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Managing Diversity: A Twenty-First Century Agenda

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Abstract

Workplace and workforce diversity has become an important issue, partly because of a management literature which has become more aware of such concerns, and partly because of the contemporary international and domestic mobility of the labour force. This article explores the contribution of equal opportunity, diversity management and high-performance work systems approaches to diversity and identifies their strengths and limitations.

Introduction

The second half of the twenty-first century has dramatically increased the flow of labour internationally, with implications for domestic labour supply and management. In a country such as New Zealand, this has resulted in one in five New Zealand residents being overseas-born, putting the country ahead of Canada and just behind Australia. In the city of Auckland, immigrants comprised between 37% and 41% of the population by 2006, qualifying the city for the epithet of a "super-diverse" city (more than 25% of its residents are immigrants). Added to this has been the urban migration of Māori and their growing demographic and economic presence, along with that of the New Zealand-born descendents of immigrants. The indigenous, ethnic and immigrant diversity of the workforce is particularly important for the workplace, given the demographic profile of non-Pakeha ethnic groups and their proportion of the working age population. The significance of this domestic cultural diversity in the labour force, underscored by global influences and requirements, has recently prompted us to focus on the question of how well New Zealand firms and managers have responded to diversity, cultural as well as other forms of diversity. What follows is an exploration of this question.

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Diversity Management

"Diversity management" is a broad strand of organisational management literature that was developed as a means of helping organisations respond to the growing diversity apparent in contemporary labour markets. From the 1980s, discussions of diversity management focused on managing heterogeneity in the workforce in relation to demands for "affirmative action" and "equal employment opportunities" which were intended to increase numbers of workers from "minority" groups.[1] Diversity was seen "in terms of factors such as race and ethnic origin, gender, age, sexual orientation and political and religious belief" (Tatli, Özbilgin, Worman and Mulholland, 2005: 2). Diversity management was defined as: "voluntary organisational actions … designed to create greater inclusion of employees from various backgrounds into formal and informal organisational structures through deliberate policies and programs" (Mor Barak, 2005: 208). However, with the rapid globalisation of labour markets, this strand of literature has evolved to incorporate management of a much wider range of diversity issues. As Kreitz (2008: 106) points out: "Twenty-first century organisations are living with and being challenged by diversity of three levels – an increasingly diverse workforce, a multicultural customer base, and a growing challenge for market share from international competitors".

As well as cost-effective inclusion and the management of diverse workforces at the local level, globalisation means companies must manage workforce diversity across national boundaries. Moreover, cosmopolitan city and global markets mean there is now a greater diversity of client and customer groups. The importance for businesses to manage such diversities in order to achieve improved profit margins and competitive edge hardly needs to be stated. At the same time, in the interests of justice and equity, inherent in any diversity management approach, must be a concern for the employment outcomes of groups who, historically, have been systematically excluded and oppressed (Prasad, Pringle and Konrad, 2006).

The second strand of literature relevant to labour market issues and diversity is that which examines the impact of changes in workplace organisation from Taylorist principles and practices of low-discretion production systems, typically found in twentieth century factory settings, to high-performance work systems (HPWS) in which workers are expected to have a more significant involvement in work decisions. This approach looks at issues of skills training, power-sharing, work place innovation that continually develops high quality goods and services, and the need to develop good quality jobs that value and use the skills of all workers (e.g., see Appelbaum, Bailey, Berg and Kalleberg, 2000; Capelli and Neumark, 2001; Godard, 2001, 2004; Cornelissen, Haslam and Balmer, 2007; and Macky and Boxall, 2007, 2008).

What follows is a discussion of the development of diversity management approaches by organisations, followed by an examination of the literature concerning high involvement work systems. This includes some of the more recent suggestions for implementing nation-wide systems to train workers and employers in flexible skills. These are programmes that encourage ongoing skills training to meet changing market needs, and that value and use the skills of workers by providing good quality jobs.

