an understanding of

how people think and why they think that way. She explained that once a proper understanding of these issues was obtained several levers could be used to manage or change the culture of the organisation in support of the DMI, e.g. leadership, policies and procedures; what is measured and how it is measured; and the workforce employee profile. She argued that the specific natures of all of these levers were determinants of organisational culture and changing any one of them would bring about a change in the culture of the organisation.

Mrs de Klerk maintained that the culture of the company was in the process of changing as a result of the focus on company values and that this change assist the DMI. She added however, that the culture of the company needed to change more and that cultural change had been emphasised during the DMI for this reason. She asserted that prior to the implementation of the DMI the company had had a very different culture, one that was autocratic, but that people's mindsets had changed. This, she maintained was as a consequence of the DMI, which had successfully conveyed the message that employees came from different backgrounds and were therefore diverse. As a result, they experienced things differently, thought differently, and did things differently, which meant that they could not be expected to do things in the same way. Mrs de Klerk's assertion suggests a deliberate attempt to create a multicultural environment.

With regards to diversity management Mrs de Klerk asserted that when an organisation embarks on a DMI, it has to also embark on a change of culture. She argued further that a DMI in itself is indicative of a change of culture. She supported this statement by highlighting the fact that the consultant that the company had employed had spent a lot of time getting to understand the culture of the company before developing the details of the DMI. She maintained that the purpose of this was to firstly, determine the nature of the existing culture, and secondly determine how to change it in support of the DMI. She asserted, however, that cultural change must be driven by leadership and maintained that in the case of Eli Lilly it had been so strongly driven by leadership that employees had become less sensitive about diversity management issues.

Aspen Pharmacare

In the case of Aspen Pharmacare, yet again an important point to note regarding culture is the company values. Amongst the six core values, which Mr Burger maintained are reflective of the culture that is perpetuated throughout the organisation, is the value of “Ubuntu”. This is a value that captures the spirit of unity, togetherness, cooperation, friendship and respect for people. It is important to note that these values, although they had evolved over the years, were reflective of the values that were developed during the DMI and the related transformation process.

In addition to this the company had embarked on an entire transformation process – of which diversity management was a part – to ensure that it did not fall out of step with the changing culture of South African society. Mr Chase asserted that the organisation had had no other alternative, as it would not have been possible to retain the culture of the past in a world that was clearly changing.

Further evidence that highlights the role of culture and the focus that was placed on cultural change can be found in the illustration of the strategic change process (Appendix D4). In this illustration organisational culture is depicted to be one of the focal points of the transformation process. The illustration goes further and deconstructs organisational culture into several elements, such as values, traditions, thinking, customs, and beliefs. Included in the illustration is a pharmaceutical mixing bowl, which is a symbolic reference asserting that organisational culture, as composed the various elements, would be changed in order for it to be supportive of the transformation process and fit into the company’s new strategy.

Finally, the affirmative change process model (Appendix D5) also contains evidence of the role of organisational culture in the DMI. The model is founded on four major pillars one of which is the cultural component of the model. This cultural component pillar is further expanded to highlight specific cultural traits that were targeted as part of the DMI and the transformation process. The specific cultural traits that were targeted are listed as:

- Participation and Performance Focus;
- People Involvement (Empowerment); and

- Unity in Diversity.

Mr Burger maintained that the organisational culture in existence at the time of the DMI had helped the process in certain sections of the company, such as sales and marketing, and hindered the process in other areas. He pointed out that employees in the sales and marketing area were more open-minded than employees in other areas, such as at the factory level, especially first-line management from whom there was resistance in the beginning. He asserted that challenging issues and incidents were faced but that, in persevering and in breaking down misconceptions and addressing fears, the organisational culture that existed at the time had been changed.

Mr Burger highlighted three aspects of organisational culture that had supported the DMI. These were leadership, participation and recognition. Leadership, because it was strong and because the senior management team lived the values, embraced change and pushed it forward by example. Participation had been effective because the senior management team wanted, expected and drove all employees to participate fully and uncompromisingly in the process. In this regard he maintained that the initiative was very inclusive. Lastly, recognition had been important because the company had tried to openly recognise everyone who contributed to the transformation process.

With regards to diversity management he asserted that if an organisational culture is not conducive to diversity management or if the organisational culture is unclear, then diversity management should not be embarked upon. He added that an important step in diversity management lay in establishing where to start from in changing organisational culture and, for this, he recommended conducting pre-surveys. The next step, he maintained was to intervene and adapt the culture.

Mr Chase acknowledged that at the Infant Nutrition division the organisational culture that existed prior to the DMI had not assisted the process. He explained that the organisational culture at the Infant Nutrition division was reflective of the strong culture of the 1980's and he highlighted the "Boerebond" as the biggest obstacle. As a result of this, there had been a strong rift between management and workers on the shopfloor, which the company had to change. He asserted that it had been the

changes in organisational culture that were made during the DMI that had supported the process, and not the culture that existed prior to the DMI.

It is important to take note of some of the actions that were taken to facilitate the required change in organisational culture. Firstly, all the old South African flags were taken off the desks of managers and destroyed. Secondly, the new South African flag was hoisted outside the building housing the Infant Nutrition division, together with the company flag. Thirdly, the building in question was renovated.

A more detailed action that impacted on organisational culture related to the company's Christmas party. According to Mr Chase, prior to the DMI each employee was given R 75.00 to purchase a Christmas lunch on his/her own. As part of the DMI the company changed this policy and decided to have a Christmas lunch for all employees in the same building where everyone ate together. He maintained that there were lots of disagreements over this, as people did not want to mix. However, no compromise was made over the decision and the Kempton Park Country Club was booked. He added that although they went forward with the function several incidents that were not supportive of the spirit that was intended took place. The change in organisational culture he asserted is reflected in the Christmas parties that had taken place after the implementation of the DMI. He explained that employees had been very well behaved, had all joined queues when previously they had not, had eaten together and had partied together without being disorderly and, most importantly, in the spirit that was intended. This he maintained was how the organisational culture was changed and reflected the kind of change that had taken place. He added that organisational culture could not have been imposed, but that the necessary organisational changes had to be made, in order for cultural change to be driven forward.

8.1.5 Proposition 5

Diversity training for the entire workforce is critical to the success of diversity management.

Diversity training was found to be a dominant aspect in each of the three case studies. There is evidence that highlights the fact that diversity training was a major component of each the diversity management implementation processes.

Wyeth

At Wyeth, the Global Diversity Strategy prescribed diversity education as a key component of the DMI. Diversity training was specified to include continuous education to minimise cultural clashes and improve work relationships. Some of the specific training initiatives specified were:

- Diversity Awareness Training for all Managers;
- Gender and Intercultural Communication Training for all Managers;
- Diversity Skill Training for all Managers; and
- Integration of Diversity Metrics into the Performance Management Process.

Further to this, two issues highlighted the prominent role that training had played in the DMI. The first of these was that training had been provided to all employees on the company values that were integrated into the DMI, and the second that training had been provided for the Working Forum that was set up to oversee the initiative. The Working Forum was trained by the external consultant not only on diversity management but also on employment equity legislation and the details of the role it was expected to play in the whole process.

Mr Hooghuis maintained that the company had conducted extensive training, which included training on the company's values system that promoted diversity and respect for people. He added that the training had included role-playing, and that training manuals had been given to all employees. The training, he asserted, had sensitised employees to what diversity meant, what was required of them, and to what changes were being undertaken. He pointed out that the training had been

effective, as it had forced employees to look at themselves, how they interacted with others in the organisational context, and how they dealt with different cultures. This, he argued helped develop greater sensitivity amongst employees to different cultures and different backgrounds and also a more tolerant environment. He maintained that training is a very important component of diversity management as it cannot be assumed that employees understand what is meant by diversity management and what is required of them in making it successful. He argued further that if the intention of diversity management is to transform the organisation, then the behaviour of employees needs to be changed and, in order for this to happen, employees must be provided with the necessary tools to facilitate the change, which is where training is so important.

Mr Whitefield asserted that an extensive training programme linked to the company's values system had been designed, based on respect for people, teamwork, integrity and leadership, and that all employees had been trained in this programme. He added that employees had also been trained on interpersonal skills and key personnel and managers had been sent on a development course to improve their skills both functionally and in interacting with colleagues. He also argued that because the training was linked to the values system and the values system was linked to employees' performance appraisals, the effectiveness of the training had been measurable in terms of assessing employee adherence to company values. He asserted that training is very important, especially in the South African context, as employees need to be exposed to cultural differences in a controlled environment for them to be able to integrate and interact in a meaningful way.

Eli Lilly

At Eli Lilly, training was the most important part of the implementation of the DMI. Evidence of this can be located in the Diversity Process Model (Appendix C7). This Model identifies creating awareness for diversity as an important component of the diversity management process. Diversity sensitisation training in the form of diversity-sensitisation workshops (Appendix C9) was the basis for creating this awareness of diversity amongst employees. The company's workforce was broken up into diverse groups and each group attended the two-day diversity-sensitisation workshops. In this way, all employees were trained. Further to this, once the Diversity Task Force

had been established all members of the Task Force were sent for further training in order to enable them to fulfil their roles in contributing to the development of a diverse, multicultural workforce.

In addition to this training, the Diversity Process Model (Appendix 7) also depicts the identification of acceptable behaviours that support diversity and the building of skills that support these behaviours as important components of the DMI. In the implementation process the evidence of this is reflected in the introduction of new policies and procedures and the amendment of existing ones. This ultimately resulted in new ways of doing things and, as a consequence, all employees were trained on these new and amended policies and procedures. This strategy was a means of building the skills that would promote the behaviours that were identified to be supportive of the DMI.

Mrs Katzuv maintained that the diversity-sensitisation training was excellent, as it had got all employees to buy into the business imperative for diversity management, and understand what the journey was and what steps were going to be taken as part of the DMI. She added that the training had helped employees understand each other, because the safe environment that was provided enabled them to tell their stories. She explained further that the design of the workshops had been strategically planned to ensure that each group consisted of employees from all levels, functions, genders, and races, and even geographic locations. She asserted that even the seating placements at each of the tables was planned to ensure that as diverse a group as possible was seated at each table.

Mrs Katzuv maintained further that seating arrangements ensured that people were placed in situations they would normally not have been in. Feedback on the effectiveness of this strategy had been good. She asserted that it is not possible to change people's behaviours unless they are, firstly, made aware of them and, secondly, forced through the process of thinking about them and accepting that they need to be changed. She pointed out that in order for this to happen, training – even if in the form of discussion groups – is essential.

Mrs de Klerk asserted that without the diversity-sensitisation training that employees had received, company-wide buy-in to the DMI would not have been obtained and

the initiative would not have been completely successful. One of the strengths of the training she maintained was the credibility of the facilitator. She pointed out that he was unbiased, knowledgeable about the subject, open-minded and strong and convincing in his ability to put things into perspective. Another strength she highlighted was that the selection of people for each training group was based on a mix of race, gender, level, function and location and that this mix had really fed the sensitisation sessions because people had realised that they all had the same fears and the same needs in life. She added that, from her experience, training is invaluable and that she would not consider embarking on such an initiative without training people or simply educating them about diversity.

Aspen Pharmacare

In the case of Aspen Pharmacare, diversity training also played an important role in the DMI. The diversity training provided for all employees was also in the form of diversity-sensitisation workshops. The employees within each division/site were divided into several smaller groups that were referred to as Continuity Groups (Appendix D5). The composition of each group was such that diversity was ensured in terms of age, gender, level, race and culture etc. Each group then attended diversity-sensitisation workshops. The workshops were designed to achieve two objectives. The first objective was to train employees on diversity issues, make them more aware of cultural differences, and develop greater understanding and tolerance of the diversity within the workforce. The second objective was to facilitate the development of a common set of company values that everyone could aspire towards. The importance that was attached to the diversity-sensitisation workshops and the process of developing a common set of company values is highlighted by the fact that the company stood by the entire process, which lasted 18 months.

Mr Burger maintained that the diversity-sensitisation workshops were geared towards developing for all employees an understanding of a values-based system. He asserted that the sessions had included people from all backgrounds and races and that the interaction and discussions that had taken place as a result of this cut to the core of issues, challenging one side to see and understand the other side's story. He added that the way in which the training had been facilitated played a major role in making it successful and ensuring that the training sessions did not deteriorate into

conflict management. He asserted further that training is the only way to change people and that it needs to be ongoing, until people unconsciously embrace the principles of diversity management.

Mr Chase maintained that the diversity-sensitisation training was very important, as it had taken employees from a point of little or no knowledge to a point of knowledge and understanding. He added that it was as a result of the training that the values had been developed and the change of culture had come about. The significance of this, he maintained, was that these elements had been fundamental to pulling the whole process of diversity management together. He also pointed out that, as a result of the training groups being very diverse, many barriers had been broken amongst employees and that they had started acknowledging that in reality they all had similar issues, irrespective of their differences. He also highlighted that having an external consultant conduct the training sessions was a good decision, as there were too many issues for someone internally to have conducted it.

8.1.6 Proposition 6

Effective conflict management practices are critical to the successful management of diversity.

In all three of the case studies there was limited evidence to suggest that any specific conflict management practices had been employed as part of the DMIs. It can, however, be argued that the training that was provided to employees, and more specifically, the diversity-sensitisation workshops, related in part to conflict management. This is especially so in the cases of Eli Lilly and Aspen Pharmacare, where the diversity-sensitisation workshops, had been geared towards training employees in understanding the differences that existed between them, and enabling them to appreciate and respect these differences, so that they could work together constructively without any major problems. Notwithstanding the limited evidence of any specific conflict management practices having been employed in the three case studies, each of the interviewees that participated in the research strongly supported the inclusion of conflict management among employees as an important component of any DMI.

Wyeth

In the case of Wyeth, Mr Hooghuis maintained that the absence of specific conflict management techniques slowed down the progress of the DMI. He asserted that conflict resolution models could have been used to surface the latent concerns of employees at an early stage in the process so that they could have been adequately addressed and dealt with timeously. He added that the provision of appropriate conflict resolution skills for employees would also have facilitated better interaction among them and more constructive discussion of diversity issues and that this would have led to improved understanding among employees. He asserted further that conflict will always be experienced in situations with diverse cultures and backgrounds and that the history of South Africa and the residual conflicts of the apartheid era make conflict management an essential element of any DMI or employment equity programme for that matter. With regards to the management of conflict he strongly supported the use of specific conflict management tools in

implementing diversity management initiatives especially when embarking on cultural change in a tense environment.

Mr Whitefield maintained that in the absence of any conflict management practices at Wyeth, there had been a lot of tension amongst employees that resulted from fear and suspicion. He pointed out that the employment of conflict management skills would have enabled employees to deal with these issues swiftly and informally by enabling them to have discussed and understood each other's concerns and fears, and by facilitating the development of respect for differences in opinions. He asserted that the DMI would have benefited from the use of effective conflict management practices aimed directly at employees at an informal level, especially when considering the level of diversity that exists in the South African workforce. He argued that the effect of conflict management practices would have been the development of specific interpersonal skills amongst employees that facilitated the informal resolution of differences in an amicable manner, whether they were work related or personal differences, thus developing a culture of tolerance. Although he strongly agreed with the importance of conflict management, especially when deep-rooted conflict is present, he maintained that there was still a need for formal procedures to be in place such as, Grievances Procedures, Harassment Procedures, and Employee Relations Procedures.

