Abstract

Organizational researchers need to show managers that there is a wide network of values and interests that can contribute to the organization’s goals, but they have tried to show only one ‘truth’ based primarily on the management’s perspective. The focuses of organization theories need to keep step with demographic changes in workplaces since demography is an essential variable in those theories.

This essay discusses how those theories need to be changed along with increasing cultural and ethnic diversity in workplaces. In sum, control-oriented management and outcome-oriented leadership theories by themselves have limited implications for cultural and ethnic diversity in workplaces. This is because those theories were conceived on the assumption that workforces are homogeneous and can be integrated in terms of culture and ethnicity. Cultural and ethnic diversity runs counter to conventional wisdom that managers can directly control employees through predesigned patterns and structure. The negative effects of such diversity are produced through the psychological process of identity formation.

However, due to the complexity and subjectivity of the process, managers have a limited capability of controlling the process directly. Hence, control-oriented management theories need to be supplemented by leadership theories focusing on motivation and indirect influences. To draw better leadership, leadership theorists also need to put more emphasis on energizing organizational members to share organizational values and visions through social architecture than to peruse self-interested rational rewards.

The essay suggests implications for two kinds of research: descriptive and prescriptive research. The first section discusses what perspectives researchers need to have in order to describe cultural and ethnic diversity, and the second section examines what theories researchers need to employ in order to prescribe the solution of diversity problems.

[Keywords] Leadership Theory, Management Theory, Workplace, Diversity, Postmodernism

1. Organization Theories Blinded to ‘Manageability’

Considering the history of organizational research, scholars have sought to simplify the various organizational phenomena in a generalized causal relationship framework in order to develop generalized theories that can be common to all organizations. However, there is a lot of question as to how practitioners have solved the problems in the organization’s field through these accumulated performances on organizations.

Organizational researchers hope that practitioners will be the so-called "Man of Reason" that engage in instrumental rationalism[1]. In other words, they hope that "rational men" will be able to make value-neutral judgments and contribute to organizational coordination through that judgment. In fact, there are various 'truths' in organizations over the world. However, they are processed into the only truth and
then seen by practitioners in the field who are supposed to be rational men by researchers.

Organizational researchers need to show managers that there is a wide network of values and interests that can contribute to the organization’s goals, but they have tried to show only one truth based primarily on the management’s perspective. As a result, practitioners in the field, who have hoped to able to obtain something from theory to solve real problems in fields, come to be often disappointed by the studies of reductionism[2].

Therefore, it is important for organizational researchers to help practitioners face the reality that manageable things are decreasing, rather than trying to inject the confidence of managing anything to practitioners. This is a stimulus that supports them to think humbly about the various aspects of truth and values in the context of the growing diversity of organizations.

Any research oriented toward control and efficiency fall into modernist’s view based on functionalism paradigm. Functionalism in academia has contributed greatly to the integration and stability of the system, which often fail to lead to fundamental innovation or breakaway creativity in organizations.

2. Critique of Modernist Management

The postmodernist perspective stresses the diversity of individuals and informal groups that make up organizations, focusing on different history, interests, and perspective. This is because the postmodernist view ‘truths’ as socially constructed through social interactions of particular individuals in a particular setting.

On the other hand, the modernist perspective hardly pays attention to diversity but seeks for a single, consistent rules and order that guide organizational decisions and that governs the conduct of employees. Most traditional management theories are grounded in the modernist approach, disregarding diversity, pluralism, and ambiguity.

Joanne Martin, in her book Cultures in Organizations, attempts to explain organizational culture in both the modernist and postmodernist views[3]. She identifies three perspectives on organizational culture: integration, differentiation, and fragmentation. The integration perspective highlights organizational-level cultural sharedness and downplays cultural differences and conflicts among subunits; the differentiation perspective highlights group-level sharedness and cultural differences and conflicts among groups but downplays organizational-level sharedness; and the fragmentation perspective highlights randomness and inconsistency at both of the organizational level and the group level. She concludes that the fragmentation perspective is closest to postmodern thinking, since it emphasizes ambiguity and multiple interpretations.

We need to carefully examine Martin’s three perspectives[3]. First, there is no doubt that the integration perspective runs counter to research analyzing cultural and ethnic diversity because the perspective seeks for a single, organizational-level culture that guides organizational decisions and that governs the conduct of employees. The perspective is closest to the modernist view. Second, the differentiation perspective lies in a middle ground between the modernist and postmodernist views. However, when researchers examine cultural and ethnic diversity, they need to be careful in employing this perspective. It falsely downplays individual differences, assuming that members that make up a cultural group have all the same norms and values.