Equal Employment Opportunities

Laws demanding that employers provide "equal employment opportunities" (EEO) through "affirmative action" (AA) or "positive discrimination" to members of minority or previously disadvantaged groups were established in the United States (US) in the 1960s. To avoid litigation for non-compliance of the anti-discrimination laws, firms employed managers with specialist knowledge of the EEO/AA[2] regulations to create compliance programmes (Kelly and Dobbin, 1998). Following the US, New Zealand established similarly regulatory acts (e.g. the Equal Pay Act 1972, the short-lived Equal Employment and Pay Equity Act 1990, the Human Rights Acts 1993 and 2000). Australia and the United Kingdom (UK) were among other nations to follow the US example. The aim was to provide a "level playing field" for all in the labour market. The concepts of EEO/AA, designed to enforce the employment of more members of minority and disadvantaged groups, contributed to the employment of a more widely diverse labour force (Thomas, 1990).

However, by the late 1990s, EEO/AA laws were under attack as being too regulatory and prescriptive. According to Sinclair (2006), the shift from EEO/AA to diversity management was, in part, the result of businesses lobbying for a reduction in bureaucratic surveillance and compliance costs. Kelly and Dobbin (1998) believe that as governments withdrew support for enforcing EEO/AA measures, the desire of EEO managers to safeguard their positions contributed to the emergence of the concept of diversity management. Many have continued to argue the necessity of measures that created employment opportunities for previously excluded groups and for drawing attention to employment inequities (Thomas, 1990; Karsten, 2006; Litvin, 2006). For example, Thomas (1990, 2006), the founding father of diversity management (Karsten, 2006), argues that affirmative action is still necessary for minority groups to gain access to employment but that it does not provide systems for managing their future labour market progress and potential for their employers. In Thomas' view, establishing a system of "diversity management capability" ensures that everyone has the opportunity to perform to their potential at all levels (2006: 61). This, in turn, offers greater potential to businesses. In the words of Thomas (1990: 109), "We have to learn to manage diversity, to move beyond affirmative action, not repudiate it".

Proponents of diversity management claim that there are several important differences between EEO/AA and diversity management (Digh, 1998; Prasad et al, 2006; Thomas, 1990, 2006). One is that EEO/AA seeks to assimilate workers into the workforce, expecting those of diverse social groups to slot seamlessly into existing social and cultural workplace systems. Diversity management, on the other hand, claims to integrate a wider range of groups by creating systems that allow their various social and cultural contributions to be valued (Digh, 1998). Another difference lies in diversity management's focus on achieving systematic retention of employees from diverse social groups (Prasad et al, 2006), rather than simply on their recruitment. However, the major difference is that while EEO/AA is typically a state imposed, legally driven initiative, diversity management is a voluntary, corporate initiative "with no legal force behind it" (Prasad et al, 2006: 2).

The reality is that in the twenty-first century global economy, with its extended and mobile market and labour systems, examinations of EEO/AA and even the original concept of diversity management must move beyond how they might be co-opted to most profitably manage the employment of those from a range of social and ethnic groups. Diversity itself has evolved to reflect not only a locally diverse workforce but also an internationally diverse workforce, a diverse multicultural customer base, both nationally and internationally, and diverse international competitors. Moreover, new ways of organising and continually upskilling the labour force are needed to satisfy the growing demands for rapidly changing, higher "quality, innovation and internationalisation" systems (Janssens and Steyaert, 2003: 4). Businesses, and employer and worker organisations, need to manage and work collaboratively within the multi-layered nature of contemporary diversity to solve complex problems and to create a competitive edge in the lucrative international marketplace where diversity itself is an accepted dimension. At the same time, globalisation notwithstanding, it is important for theories of diversity management to consider the culturally, socially and geographically contingent nature of diversity (Prasad et al, 2006).