Eli Lilly

At Eli Lilly Mrs Katzuv also maintained that the absence of conflict management practices slowed down the DMI as differences amongst employees at a one-to-one level impacted on the way in which they interacted, and thus created tension. She argued that in the South African context people had been socialised to be conflict averse, which had led to the development of a passive aggressive society that took a longer time to embrace change. She added that society in general did not embrace the concept of conflict and that there was little understanding of how powerful and energising it can be if taken to the next level. She pointed out that during one of the interventions she participated in as part of the DMI, several themes involved conflict and communication around conflict. She suggested, therefore, that conflict management would help in diversity management and that it was an important part of interpersonal communication.

Mrs Katzuv argued further that the presence of conflict means that people are engaged and thinking and that when they disagree change can happen. Therefore, conflict itself is a powerful tool. She added that, there cannot be change without conflict and if there is change without conflict this implies that nobody is really thinking.

Mrs de Klerk maintained that employees were exposed to some of the principles of conflict management during the diversity-sensitisation workshops. She pointed out that the facilitator had discussed the issue of conflict management and had demonstrated good skills in managing conflict during the workshops and the resultant tense situations for the purpose of generating constructive debate. She argued that this exposure to some of the principles of conflict management assisted during the training sessions in enabling employees to discuss issues without the discussions becoming unmanageable. In the absence of this, she maintained that the training sessions would not have been as successful and that there would have been more tension and greater separation.

Mrs de Klerk asserted that conflict management is very important for two reasons: firstly, because of the issue of diversity and all the “baggage” that people carry around; and, secondly, because this was the area where most of the problems encountered during the DMI had been experienced. She maintained that if specific conflict management practices had been employed it would have been beneficial to the DMI, as employees would have been prepared and thus ready to deal with sensitive issues when they went back to work and they would have been able to use their conflict management skills to interact constructively in the workplace.

Aspen Pharmacare

In the case of Aspen Pharmacare, Mr Burger maintained that some conflict management training had been provided and that this was a part of negotiations. He asserted further, that conflict management was also a part of industrial relations and employee relations training. He did, however, point out that extensive conflict management was not necessary at the company but that it did help to a certain extent, as they had to diffuse several difficult situations. He explained that the reason for this was the nature and level of the workforce in the pharmaceutical industry,

which was not prone to heavy conflict and militancy. He compared the workforce in the pharmaceutical industry to the workforce in the mining and steel industries, which he pointed out as being prone to heavy conflict. Thus, he argued, the absence of conflict management practices could inhibit diversity management when deep-rooted conflict exists, as is the case in some industries within the South African economy. He also argued that although conflict management should be part of the diversity management process, the extent to which it is required would depend on the type of industry. He added that conflict management should be deployed as an integrated module of the whole diversity management initiative and, as such, must be part of the overall process. This, he highlighted, should be aimed at training employees in the effective management of conflict to level the playing field at the conflict level and prepare the organisation for the successful implementation of the diversity management initiative.

Mr Chase maintained that conflict had been present at the Infant Nutrition division in the form of resistance to the DMI and the transformation process but pointed out that the limited conflict management that was practiced had managed to actually assist the DMI. He explained that the limited application of conflict management practices resulted in the process being slow, as employees were not accustomed to dealing with sensitive issues and, when they tried, the discussions became too personal and ended up not having much to do with business. He asserted that dealing with conflict management upfront would have speeded up the process, as it would have enabled people to discuss sensitive issues without personal issues interfering. He added that if the company had tackled the issue of conflict management upfront, and all the issues were brought to the surface, the process would have been speeded up. In addition he maintained that conflict management skills would have facilitated constructive discussion amongst employees, helped them deal with their fears, and it would have surfaced all the hidden agendas.

9. THE KEY SUCCESS FACTORS FOR DIVERSITY MANAGEMENT

On the bases of the analysis of propositions set out in Chapter 8, the following key success factors were identified as being relevant for a company embarking on a Diversity Management Initiative.

9.1 Leadership

The role of leadership has been shown to be an important factor in the successful implementation of Diversity Management Initiatives (DMI). The management of diversity must be driven from the top of the organisation, i.e. by leadership. Leaders need to take a firm and unwavering stand on the issue of diversity and must be boldly and visibly supportive of the initiative. This is especially so at the beginning of the DMI where leaders need to create an organisational vision with regards to managing diversity, win the buy-in and commitment of employees, and create an excitement and enthusiasm for the process that will build the momentum that is required for success. Leadership must embrace the philosophy and proactively identify specific actions that further the objectives of the initiative.

These objectives include making diversity a business priority, allocating the appropriate resources that are required, making the topic of diversity an important item on the agenda of company meetings, and possibly setting up a diversity management committee to ensure that the process is also led from the bottom upwards. Leaders must be full participants in the process to ensure that it feeds through the system and that there is follow-up. The long-term objective of diversity management initiatives is often a change in the structure of an organisation and, for such a change to pervade the organisation in a sustained manner leadership commitment and support are essential.

9.2 Strategy

In all three case studies there is substantial documented evidence of the alignment and integration of diversity management with the three companies' business strategies. This alignment need not only be achieved through business plans, but can also be achieved through company values. In all three cases, company values were

linked to business strategy and the diversity management initiatives were linked to company values. This type of alignment creates a link between the DMI and business strategy. The business case for diversity management renders it an issue of strategic importance and, therefore an important component of the organisation's business strategy. Some of the elements of the business case have been to improve productivity, to improve competitive status, and to build a superior workforce that will become a key asset to the organisation.

The alignment of the DMI with the organisation's business strategy and the integration of the principles of diversity management with its core business principles will achieve several objectives. Firstly, alignment and integration make the success of the initiative part of the organisations business goals, thus elevating its importance and making it a key area to focus upon. Secondly, the alignment to business strategy gives the initiative the credibility that it requires to win the buy-in from employees at all levels. Thirdly, in aligning the DMI with the business strategy, it becomes a highly visible part of the organisation's strategic framework, which makes it an organisation-wide issue and prevents it from being relegated to a lower priority.

Fourthly, the alignment to business strategy makes it possible to link performance in the area of diversity management to measurable organisational goals. This allows for the inclusion of employee performance in the area of diversity management into individual performance appraisals, thus ensuring that employees are committed to the process and proactively seek to make the initiative a success. Finally, in aligning diversity management with the organisation's business strategy it is possible to integrate it into management processes, thus ensuring it impacts on the way in which the organisation conducts its business and, over the long term becomes part of the culture of the organisation.

9.3 Communication

The role of communication has been highlighted to be of major importance in the successful implementation of diversity management initiatives. Communication is essential in ensuring that the whole organisation is made aware of the DMI and is mobilised towards embracing diversity and building a truly diverse workforce. A detailed communication initiative must be embarked on for all employees at all levels.

The communication must be directed at providing as much information as possible to employees about the DMI. Firstly, the business case for diversity management must be explained so that employees can buy into the process. Secondly, the organisation's vision with regards to the DMI must be conveyed to employees so that they understand how they fit into it. Thirdly, the content of the communication must contain details of what the process entails, what the connection to business strategy is, what is expected of employees, and what the intended outcomes are. Finally, the communication must be open, transparent, consistent, positive, proactive, and designed to build excitement and enthusiasm among employees for the DMI.

Communication from top management that is timely, strategically placed, of an inclusive nature, and forceful without being accusing will assist in diffusing fears that employees might have, overcoming resistance, developing momentum for the initiative, creating a sense of urgency and ultimately winning organisation-wide buy-in for the DMI. In addition, providing sufficient information to employees will keep them well informed and engaged, not only so that they are aware of diversity issues but also so that they are involved in the process and are able to fully participate in it in an informed manner.

In addition, it is important that the communication is a two-way process that allows for employees to give feedback about the information they receive and their feelings about it. If communication is a two-way process it will also allow for discussion and debate, thus creating more awareness and understanding about the DMI. Employee surveys can also be used as part of the communication process to determine perspectives around diversity and identify employee concerns that need to be addressed.

9.4 Culture

With regards to culture, it is important to develop an organisational culture that is supportive of an increasingly diverse workforce. The relevance of this is that it will allow for the creation of a multicultural environment of mutual respect where diverse employees can perform to their fullest potential. However, it is important to note that the prevailing organisational culture can be a hindrance to diversity management as a result of unawareness of cultural differences and a reluctance to engage openly in

understanding one another. This is especially so in organisations that, carry, deep-rooted conflict and residual tensions, as is possibly the case in the South African context. Therefore, consideration needs to be given to the organisational context within which the DMI is being implemented. In this regard it is important to look at the company and the society within which the company operates, and understand how people think, feel and act, and why. This exercise will help to determine the cultural changes that might be required and to decide where to start from with regards to changing the culture to one that is more supportive of a diverse workforce.

The successful implementation of diversity management, therefore, depends largely on the existence of an organisational culture that reflects a positive awareness and appreciation of differences. Thus, it is important that a part of the DMI be directed at developing a culture that is open, understanding, and accepting of differences among employees. Such a culture that is sensitive to differences while being inclusive in nature will minimise intercultural clashes and promote open, constructive, and friendly communication and teamwork between diverse employees.

In order to develop a culture that is supportive of the principles of the DMI it will be necessary to institute specific organisational changes, such as changes in the structure of the organisation, certain policies and procedures, and performance measures. These must be directed at changing the way employees behave in terms of being more supportive of diversity in the workforce.

With regards to performance measures, in all three case studies the companies linked their diversity management initiatives to their values system. The values system not only promoted diversity and respect for people but was also integrated into employees' performance appraisals, whereby employees were evaluated on their adherence to company values. This mechanism rendered it possible to evaluate employees both on their functional performance and their performance with regards to the DMI. The significance of this is that it promoted a culture in which the way employees conducted themselves and the way in which they interacted was equally important to business results.

9.5 Training

A key aspect of implementing diversity management within an organisation is diversity training. It cannot be assumed that employees fully understand what diversity and diversity management mean. Therefore, they need to be educated in order to make them sensitive to what diversity means, what changes will be required to manage diversity in the workforce, and what will be expected of them.

In addition, to facilitate the development of a culture that supports diversity in the workforce and to transform the organisation, consideration needs to be given to changing the behaviour of employees. In order to facilitate this change of employee behaviour, employees need to be trained so that they develop the necessary skills that enable them to change their behaviour. This is where the importance of diversity training becomes apparent.

Diversity training directed at building an awareness of diversity and sensitivity to differences will minimise cultural clashes and improve work relationships. Training in diversity skills will force employees to evaluate themselves, assess how they interact with each other in the workplace, and become more aware of how they deal with cultural differences. In addition, diversity-sensitisation training will help break down barriers between employees, and promote an understanding of cultural differences, thereby contributing to the development of a more tolerant environment. This will enable diverse employees to work together and interact in a more meaningful and constructive manner.

An important point to note is that in each of the case studies diversity training included training on company values. This is an important point because company values were a key tool that was used to facilitate the development of a culture that was supportive of diversity and that promoted respect for people and their inherent differences. Thus, training on company values served to augment diversity skills and diversity-sensitisation training for all employees.

9.6 Conflict Management

The absence of specific conflict management practices can impede the progress of diversity management. Conflict will always be present in situations where people of diverse cultural backgrounds interact. This is especially so in the South African context where deep-rooted residual conflicts inherited from the apartheid era still exist. These cultural differences lead to fear and suspicion amongst employees, which ultimately results in the development of a tense environment. In addition, the intensity of this tension might be increased, depending on the type of industry and the nature of employees in that industry. Further to this, differences on a one-to-one level impact on the way in which people interact and, if manifested in conflict, can be detrimental to the development of a multicultural environment.

In addition to this, it has been argued that in South Africa people have been socialised to be conflict averse. For this reason, they have not developed the skills to effectively and constructively resolve interpersonal conflicts, which has resulted in the proliferation of a society that is very passive aggressive and that does not embrace change. Such factors, however, can seriously undermine the success of any attempt to implement a diversity management initiative.

Thus, conflict management practices become very important when an attempt is made to manage diversity and cultural change in a tense environment. Ensuring that employees are adequately skilled in constructive conflict management techniques will enable them to effectively resolve interpersonal and intercultural conflict and resolve sensitive issues swiftly and at an informal level. It will also enable employees to interact more constructively on a daily basis and discuss sensitive issues in the workplace with greater understanding of each other's points of view. Further to this, it will help surface any latent concerns that employees might have so that they may be addressed timeously.

Therefore, conflict management practices can be a powerful tool for improving interpersonal communication among diverse employees and for diffusing tense situations, whether they are work related or whether they are due to personal or cultural differences. Thus, conflict management is important in preparing an organisation for the implementation of diversity management.

10. THE MODEL FOR MANAGING DIVERSITY

The following model for managing diversity is presented as a representation of the researcher's conceptualisation of the deployment, and interaction of the key success factors, that have been identified for diversity management (Chapter 9) in practice. The model incorporates each of the elements identified, presented and validated.

Committed and effective leadership (9.1) that promotes diversity in the workforce is the starting point of any diversity initiative (Cox, 1991a; Carnevale & Stone, 1994; Conklin, 2001; McCuiston *et al*, 2004).

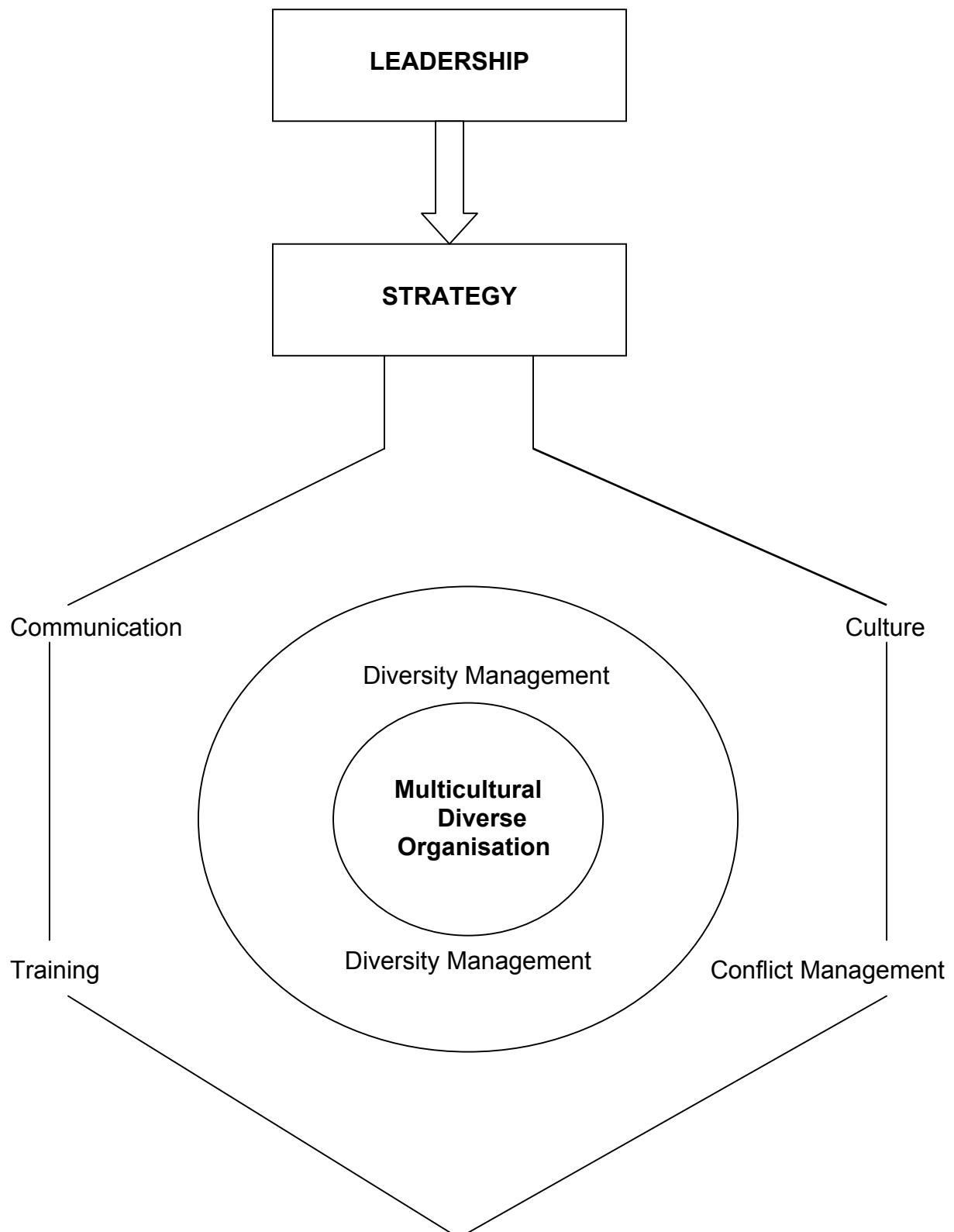
Leadership must then inform the organisation's strategies (9.2), which must lead to the integration of diversity into the organisation's business strategy (Miles & Snow, 1978; Hambrick, 1983; Porter, 1985; Miller & Cardinal, 1994; Steiner, 1997; Hill & Jones, 1998; David, 2001; Dansky *et al*, 2003; Friday & Friday, 2003).

