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Multiculturalism: A Challenge or an Opportunity to Managers in Indian Perspective

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Abstract:
The present day organizations are essentially multicultural in nature. Multiculturalism has complex and powerful effects on organizational behavior. It is in fact, a challenge for both at the governance as well as managerial levels. That's why it becomes essential for today's managers to understand the different aspects of multiculturalism to remain in the global market. The present paper is a study of multiculturalism in India; its present scenario, advantages, disadvantages and strategies to increase the positive outcomes and reduce negative effects.

1. Introduction

Multiculturalism is an indisputable fact of life in today's world. However, managing multiculturalism is indeed a challenge both at the, governance as well as managerial levels. Organizations are increasingly realizing vast diversity within the global market and devising strategies to make the most out of it.

Multiculturalism spring from various sources, the significant ones are the new world trade regime affected by the WTO, the revolution brought about by Information and Communication Technology (ICT), Rapid transportation, increased international migration, staff movement by multinationals from one country to another. In short, it is the forces of globalization that brought forth this change.

As far as India is concerned, multiculturalism is not a new reality, unlike many other countries in the world. In fact, the concept is very much familiar to Indian society. With diverse cultures, languages, religions and communities, multiculturalism have its reflections in every sphere of social life in the country. The idea of India as given in Indian constitution is as ' an egalitarian, multi-cultural society which is established in rule of law, human dignity and harmonious co-existence of diversity in all good forms, hues and shades' (EOC Report, 2008).

The question of multicultural societies with their inherent diversities moving forward as a nation is just the tip of the iceberg, the integration of different groups as cardinal question. How far multiculturalism is reflected in public sphere? How multicultural is work places. How far adoption of diversity is taken as a policy matter or by choice? The present paper is an effort to make understanding about the present scenario of multiculturalism in India, its pros and cons and strategies to achieve its advantages and minimizes its disadvantages.

2. Review of Literature

- **Taylor Cox(1991)** said that increase diversity presents challenges to business leaders who must maximize the opportunities that it present while minimizing its cost to accomplish this, organization must be transformed from monolithic or plural organization to multicultural model.
- **Mary Mc Bride (1992) wrote a paper entitled 'Management Development in the Global Village: Beyond culture-a Micro-world Approach'.** In this paper, she viewed that Global managers create efficiency by creating a uniformity of

approach across national and cultural boundaries. Global managers must not only be able to manage cultural diversity, they must also be able to create effective micro cultures of unified action worldwide.

- **A.R.Elangovan(1995) wrote a paper on the topic ' Managerial Conflict Intervention In Organization: Traversing The Cultural Mosaic'** stressed on developing a framework for understanding how culture affects managerial conflict management.
- **Richard D. White (1999) commented in his paper titled 'Managing the Diverse Organization: The Imperative for a New Multicultural Paradigm'** that the challenges posed by an increasingly diverse workforce may require the creation of new paradigms of management and organizational behavior.
- **Kelli A. Green and associates (2002) said that a diverse workforce is a reflection of a changing world and marketplace.** Diverse work brings high value to organization. Respecting individual differences will benefit to the workplace by creating a competitive edge and increasing work productivity.
- **Sujansky Joanne (2004) expressed his views on the topic 'Leading a Multi-Generational Workforce'.** According to him, new rules are needed for a different workforce. Clashes are inevitable as Generation Y (Born between 1977 and 1994) mixes with its predecessors. He said, to enhance the work environment recognize that these groups will have different perspectives, and respect that generations differ in the way they see the world. It will be necessary to implement and reward collaborative activities with a multi-disciplinary approach.
- **Garfield, Charles A (2005)** shared his views on the topic 'Diversity is an asset-Variety is the spice of life and business success'. According to him, "Without an understanding and appreciation of the needs, backgrounds and unique contributions of diverse groups, communication is difficult and misunderstanding is inevitable-even with the best of intentions.
- **Zdenka KONECNA (2006)** said that culture and cultural differences play and important role in international companies at work of multicultural teams and international teams at international meetings. Different understanding of approaches, different cultural patterns may cause that it is not possible to efficiently and successfully execute good intentions and ideas.
- **Monica Condruz- BACESCV (2010)** said that intercultural management is not only a marginal area, but it has been gaining more and more significance for international as well as purely national companies, if they want to succeed in the demanding competitive environment.
- **Ms. Neetu Munjal and Ms. Madhvi Sharma (2011)** stated that the companies that diversify the workforce will have a distinct competitive advantage over those that don't. Further it is clear that greatest benefit of workforce diversity will be experienced, not by the companies that have learned to employ people in spite of their differences, but by the companies that have learned to employ people because of them.