Diversity Dividends

Persuading businesses to adopt a more responsive approach to diversity has been largely through promoting diversity management as a business imperative for maximising economic bottom-line, or "competitive advantage" (Mor Barak, 2005: 210). The business case for diversity management "converts diversity into an economic good" (Sinclair, 2006: 512). It has led to a considerable literature on the "Business Case for Diversity Management" by business management and human resource management professionals: a Google search produced 383,000 results in 0.24 seconds. Karsten (2006) cites a study that shows links between a diversity programme and improved sales and productivity. However, critics such as O'Leary and Weathington (2006: 290) point out that the business case approach for diversity management is "severely limited". They suggest the literature tends to show that the stated benefits do not always occur, are not quantifiable and that rather than empowering members of disadvantaged minority groups, their employment as tokenism may lead to further marginalisation. They question what happens to "ideas of justice, equity, and basic employee responsibilities and rights … if the business case does not support the need for diversity" (O'Leary and Weathington, 2006: 290). And, indeed, several examples of empirical research present the complexity of diversity consequences. For example, there is the possibility of firms finding that, while diversity may lead to greater innovation, it may coincide with higher staff turnover among upper management (Kochan et al, 2003). Furthermore, there is a possibility of resistance, backlash and conflict (Karsten, 2006), plus the loss of group cohesiveness and increased staff turnover, while those employed "to help gain access to a particular market or market segment may come to feel devalued and exploited" (Slater, Weigand and Zwirlein, 2008: 204).

Nevertheless, some proponents of the economic benefits of this approach, particularly in Australia, seek to build their case through promoting the concept of "diversity dividends" to describe the returns for businesses of implementing a diversity management approach. For example, O'Flynn et al (2001: 37) declare: "It is time for CEOs to wake up: investing in diversity management today can produce diversity dividends tomorrow". The diversity dividend is defined in business terms as "a product of effective diversity management" (Lau et al, 2001a: 45) or "productive diversity … the business advantages that emerge from the employment of many different people" (Lau et al, 2001b: 6). Collins (2002: 3) states: "One of the four pillars of Australian multiculturalism is that of *productive diversity*" (original emphasis). In Collins' view, use of "innovative ways that the cultural diversity of the workforce can be tapped to business competitive advantage" (2002: 3) is demonstrated in an "economic gain, or a *diversity dividend*" (2002: 3, original emphasis) for Australian firms.

Unlike Collins, O'Flynn et al (2001) refrain from naming economic profit when they list the dividends to be gained from effective diversity management:

> Firms that effectively manage diversity harness the diversity of their workforce and reap the 'diversity dividend'. They attract and retain the best staff, and benefit from the multiple perspectives that a diverse workforce brings to every facet of operations: from product development and marketing to managing international operations (O'Flynn et al, 2001: 35).

Lau et al (2001a) also omit economic gain in their list of eight diversity dividends, citing: enhanced creativity and innovation; advanced communication; reduced workplace conflict; lower absenteeism and turnover; expanded global opportunities; superior teamwork skills; improved business-to-business relations; and quality customer service (Lau et al, 2001a: 45).[3] To this list of dividends, Karsten (2006: 101) adds: "boosting profits … [and] improved employee morale, satisfaction and commitment to the organisation's goals".

In Britain, Adams (2006) demands a further diversity dividend. Adams calls for firms to be judged and rewarded on their provision of fair EEO/AA opportunities. She claims that firms incurring increased costs in training and commitment through providing equal opportunities employment may be disadvantaged when tendering for work in public services. Therefore, in Adams' view, when tenders for public works are under consideration, AA should be provided to firms who provide AA to employees. Arguing for a diversity dividend in the form of recognition of such a commitment to equity, Adams states:

> [We] would like to be able to say that a commitment to diversity … is good for business. It's hard to claim that under the current situation where good employers can feasibly lose business to those without any real commitment to fair treatment of their people. Competitors can sometimes be cheaper as a direct result of them not providing decent terms and conditions and not driving the equality agenda (Adams, 2006).