This integrated business strategy must then be deployed with the support of:

- Consistent and complementary, communication strategies (9.3) that motivate and sustain the organisation's shift towards embracing the concept of diversity and that reinforces the diversity strategy (Copeland, 1988; Ahmed *et al*, 1995; Iles, 1995; Allen & Montgomery, 2001; Swanson, 2002; Salomon & Schork, 2003);
- A culture (9.4) that fosters the acceptance and development of diversity within the workforce (Gaertner *et al*, 1990; Cox, 1991b; Chatman & Barsade, 1995; Chatman *et al*, 1997; Williams & O'Reilly, 1997);
- Effective diversity facilitating training (9.5) that fosters the development and maintenance of a diverse workforce (Cox, 1991a; Allen & Montgomery, 2001; Friday & Friday, 2003); and
- Positive conflict management (9.6) techniques that will use the inevitable conflict that will arise from a diverse workforce to facilitate personal development, and the acceptance, understanding and valuing of differences (Walton, 1976; Schweiger *et al*, 1989; Tjosvold, 1991; Darling & Fogliasso, 1999; Richard *et al*, 2002).

Acting together, these elements comprise the model shown here in **Figure 6** for managing diversity and form the crust of the organisation that will incubate diversity amongst the workforce.

Figure 6: A Model for Managing Diversity



11. CONCLUSIONS

It should be noted that the key success factors identified by this research and the subsequent model that was presented were based on the examination of only three case studies. It has pointed out by Yin (1984) that, case studies, like experiments are generalisable only to theoretical propositions and not to populations or universes. Yin (1984) refers to the type of generalisation used for case study research as analytical generalisation, as opposed to the statistical generalisation that characterises the generalisation of many scientific experiments. This implies that, while the insights offered by the three case studies are a valid measure in testing the research propositions of Chapter 2 (2.3), they are not necessarily valid in generalising the results of this study to all other organisations that might embark on diversity management initiatives.

It is, therefore, recommended that before following the key success factors outlined in Chapter 9 and applying the model illustrated in Chapter 10, an organisation should first test the validity of each factor against its own experiences and against any other diversity management initiative of which it might be aware. As stated in Chapter 3, one of the reasons why the case study methodology was chosen for this research was that the phenomenon of the success or failure of a diversity management initiative is inextricably linked to the broader context in which the initiative is implemented. This implies that the validity of the key success factors as formulated by this research could very well vary from one diversity management initiative to the next.

A further implication of this contextual nature of diversity management initiatives is that possibilities for further research exist to broaden the base of this research by analysing the same propositions, but in the light of other cases. A good example would be to examine the validity of the propositions based on events surrounding the implementation of a diversity management initiative in an industry or an organisation in which a high level of intercultural tension and conflict exists, and where specific conflict management practices have been employed. This particular situation would be a very good case with which to examine the impact of conflict-management practices on the success of diversity management initiatives, because in the three case studies upon which this research is based there was limited evidence of the

practice of specific conflict management techniques. Thus, the opportunity to assess the impact of specific conflict management techniques was limited.

Another possibility for further research relates to assessing the impact of company values on developing a multicultural environment. Each of the three case studies highlighted the use of company values to promote diversity and respect for people and to support the diversity management initiatives. In this regard, company values were positioned at the same level as the company's mission and vision statements and were integrated into the organisation's business strategy. Further to this, company values were identified as a key driver of an organisational culture that supported and promoted an increasingly diverse workforce. Finally, employees were extensively trained on company values. This highlights the important role that company values were shown to play in each of the diversity management initiatives.

In addition, with time and as the population of diversity management initiatives increases, it may be possible to examine some of the research propositions using statistically testable hypothesis.

A final insight that was gained from this research was that diversity management initiatives tend to be fraught with emotion and, therefore, might require external facilitation to a certain extent, especially with regards to conducting diversity sensitisation or skills training. This was evident firstly, from the fact that while Appendix A records the paraphrased comments of the interviewees many additional "off-the-record" comments were made during the interviews. These comments were often emotional and usually related to interviewees' opinions regarding the conduct and experiences of other employees involved in the diversity management initiatives. Secondly, each of the three case studies do, indeed, highlight the use of external consultants in developing the plan for the diversity management initiatives and for conducting diversity sensitisation training amongst employees. It would, therefore, seem possible that, as a diversity management initiative intensifies, the ability of key internal personnel involved in the process to objectively mediate, manage and put into perspective the tension and conflict that might arise between employees could be diminished. In the light of this, it might make for interesting and useful research to examine the success of diversity management initiatives that have been implemented solely by internal organisational personnel and compare these results

with those from diversity management initiatives that have been implemented in partnership with external consultants, especially with regards to diversity skills and sensitisation training.

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APPENDIX A: INTERVIEW TRANSCRIPTS

The six Parts of the questionnaire (Part 1 to Part 6) each refer to the propositions being examined (see Chapter 2.3). Each Part is further referenced to the specific proposition that it is linked to. The answers to questions have been transcribed from the tape recordings of the interviews and supplemented where necessary by interview notes.

APPENDIX A1: WYETH – Mr J. Hooghuis

Name of Company:	Wyeth SA (Pty) Ltd
Date Of Interview:	18 th November 2004
Name of Interviewee:	Mr Jay Hooghuis
Position of Interviewee:	Chief Executive Officer (CEO)
Length of Service:	Twenty Years
Nature of involvement with Diversity Management:	Ultimately responsible for diversity management and employment equity

1. *Would you classify your workforce a diverse one? If so, why?*

Yes, our employee base is very diverse, consisting of people from different race groups, religions, ethnic backgrounds and cultures. In addition we have diversity because of gender and age differences.

2. *Why did the company embark on a Diversity Management Initiative?*

Within Wyeth there is a global philosophy that promotes diversity and the benefits that can be derived from having a diverse workforce. In South Africa we have a very diverse employee base and we need to learn to work together in harmony. In the long run we believe it will give us a competitive advantage from greater levels of innovation and creativity. It will also improve employee morale and employee retention.

3. *What were the objectives of the Diversity Management Initiative?*

To create a diverse workforce that is reflective of the community in which we live and to create an environment in which all employees can work together towards the fulfillment of personal and organisational goals. Overall we recognise the benefits that can be gained from a diverse workforce. The biggest objective was however, to source these benefits by investing in our human capital.

4. *Was / Is the Diversity Management Initiative successful?*

The initiative was successful. This is reflected in the change in our employee profile, which has become more diverse at all levels, although there is more work to be done. In addition there is a greater level of collaboration amongst employees and a greater willingness to interact with each other. Employee morale has also improved as demonstrated by our internal surveys. We have very little employee relation's complaints and employees from diverse backgrounds are getting to know each other better as evidenced at conferences.

PART 1: PROPOSTION 1: DIVERSITY AND LEADERSHIP

- 1. *The extent to which leadership within the organisation either assisted or impeded the successful implementation of the Diversity Management Initiative and what were the lessons learnt.***

1.1 *How did it assist and what were the strong points?*

Leadership was essential at the beginning of the initiative. The process was led from the very top, which is from board level (Directors) and myself. This was very important as the process involved a long-term change in the structure of the company and to push these kinds of changes through you need top management support and commitment. Top management needs to drive this kind of change for it to pervade throughout the organization in a sustained manner. Leaders must be seen to be boldly supportive of the process and this is what we did. It eased the tension amongst employees.

1.2 *How could it have been improved? (If at all)*

The leadership that was demonstrated was appropriate at the time. I was involved and the HR Director and Manger. We could have got more senior mangers involved but we did provided the resources to implement the initiative. I don't think there was much else that could have been done, but without top management leadership the effort would not have been as successful.

1.3 *Is it still present?*

Yes leadership is still present. We highlight the issue of diversity at Town-Hall meetings and we have incorporated it into performance appraisals. It is also a part of our HR business plan. The message from top management is that diversity and employment equity is non-negotiable. Our commitment to diversity and employment equity has not changed. However due to other business issues, such as the prevailing regulatory changes, it has been difficult to maintain focus on this issue as strongly as before.

PART 2: PROPOSITION 2: DIVERSITY AND STRATEGY

2. The degree to which there was alignment between the organisational strategy and positioning and the Diversity Management Initiative undertaken.

2.1 What was the nature of the alignment and did it assist? If so, how?

We made a concerted effort to look for and make sure that there was alignment between our diversity management initiative and our organisational strategy. We brought in a consultant (Mr. Michael Jarvis) to guide the process as well. It was in the best interests of the business and I think we did it rather well. We built our diversity and employment equity strategy into our Superior workforce model that is fundamental to the way we do business and our business strategy.

2.2 What were the strong points of the alignment?

The alignment was such that the diversity and employment equity strategy was linked to the business strategy and the way we do things. This meant that it became a key area for the company to focus on and an important issue for everyone to concentrate on. If we performed poorly with diversity management and employment equity that meant we performed poorly as a business and it reflected in our results. Linking this initiative to performance appraisals was also imperative as it drove the process organization-wide. We emphasised that the company needed a diverse set of skills and people for our strategy to be successful and used it as a case to get buy-in from everyone. There was a strong positive response from employees about the alignment of organisational strategy with diversity. We set aggressive numerical targets that were non-negotiable. The alignment with strategy ultimately helped keep the diversity initiative alive and meant that we had to be proactive about diversity and employment equity, which is exactly what was required.

2.3 How could it have been improved? (If at all)

I cannot think of any way in which we could have improved the alignment as the initiative was inextricably linked to the organisational and business strategy.

2.4 *Is there still alignment?*

Our business strategy has not changed which means that there is still alignment. This is a long-term commitment on our part and as such there will always be alignment between diversity and organisational strategy. This is the only way it can be successful, otherwise it will fade away and not become part of the culture

2.5 *Is alignment important? If so, why?*

Diversity has to be part of the organisations strategy or you will run the risk of becoming reactive and begin filling the gap with anything or start playing the numbers game. This will ultimately lead to failure, as a sound foundation for a truly diverse workforce will not be created. There are numerous examples of failures in diversity initiatives due to lack of alignment with organisational strategy and just playing the numbers game.

PART 3: PROPOSITION 3: DIVERSITY AND COMMUNICATION

3. *The extent to which there was consistent, meaningful and effective communication about the Diversity Management Initiative to all organisational members?*

3.1 *Did it assist in the implementation of the Initiative? If so, how?*

Communication was most important for the diversity management initiative. We embarked on open, transparent, proactive and positive communication about the diversity management initiative to all employees. We explained the importance within the organisational context and in the general context of society at large. We could not have launched the program successfully without appropriate communication to all employees.

3.2 *What were the particular strengths of communication?*

We were very open and transparent and disseminated as much information as possible. We also conducted internal surveys to determine the feelings and

perceptions of employees and reported on these results. We had meetings with all staff and distributed copies of the plan to everyone so that everyone was aware of what was intended and the anticipated outcomes. As CEO I continually provide feedback to all staff once a quarter on progress made and report both on the positives and on areas where improvements can be achieved.

3.3 *How could it have been improved? (If at all)*

Non

3.4 *Is communication ongoing?*

Communication is ongoing in several forms. We report on progress made in terms of the diversity management and employment equity plan both to employees and to the board. We run periodic employee perception surveys in terms of diversity management and employment equity and we have diversity management and employment equity on the agenda of every Town-Hall meeting that we hold on a quarterly basis.

3.5 *Is extensive communication important? And if so, why?*

I cannot think of anything more important than consistent and open communication, to all employees as a basis for launching a diversity management or employment equity program. It is the only way to mobilise the entire organisation in a concerted effort towards embracing and developing a truly diverse workforce.

PART 4: PROPOSITION 4: DIVERSITY AND CULTURE

4. The extent to which organisational culture facilitated the implementation of the Diversity Management Initiative and the degree to which cultural change was emphasised?

4.1 Did the existing organisational culture, assist in the implementation of the Initiative? If so, how?

Diversity is part of the Wyeth Global Strategy. As such the culture within the company was one that was already aware of diversity and was exposed to changes that the company was making in this regard. We had a fairly open culture mostly as we had adopted the Sullivan Principles during the apartheid years. The existing culture was quite progressive in most areas of the company. There were also remnants of the old culture that needed to be changed though. These cultural inheritances tended to obstruct the diversity management initiative to a small extent. There was fear of change, unawareness of cultural differences and a reluctance to engage openly in understanding each other. But we had to play with the hand that we were dealt with and we made the best of it by promoting a more open and tolerant culture of understanding and acceptance.

4.2 What were the particular strengths of the organisational culture that supported the initiative?

At the same time as the diversity management initiative we launched the Wyeth mission, vision and values system, which actually greatly assisted us. The values of respect for people, leadership, integrity and teamwork supported the diversity management initiative immensely and formed the foundation of the program actually. The values asserted that we would build and embrace a diverse workforce and develop all of our employees and treat everyone equally and fairly. This formed part of the more formalised cultural change effort.

4.3 *Is the culture the same or has it changed since implementation?*

There has been a definite change in the organisational culture since we began the initiative. There is much more awareness of diversity related issues and sensitivity to differences amongst staff. There is better communication between employees and interpersonal relationships are more open and friendly. There also seems to be a greater extent of interaction amongst employees and better morale.

