

DIVERSITY MANAGEMENT WITH FOCUS ON PERSONALITY: THE EXPERIENCE FROM THE CZECH REPUBLIC

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Abstract

Based on summarizing the results of the authors' research on diversity management with focus on personality, the paper attempts to explain the essence of the positive link between proven practices in diversity management and employee performance. It supports the assumption that an efficient system of personality diversity management in an organization enables managers to effectively achieve expected employees' results and behaviour by better use of employees' abilities and motivation. The authors' research verified the theoretical assumptions about successful application of various practices in personality diversity management and through a questionnaire survey examined the views of executives and HR managers from successful companies in the Czech Republic. The results showed a strong positive correlation between level of human resource management and using of personality diversity management practices, even though the topic is rarely named and specifically addressed by companies. The personality diversity management practices are mostly carried out rather intuitively as a result of coping with problems caused by personality diversity already present in companies.

Key words: diversity management, personality, human resource management, employee performance

JEL Code: J24, M12

Introduction

Since its gradual appearance and transformation from policies of affirmative action/equal employment opportunities, diversity management has represented an ambivalent managerial discipline. Not only diversity itself is still seen as a “double-edged sword” that can bring rather negative effects if not prospected correctly (Milliken & Martins, 1996), but also there exists a large gap between a rich theory and a poor practice (Tatli, 2011), and finally even the

theory itself is not consistent in its approach towards the exact content, meaning, and outcomes of diversity management (Holvino & Kamp, 2009).

In this article we abandon the ongoing disputation on efficiency of diversity practices as well as the typical focus on main diversity topics, i.e. race and ethnicity, gender, age, disability, sexual orientation diversity, or cultural and national origin diversity (Shore et al., 2009) and we explore the effects of other dimension of diversity, personality. The reason for this comes from a simple fact that personality and individual setting of basic needs have a large moderating effect on outcomes of human resource management (HRM) practices (Marescaux, De Winne, & Sels, 2013). Accordingly, Schneider (Schneider, 2007) suggests that “personality (...) is an answer to understanding the causality of behavior and affect in work organizations”. Since empirical studies show that today’s human resource management has to deal mainly with challenges closely connected to individual mind setting of employees, such as enhancing employee engagement, managing talent, or improving performance management (Strack et al., 2012), it becomes clear that organizations have to deal with personality and to manage its moderating effects as well. Only by doing so, they can reach efficiency and true effectivity in using their HRM.

Thus, we look at the concept of personality from the diversity management perspective and we propose a set of HRM practices that reflect diverse employees’ personalities. This approach combines the psychological standpoint with knowledge about managing heterogeneous groups of people brought by the diversity management theory. Our concept of “personality diversity management” (PDM) aims to provide a framework for carrying out HRM practices more effectively, using existing practices in a new context. We verify our propositions through an empirical research on a sample of 73 firms operating in the Czech Republic.

1 Challenges for personality diversity management

The term “personality” does not have a single definition; a broad definition of personality can be put as “characteristics of individuals that describe and account for consistent patterns of feeling, cognition, and behaving” (John, Robins, & Pervin, 2008, p. 330). For the purpose of our study, we perceive personality diversity as diversity represented by different distinctive psychological traits, mostly based on Jungian extravert-introvert typology or Myers-Briggs typology combining the extent of extraversion with the way of getting, and processing information, and with the manner of making decisions. These typologies allow us to

distinguish, among others, two striking dyads: extraverted or introverted type of person and analytical or creative type of person.

Seen from the diversity management perspective, personality presents threats and opportunities similar to the above mentioned “classical” dimensions of diversity: a heterogeneous group of people can face problems with communication, misinterpretations or conflicts, team work can be negatively affected by different working styles of different team members, employees can have problems to identify themselves with the group; on the contrary, opinion diversity leads to higher creativity, better decisions, and higher understanding of target groups of customers, the ongoing confrontation of diverse opinions enhances out-of-box thinking, a diverse workforce increases the sum of knowledge and experience in the aggregate human capital of a company, as well as the number of contacts outside the company (Milliken & Martins, 1996; Cox Jr. & Blake, 1991; Prieto, Phipps, & Osiri, 2009). The specifics of personality diversity are obvious: unlike age or origin, personality is a hidden dimension of diversity and its assessment, as well as its management, is more difficult.