Conversely, Nicholas and Sammartino (n.d, 2001) warn Australian businesses of the negative consequences of failing to provide effective diversity management. They state that while “managing diversity makes good business sense” (Nicholas and Sammartino, 2001: 2), diversity dividends come only through “actively” managing diversity. Failure to do so leads to the loss of diversity dividends through human resource costs “when low job satisfaction causes high absenteeism and turnover and poor productivity” (Nicholas and Sammartino, 2001: 2). As an example of diversity dividends lost through the failure by firms to implement active diversity management programmes, Nicholas and Sammartino (n.d.: 8) estimate a $7 billion cost for Australians through absenteeism in 1995. Similarly, in the US, Hubbard (2004: 15) claims that employee dissatisfaction from ineffective diversity management leads to “disastrous” bottom-line losses incurred from high staff turnover. He includes a cost of one and a half times the salary of the employee merely to hire a new worker, plus further costs of “at least 90 percent of the departing employee” (Hubbard, 2004: 15) through lost productivity, including periods of absenteeism, during the period the employee works out notice, formal and informal training of new staff, “learning curve costs” (Hubbard, 2004: 15) and the possible loss of customers who follow the previous employee and new customer network building.

In UK research from the Chartered Institute of Personnel and Development (CIPD), members do not tend to use the concept “diversity dividends”, although Worman (CIPD Podcast, 2007) admits that even while advocating good diversity management, they understand that firms investing in diversity need to “add a dividend” from it. But CIPD members do suggest how diversity may be actively managed (see e.g. CIPD, 2003; Tatli et al, 2005; Worman, Bland and Chase, 2005; CIPD, 2007; CIPD Podcast, 2007). Worman, for example, adds that it is important to move from an attitude that diversity is “a problem, we have to comply, we have to have a compensation model for those who aren’t normal” (CIPD Podcast, 2007) to thinking of how “difference is good for us … how we can leverage from that” (CIPD Podcast, 2007). According to the CIPD (2007), the way to both manage and gain from diversity is by demonstrating that diversity is valued within workplaces. This, they argue, is an important step towards developing “an engaged workforce”. They define employee engagement as:

> ... a combination of commitment to the organisation and its values plus a willingness to help out colleagues (organisational citizenship). It goes beyond job satisfaction and is not simply motivation. Engagement is something the employee has to offer: it cannot be ‘required’ as part of the employment contract (CIPD, 2007: 1).

Firms with an engaged workforce were found by CIPD to have 40% lower recruitment expenditure than organisations that do not. Moreover, they had reduced costs from labour turnover, absenteeism and discrimination lawsuits (CIPD, 2007). Diversity management that provides conditions under which employees desire to work more effectively provides a series of diversity dividends.

High-Performance Work Systems

Closely linked to the CIPD ideas, literature from industrial relations and strategic human resource management studies also analyses the impacts of more fully engaging workers. However, the focus shifts from diversity management and employee engagement to the establishment of high-involvement, high-performance work systems (HPWS) (e.g., see Appelbaum et al, 2000; Capelli and Neumark, 2001; Godard, 2001, 2004; Cornelissen et al, 2007; and Macky and Boxall, 2007, 2008). Discussions of HPWS include a variety of definitions. Macky and Boxall describe the dominant definition as:

> ... changes in work organisation towards greater employee involvement, seen as necessary to compete more effectively on quality, creativity and flexibility, lead[ing] logically to improvements in skill formation … and an appropriate mix of incentives … at the heart [of which] is a process of building higher levels of employee involvement in decision-making, on the job and/or off it (2008: 39).

While not using the term "diversity dividends", proponents write of the benefits they believe an HPWS approach brings to employers. However, among HPWS writers are those who also examine the approach's potential for improving outcomes for employees beyond basic "feel good" sentiments, a concern that tends to be absent from some of the diversity management literature, especially in the business case sector. Macky and Boxall point out that writers, including Appelbaum et al (2000), claim that the intensification of work involved in HPWS leads to benefits for both workers and employers: improved worker satisfaction and commitment bring subsequent bottom-line benefits for employers. Others are more sceptical of the benefits. Capelli and Neumark (2001), for example, believe that employer benefits may be impacted negatively by HPWS. In their view, there is "little effect of high-performance work practices on overall labor efficiency" (Capelli and Neumark, 2001: 373) because HPWS involves the transference of power to employees, leading to demands for higher "employee compensation". Godard (2001, 2004) is among others who suggest that it is workers who may be affected negatively by HPWS. Greater responsibility for decision-making by employees and increased performance goals may lead to more stress. As Godard states:

> [A]lthough team-based work and information sharing had positive effects, team autonomy and responsibility for a good or service – both associated with the high-performance model – had negative effects for employees (2001: 776).