4.4 *What advice would you give to anyone else embarking on a Diversity Management Initiative with regards to culture?*

The culture that exists within the organisation can be a hindrance to the successful management of diversity. Therefore one needs to consider the context in which diversity management is being initiated. There are some industries in which significant changes in culture will be required, especially where the education levels are low and where the staff, are mostly unskilled. These organisations typically have carried with them the deep-rooted conflict from the apartheid era and will find greater difficulty in managing diversity and the required cultural change. A typical example is the automotive industry, where employment numbers are large and diversity at various levels is still absent. Therefore it is appropriate to evaluate first the industry in which you operate and the culture within that industry and the company in order to identify the cultural changes that will be required to support a diverse workforce before, embarking on a diversity management initiative.

PART 5: PROPOSITION 5: DIVERSITY AND TRAINING

5. *The extent to which diversity training was provided to all organisational members?*

5.1 *Did it assist the implementation of the initiative? If so, how?*

Yes, training was conducted prior to implementation. There were several meetings that were held amongst employees regarding the need for diversity and the need for change. During these meetings and through various other pieces of communication the process was explained and questions were answered. We used a consultant

(Michael Jarvis) to explain the legislative requirements for employment equity in South Africa. We also conducted extensive training on the company values system, which promoted diversity and respect for people. During this training there was a lot of role-playing and we handed out training manuals to all employees. The training sensitised employees to what diversity meant, what was required of them and what changes were being undertaken.

5.2 *What were the particular strengths of the training provided?*

The greatest strength of the training provided was that it was based on the company's values system. We could not have asked for a better platform to proceed with diversity management. The values have diversity and respect for people integrated and present a way of corporate life, which can extend directly into personal lives. Also training manuals were provided that employees could refer to whenever they wanted. The training was effective because it forced employees to look at themselves and how they interacted with others within the organisational context and how they dealt with different cultures. This helped produce a greater sensitivity to different cultures and backgrounds and a more tolerant environment.

5.3 *Is training ongoing?*

Diversity training per say is not ongoing, but we do conduct values training on a regular basis, with values workshops and role playing, this is essential in keeping the focus on diversity and maintaining an awareness of diversity issues. We believe that the nature of the values and the training addresses diversity issues adequately. We will however provide further training if it is deemed to be required.

5.4 *Is extensive training important? If so, why?*

Training is very important. We cannot assume that employees understand what is meant by diversity management and what is required of them. If we want to transform the organisation, we need to change the behaviour of employees and in order to do this we need to provide them with the necessary tools to facilitate the change. This is where training is so important. It ensures that everyone is on the same page.

Part 6: PROPOSITION 6: DIVERSITY AND CONFLICT MANAGEMENT

6. The extent to which specific conflict management techniques were practiced.

6.1 Did it assist in the implementation of the initiative? If so, how?

No, we didn't really use any particular type of conflict resolution techniques. We discussed many issues at group meetings and tried to raise matters of concern and deal with them in that way. In terms of getting buy-in for the process without conflict amongst employees we put in specific parameters in place such as compliance to company values, which were assessed during performance appraisals. There was a deliberate message to all employees that the values, diversity management and employment equity were all non negotiable and that the company was heading in this direction. These efforts helped in winning acceptance of the program and commitment to it.

6.2 Would conflict management practices have helped if used to a greater extent?

Yes, you will always encounter conflict in these situations especially with such diverse cultures and backgrounds. Notwithstanding this however the history of our country and the residual conflicts of the apartheid era would make conflict management an essential element of any diversity management initiative or employment equity initiative. Also conflict arises due to non-compliance with the program and these issues need to be dealt with in a constructive manner as they stem from insecurities and fears that are most likely shared by the majority of the people.

6.3 How did the absence of conflict management practices inhibit the initiative?

In the absence of specific conflict resolution techniques, the initiative was very slow to take off. We could have used conflict resolution models to reach consensus on certain decisions more quickly and to surface the latent concerns of employees at an

early stage so that they could have been addresses and dealt with adequately and timeously. In addition providing all employees with appropriate conflict resolution skills would have better facilitated employee interaction and discussion of diversity related issues, which would have ultimately led to a greater understanding of each other. I would highly recommend the use of specific conflict management tools when dealing with diversity management and employment equity programs especially when embarking on cultural change in a tense environment.

APPENDIX A2: WYETH – Mr G. Whitefield

Name of Company:	Wyeth SA (Pty) Ltd
Date Of Interview:	16 th November 2004
Name of Interviewee:	Mr Gordan Whitefield
Position of Interviewee:	Human Resources Director
Length of Service:	Twenty Years
Nature of involvement with Diversity Management:	Directly responsible for diversity management and employment equity

1. *Would you classify your workforce a diverse one? If so, why?*

It depends on how you classify diversity. Within Wyeth there is a strong push towards gender diversity on a global basis. Seventy two percent of the organisation is female. However based on our local employee profile with regards to race, gender and religion I would say that we have a diverse workforce.

2. *Why did the company embark on a Diversity Management Initiative?*

In order to cultivate a more diverse workforce that works in harmony. We also had to work towards being more reflective of the demographics of the country. The bottom line was that we had to survive. The more cultures you have the better the ideas, the greater the innovation and creativity and the more profitable the company becomes.

3. *What were the objectives of the Diversity Management Initiative?*

Briefly the long-term objectives of the initiative were to develop and sustain a workforce that is reflective of the diversity of the country, to provide an environment where all employees have the opportunity to be successful and to enhance shareholder value by leveraging diversity to support business objectives.

4. *Was / Is the Diversity Management Initiative successful?*

Yes, I would say that it was and is successful. Initially though there was resistance to change but when we got management buy-in things got better, but it is a slow process. Overall there is a greater understanding of different cultures. This is reflected for example in the provision of appropriate meals at conferences and lunches for the eating requirements of different religious groups such as Halaal foods for Muslims. Another example is the scheduling of meetings outside of Friday afternoons when Muslim staff, have to go to Mosque. This was a problem before. People of different races are more willing to share rooms on conferences as well. It is also reflected in our dealings with the external environment. There were some doctors who had an issue with seeing black sales representatives and these doctors were deleted from our calling lists on principle. Our preferred supplier initiative also seeks to establish diversity amongst our suppliers. Overall we are seeing some good people coming into the organisation from very diverse backgrounds and performing well. But as always there is room for improvement.

PART 1: PROPOSTION 1: DIVERSITY AND LEADERSHIP

- 1. *The extent to which leadership within the organisation either assisted or impeded the successful implementation of the Diversity Management Initiative and what were the lessons learnt.***

1.1 *How did it assist and what were the strong points?*

Yes leadership was critical to the success of the program. It was very much top driven. There was full support from the CEO who played center stage in the launch and introduction of the initiative. Funding was approved from the board for a consultant and visible support, was demonstrated by the CEO. It was a major topic on the agenda of all pre-cycle meetings and other forums. It was definitely pushed from the top. The CEO and myself set up a steering committee and the HR Manager was very passionate about diversity.

1.2 *How could it have been improved? (If at all)*

Leadership was excellent for the initiative. However it could have been improved by getting more of senior management to demonstrate visible support and commitment. Yes we could have gotten wider involvement at top management level.

1.3 *Is it still present?*

Yes leadership is still present. This is reflected in the fact that the issue of diversity and employment equity is always at the forefront of our quarterly Town-Hall meetings. We reflect on how we are doing and present the results of diversity surveys and the progress made. The issue of diversity and employment equity has been linked to the company values and has been woven into performance appraisals. However focus has shifted off the topic of diversity to a certain extent. It is not as intense as it initially was. This is because of the regulatory changes in the pharmaceutical industry that has put many companies under pressure from a financial point of view. This might be an area for improvement where consistency in the efforts towards diversity might be maintained at higher levels.

PART 2: PROPOSITION 2: DIVERSITY AND STRATEGY

2. The degree to which there was alignment between the organisational strategy and positioning and the Diversity Management Initiative undertaken.

2.1 What was the nature of the alignment and did it assist? If so, how?

Yes, there was alignment between the diversity management initiative and the organisations strategy and positioning. This is clearly reflected in our Superior Workforce model that Human Resources has adopted from a strategic point of view. In addition diversity and employment equity has been incorporated into the Human Resources business plan and is part of the key business goals that is reported on an annual basis both locally and internationally. We regard having a diverse workforce as a key asset of the company, which assists us in understanding the needs of a diverse market and meeting those needs. It also increases employee morale and hence performance levels and commitment to the company.

2.2 What were the strong points of the alignment?

The strong point of the alignment was that the initiative had been incorporated into the business objectives of the company and was positioned as part of the business principles. As such the issue was elevated to an equal level of importance as any other key business issue. This made it a strategic priority that could not be pushed aside. In addition diversity and employment equity has been linked to the company values and have been incorporated into performance appraisals. Hence it is visibly a very important issue for the company. In addition by elevating the importance of diversity and employment equity, the resources to manage the initiative adequately became much more available not just in monetary terms but management time as well. Ultimately the alignment gave the initiative more credibility and acceptance within the organisation.

2.3 *How could it have been improved? (If at all)*

The model for diversity management was very carefully developed together with a consultant and our parent company. A lot of effort was put into building it into the business strategy as it was highlighted as a long-term survival issue. So the alignment that was created with strategy was very good. The only improvements that I can think of are to have allocated more monetary resources and to have obtained more buy-in from the general senior management team as a strategic priority.

2.4 *Is there still alignment?*

Yes, there is definitely still alignment as the same principles apply within the organisation today. We still report diversity and employment equity progress at board level and it still forms part of the Human Resources business plan. It will always be a priority to the company.

2.5 *Is alignment important? If so, why?*

Alignment of any diversity management initiative with the organisations strategy is key to getting buy-in to the process not only from senior management but middle management as well. It not only makes the initiative sustainable because of the link to organisational performance and monitoring, but it also is an indication of where the organisation is going and that it is non-negotiable. It is a business imperative that top management is committed to. If there is no alignment with the organisations business strategy then it is not likely to succeed in the long-term.

PART 3: PROPOSITION 3: DIVERSITY AND COMMUNICATION

3. The extent to which there was consistent, meaningful and effective communication about the Diversity Management Initiative to all organisational members?

3.1 Did it assist the implementation of the program? If so, how?

Yes, communication was essential to the success of the diversity management program. It made business sense and this had to be explained to everyone to get there buy-in. We had to make everyone aware of the initiative and prepared for what was to come. It was also about transparency about what we were going to do and where we were going as an organisation. Everyone had to be fully aware of how it fitted into the company strategy and that no one needed to be afraid of changes and that no ones jobs were at risk. The communication that was carried out helped a lot to put everyone in the picture from top management to all other levels of management and to all other employees. It helped develop momentum for the program and placed it on an appropriate platform for implementation. In addition to this constant communication on diversity and employment equity issues helped overcome some of the resistance to changes and created an awareness of successes that were being achieved, such as the first black sales representative to win the sales representative of the year award. Finally, we had to communicate the numerical targets we had to achieve to balance our employee profile in a way that was transparent and achieved buy-in from all concerned. The open and transparent communication that we engaged in helped with this.

3.2 *What were the particular strengths of communication?*

We were very open and clear about what we were trying to do. The initial communication came from the CEO and then further messages went out from directors. Further to this the initial forum was a consultative one in which input was obtained on a consensual basis. This showed the commitment from top management and created a sense of urgency for the process. The posters that were displayed throughout the buildings built awareness of diversity and diversity management and stimulated discussion amongst employees. We conducted diversity surveys to get an

idea of what employees thought about diversity and its importance to the company. We also published this report on the intranet and presented the results at our Town - Hall meetings. The same messages were presented at all offices. The communication tactics we used were aimed at getting true buy-in for the process and not aimed at coercing employees into participating.

3.3 *How could it have been improved? (If at all)*

I think we did as much as we could with the resources and time that we had. We used all available opportunities to inform and educate employees on what was going on, and to get buy-in to the process. The only area I can think of for improvement is in the ongoing communication that needs to support such a program. We could have and still can maintain a higher level of communication on diversity related issues and successes that have been achieved. However it is hard to maintain focus when the industry is changing, as it is currently, from a regulatory point of view. I do however believe that the importance of communication and diversity is going to be elevated with the issue of Aids and Aids related policies and practices.

3.4 *Is communication ongoing?*

Yes communication is ongoing. The issue of diversity is still tabled at meetings. It is still incorporated into performance appraisals and we still report progress to employees and in our annual report and HR business plan. It has become part of our internal talent review process, which identifies diverse employees for development. It is part of our superior workforce model and is communicated to all employees.

3.5 *Is extensive communication important? And if so, why?*

Yes, it is critical to the process. People need to know what is going on. In fact they have a right to know what is going on. We need to have transparency and to show people the numerical progress that we are making and that it doesn't threaten anyone's jobs. We need to create a sense of urgency for the process and build momentum for implementation. There are many opportunities to engage employees and advantage must be taken of these opportunities to get employee buy-in for the process.

PART 4: PROPOSITION 4: DIVERSITY AND CULTURE

4. The extent to which organisational culture facilitated the implementation of the Diversity Management Initiative and the degree to which cultural change was emphasised?

4.1 Did the existing organisational culture, assist in the implementation of the program? If so, how?

To a certain extent the existing culture did support the diversity management initiative. Generally pharmaceutical companies are very progressive and multinational companies especially tend to promote diversity a lot. We still however need to learn to appreciate differences and understand each other better from a cultural point of view. There was resistance to change amongst certain sections of the employee population and a lot of fear of job losses and integration. But the open and transparent communication and consultative process helped deal with this. We promoted a culture of tolerance and acceptance and the introduction of the Wyeth mission, vision and values system helped change the culture to a more tolerant one. There was extensive training on the company values, which emphasised respect for people and promoted building human capital in the form of a diverse workforce that worked in harmony. It was however a very slow process of change. We set up a selection committee to ensure that all new appointments and promotions were geared towards developing a diverse workforce at all levels within the organisation.

4.2 What were the particular strengths of the organisational culture that supported the initiative?

The culture promoted teamwork, respect for people, leadership and integrity. We were creating an environment of openness, transparency and freedom of expression. There was a huge emphasis on understanding differences and collaboration. The biggest issue however was of tolerance and understanding one another. We incorporated the values system into performance appraisals and made it non-negotiable. We made it clear that it is not only the results that we achieved that were important but also how we achieved it and the manner in which we conducted ourselves in achieving it.

4.3 *Is the culture the same or has it changed since implementation?*

The organisational culture has definitely changed. I think we have become more aware of the diversity within which we work, and employees are more willing to interact and understand each other. This is visible at conferences and lunches and social events. There is a greater respect of the different religions and a greater ability to work in diverse groups. We were fortunate that we had the values system come in at the same time as the diversity initiative as they went hand-in-hand in changing the culture.

4.4 *What advice would you give to anyone else embarking on a Diversity Management Initiative with regards to culture?*

Awareness of your organisations culture is a very important part of any diversity management program. There will be resistance to change, especially after 40 years of apartheid. People need to be educated as the mind is like a parachute; it works much better when it is opened. You have to develop a multicultural environment that prides itself on tolerance. Cultural change is essential for success with diversity and ultimately survival.