Rubaii-Barrett and Beck’s article “Minorities in the Majority,” based on what Martin terms the differentiation perspective, attempts to emphasize just similarities or differences between Anglo-American and Mexican-American employees[4]. However, in real workplaces, group members are guided not only by their own cultural or ethnic group, but also by their organization. At the same time, they may be affected by their gender group. For instance, a Hispanic woman may have a stronger identity as a member of a woman group. Employees mostly reveal multiple
identities, depending upon contexts and situations.

Table 1. Comparison between management and leadership.

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<th>Management</th>
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<td><strong>Methods</strong></td>
<td>Top-down control over employees</td>
<td>Energizing employees</td>
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<td><strong>Goals</strong></td>
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In this respect, diversity research needs to highlight multiple identities and ambiguous attitudes rather than a single-group identity based on ethnic and cultural differences. Of course, it is noteworthy that Rubaii-Barrett and Beck examine the attitudes and perceptions of Hispanic public employees, which have been ignored for the most part as research subject. However, more future research, from the fragmentation perspective, need to highlight how Hispanic public employees match their ethnic-group memberships to organization memberships.

In sum, the modernist view underlying the integration perspective can no longer meet needs for exploring workplace diversity. The differentiation perspective also does not shed light on a full picture of real workplaces, downplaying complexity and multiple identities. On the other hand, the postmodernist view underlying the fragmentation perspective is more likely to afford the better understanding of cultural and ethnic diversity in real workplaces than other perspectives. However, it is important to know that the postmodernist view has limited prescriptive implications for how managers should deal with workplace diversity, although it has the strength to describe workplace diversity. The next section examines more prescriptive implications for diversity research.

There may be a considerable dispute as to how the diverse workforce affects organizational success in public sectors. Some people may stress organizational benefits of the diverse workforce, such as improved problem-solving and decision-making, or enhanced representativeness and responsiveness to constituency groups. Some others may highlight the disadvantages of the diverse workforce: ethnocentrism and stereotyping, caused by cultural differences and interaction in an imbalanced power structure, will adversely affect the members of out-groups and organizational outcomes.

In any event, the focuses of management and leadership theories need to keep step with demographic changes in workplaces since demography is an essential variable in both theories. This essay discusses how those theories need to be changed along with increasing cultural and ethnic diversity in workplaces. The essay suggests implications for two kinds of research: descriptive and prescriptive research. The below first section discusses what perspectives researchers need to have in order to describe cultural and ethnic diversity, and the second section examines what theories researchers need to employ in order to prescribe the solution of diversity problems.

3. Management or Leadership to Describe Diverse Workplace

As shown in <Table 1>, there is a fundamental difference between management and
leadership in terms of their primary definition and function. I define management as a top-down activity, or control, that is based on a clear authority structure and includes planning, organizing, and other organizational efforts to accomplish goals (with efficiency). Hence, management can create orderly results that keep something working efficiently. On the other hand, leadership can be defined as the capability of someone to derive and motivate the willingness of members in social units to act toward achieving common goals. Leadership motivates employees to voluntarily contribute to goal achievement rather than directly control them. As Bennis and Nanus put it, while managing is “doing things right,” leading is “doing the right things.”[5]

There is an argument shared by writings on cultural and ethnic diversity in workplaces: in dealing with this diversity, leadership is a more appropriate means than management. Strong management, as noted above, may control employees by an orderly planning system and the management hierarchy, but it by itself cannot empower managers to successfully deal with the needs of employees with very divergent backgrounds and life experiences. For this reason, as Naisbitt and Aburdence put it, “the dominant principle of organization has shifted, from management in order to control an enterprise to leadership in order to bring out the best in people and to respond quickly to change.”[6]

Management theorists have increasingly called into question that employees can be directly managed and controlled to fit into a predesigned pattern and structure. Ditomaso and Hoojiberg are among those who argue for a transition from management to leadership[7]. They argue that “good management” fits the homogeneous workforce, not heterogeneous ones, and that leadership skills enable managers to better handle “psychological processes of identity formation.”

While good management must of necessary include good interpersonal skills, diversity adds the important dimensions of culture and groups membership, and taking these into account is substantively different from the kind of “good management” that one may practice when those being managed and/or doing the managing are homogeneous. To gain control of, intervene in, or help shape the direction of the psychological processes of identity formation, categorization of people into ingroups and outgroups, stereotyping, and the attribution processes that accompany such identification requires a level of mindfulness that would ordinarily not have been thought of as part of management, but should be an important leadership skill in a diverse world.