Blackwood (2008) also suggests that higher involvement and greater commitment by employees through improved opportunities for employee decision-making may lead to increased employee stress, possible job-burnout and increased employee sensitivity to treatment by management and to outsider views of the group.

As in the diversity management approach described above, Macky and Boxall (2008) find that the key to success in HPWS is largely dependent on the managerial approach adopted. The authors argue that the approach adopted is directly linked to whether HPWS impacts positively or negatively on employees. Negative outcomes for employees are more likely where managers are seen to combine work intensification with organisational gains. In such circumstances, employees may feel pressured to work longer hours or take work home, for example, leading to employee alienation from work through work-life imbalance (de Bruin and Dupuis, 2004). Cornelissen et al (2007: 7) note that poor management leads to a chain of poor outcomes: "employee disengagement, customer dissatisfaction and general organizational atrophy". Positive outcomes, though, are more likely where managers of HPWS "foster and reward employee involvement" (Macky and Boxall, 2008: 52). The dividend here is employee engagement, created through developing a sense of well-being. As Macky and Boxall (2008: 52) state: "Workplace reform which enables employees to work smarter through greater empowerment, but without undue pressure to work harder, is likely to enhance employee well-being."

Further, Macky and Boxall (2008) point to a shift in focus apparent in more recent research: the link between engaging/involving employees and the dividend of improved productivity. This is also a key element in the diversity management approach and has led to a demand for better skills training for both employees and management. As Mayhew and Neely (2006) claim, the impact of employee training is closely intertwined with management skills. There is recognition that higher productivity needs a flexible workforce where employees are more highly trained in a wide range of transferable skills. Flexible, skilled employees are more likely to become engaged or involved in their work if their skills, including tacit skills, are recognised, valued and utilised in good quality jobs. Flexible, skilled managers are more likely to provide good quality jobs and more fully recognise, value and utilise their employees' skills. Flexibly skilled workers plus flexibly skilled managers are together more likely to lead to multiple dividends in long-term development, innovation and cost-effectiveness for businesses, while simultaneously improving the country's economy.

HPWS and diversity management share a number of concerns in common: management responsiveness and innovation, worker upskilling and engagement, and productivity gains. But there are also important differences. Diversity management positions management and worker diversity inside the firm, and supplier/consumer diversity externally, as the key issue. HPWS, as its name suggests, is concerned more generally with any factor that improves performance. Diversity is only one issue and, in the case of some contributors, barely gets named much less directly addressed. We would argue that both approaches have something to offer the challenges presented by diversity and the task is to combine the two approaches in order to better address societal and organisational diversity.

Limitations

Reflecting doubts expressed by some diversity management theorists (e.g. see O'Leary and Weathington, 2006; Prasad et al, 2006; Sinclair, 2006), and still focused on the need for higher quality jobs, Mayhew and Neely (2006) are concerned by a tendency for policy makers and businesses to focus on improved productivity that does not look beyond immediate bottom-line gains for businesses. They argue that "good productivity performance is a means to an end … a route towards achieving a more internationally competitive economy" (Mayhew and Neely, 2006: 455). But, in their view, there is a need to ensure that what is sought is long-term productivity from increased production *quality* rather than merely short-term productivity from increased production *efficiency*. Otherwise, they suggest, “significant proportions of … workers will be confined to low-rewarding jobs and possibly to jobs of high work intensity and low discretion” (Mayhew and Neely, 2006: 455). Such jobs, according to diversity management advocates (e.g. Lau et al, 2001a; Nicholas and Sammartino, 2001; Worman et al, 2005; CIPD, 2007), do not reap diversity dividends as they are not conducive to the development of either an engaged workforce or the ongoing innovation of goods and services. Moreover, the low job satisfaction leads to increased absenteeism and high employee turnover (Sammartino, O’Flynn and Nicholas, 2003).