PART 5: PROPOSITION 5: DIVERSITY AND TRAINING

5. *The extent to which diversity training was provided to all organisational members?*

5.1 *Did it assist in the implementation of the initiative? If so, how?*

The training we provided was very much linked to the values system. We designed an extensive training program based on respect for people, teamwork, integrity and leadership. All employees were trained on this program and it is an ongoing initiative for which we routinely carry out refresher courses. We also trained on interpersonal skills and sent key employees and managers on a development course to improve their skills both functionally and in interacting with one another. In addition a lot of the communication that was carried out was geared towards building an awareness of diversity and appreciating differences. As long as you communicate the right

messages you can train employees and build awareness and appreciation for issues such as diversity.

5.2 *What were the particular strengths of the training provided?*

All employees were put through the same training program. There were workshops on living the company values and role-playing that helped highlight unacceptable behaviours in a light-hearted way. It helps when you keep the situation real and employees can laugh at each other. In addition to this the fact that some of the training was carried out by the heads of departments emphasised the importance of the initiative. It also helped get buy-in from the employees. The training provided helped employees develop interpersonal skills and really get to know each other in a controlled setting. In addition, because the training was linked to the values system, which was itself, linked to performance appraisals, the effectiveness was measurable in terms of employee behaviour as assessed at bi-annual performance appraisals.

5.3 *Is training ongoing?*

Yes, training is ongoing. We run refresher courses and values workshops at all of our cycle meetings and include all employees. Any other training is intervention based. If there is a need for training in a specific area then we identify appropriate training programs and run these within the company.

5.4 *Is extensive training important? If so, why?*

Yes, training is important, especially in the South African context. We need to expose employees to cultural differences in a controlled environment and enable them to learn how to integrate and interact in a meaningful way. Ongoing training is also important as different issues surface at different times and training needs change.

PART 6: PROPOSITION 6: DIVERSITY AND CONFLICT MANAGEMENT

6. The extent to which specific conflict management techniques were practiced.

6.1 Did it assist the implementation of the program? If so, how?

No particular conflict management practices were employed. However we did debate issues within a consultative forum and resolved conflicts within these forums. In terms of procedures we have grievance procedures, harassment procedures and employee relations procedures that deal with conflict as and when they arise. It is important that these procedures are in place and are employed in a fair and unbiased way. These procedures include sexual harassment, derogating remarks and we consider it to be all embracing. We also train all employees on these procedures and they are available on the intranet to everyone. Another way in which we deal with conflict management is with group activities. We use group activities to enable employees to learn to work with each other in a constructive way and learn how to deal with conflict and how to interact constructively in a controlled environment. This is supported, by the training we provide on teamwork and collaboration. Although we don't have specific conflict management programs I think these initiatives have helped employees deal with conflict in a fair and constructive manner.

6.2 Would conflict management practices have helped if used to a greater extent?

Yes, think so. Although we had certain policies and practices in place, we would have benefited from conflict management aimed directly at employees on an informal level. With the diversity that we have in this country and the workforce there are bound to be conflict issues that don't really require formal intervention and in these circumstances employees and the organisation will benefit from training staff on how to resolve differences whether they be work related or personal. It would improve the culture of any company to a more tolerant one.

6.3 How did the absence of conflict management practices inhibit the program?

There was a lot of suspicion and fear initially, which led to tension. Conflict management would have enabled employees to deal with these issues swiftly and on an informal basis. It would have helped promote a culture of respect for people and respect for differences in opinions. It would have probably helped employees understand each other a little better and understand each other's concerns, fears and backgrounds. Conflict management is very important when implementing diversity management initiatives especially when there is deep-rooted conflict, which needs to be addressed, but there is also a need for formal procedures to be in place.

APPENDIX A3: ELI LILLY – Mrs V. Katzuv

Name of Company:	Eli Lilly South Africa
Date Of Interview:	29 th November 2004
Name of Interviewee:	Mrs Vivien Katzuv
Position of Interviewee:	Human Resources Manager
Length of Service:	Fifteen Years
Nature of involvement with Diversity Management:	Project Owner

1. *Would you classify your workforce a diverse one? If so, why?*

On a male to female ratio we are definitely diverse with approximately 65 % female employees. In trying to represent the demographics of South Africa, I would say that we are not quite there yet. We do however have employees with disabilities though. Benchmarking against some of the big companies, I would have to say that we have not taken on any token numbers to look diversified. We have not followed an affirmative action policy but an equal employment policy, which is our global policy.

2. *Why did the company embark on a Diversity Management Initiative?*

We knew there were organisational issues that we needed to deal with. We did a baseline survey to confirm what we knew. We knew we needed to change and do things differently within the organisation. We wanted to develop a multicultural

environment that embraces diversity with a workforce that is reflective of the demographics of the country. To do this we had to change people's mind-sets and build it into the culture of the company. Also there was a business imperative for it, not just locally where we are operating within such a diverse environment with government legislation but on a global level.

3. *What were the objectives of the Diversity Management Initiative?*

To build a self-sustaining multicultural organisation that does not need policing to be diverse and embrace diversity. We set up a diversity task force and started the initiative because we knew we had to change but our philosophy was that eventually we would not have a diversity task force because if we were successful in implementing the diversity management initiative, it would become part of the way we did things and the task force would have worked itself out of the job.

4. *Was / Is the Diversity Management Initiative successful?*

Yes, I would say so. We received very positive feedback from staff. In fact it started off very successfully too. In our first survey we had a 76 % response rate, where a 50 % response rate would have been considered high. Everyone was very positive after the training and we had lots of volunteers for the diversity task force. There was definitely a change in the people after the initiative.

PART 1: PROPOSTION 1: DIVERSITY AND LEADERSHIP

1. The extent to which leadership within the organisation either assisted or impeded the successful implementation of the Diversity Management Initiative and what were the lessons learnt.

1.1 How did it assist and what were the strong points?

We would not have been able to run the program if the OpsCom (Operations committee consisting of the General Manager and the Directors) did not buy into it. So, they bought into it right at the operations level. All the negotiations only started once the OpsCom bought into this as a business imperative. Then it was relatively easy. They helped choose the consultant. They had several meetings and interviews and asked a lot of questions before they decided on how to proceed and with which consultancy to proceed with. When we did the initial baseline survey, we sent voice messages to all staff informing them and it came from the General Manger and OpsCom. The General Manger created huge excitement around the whole initiative. We sat and strategised around what messages to send out and how to send it out. The high response rate of 76 % that we had on our survey was a direct result of the leadership presence and visibility. The OpsCom piloted the workshop first. They piloted it, experienced it first hand, bought into it and sent out voice messages to all staff encouraging them to participate. Then it was compulsory for everyone to go. They were two-day workshops and the company was split into groups. For each two-day workshop at least 2 OpsCom members were present as full participants for the full duration and not just observers for short periods of time. Spending two days out of the office showed the commitment that there was from top management. This was an excellent show of leadership. It was a statement that we are senior management, we buy into this process and we are going to do it.

The task force helped in terms of leadership as well. In leading you have to decide how you are going to pull people in. You need to ensure that people don't feel it's a top down process. You need leadership from top down and bottom up. The task force helped in pulling people into the process from the bottom up.

1.2 *How could it have been improved? (If at all)*

It was a learning curve for us all. They embraced it. They made a commitment verbally and they were present to demonstrate it. They participated. The feedback was, “Wow, we understand so much better”. We can be more sensitive and less reactive to situations when things go wrong. We laughed together, learnt together, and saw that things can go wrong and we learnt how to extricate ourselves without causing more damage. So yes, looking back it could have been improved, but that’s always the case in retrospect. For the time though, it was adequate.

1.3 *Is it still present?*

Yes, diversity is a slot in our General Managers quarterly meeting. It’s on the agenda of the affiliate priorities. The expectation is that if there is a slot, we always mention it, at all feedback meetings. We relate how far we have come and what progress we have made. In fact globally, every OpsCom has it as one of their key results area – that is to have a diverse workforce. At the quarterly meetings they discuss how they are addressing it, if there are any issues and what they are doing to resolve them. If you are going to give lip service and not be there then you shouldn’t be wasting your time as no one is going to follow through. All you going to do is tip the box and nothing is going to fall out.

PART 2: PROPOSITION 2: DIVERSITY AND STRATEGY

2. *The degree to which there was alignment between the organisational strategy and positioning and the Diversity Management Initiative undertaken.*

2.1 *What was the nature of the alignment and did it assist? If so, how?*

Yes, there was alignment. Diversity is part of the affiliates objectives. You can’t get a clearer objective than that. It’s on the same level as any other business objective. At the end of the year we either did it or we didn’t. Diversity is also discussed at each quarterly General Managers meeting, where all the General Managers at each of the affiliates, globally, meet to give feedback on all business objectives such as progress

towards the budgeted sales and other business priorities. Here the learning's from each affiliate are shared and common problems are tackled. Aside from this the diversity model that we use is woven into the company values and integrated into our management processes. This is exactly as depicted in our diversity model. In fact the very first pillar of the model is "Strategic Positioning and Diagnostic Process", which seeks to look at the company and fit diversity into its strategic positioning. The last pillar of the model seeks to integrate diversity skills into management processes. So yes, we have aligned diversity to our business strategy and the two are woven together.

2.2 *What were the strong points of the alignment?*

The key for us was leadership. Leadership drove the process as an organisational strategy and it was linked to our performance as an affiliate. With diversity linked like that to the way we do business and led from the top, there was good buy-in. Also being sensitive to not wanting to change things too quickly helped a lot. You can't change organisational culture overnight. It's an evolvement and when you start incorporating it into strategy and the way we work, and in our processes and systems it starts changing the company from the inside out. You can't expect people in their 30's and 40's, to switch the lights on and change how they think just like that. You have to accept that there will be some fights that you are never going to win and there are some minds you are never going to change. Sometimes you need a reality check.

2.3 *How could it have been improved? (If at all)*

Looking at the model we have and how it links into the business strategy I think it was very good and at this point I don't think it needs to be changed.

2.4 *Is there still alignment?*

Yes there is still alignment, but it slips sometimes and then comes back. We have to keep it alive constantly even when other business pressures become priority. We have actually come a long, long way. Diversity is currently being integrated into all

HR programs and more resources are being allocated. This proves that there is still alignment between our strategy and diversity management.

2.5 *Is alignment important? If so, why?*

The alignment was really critical. You have to have a business imperative for why you want to do it. If you don't have a business imperative and you are just going to tick off the box, don't waste your money and resources because it's just going to be a waste of time

PART 3: PROPOSITION 3: DIVERSITY AND COMMUNICATION

3. *The extent to which there was consistent, meaningful and effective communication about the Diversity Management Initiative to all organisational members?*

3.1 *Did it assist in the implementation of the Initiative? If so, how?*

There was a lot of communication about the whole initiative. There were voice messages from the General Manager, telling staff that this was coming through and to watch out for it; to watch out for the memo from me (Viv); we really appreciate your time and effort; this is why we need to do it; let me just refresh your memory about this; etc. This was pushing the message to all staff and it was reflecting his excitement and buy-in to the whole process. It was very important.

3.2 *What were the particular strengths of communication?*

It was top management driven and the same message went out to all staff. We would draft the communication, make sure it was clear and transparent and we would then send out a voice mail followed by e-mail. We also made use of our internal television station. We have an internal television station with television sets positioned in strategic areas like the lunch area, the tea and coffee points, the water coolers and the lounges. We rolled over adverts to staff, everyday. We used a video clip and a power-point presentation to inform everyone and keep them excited and aware about what was going on.

3.3 *How could it have been improved? (If at all)*

The only thing was that when we got into a very busy operational period we could have continued with the communication process, encouraging people to think about it and discuss thinks and thereby keep it on the top of their minds. As we got back from the training, it got stalled and pushed to the side a little bit.

3.4 *Is communication ongoing?*

It is ongoing, but we could do more I think. We did put information into the Lilly update, which is an electronic news update journal that goes out to all employees once every week. That's an HR initiative. The consistency of the communication could have been improved on an ongoing basis. We could have planned a better ongoing communication strategy.

3.5 *Is extensive communication important? And if so, why?*

Its got to be part of the process and it must be ongoing and consistent. You have to create a buzz around the whole initiative and get people excited.

PART 4: PROPOSITION 4: DIVERSITY AND CULTURE

4. *The extent to which organisational culture facilitated the implementation of the Diversity Management Initiative and the degree to which cultural change was emphasised?*

4.1 *Did the existing organisational culture, assist in the implementation of the Initiative? If so, how?*

Yes, it did. Our core values and leadership behaviours are very strong points and the company takes both of these very seriously. We are all measured on what we do and how we do it .So we are measured on two axes and underlying all of this is the company values (Lilly values), which are, Respect for People, Integrity and Excellence. If you transgress any of these, they are seen in a very serious light and there will be serious consequences.

4.2 *What were the particular strengths of the organisational culture that supported the initiative?*

The culture was very much based on our values and it was driven right from the top. I think the fact that the values were really enforced was the biggest strong point. It set the right framework to embark on the diversity management initiative.

4.3 *Is the culture the same or has it changed since implementation?*

This was about being on a continuum. We cannot say that we switched the light on and everything changed. The people are the one's that are going to have to make the change. It's an evolvement. With different recruits comes different cultural backgrounds and the company evolves. We are on a journey and we are moving along but we know where we are going. So we have changed enormously. We are much more open in discussing things about diversity e.g. there is no more thinking that I am a white Afrikaans male over 30 and there is no chance for me in this company. People have started to understand what the business needs to do, why we need to do it and how we make decisions and they are buying into it. As we keep on having these conversations it gets easier and easier and there are no knee-jerk reactions. With diversity came cultural change. People are more open to discussing sensitive issues, having healthy debates and are now agreeing to disagree without being disrespectful. People started to understand how they hurt each other and they are not making insensitive remarks like they did in the past. This is a direct result of the sensitisation training

4.4 *What advice would you give to anyone else embarking on a Diversity Management Initiative with regards to culture?*

It depends on the make up of your company. The people make up the company. You need to evaluate and assess how you think and how you do things and how you make decisions. The leadership drives the culture of the company. Policies make up the culture. What you measure makes up the culture. If you change any of these you will change the culture. You bring in people who are different and you change the culture. So culture is not the thing you change, directly that is. You change the leadership style and thinking and that changes the culture. There are many little

levers with which you can manage culture because culture is actually woven into everything. If you pull on one of these levers you cause a chain reaction and you change the culture. Everything we do impacts on it e.g. the customers to whom we sell, what our message to them is and how do we want to be seen. The staff, how people dress, the cars people drive. How engaged or disengaged they are. You change one and you cause a chain reaction that changes others and you change the culture. You have to ask yourself why there is a business case to change how we do business and what the business imperative is. Is there a business imperative to go down this journey. Then you have to ask yourself what the strategy is going forward e.g. do we need to change behaviours.

You also have to look at the context of the culture of the company. What might work in South Africa might not work in Germany or China. It has to fit into the culture of the company and into the culture of the local affiliate. So it might be a Lilly company but what might work in Honk Kong might not work in South Africa. It is important that you understand the history of the company as well as the history of the country in which the company operates. You need to localise your efforts to the local culture and you need to understand how people think, why they think that way and where the company is.

PART 5: PROPOSITION 5: DIVERSITY AND TRAINING

5. The extent to which diversity training was provided to all organisational members?

5.1 Did it assist in the implementation of the program? If so, how?

We trained everyone. The sensitisation training was excellent. The training got people to really buy into what the business imperative was for diversity management. They understood what the journey they were on was and what steps were going to be taken to get there. They were all involved in being able to nominate themselves onto the diversity task force. They were given privy to look at the strategy and survey results. The training helped people understand where we were coming from and they were given a safe place to tell their stories.