3. The Indian Perspective

Of late, Indian corporate houses started making thinking of their workforces more representatives of India's diversity and demographic profile. Accordingly, terms such as positive discrimination, affirmative action program by the private sector are slowly being recognized. A recent initiative by a leading corporate house, the Tata group is worth mentioning here. They undertook detailed survey to do a caste profiling of its workforce, says an **Outlook Business** article. The group was not even aware that their company is far away from having a workforce that is multicultural. Caste profiling survey helped the Tatas realize the reality. As they realize the imbalance group now started taking measures to neutralize the imbalances by hiring, training and integrating Dalits into its companies like never before, and put in place a 'positive discrimination' policy. With this positive discrimination policy, the Tatas hope, Dalits and other previously excluded sections would find their rightful place in the workforce or are no more excluded.(Karunakarn 2009)

With many of the Indian companies going global, there was a fast growing realization for a better HR preparedness to face the challenge. Tata Consultancy Service, a leading IT and IT enabled service provider, has more than, 100000 workers in the first quarter of 2008, from 64 different nationalities. And 9.2% of all of them are foreign nationals. Similar is the case with other Indian IT and ITES giants like INFOSYS, WIPRO etc. Infosys, for instance initiated a programme called Global Talent Program (GTP), through which it recruits citizens of other countries from which it operates. Moreover, India's diverse group of communities from different cultural backgrounds getting empowered and achieving education attainments. Further, there are increasing number of foreign workers taking up jobs in India's diverse Industrial sectors, both service and manufacturing enterprises especially in BPO, Pharmacy and several other technical sectors. The trend of foreign nationalities coming and working in Indian IT, Pharmacy, engineering, telecom, finance, FMCG, automobile, steel etc. as experts, consultants as well as full time workers is the trend today. According to a study Indo American Chamber of Commerce (IACC), 11.3 million jobs are created every year in India which calls for the need to ease visa procedures so that the industry can tap into the resources of highly skilled expatriates. Further the increasing number of mergers and acquisitions that take place regularly make Indian worksites more multicultural.

4. Government Initiatives To Promote Multicultural Worksites

Positive initiatives from the state as well as from the private sector are taken to address the concerns in this regard to make worksites more representative.