As Ditomaso and Hoojiberg’s statement indicates, good management includes interpersonal skills such as negotiation, facilitation, and communication, but this is not enough to deal with cultural and ethnic diversity. To better understand this kind of diversity, we need to understand how employees apply their social identity to organizational life and what impacts this application has on a whole organization.

Diversity research has drawn some implications from social psychology on social identity, social categorization, and attribution theory. Within organizations, individuals develop a social identity with reference to group membership and categorize groups. Individuals then give favor to their own group (an ingroup), while negatively evaluating those who belong to groups identified as different (outgroups). Outgroups are the targets of stereotypes and negative attributions, which are strengthened if favored groups are also those with greater power and resources.[8]

These negative stereotypes and attributions may impede cooperation and communication within an organization, as the organization becomes increasingly diverse. However, can management control this negative effect? Due to the complexity and subjectivity of the psychological process, managers probably have a limited capability of managing and controlling the process. Hence, management theories with an emphasis on control hardly can offer implications for how to handle the complex psychological process.
4. Toward Transformational Leadership in Diverse Workplace

Scholars’ skepticism toward traditional management theory brought forth the emergence of the transformational leadership model in 1970s. This leadership refers to the capacity of leaders who avoid directly managing and controlling their subordinates and organizations but “exert their influence through ‘social architecture,’ by working with the basic symbols and core values, or culture, of their organizations”[9]. Transformational leaders motivate subordinates to transcend their own narrow self-interest and contribute to the goal of their organization overall, by helping them set up “higher-level goals akin to the self-actualization needs defined by Maslow”.

As shown in <Table 2>, transformational leaders are sharply contrary to transactional leaders who motivate followers by recognizing their needs and offering rewards to meet those needs in exchange for their performance and support. While the transactional leadership is different from management in that transactional leaders attempt to meet followers’ needs, it is not different from management in that those leaders try to directly control followers by their rewards. Like control-oriented management, the transactional leadership has a limited capacity to fundamentally solve problems arisen from cultural and ethnic diversity.

Diversity scholars have theorized about the growing role of transformational leadership in dealing with diverse workplaces. They expect to drive a dual effect: transformational leadership will foster the positive effects and reduce the negative effects of diversity on organizational outcomes[10][11].

In a while, a major problem of existing leadership research lies in the evaluation criteria of leadership. Most works, grounded in management mentality, evaluate leadership in terms of outcome and performance. Chen and Velsor, in their article “New Directions for Research and Practice in Diversity Leadership,” argue that change in the requirement of leading and managing diversity change leads to changes in definitions and criteria of leadership effectiveness[12].

In the context of growing diversity, it is expected that good leadership improves the extent to which heterogeneous members are properly in harmony and to which the harmony is properly sustainable and invulnerable to rapid environmental changes.

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<th>Management</th>
<th>Transactional leadership</th>
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<td>Methods</td>
<td>Top-down control over employees</td>
<td>Offering economics rewards</td>
<td>Sharing visions and values</td>
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<td>Goals</td>
<td>Forced implementation</td>
<td>Motivated by rationality</td>
<td>Motivated by social architecture</td>
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<td>Idea on certainty</td>
<td>Removing ambiguity and uncertainty</td>
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Personality characteristics such as tolerance for ambiguity and uncertainty, flexibility and adaptability, and ethnocentrism may be more positively related to diversity leadership than personal motives such as needs for achievement, power, or dominance. For the evaluation of leaders, the outcome variables of performance and productivity may be supplemented by structural and process variables such as power, availability of information, fair treatment, teamwork and employee development.

5. Conclusion

In sum, control-oriented management and outcome-oriented leadership theories by themselves have limited prescriptive implications for cultural and ethnic diversity in workplaces. This is because those theories were conceived on the assumption that the workforce are homogeneous in terms of culture and ethnicity. Cultural and ethnic diversity runs counter to conventional wisdom that managers can directly control employees through predesigned patterns and structure. The negative effects of such diversity are produced through the psychological process of identity formation.

However, due to the complexity and subjectivity of the process, managers have a limited capability of controlling the process directly. Hence, control-oriented management theories need to be supplemented by leadership theories focusing on motivation and indirect influences. Also, leadership theorists need to put more emphases on relations and processes as evaluation criteria of leadership.

6. References

6.1. Journal articles


6.2. Books

<table>
<thead>
<tr>
<th>Author</th>
<th>Kim Dong-won / Incheon National University Professor</th>
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<tbody>
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<td></td>
<td>B.A. Yonsei University</td>
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Research field

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