5.2 *What were the particular strengths of the training provided?*

We had such good feedback. We created very good teamwork. When we designed the workshop we had to be strategic in the planning. We planned who was going to be in each workshop session. We made sure each workshop comprised of employees from all levels, all cultures, all genders, all races and all religions. We were even strategic in planning who was going to be seated at each table and placing people at tables. In this way I think we got the most out of the training sessions and put people into situations they would not have normally been in.

5.3 *Is training ongoing?*

Yes. We run a half-day induction program for new employees on diversity and what it means to Lilly, the language we use, what our journey has been and where we are on our journey. The task force meets regularly to discuss issues. Diversity is discussed at the quarterly General Managers meetings and training needs are evaluated. We discuss it at sales conferences. We also run other specific diversity training programs such as disability in the workforce.

5.4 *Is extensive training important? If so, why?*

You can't possibly change the way people behave unless you make them aware of their behaviours and get them through the process of thinking about it and accepting that it needs to change. Training even if it is in the form of discussion groups is essential for this to happen

PART 6: PROPOSITION 6: DIVERSITY AND CONFLICT MANAGEMENT

6. The extent to which specific conflict management techniques were practiced.

6.1 Did it assist in the implementation of the Initiative? If so, how?

We did not run out a specific conflict management program. If there is a program we have pegged for going forward it would be this. In actual fact, it has come up in our diversity strategy as an area that needs to be addressed.

6.2 Would conflict management practices have helped if used to a greater extent?

It has to be put into context of Lilly South Africa. I think we are a conflict averse society. We are very aqueous a lot. We have become passive aggressive as a society. We were aqueous during the apartheid era and then when it was okay to say it was wrong, you could not find one person who had ever voted for the apartheid government. People won't stand up and be counted and then when it is okay to say it is wrong everyone pounds and boots saying, "I knew, I knew". We are conflict averse as a nation. That's how we have been socialised, turn the other cheek and dictate, dictate, dictate and then something has give and something does give. So if there is a theme we need to work on this is it. I highly recommend it. In the one-on-one intervention's I did in HR, a lot of the themes were around conflict and communication around conflict. We go to great lengths to hide it and hold it, because as a nation we were socialised to believe that conflict is wrong, bad, it shouldn't happen and we shouldn't admit that there is conflict. We do not embrace the concept of conflict. The training wont take away the conflict, but it will help people understand how powerful conflict is and how energising it is if you can take it to the next level. If you avoid, avoid, avoid it you stay stuck, you don't move and then something bursts. So the question is instead of giving it the silent treatment why don't we say so. The normal reply is that, "we don't know how to say so" and "that is my boss". Whereas if the whole thinking around conflict is good, and we take the presence of conflict to mean that people are engaged, people are thinking and that we have enough energy to move to the next level we wont get stuck and we will move forward.

It's not going to change behaviour overnight but when people buy into why conflict is great, why it is a powerful tool, why we should embrace it, why when you see conflict it's actually good we will be moving somewhere. Because when people disagree, that's when change happens.

In South Africa people were upset about the Truth & Reconciliation Commission. For us the whole diversity issue was about truth and reconciliation. The whole concept was around the fact that you can't expect to have change without conflict. If you are experiencing change and there is no conflict you're dealing with a bunch of corpses. If people are changing but there is no conflict it means that you don't have anybody who is thinking. So when you see the conflict you should be excited that people are thinking. You are taking them out of their comfort zones. You are making them stand up and be counted.

Conflict Management will therefore help because we have been socialised to avoid conflict and thus we take longer to get to that point of embracing change.

6.3 How did the absence of conflict management practices inhibit the Initiative?

It slowed us down. I wouldn't say it completely inhibited us because we are on a path and we are getting there. We are just going much slower. On a one-to-one level we might have differences and it impacts on how we interact, such as interacting with the boss with an issue you don't agree with. We wait for it to go wrong instead of being upfront and saying that we don't really think something is going to work. We become passive aggressive in our stance. It is not necessarily a conscious thing but we end up doing stuff that does not ensure success. Whenever we see conflict, it's about communication and the whole thing is around being safe to say, "I don't think this is going to work, convince me it's going to work". If we can't do this we end up paying lip service. We think, "Okay you're the boss. I'll do it your way but I'm just ticking the box and in my mind I know it's not going to work so when it doesn't work, I knew". So when you see these issues it goes back to communication and part of communication is how to manage conflict, which is very important in diversity management.

APPENDIX A4: ELI LILLY – Mrs A. de Klerk

Name of Company:	Eli Lilly South Africa
Date Of Interview:	29 th November 2004
Name of Interviewee:	Mrs Annelie de Klerk
Position of Interviewee:	Project Manager
Length of Service:	Nine Years
Nature of involvement with Diversity Management:	Member of Diversity Task Force

1. *Would you classify your workforce as a diverse one? If so, why?*

Yes, not diverse enough but we are definitely getting there. Because I think there is a good mix of culture: Afrikaans, Black, Indian, different religions, colours. The whole face of the company has changed in recent years.

2. *Why did the company embark on a Diversity Management Initiative?*

Playing in the South African arena of business we realised that we had to manage our workforce. There were government regulations to comply with and we had to change the demographics of the company. In doing so we understood that the process would have to be managed properly to get a smooth transition. We had to get people to know each other, understand each other and work together without any

problems and the company was very committed to this. So we decided to implement a diversity management program. It was in our best interests.

3. *What were the objectives of the Diversity Management Initiative?*

To create a diverse workforce that is reflective of the community in which we live and to create an environment in which all employees can work together towards common goals. We recognise the benefits that can be gained from a diverse workforce and we wanted to obtain these benefits by investing in our human capital and attracting and retaining the best people. We knew things needed to be changed and we wanted to get everyone on board and make sure it was not a once off thing. It needed to be a follow-through process and we needed to make sure that it happened and was not just a 'buzz' word or fade. The change could not be something you tick off and that's the end of it. We needed to keep it going until it became embedded into the culture of the company. Although we are not fully there yet we wanted to make people less uncomfortable about discussing diversity issues. We wanted to create an environment of openness, transparency and get rid of all the baggage people were carrying. We wanted to open up the issues, discuss them, deal with them and move forward. We wanted to get the message across that it doesn't matter if you are coloured, white, Indian or black or whether you spoke English or Afrikaans but that we were all here to do what we did best.

4. *Was / Is the Diversity Management Initiative successful?*

It started with good momentum but it is not finished yet. It has helped a lot and people are less sensitive about these issues. In the past we never used to joke about things because people used to think that everyone's racist. I don't care if someone calls me a 'boertjie'. It's not about making someone feel small, so people are much less sensitive about this sort of thing. Now things are not hidden anymore and it is a lot less uncomfortable. It set a lot of minds at ease, especially amongst the white males because they thought that if we implement something like this they would be out of jobs in five years time. But we explained that we have to be realistic. We don't have enough qualified, experienced people to replace everyone. They would not lose their jobs because South Africa has to go a long way before the education system is organised and people of all colours are in university and qualify. Its not going to

happen in the next five or ten years and anyway hopefully the economy will be growing at such a rate by then that there will be jobs for everyone. Getting everyone to think logically dissipated a lot of fears because they were all threatened. We explained that this would be done very gradually and if someone leaves we would replace that person with an appropriate candidate but they will be the best and most suitable. We did however have to balance the suitability of candidates with making targets for employment equity but we were committed to the process even if we did have to conduct 50 interviews to identify one candidate. We were prepared to do it. We kept communicating what we were doing to everyone and kept it open because people are not scared of things they know about and understand. Otherwise it would have made them very worried and uncomfortable. We lost a bit of ground when it got difficult business wise but we definitely refocused on it. We took the eye off the ball with the new pricing regulations but there is commitment there that we need to get back. Its not negotiable, it's got to be successful. It needs to be ongoing and part of the culture.

PART 1: PROPOSTION 1: DIVERSITY AND LEADERSHIP

1. *The extent to which leadership within the organisation either assisted or impeded the successful implementation of the Diversity Management Initiative and what were the lessons learnt.*

1.1 *How did it assist and what were the strong points?*

Yes, leadership absolutely assisted. We were very committed from the General Manager level to the Operations Committee (which are the Directors). They discussed everything in the Operations Committee (OpsCom) meetings. They focused on it and worked hard on making sure that it fed through the system. They all went for diversity sensitisation training first. Then when the rest of the groups went at least two or three of the Directors were present at each of the company-wide training sessions. The General Manager addressed everyone before each session and all the sessions were held off-site. They made money available to pay for the off-site training, which was two days for each session. The General Manger even addressed the diversity task force that was set up afterwards. The strong point was that they were very committed. They made sure there was follow through, and ensured that we took it further down. They also made the resources that were necessary available.

1.2 *How could it have been improved? (If at all)*

When we started off leadership was adequate but we took our eyes of the ball when it got difficult during the course of the year. Although it was discussed at OpsCom meetings, it got delayed and pushed to the side because of other pressures. Therefore there could have been a bit more follow through afterwards to make sure that things kept happening and moving along.

1.3 *Is it still present?*

Yes, leadership is still present but it could be improved. We need to get everyone completely focused and make sure there is continuous implementation. There were a lot of suggestions and action plans that came out of the training sessions and task force meetings, but I am not too sure if all of them have been implemented. Some

have been but not a large chunk. We would have liked it if we were further along. If the eye was not of the ball we would be further along, but the leadership commitment is there without a doubt. With the changes in the regulatory environment there has been a lot of pressure to assess the way we operate. So we have been distracted over the last year. Leadership is absolutely important though.

PART 2: PROPOSITION 2: DIVERSITY AND STRATEGY

2. The degree to which there was alignment between the organisational strategy and positioning and the Diversity Management Initiative undertaken.

2.1 What was the nature of the alignment and did it assist? If so, how?

Yes, there was alignment. The training was not negotiable and the initiative had to be successful as it was one of the organisations objectives. It had to become part of our culture and how we did business. For example it is built into the marketing function on the basis that we need diversity because the pharmaceutical market is very different in different areas and we need to understand the different markets in which we operate. It was clearly a part of the business plan because significant resources were made available. Diversity was incorporated around the core principles of the business. On a corporate level the message was that diversity is a part of the Lilly business because Lilly is a multinational, global company. So it was not local only, but came from our head-offices and is driven from a corporate level.

2.2 What were the strong points of the alignment?

The fact that it was incorporated into our core business principles and values and that it was non-negotiable. The model we developed was excellent although we had help from a consultant but it clearly demonstrated how diversity and its associated principles would impact on the way we did business and become part of the culture of Lilly. In addition the fact that it was driven from a corporate level enabled us to get a lot of buy-in. I think also when people saw how it tied into the way we operate and the way we needed to operate they understood it and took it seriously. Lastly because it was a company objective and it was linked to our performance objectives

it became something very important that we had to get right as our overall results depended on how well we did here.

2.3 *How could it have been improved? (If at all)*

We could have pushed it a little more I guess, but you can't force things down people's throats.

2.4 *Is there still alignment?*

Yes there is still alignment, but we have lost it a bit. There was adequate alignment at the time, and it is starting to come back to us now. It was just that we were fighting for survival for a while when the industry was changing so dramatically. But there has got to be continuous alignment for the program to be fully successful in the long-term.

2.5 *Is alignment important? If so, why?*

Yes, very important. There is no way you can roll it out and get the commitment that is required from people if you can't show them what the alignment is to corporate strategy and where it is coming from. It keeps people focused, if not it takes a lower priority and people will make excuses like they had more important things to worry about and not much will change.

PART 3: PROPOSITION 3: DIVERSITY AND COMMUNICATION

3. *The extent to which there was consistent, meaningful and effective communication about the Diversity Management Initiative to all organisational members?*

3.1 *Did it assist the implementation of the program? If so, how?*

Yes, to a large extent it assisted. It got everyone involved. If people didn't know what it was about they would have been more resistant. People would have expected more information if we didn't communicate what we were doing adequately to them. In fact they did expect more information in our case. But overall the communication

stopped people from being prejudiced against the initiative from the beginning and from being overly cynical and skeptical about it.

3.2 *What were the particular strengths of communication?*

It made it clear to everyone that what was going to happen was not an option but a necessity. People were told, "Listen, this is what is happening." They were informed that this training was coming up and that everyone had to go. They were requested to ensure that they made some space available in their days and block out their diaries for two days because they had to go. It was brought up at all meetings and the General Manager addressed each of the training sessions himself. It was open and transparent. The fact that you had to be there was communicated boldly and forcefully. It came directly from top management. Also the communication highlighted the issues that needed to be dealt with in a way that did not make people feel like they were being accused of anything or that they were doing things wrong.

3.3 *How could it have been improved? (If at all)*

We could have improved the communication, after we got back from the training sessions. We had a huge roll out and everyone was talking and buzzing about it. Everyone had different stories to tell, as every group was different and their experiences were different. Then the task force was formed and went off and the rest of the affiliate lost track of what we were doing and where we were going. The task force still stayed in touch but the rest of the affiliate wasn't too clued up e.g. we needed to talk about work-life balance and discuss this with everyone but we didn't. We could have communicated more widely the things that were being done and the successes. We don't celebrate our successes enough. We don't say well done to everyone. It's not just about money. We need to announce that we've done these things and they were successful because of the diversity training, just like we announce business results.

3.4 *Is communication ongoing?*

Yes, but as I said it can be improved on an ongoing basis in terms of successes and what we are doing. Also giving the people more of an opportunity to comment. This is

being attempted by one of the sub-groups in the task force, which is dedicated specifically towards communication. They decide what needs to be communicated and how it is going to be communicated e.g. for the sales conference that is coming up in January 2005, they are putting an action plan together on what to discuss and what to present to the attendees.

3.5 *Is extensive communication important? And if so, why?*

Absolutely. Without communication people will be in the dark about what is going on. They won't be too trusting and they won't be well informed so that they can fully participate. Also good communication can build up excitement and enthusiasm for the initiative and that's what you need to get buy-in and support from everyone.

PART 4: PROPOSITION 4: DIVERSITY AND CULTURE

4. *The extent to which organisational culture facilitated the implementation of the Diversity Management Initiative and the degree to which cultural change was emphasised?*

4.1 *Did the existing organisational culture, assist in the implementation of the Initiative? If so, how?*

Cultural change was emphasised to a large extent. In fact the culture needed changing. We used to have a very different culture. The culture was already changing, the Lilly vision is to take the best out of every culture and give people the voice to question things openly but the diversity sensitisation training gave it another push. It wasn't like it was before where, "The boss is the boss and you will do as you are told." The message was that we are diverse people, from different backgrounds and we experience things differently, think differently, do things differently and we therefore cannot be expected to do things in the same way. People's mindsets changed to a large extent, especially after they understood the implications for them. So the existing culture did assist but it also had to change and did change.

4.2 *What were the particular strengths of the organisational culture that supported the initiative?*

I think it was that the change had already started and we did not have to do a full 180-degree turn around. Changes were already being implemented and people were therefore used to things changing. We all came to accept that change is a part of normal life and the organisation was used to change.