- **Reservation in the State Sector:** Government of India brought in reservation in the state sector on the basis of Mandal commission report. This initiative helped previously excluded social groups an entry into the state sector and thereby state sector reflect India's diverse demographic pattern.
- **Sachar Committee** recommended for providing incentives for improving diversity and suggested that companies providing opportunity to all communities should be branded as 'Equal opportunity Institutions' and should be eligible for government incentives. It said such initiatives on diversity should be part of the 'corporate social responsibility' and that some affirmative action can help initiate the process.
- Several leading companies have reported employment of Dalits. Software leaders such as INFOSYS have taken up special programs to train SC/ST candidates. ASSOCHAM, FICCI and CII have reportedly taken up a slew of actions, including the creation of a corpus for skill enhancement, adoption of industrial training institutes and using advocacy to promote affirmative action. CII and ASSOCHAM have finalized a code of conduct on affirmative action being followed by its members. There was also agreement that an Ombudsman with regional benches would be set up by each apex chamber to monitor the compliance of the voluntary code of conduct by its members.
- Though there are such positive responses, many support a quota system since there is a chronic resistance to affirmative action among most employers. However, positive discrimination and affirmative action programs for private sector in the days to come are expected to make the Indian companies much more multicultural.
- Ministry of Minority affairs has crafted a 'diversity index', which the enterprises have to deploy to measure diversity performance. This would help the government to effectively link tax concessions, funds and various other subsidies and incentives that the state often gives to the industry. The quantum of incentives for a particular company may be decided on the basis of its score on the index. A diversity index is basically a rating of an organization at the micro or national level based on its employment profile and the diversity index would cover three essential dimensions (a) religion (b) caste and (c) gender.
- However, as can be seen throughout, there are counter voices to a multicultural existence throughout. For instance, under the leadership of the Thackeray clan in India's economic nerve centre, Mumbai, violent attacks were carried out against North Indian migrants, the South Indian population, as well as Gujaratis at various points in time. In one such incident, party workers of Maharashtra Navanirmana Sena belonging to Raj Thackarey attacked North Indians who arrived in Mumbai to sit for the Railway Recruitment Board examinations. It would, therefore, not be wrong to say that riots, violence and hatred between communities is part of India's multicultural existence. Some glaring examples are the Mumbai riots, of 1990s, anti-sikh riots of 1984, Gujarat riots of 2002, Orissa attacks against Christians and several other minor and major violence incidences between minority and majority. Rajeev Bhargava terms this 'the minority-majority syndrome' which 'divides the nation, breeds hierarchy, mindlessly detracts from welfare and development and would potentially turns the country into an economic wasteland'.

5. Advantages of Multiculturalism

What is the behavioral impact of an increasingly multiculturalism? Recent multicultural literature argues multicultural issues will impact individual career outcomes as well as organizational effectiveness. Among the determinants of behavioral impact are (1) Individual factors, such as identity, prejudice and stereotype, (2) intergroup factors such as cultural differences, ethnocentrism and intergroup conflict, and, (3) organizational factors such as organizational adjustment processes, structural integration and institutional bias. When combined these factors depict the organizational climate of an organization.

There is substantial literature arguing diverse groups and organizations have performance advantages over homogenous groups. A list of advantages is as below.

First, Multicultural organizations (MCOs') have an advantage in attracting and retaining the best available human talent. The exceptional capabilities of women and minorities offer a rich labor pool for organizations to tap. When organizations attract, retain and promote maximum utilization of people from diverse cultural backgrounds, they gain competitive advantage and sustain the highest qualities of human resources.

Second, MCOs' can understand and penetrate wider and enhanced markets. Not only does the MCO's embrace a diverse workforce initially, it is better suited to serve a diverse external clientele. The diverse organizations have an increased understanding of the political, social, legal, economic and cultural environment of different places.

Third, a MCO displays higher creativity and innovation. Especially in research oriented and high technology organizations, the array of talents provided by multicultural workforce becomes invaluable. Quite simply, "creativity thrives on diversity".

Fourth, The MCOs' show greater problem solving ability. Researches show the culturally diverse organization to exhibit expanded meanings, multiple perspectives and multiple interpretations. A MCO is more capable of avoiding the consequences of 'groupthink'.

Fifth, MCOs' are better able to adapt to change and exhibit more organizational flexibility. Women' for example have a higher tolerance for ambiguity than men while bilinguals have a higher level of divergent thinking and cognitive flexibility than monolinguals.

Sixth, cross-cultural team work and collaboration are essential, if people are to function productively, they must learn to see their differences as assets rather than their liabilities. Diversity is beneficial to both employees and employers. Employees are inter-dependent at their workplace; respecting individual differences can increase marketing opportunities and business image and bring

down the possibilities of law suits. When an organization understands and honors diversity, a bond develops between employer and employees.

In last, when multiculturalism is acknowledged and honored, managers find new ways to maximize and capitalize on the different skills, styles and sensibilities of employee from different cultures. When a company is recognized for managing a multicultural workforce, it is most likely to attract the best and brightest talent. Qualified candidates are usually attracted to employers who are able to show commitment to develop and promote a wide array of people.