In a similar vein, Bryson and O’Neil (2008) argue for a shift from the current instrumental view of human capability that prioritises economic over social goals. In their view, by becoming “capability enhancing institutions … through the provision of good quality jobs and work environments” (Bryson and O’Neil, 2008: 44), businesses will be more effective in achieving the instrumental outcome of enhancing their productivity and competitiveness.

> Production goals of flexible production of goods or services of high quality and competitive cost are achieved through the organisation of work which mobilises the tacit knowledge of direct workers [as opposed to outsourcing work to cut costs]…. The optimal competitive route … which optimises the development of human capability … is through actively organising work and employment relations which produce good quality jobs (Bryson and O’Neil, 2008: 43).

Instead, what the authors found is that while employers/managers rely on workers’ tacit skills, and accept the dividends they provide, there is little formal recognition of those skills. This was evident in the few opportunities for workers to use their discretion at work – where it was sought, it was likely to be used to justify or reinforce management decision-making rather than being the means of providing a greater employee role in decision-making. Critics of diversity management theory, Jones, Pringle and Shepherd (2000), express similar concerns over the co-opting of Māori cultural values, skills and resources by employers to provide a competitive edge rather than to improve employment quality for Māori. Buchanan (2008) suggests that to address these challenges there needs to be analysis of “*workplace data*, not just training data; a focus on *workforce development*, not just training; [and an emphasis on the] importance of *partnership arrangements*, not just training provision” (original emphasis).

A final problem related to diversity management, employee engagement, HPWS and diversity dividends generally, is that of unrealistic employer expectations. Keep (2008) raises the issue in relation to expectations by employers that employees should arrive on the job fully trained. This is an expectation that particularly disadvantages members of minority groups as employers from the dominant group are more likely to relate to and understand the skills brought by members of their own group (Sinclair, 2006). Keep points out that while skills training needs to move towards developing more flexible workers with transferable skills, in a labour market that values innovation, employees will always need ongoing training to meet new skills requirements. As the *New Zealand Skills Strategy 2008 Discussion Paper* states,

> Many skills are informally acquired in work through experience and learning from others and many of the benefits of formal skills can only be fully realised if they are able to be applied at work (New Zealand Government et al, 2008: 12).

One answer, according to Keep (2008), is to create a “three-legged” policy which aims at creating more highly trained workers who move into a labour market that offers higher quality jobs which attempt to improve the usage of the workers’ skills. This is more likely to happen, Keep (2008) suggests, when governments support employers to improve their workplaces as learning environments and to create an environment which encourages the development of improved workplace innovation, work organisation and job design.

Conclusion

Workforce and workplace diversity constitutes one of the major management challenges of these decades. We have identified some of the possibilities and limitations of the diversity management and HWPS approaches. We want to end by indicating some of our remaining concerns as a contribution to an evolving diversity management agenda.

The first is the focus on gaining market advantage and maximum productivity from diversity. An example is discussed by Jones et al, (2000). They point out that diversity theory, because it emanates from the US, tends to have an individualised concept of identity, leaving no room for particular collective identities or claims. This means that in New Zealand, for instance, there are times when “Māori cultural values matter only to the extent that they add value to the organisation” (Jones et al, 2000: 369). For this reason, a diversity management approach by managers may lead to a situation where employers treat Māori culture as a commodity “rather than as a cultural resource that Māori people themselves as Tangata Whenua have a right to create in their workplaces” (Jones et al, 2000: 369).