4.3 *Is the culture the same or has it changed since implementation?*

The training that was provided pushed the change in the right direction. After the training it was a totally different ball game, totally, totally different culture. When you start a diversity program you have to realise that you also have to embark on a change of culture. In fact you are embarking on a change of culture. The training was very helpful. Without the training it would have been a very different culture. So culture has changed since implementation, maybe not as much as we would have liked but enough. People are accepting things as they happen and accepting change more readily e.g. some people didn't know about employment equity and how formal it was and that you could be penalised for not complying but once they understood that we needed to develop a workforce that was a representative sample of the population they were more willing to be part of it. However it does need to change more.

4.4 *What advice would you give to anyone else embarking on a Diversity Management Initiative with regards to culture?*

Cultural change has to be driven by leadership and commitment. In our case it was driven so strongly by leadership that people became less sensitive about diversity issues and started talking about it and joking about it. People weren't on tender hooks about it. People need to be sensitised in the right way. Not to say, "Oh, its diversity again". More knowledge makes them more comfortable and less skeptical. Culture is imperative. It gives you a starting point. When you look at it, you have to question: Where are we? Where do we need to go? What is the gap that we need to fill? The consultant spent a lot of time with us trying to get a feel for the company. What sort of culture there was?; How we did things?; What sort of people there

were?; and What the issues were? There was a lot of homework done before we started. Then we planned a strategy specifically for Lilly. We never followed it vigorously though. We followed what happened in the workshops and what the people said. It was very hands on and we addressed issues raised at the workshops. We tried to work through preconceived ideas and stereotyping. We tried to get everyone to understand each other.

PART 5: PROPOSITION 5: DIVERSITY AND TRAINING

5. *The extent to which diversity training was provided to all organisational members?*

5.1 *Did it assist the implementation of the program? If so, how?*

We would not have been able to do it without the training. We could have gotten the task force to do it, but we would not have gotten company-wide buy-in. People would not have realised and understood the commitment from OpsCom for instance. We flew up all the sales representatives from the coastal regions. We all stayed at the Cultural Village and the OpsCom stayed as well. It wasn't a quick thing. We got the whole organisation involved and that was invaluable.

5.2 *What were the particular strengths of the training provided?*

The facilitator was very credible. He was very unbiased, not leaning towards any race or any particular group. He was very neutral, not forcing anyone in any direction. He was very knowledgeable about his subject, well informed and very strong. He encouraged people to open up and tell their stories. He was very open-minded and was able to put everything into perspective and so convincing at the same time. Unfortunately he left the consultancy firm a short while after that, and although other people took up after him we lost momentum. We actually lost something of value as he went through the whole process with us and we shared the experience. The other aspect was that the training groups were very diverse. We selected people for each group based on a mix of race, gender, level, function and location. This really fed the sessions. People saw that we all had the same fears and same needs in life. They all got to see and understand the other side of the story.

5.3 *Is training ongoing?*

Training was adequate at the time of implementation. Maybe another day of training would have been beneficial as it took a while for the training groups to get comfortable with each other, being such diverse groups of people. It took time to build trust with the groups. Ongoing training is happening, in the form of new employee orientation and training on working with people with disabilities etc. The task force also has a sub-group that looks at training needs and awareness needs and works on that from their side.

5.4 *Is extensive training important? If so, why?*

From my experience with this initiative I would say it is invaluable. I would not think of doing something like this without training people or just educating them about the issues and making them aware of diversity and what it means.

PART 6: PROPOSITION 6: DIVERSITY AND CONFLICT MANAGEMENT

6. *The extent to which specific conflict management techniques were practiced.*

6.1 *Did it assist in the implementation of the initiative? If so, how?*

For the most part conflict management was handled during the training sessions. The facilitator was very good at handling conflict and managing tense situations as there were many. I am not sure of what methods he used but he managed to get constructive debate even when the issues were hot. As for the rest of the company we didn't really use any conflict management practices. Well actually I would say that the facilitator taught us a lot about conflict management and how to discuss issues without things getting out of hand in the training sessions. At the beginning of the training sessions we discussed conflict a lot and how to deal with it as a starting point before proceeding. So I would say yes, conflict management did help otherwise our training sessions would not have been as effective and could have been non-productive, creating more tension and separation. Other than that however we had normal management training on how to manage people and difficult situations

because conflict and stress is part of organisational processes and you will always get it. The existence of this kind of training helped in the diversity management initiative after the training in the day-to-day interaction between people.

6.2 *Would conflict management practices have helped if used to a greater extent?*

Well it is very important because that's where most of the problems come from, conflict I mean, especially with the issue of diversity and all the baggage people carry around. So yes, I think it would have certainly helped the process, in fact any situation where there is tension between people that needs to be resolved.

6.3 *How did the absence of conflict management practices inhibit the Initiative?*

I think if we included specific conflict management training for all employees it would have been beneficial to the diversity management initiative as people would have been prepared and ready to deal with these sensitive issues and when they went back to their jobs they could have used it in their day to day interactions more. It would have helped not only for the diversity program but also for all situations where people deal with one another and work with each other, especially if they have different views on how to do things. We are all so different that we are bound to have conflict when we have to work together to get things done, so I think conflict management would have helped the program along. I don't think it really inhibited us though, because we were practicing some conflict management.

APPENDIX A5: ASPEN PHARMACARE – Mr B. Burger

Name of Company:	Aspen – Pharmacare (Pty) Ltd
Date Of Interview:	6 th December 2004
Name of Interviewee:	Mr Bassie Burger
Position of Interviewee:	Group Human Resources Senior Executive
Length of Service:	Fifteen Years
Nature of involvement with Diversity Management:	Human Resources Director

1. *Would you classify your workforce as a diverse one? If so, why?*

I would classify us as having a diverse workforce that is reflective of the demographics, country-wise that is. We have white employees, coloured employees, black employees and Afrikaans employees, all coming from different backgrounds, different value systems and different perspectives.

2. *Why did the company embark on a Diversity Management Initiative?*

To be able to control our own destiny was the thinking at the time. It comes straight out of our business strategy actually. One of the catch lines was, “Lets work together to control our destiny.” This was the foundation from the business strategy. From the business strategy we started developing what we called, “The Pharmacare Way”, which was perpetuated throughout the organisation. That’s where we had, “Working

together to control our Destiny". So this dovetailed with the strategy of the organisation and our strategy is still very much in line with this.

3. *What were the objectives of the Diversity Management Initiative?*

To level the playing field and to find a common set of values, philosophies and perspectives that would glue us together as a company. Mainly to get a better understanding of one another and get people on the same page ultimately. When you talk about diversity management in its totality, you have to talk about transformation as well. So we were trying to transform the company to a more multicultural state, one that is accepting of everyone. In this regard we have a transformation policy and strategy in terms of the total employment equity process and transformation.

4. *Was / Is the Diversity Management Initiative successful?*

Yes. It set the base and platform for further successes. I want to be as bold as to say that some of the successes the organisation is achieving now is because of those strategies that we put in place at that point in time and that mindset that was cultivated with this. We added value to people's lives and they became used to doing things differently and changing and they became more innovative and entrepreneurial. The whole idea with this process was that we needed the glue to bond and bind everyone. As we came in the gate we needed a set of principles that bound us in our thinking, our perceptions about work and our work ethics. I may go home and have some other issues that I believe in and follow but that's fine, however when I come to work that glue part kicks in. That was the idea with the values foundation. That was critical from a strategic element point of view to say that's what binds us at work no matter what our differences may be. We need to create that environment.

PART 1: PROPOSTION 1: DIVERSITY AND LEADERSHIP

1. The extent to which leadership within the organisation either assisted or impeded the successful implementation of the Diversity Management Initiative and what were the lessons learnt.

1.1 How did it assist and what were the strong points?

It was a macro picture given upfront as far as the strategy is concerned which was very important. This was the evidence of the commitment shown by management from the top and leadership too. To take it further we developed the scorecard, the balanced scorecard and under learning and growth there were very specific Key Performance Area's (KPA's), as far as the people diversity and cultural climate development was concerned. This was all top management driven and they pushed it through. We had good leadership, very specifically transformational leadership not the other transactional kind. In fact there is a new one called thought leadership. A good example of leadership commitment is when one of the Consumer Directors flew down to East London (huge guy). He started telling the people about the company. One of the packers in that session got up, asked him to sit down because he was wasting the company's time and money and that they were there to talk about diversity issues. The Director was totally taken aback that this person could stand up and tell him he was wasting the company's time. But he persevered and the situation was diffused and we had a breakthrough. That's what happened, so it was challenging issues and incidents but the leadership commitment was there.

1.2 How could it have been improved? (If at all)

I think that we could have shortened the whole process a little. We should have set the scene, cascaded it and given feedback more quickly. What we did was, we had continuity group sessions, throughout the company, fed the output to the next level, had an indaba, then fed the output from there to the next level and then had an indaba right to the top. It took a very long time. The process must have been one and a half years to get to the final analysis. Then with some people you had to refresh their memories about what was discussed.

1.3 *Is it still present?*

Yes. You might say that it is underlying and has become unconscious. It is still led from the top, the values and culture I mean, but it's not as topical as it was. It's become more unconscious. The scorecard still stands though and we work towards it constantly.

PART 2: PROPOSITION 2: DIVERSITY AND STRATEGY

2. *The degree to which there was alignment between the organisational strategy and positioning and the Diversity Management Initiative undertaken.*

2.1 *What was the nature of the alignment and did it assist? If so, how?*

Yes there was alignment. The pillars for diversity were founded in the business strategy and it was driven from the corporate level. The key was building it into the strategy framework and into the balanced scorecard thus making it an organization-wide issue. We were able to monitor progress and keep it at a very high level.

2.2 *What were the strong points of the alignment?*

It was driven from the corporate level and since it was in the strategy and measurable we got the required commitment and the effort was spent. In fact it was also driven by each of the divisional heads and each of them played their role in ensuring the initiative was successful and the strategy was implemented. It became the way we do business and the way we were going to be successful.

2.3 *How could it have been improved? (If at all)*

I think where it could have been improved was in follow-up maintenance programs. It's a nice thing when you are busy with it and it is exciting, but when the pressure is on and you're done with your processes you tend to forget about diversity. Maybe there is a lesson in that though. That is to say, if you do it and you do it well it is going to dissipate and take a back seat, but as custodians of such a process we need to

put in maintenance care. Its like machinery, you have to have a maintenance plan because somewhere, sometime it's going to lock a bearing. So this needs to be built into the strategy and the planning of the initiative.

2.4 *Is there still alignment?*

Yes definitely. The same foundations still hold as our business strategy. It fed and still feeds two of our core business philosophies and ways of doing things, innovation and entrepreneurship.

2.5 *Is alignment important? If so, why?*

It's fundamental. If it doesn't link to strategy you are going to find yourself in isolation. As a change agent or process consultant or whatever you call yourself you are going to find yourself isolated. Nobody will have a yardstick to work from and nobody will be able to measure progress if they can't see what the strategy is. An integrated strategy, that's your hook. If you don't have a hook, you will be isolated in a bubble over in the corner.

PART 3: PROPOSITION 3: DIVERSITY AND COMMUNICATION

3. *The extent to which there was consistent, meaningful and effective communication about the Diversity Management Initiative to all organisational members?*

3.1 *Did it assist in the implementation of the Initiative? If so, how?*

There was quite a lot of communication and information that went out. The documentation we gave everyone contained the details of "The Pharamcare Way" and our strategy going forward. Everyone got it and it was an excellent piece of communication. It put everybody in the picture. Then there was a follow-up document for feedback. It also went round to everyone in the company. We went round to all of our sites, like a roadshow. We went to East London, Port Elizabeth, Durban, all areas. It was fun. What happened as well was that top management who went around together bonded around the issue. They discussed things at dinner and

informal drinks and established a good connection. We had very nice discussions about real issues. We also had posters all over our buildings about the strategy and diversity and what we were doing.

3.2 *What were the particular strengths of communication?*

It was that most of the communication came from top management. The fact that they went on the roadshows and talked to people was the best. It was also that it was countrywide. They went to all sites with the same message.

3.3 *How could it have been improved? (If at all)*

The only thing was that when we got into a very busy operational period we could have continued with the communication process, encouraging people to think about it and discuss things, thereby keeping it on the top of their minds. As we got back from the training, it got stalled and pushed to the side a little bit.

3.4 *Is communication ongoing?*

It needs to be on-going. That's what keeps the fire burning. Although it is not a constant thing we do climate surveys, feed the results back and have discussion groups. It is however one of the issues that came out low in our climate survey but we have improved over the last year and its an on-going process Unfortunately for us, we had a change of management. The company was bought over and the new management was not privy to all that we had done. Having their own strategies, the initiative got pushed to the side a little. But over time the process is coming back. It was like a little blimp on the radar screen, which just goes to show that on-going communication is required at least till it has become a complete part of the culture.

3.5 *Is extensive communication important? And if so, why?*

It is, isn't it, that's what keeps the fire burning as I said. It gets the people on a high and keeps them there in an informed way.

PART 4: PROPOSITION 4: DIVERSITY AND CULTURE

4. The extent to which organisational culture facilitated the implementation of the Diversity Management Initiative and the degree to which cultural change was emphasised.

4.1 Did the existing organisational culture, assist in the implementation of the Initiative? If so, how?

It did help in pockets of areas and certain areas were more susceptible to the process than others e.g. in the Sales and Marketing area. They were more open, more open-minded that is. Then at the factory level that's where the resistance was, with first line management. In some areas it did help and in some areas it hampered the process, but the process itself kicked along and when there was a breakthrough it was a huge breakthrough. At the factory shop floor first line management level there was resistance in the beginning. The whole idea was misconceived because they thought that through this process they would lose their jobs. This was not the case. Until this was broken down to say that it's not about your jobs, it's about understanding one another and understanding the diversity in the workforce, only then did it change. If it is still present its very much covert and shown in other ways. The incident about the Consumer Director who flew down to East London is a good example of what happened and how we changed the culture.

4.2 What were the particular strengths of the organisational culture that supported the initiative?

Firstly leadership, we had very strong leadership that lived the values and that embraced the change and pushed it forward by example. Secondly participation. We wanted, expected and drove everyone to participate fully and uncompromisingly. Everyone participated throughout the company. It was very inclusive in that way. Thirdly recognition. We tried to recognise everyone that contributed significantly and it was not just monetarily. We had pictures drawn of people and placed them in what we called "The Hall of Fame". Part of "The Pharmacare Way", was the "Pharmacare Way Award", where people were recognised for their efforts.

4.3 *Is the culture the same or has it changed since implementation?*

It changed and it has shifted actually. I would say that the change has been for the better in all areas, but in some areas more so than in others. In some areas people are very sensitive and this shows up in our surveys.

4.4 *What advice would you give to anyone else embarking on a Diversity Management Initiative with regards to culture?*

You must be able to adapt your culture. Culture is the way you do things. You start with your culture. If your culture is not conducive for a diversity program or it is unclear you should not embark on it. Do your pre-surveys first. This is very important. You need to know where you have to start from in changing the culture. Then plan and do your interventions and implement your processes. This must be ongoing. Then you need to do surveys and keep track and give feedback. Finally you have to have a maintenance plan, if you don't have a maintenance plan you will lose momentum.