6. Disadvantages of Multiculturalism

Despite the powerful advantages possessed by the MCOs', multiculturalism is nevertheless a panacea and not without its drawbacks. With the benefits, multiculturalism brings organizational costs. Too much diversity in problem solving group have dysfunctional outcomes. Diversity increases ambiguity, complexity and confusion. MCOs' may have difficulty in converging meanings, may find it hard to reach to a single agreement, and have difficulty agreeing on course of action.

In many MCOs', cultural differences produce negative dynamics such as ethnocentrism, stereotyping and cultural clashes. These negative dynamics can in turn combine with imbalance power structure to create work disadvantages more badly. If leaders ignore or mishandle multiculturalism, it may detract from performance. Poorer work outcomes, in turn, adversely affects first level organizational measures such as productivity, absenteeism and turnover.

Secondly, multicultural groups suffer with a very serious communication problem. Homogenous groups often outperform culturally diverse groups, especially because of communication factor. Cross-cultural training is necessary to enable culturally diverse groups to live up to their potential and overcome communication difficulties.

Thirdly, the diversity movement has the potential to polarize different social groups and harm productivity while breeding cynicism and resentment, heightening intergroup frictions and tensions and lowering productivity-just opposite of what managing multiculturalism is intended to accomplish. Ignorance of cultural differences is a source of ineffectiveness in the work performance of diverse work groups.

Fourth, the problem faced by MCOs' is higher turnover and absenteeism. Research reveals that heterogeneity in group members is associated with lower level of group social integration which in turn, is negatively associated with individual turnover.

The, fifth is the potential for intergroup conflict is greater in MCOs'. When there is tension between the goals or concerns of one party and those of another, intergroup conflict increases. For example, conflict results when majority group members see an incident of racial-ethnic injustice as 'isolated' while minorities see the single event as part of a pattern of oppression that is imbedded in the social system.

7. Managing the Multiculturalism

The literature is both consistent and clear in demonstrating the power and potential of the MCOs'. The key to tap the advantage of multiculturalism avoiding the pitfalls is to create an organization in which members of all socio-cultural backgrounds contribute and achieve their full potential. This strategy is difficult to achieve, as it involves maintaining a balance between meeting the objectives of the organization and retaining the individual culture of employees. Leaders have to face a dichotomy. But problem can be sorted out if they follow the following measures:

- First, top management plays a crucial and leading role in making the diversity success. The CEO must exhibit a strong commitment. The CEO must exhibit a strong commitment. Leaders must receive diversity training to address myths, stereotypes and real cultural differences as well as organizational barriers that hinders the full contribution of employees.
- Second, multiculturalism must be part of an organization's strategic business objective. Diversity goals must be linked to business goals. Diversity must be stressed not only internally but should be a significant part of external outreach programs that identify the organization as a multicultural leader. Diversity should be a super-ordinate goal.
- Third, managers must be held accountable for meeting diversity goals. Performance evaluations and rewards should be tied to a manager's ability to develop and manage diverse workforce. Top management must ensure fairness.
- Fourth, a successful MCO must improve its supply of diverse workers through aggressive recruiting. It must break the 'glass ceiling' and increase the number of women and minorities in the higher salary groups through career development, mentoring and executive appointment. It must empower all of its employees to use their full potential.
- Fifth, a diverse workforce requires efficient communication. Leaders must ensure that there are open avenues for employees to communicate new ideas, grievances, input and feedback.
- Finally, a successful MCO must value diversity. A cultural climate must allow differences to be celebrated rather of merely tolerated. All employees must understand the competitive and moral advantage of diversity. They must respect and support cultural diversity through the recognition of distinctive cultural and religious holidays, diet restrictions etc.

8. Conclusion

Managing diversity is a broad and complex issue. Leaders face formidable challenges in building a MCO that truly values diversity. To be successful, managers need to "unlearn practices rooted in an old mindset, change the ways organization operate, shift organizational culture, redesign policies, create new structures and reform human resource systems". This is a long way and indeed may be so difficult and complicated that it requires a new paradigm to guide organizational management. To manage diversity strategically may require a shift from an efficiency mindset to one with a higher emphasis on human relationship goals.

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