Further, theories that view diversity as “a set of attributes that reside in some people and not in others … leav[ing] dominant groups fundamentally unchanged and relations of domination intact” (Ely, 1995: 162) are unhelpful. As Ely notes, all too often diversity has meant anyone who is not a white, heterosexual male: “Only people of color have a race; only women have a gender; only gay, lesbian, and bisexual people have a sexual identity” (Ely, 1995: 162). The growing complexity of diversity throughout the labour market requires an even more complex view of organisational diversity than visible differences such as ethnicity, gender and age among employees. For businesses to maximise the potential of their workforce, it is necessary to understand and respond to the background, skills, understanding and motivations of workers at all levels. As Brazzel (2003: 76) points out, “difference is not only about culture and perception, but also about resource distribution and claims to privilege”. Therefore, an examination of diversity in organisations should consider not only employee groups but also managers and employers. Thomas underlines this point when he writes:

> White males … hold most of the decision-making posts in our economy … and I certainly don't mean to suggest that white males somehow stand outside diversity. White males are as odd and as normal as anyone else (Thomas, 1990: 109).

There are also factors external to the organisation, which play a critical role. An obvious and central consideration in the New Zealand context arises from the much more central economic role that Māori now play in New Zealand's institutions, including the labour market. A Māori cultural renaissance since the 1970s has been accompanied by new economic development ambitions, leading to Māori taking a much more important position in the New Zealand economy (see NZIER, 2007). A key dimension in these new expectations revolves around notions of ownership, perhaps best represented in the context of the present discussion as stakeholder considerations. In introducing notions of ownership and stakeholder-ship, we want to argue that diversity management should address issues of worker pride and loyalty for a product, service or organisation that result from an increased sense of ownership. While this applies to many workplaces, we suggest that it is particularly critical for a Māori workforce in contemporary New Zealand. A product, service or other output which is to be consumed by a population that has specific (iwi, hapu) or broad connections (as Māori) to those who produce it, draws on ethnic-specific stakeholder connections. In the knowledge that their work efforts will be of interest to, or benefit those with whom they have an ethnic affiliation, connection or relationship, these Māori workers, if managed appropriately, will be more productive. Diversity management provides an opportunity to consider and capture such connections.

Our concern is to widen the concept of diversity in the workforce and what it means to manage diversity. There needs to be a shift from a focus on some employees and groups of employees as problems, as some sort of anthropological "others", in isolation from the wider culture of the firm. It also requires an examination of the previously unquestioned tasks and "privileged" experiences of managers "whose own racial or gender markers [have been] invisible" (Sinclair, 2006: 527) alongside those of highly visible minorities whose experiences have been systematically ignored or "routinely silenced" (Sinclair, 2006: 527). Establishing patterns of reflexive analysis among employees and management enables issues of power to be aired and resolved, although such an approach presents some considerable challenges. As Slater et al, (2008) note, diversity will only be successful where it is embraced at all levels within a firm, not just as an ideal imposed by HR. They argue that to achieve the benefits of diversity, senior management need to ensure that a "commitment to diversity is a deeply engrained value in the organization's culture, one which produces the appropriate norms for constructive and productive behaviour by all employees" (Slater et al, 2008: 7).

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Notes

[1] OECD (2008, Chapter 3) discusses labour market discrimination on the grounds of "gender and ethnicity" (Prasad et al, 2006: 2) note that there is a wider range of groups whose employment options have been marginalised. They include "non-whites, women, religious and ethnic minorities, individuals with physical disabilities, older employees, gays, lesbians and transgendered people". Those with mental and intellectual disabilities should also be included. Contextually, some of these groups may not always form a minority. Moreover, Pringle and Scowcroft (1996: 32), whose research of diversity management in New Zealand includes gender and ethnicity only, suggest that it is considered neither appropriate nor polite to use the term "minority group" to refer to ethnic groups in New Zealand. Nevertheless, "minority groups" is used here as referring to all groups historically and systematically marginalised and discriminated against in the labour market.

[2] For a discussion of the subtle legal differences in meanings and workforce implications of the concepts EEO and AA in the US, UK, Canada, New Zealand and Australia, see Prasad et al, (2006: 5). Here, the terms are used interchangeably to represent the regulatory, as opposed to the more voluntary, environment of diversity management.

[3] Interestingly, Lau et al (2001b: 6) present the same list of diversity dividends, but in a different order. "Expanded global opportunities" takes precedence while "lower absenteeism and turnover" is moved to the bottom of the list.