PART 5: PROPOSITION 5: DIVERSITY AND TRAINING

5. *The extent to which diversity training was provided to all organisational members?*

5.1 *Did it assist in the implementation of the Initiative? If so, how?*

The training we did was sensitisation training. It was about understanding a values based belief system for everyone. It cut right to the core. It wasn't pseudo, it was basic stuff but it cut right to the core. We had people of all backgrounds and races and put them into sessions together because that's how we ran the sessions. It was a cut from top to bottom, mixed groups. Really calling a spade a spade. It was a cut to the core type thing and it was a challenge getting one side to see the other sides story e.g. we talked about the pass laws where people of colour could work in town but could not stay close to town. How it could ever have come into legislation one doesn't know but people didn't know that. That's where one guy walked out (Mr. Jan van Zyl) and he said he just couldn't understand that, that's what happened. We were

all part of the system and sensitisation out of that was critical, that is making people aware of the issues.

The only criticism is that we needed shorter periods of time to get to the final analysis, which is when we tabled the values sealed as Phamarcare. This was the basis of the transformation agreement. However it took 18 months because of the logistics and the sizes of the factories and the design of the model, which was used. That is bottom up to the next level and then to the next level. In theory it is the right way to do it because we got total participation and we had everyone involved. We didn't skip one person. Everyone had a stake in it and all stakeholders bought into it.

5.2 *What were the particular strengths of the training provided?*

It was basic stuff, but it was factual. It wasn't made up and it wasn't too complicated. Everyone could understand it. The way it was facilitated played a big role. If you don't have the right facilitator for something like this it could go totally off the rails and then you will end up in conflict management. The facilitator was external. We used a consultancy called ITISA.

5.3 *Is training ongoing?*

At this point, to be honest, no, its needs based. We do new employee orientation and we train on employment equity, black economic empowerment, transformation, procurement etc and that's a natural flow from the process. So its needs based.

5.4 *Is extensive training important? If so, why?*

Initially, I would say definitely. It's the only way to change. Then it needs to be ongoing until you get to a point where it is unconscious and you can move it to a needs based thing.

PART 6: PROPOSITION 6: DIVERSITY AND CONFLICT MANAGEMENT

6. The extent to which specific conflict management techniques were practiced.

6.1 Did it assist the implementation of the Initiative? If so, how?

Yes, there was conflict management training, although in our case it wasn't really necessary on a wide level. It was part of negotiations. In fact when we do employee relations and industrial relations training, conflict management is part of this. I think it was the nature of the level of person you are dealing with in the pharmaceutical industry. In the pharmaceutical industry we are not really prone to heavy conflict. We are different from the mining or steel industry, which is a whole different kettle of fish. Even taking it to the shop floor level the guys were not militant. There were several red herrings, sure, but we worked through that and that's where it helped.

6.2 Would conflict management practices have helped if used to a greater extent?

It would have assisted. We had to diffuse some difficult situations. It should definitely be part of the process but the extent will depend on your industry. You have to cut your table-cloth to the size of your table. It should be used as an integrated module of the process. It must not stand out to say today we are going to train you on conflict management. It must be part of the whole process.

6.3 How did the absence of conflict management practices inhibit the program?

It could inhibit such a process, especially when you have deep-rooted conflict, like you do in our country. It would hurt it from the message relaying point of view in terms of misunderstandings and miscommunication as well. When you have conflict you don't even start a diversity management program. I can just imagine what would happen. You need to train everyone in conflict management to level the playing field at the conflict level so you can implement diversity management. You need to prepare the organisation for diversity management in this way.

APPENDIX A6: ASPEN PHARMACARE – Mr M. Chase

Name of Company:	Aspen – Pharmacare (Pty) Ltd
Date Of Interview:	6 th December 2004
Name of Interviewee:	Mr Mike Chase
Position of Interviewee:	Managing Director Infant Nutrition Division
Length of Service:	Twenty Three Years
Nature of involvement with Diversity Management:	Head of the Operating Plant

1. Would you classify your workforce a diverse one? If so, why?

Absolutely. Different cultures, religions, colours, you name it, different sizes, different shapes. It was the lot. You have to understand that what we had within the people structure was huge diversity. We had the 'boerebond', the 'ware' Afrikaner, white artisans with very old-fashioned ideas about people and that was only one side of it.

2. Why did the company embark on a Diversity Management Initiative?

It was the only way to go forward at the time. There was no other alternative. You had to get on the train and start traveling or you stayed where you were. You could not afford to be out of step with the rest of the economy. The culture of the country was changing. There was no way we could have retained the culture of the past in a changing world. We would have been left behind and would have fallen out of step

e.g. if you travel from Johannesburg to Ventersdorp you can see it. They are left behind. But it is a process and an exciting process too.

3. *What were the objectives of the Diversity Management Initiative?*

At this plant the bottom line was improved productivity. When we started we found that each of the managers had old South African flags on their desks. The place was run by the 'boerebond' and there was a very strong division between management and workers on the shopfloor. Huge conflict. There was internal fraud as well to top it off. Because of the conflict between management and between management and shopfloor, there was no communication, taking place at the management level or any other level. The left hand didn't know what the right hand was doing and the right hand didn't know what it was doing. This factory had degenerated into a loss making business. The first step was to get management to talk to each other. The second step was to talk to the shop floor with the exclusion of management. This provided the key to the next step and how to go forward. We then consulted with an external consultancy called ITISA. We went through a process. We went through the entire organisation in the process, discussing business, working together, profiling people and developing a culture and developing common values.

4. *Was / Is the Diversity Management Initiative successful?*

Oh yes. When we started the program there was an accepted and budgeted reject level in the business of three and a half percent (3.5 %) of production and that budget was always exceeded. During this process, and as part of the diversity management initiative, we also introduced a zero-defect-level philosophy and this factory ran reject free for eighteen months. The reward was you got a certificate and the certificates are still floating around. We changed the culture dramatically, but we still have work to do.

PART 1: PROPOSTION 1: DIVERSITY AND LEADERSHIP

1. *The extent to which leadership within the organisation either assisted or impeded the successful implementation of the Diversity Management Initiative and what were the lessons learnt.*

1.1 *How did it assist and what were the strong points?*

Yes it did assist, without a doubt, it was critical. If leadership didn't believe in what it was doing, it would have spun off on the rest of the organisation and it would have failed. It had to be straight, honest and had got to get the buy-in at all levels. Unfortunately at times we had to 'bull-doze' it through because from the kind of people you sometimes get, as white artisans and white employee's in this kind of environment, you are going to get resistance. Even now I am getting huge questions about whether they are going to get fired because they are white and what are they going to do. There is a lot of nervousness about it, but no one is standing to lose their jobs. I am hoping that in a year this whole thing will be completely bedded down and we will get total acceptance.

1.2 *How could it have been improved? (If at all)*

I would say it could have been improved. It was the first time we were doing something like this and we were treading on soft ground all the time. It was a case of just do it and if you have the right values in your head you are going to do the right thing. Be strong, brave and driven and believe in what you are doing. It's hard sometimes, I know.

1.3 *Is it still present?*

It has to be. After all it can, only be driven by leadership. It can be demanded and expected by sub-ordinates but it can only, be driven by leadership. If it gets out of alignment and leadership isn't driving it, then you are going to have conflict. Leadership is critical in the initial stages to get buy-in but it will also have to continue to push the process forward as it wont flow on its own.

PART 2 – PROPOSITION 2: DIVERSITY AND STRATEGY

2. The degree to which there was alignment between the organisational strategy and positioning and the Diversity Management Initiative undertaken.

2.1 What was the nature of the alignment and did it assist? If so, how?

We linked the whole initiative to improved productivity and world-class manufacturing. It was the basis of turning the factory around and making it profitable again. The environment that pulled the whole thing together was the zero-defect-level philosophy. It got to a point and extent where we reported back on it every day. We used a huge notice board to report to everyone on how we were progressing towards 1000 tons of reject free product and that was the communication side.

2.2 What were the strong points of the alignment?

As part of the strategy, it was measurable. That was the capstone. If you can't measure something, you don't have a chance.

2.3 How could it have been improved? (If at all)

At the time, I think we were brave enough.

2.4 Is there still alignment?

No, not totally. In parts yes, over the whole organisation, but what happened and I don't know how one gets around this, because of the cultural thing as well, it becomes associated with the leadership at the time and the leader becomes that culture and when the person moves on, the alignment gets lost. The group will follow the culture of the person if they are comfortable with him and he has credibility. We used to have a beer with the shop stewards in the pub as well just talking and discussing business and personal issues.

2.5 *Is alignment important? If so, why?*

It is important, because it's tied to the way you do things. A strategy is a plan of how you want to do things and if diversity is not part of that plan and also not measurable, just the same as anything else on that plan then it won't become part of how you do things and you won't get the commitment. I would put common values in there as well. It must be part of the strategy.

PART 3: PROPOSITION 3: DIVERSITY AND COMMUNICATION

3. *The extent to which there was consistent, meaningful and effective communication about the Diversity Management Initiative to all organisational members?*

3.1 *Did it assist in the implementation of the Initiative? If so, how?*

There were regular meetings and discussion groups and it was actually the start of the workplace forum at the factory. We gave out brochures and information packs too. We even had shop stewards coming to management meetings so that they could give feedback to the staff. The communication ran very well and it really helped.

3.2 *What were the particular strengths of communication?*

If one looks at the reject free project, it was daily communication on all the notice boards and again that was about having a common goal and rallying everyone around that. You can say we identified things that were important to the process and kept communicating it to the people to keep them up to date on the process. It helped in showing people the link between diversity management and specific performance goals.

3.3 *How could it have been improved? (If at all)*

It can always be improved. In our case it could have been more regular.

3.4 *Is communication ongoing?*

No, in fact this is an issue. We need more regular communication, but it becomes difficult within a big group like Aspen. Because of the dynamics within the Aspen Group, communication cannot happen overnight and quickly, but that's where it can be improved.

3.5 *Is extensive communication important? And if so, why?*

Aside from simply informing people about what's happening, it's about trust I think. You need to give people honest, factual information to keep the process transparent. You need to answer questions and find out what they think so that you understand their point of views and they understand yours. The message must be bouncing off every wall and into every ear all the time until they believe it.

PART 4: PROPOSITION 4: DIVERSITY AND CULTURE

4. *The extent to which organisational culture facilitated the implementation of the Diversity Management Initiative and the degree to which cultural change was emphasised?*

4.1 *Did the existing organisational culture, assist in the implementation of the Initiative? If so, how?*

At this plant it didn't. Not at the time, but that has changed. The biggest obstacle was the 'boerebond' and we changed that. We had inherited the culture from the 1980's. It was a very strong, "Do as you told to, 'I am the baas' environment". There was a strong rift between management and the shopfloor and communication was poor, but that's what we changed.

4.2 *What were the particular strengths of the organisational culture that supported the initiative?*

It was the cultural changes that we made that supported the initiative, not the culture that existed at the time. We took all the old South African flags off the desks and

threw them in the bin. We put the new South African flag, the factory flag and the Aspen flag up outside the building and in fact in this street this is the only building with flags. The whole idea was that people live here and we come here to do our jobs with pride. We asked questions, like how do you expect to make clean product when the windows haven't been cleaned for three or four years. We cleaned it up and now you can see clearly through the windows.

During Christmas time, historically we normally gave each person R75 each to go and get a Christmas lunch. We changed that and told everyone that we were going to have a Christmas lunch for everyone in the same building and that we were all going to eat together. There were lots of arguments because people didn't want to mix. We just told everyone we were going to have lunch and we booked the Kempton Park Country Club. We hired buses, got them there and it worked. We did have a few incidents though at that first function. Although the culture is not yet 100 %, now when I look at our Christmas party, I have never seen such well-behaved people. Everyone joins a cue, when previously cues were not a cultural reality. They get their food, sit down and party together. Not one person is drunk and disorderly. That's the change that has taken place in the culture and the people and that's how we changed the culture. It's almost like osmosis. It just happens and people say, "Hey what happened". It was changes like this that we implemented that supported the initiative, and the leadership was strong about it.

4.3 Is the culture the same or has it changed since implementation?

It has changed markedly. It was a very strong thing at the time. That is our drive towards cultural change. That all encompassing thing that, together we can make it work. After the process we turned the business around from losing money to making money and we became profitable. The guys developed pride in what they were doing, collective pride because they had a common goal. As part of this exercise we decided to open a pub after work, on a Friday afternoon when the factory was shut and everyone could come. Initially there were a few incidents but they went away and when you looked at the snooker table after six months and saw who was playing with whom, it was amazing. All the cultural differences disappeared. This was a spin off from the whole exercise and the leadership shown. We lived the values and the

values were simple e.g. for people to greet each other and amongst black people this is very important.

4.4 *What advice would you give to anyone else embarking on a Diversity Management Initiative with regards to culture?*

Culture is critical and it starts bottom up not only top down, otherwise the glue won't hold it together. You cannot impose culture, you have to make the necessary changes within the organisation so that it drives cultural change and inculcates it.

PART 5: PROPOSITION 5: DIVERSITY AND TRAINING

5. *The extent to which diversity training was provided to all organisational members?*

5.1 *Did it assist the implementation of the Initiative? If so, how?*

Yes, the sensitisation training, the meetings and the discussion groups were very important. It was good training as it took them from a point of no knowledge to a point of knowledge and understanding. Out of all this came the change of culture and the values and these were the two elements that brought it all together.

5.2 *What were the particular strengths of the training provided?*

The training groups were made up of people with very diverse backgrounds. The discussions that took place and the way in which the discussions flowed, resulted in a lot of barriers being broken down through people actually acknowledging that one person's issues are the same as another person's issues in reality. The consultant was also very good. It has to be done by an outside person because there are too many issues as far as someone internally is concerned. There are too many preconceived ideas. Bring in someone from outside to start it and then take it forward, yourself. That's what we did. I think an external facilitator is important especially for the training.

5.3 *Is training ongoing?*

Not really, it hasn't been but that is changing now. There is a lot of training that we have planned although it has a lot to do with employment equity.

5.4 *Is extensive training important? If so, why?*

Extremely important I would say and it's got to be ongoing. If you have anything it's got to be ongoing training.

PART 6: PROPOSITION 6: DIVERSITY AND CONFLICT MANAGEMENT

6. *The extent to which specific conflict management techniques were practiced.*

6.1 *Did it assist in the implementation of the Initiative? If so how?*

Not really we didn't practice any specific conflict management techniques, but what we did do assisted. We had people telling each other two things that they liked about each other and two things that they didn't like and then we tried to bat them out until we killed off all the issues. It was more of a philosophy of now that we've sorted each other out, lets move forward.

6.2 *Would conflict management practices have helped if used to a greater extent?*

You get the resistance initially, the initial total resistance. I even had notices on the notice board here at one stage that said: "If you want to speak to me, speak in Afrikaans". That was in the first few months. This is where conflict management would have help. You do it once and you go big. Don't drag it. Get all the issues out up front. If we did that when we started, it would have speeded up the process because we would have nailed the hidden agenda's from the start of it and got people to talk, and discuss issues. Even now there are hidden agenda's that you have to figure out now and again and it stems from conflict and that's where it can help.

6.3 How did the absence of conflict management practices inhibit the program?

It slowed the process down. Because people are not accustomed to dealing with issues and when they try it becomes too personal and ends up not having a lot to do with business. That is often the case. It's about trying to get people to argue without getting personal and enabling them to be able to say, "Hey stop now, you're getting personal". This issue of sorting out the conflict management upfront would also speed up the process.