Thus, there exist several challenges for personality diversity management: companies have to recognize personality diversity first, then find a balance between personality diversity, person-occupation fit (Satterwhite, Fleenor, Braddy, Feldman, & Hoopes, 2009) and person-organization fit (McMillan-Capehart & Lopez, 2007), and only then they can start searching for the right tools for managing diversity.

In our research, we aim to look closer at the current state of application of personality diversity management in the Czech Republic. We assume that personality diversity, being still a marginal topic for HRM, occurs in firms more often than it is actually recognized and managed, and therefore its negative effects prevail (Assumption 1). We also assume that personality diversity is managed deliberately more often in knowledge companies (Assumption 2).

We have theorized a set of personality diversity management tools or approaches; some of our propositions and their usability in practice are subject to verification in current research. The tested propositions are the following: (1) work is distributed not only according to knowledge and skills, but also in compliance with their key personality traits, (2) managers approach and treat talents/bearers of key attributes individually, (3) teamwork is moderated by a set of clear rules so that individuals can work by their pace and style of work without disturbing or slowing down the others, (4) methods of education are tailored to suit individual learning styles of different people, (5) HR department helps managers to correctly approach

talents or generally different types of people (provides them with advices, trainings, specific tools etc.). The other propositions for efficient managing of personality diversity (such as multichannel communication, audit of psychological competences, adjusted recruitment and selection methods, or measuring of outcomes of personality diversity management) will be subject to verification in further research.

2 Research setting

The research took form of a questionnaire survey sent personally to HR managers or owners of 200 companies operating in the Czech Republic during March and April 2013. The form of a questionnaire allowed us to examine the views of executives and HR managers, which represent vicariously HRM strategies of respective companies, and to study these strategies in relation do personality diversity and its management. We received back 73 filled questionnaires.

Next to questions about the respondent and the company, the questionnaire contained 31 items, mostly multiple choice questions destined to (a) indirectly evaluate the degree of personality diversity present in the company, (b) to indicate its direct or indirect management and to describe the tools used in personality diversity management, (c) to spot potential problems caused by the existence of personality diversity, and (d) to evaluate the level of HRM. Most indicators were constructed using multiple questions; reliability of some of the answers was checked through cross questions. Data were processed using SPSS.

3 Research findings

Analysis of the data showed that our Assumption 1 (personality diversity occurs in firms more often than it is actually recognized and managed) was right. Although the correlation coefficient between “level of personality diversity” and “level of personality diversity management” is high ($r > 0.6$), PDM is not carried out in a satisfactory way: 50,7 % firms in the sample show high level of personality diversity, contrary to 11 % of very low or none personality diversity, but only 24,7 % firms report not having any problems with personality diversity. Of those, 89 % manage to avoid these problems using successfully several methods of personality diversity management, deliberately or coincidentally. On the contrary, 54,8 % firms in the sample use some of these methods but still face diverse problems caused by the existence of personality diversity. It is notable that almost 93 % HR managers or company owners recognize that their workforce is somehow psychologically diverse but only 38,6 %

claim to adjust work environment to reflect this fact (moreover, in majority of cases their claim was not supported by evidence in cross questions, and was found exaggerated by respondents.) Using of personality diversity management tools is often coincidental, and occurs as one of the effects of high level of HRM (the correlation between level of HRM and intensity of using personality diversity management is medium to high, $r = 0.56$, see Tab. 1; also, level of HRM as a control variable proved to influence the correlation coefficients of other variables, see Tab. 2).

Tab. 1: Descriptives and Pearson correlation coefficients for chosen variables, N = 73

Variables	Mean	SD	1	2	3	4	5	6	7	8	9
1 work-life balance	2.16	1.20									
2 diversity management	2.08	1.33	.60**								
3 talent management	2.51	1.33	.52**	.65**							
4 size of company	4.97	2.02	.24*	.31**	.46**						
5 knowledge company	.41	.50	.33**	.37**	.27*	.16					
6 intensity of PDM	11.23	6.07	.46**	.47**	.51**	.13	.33**				
7 level of personality div.	1.40	.68	.34**	.38**	.37**	.08	.23	.69**			
8 level of HRM	15.11	6.24	.57**	.71**	.79**	.47**	.16	.56**	.43**		
9 favorable to using PDM	.36	.48	.45**	.30**	.25*	.02	.17	.52**	.41**	.40**	
10 problems with pers. div.	.75	.43	-.32**	-.06	.00	.07	-.04	-.23*	-.18	-.16	-.37**

* $p < 0.05$.

** $p < 0.01$.

Source: data from own research processed by SPSS v.20

note: full table of Pearson correlation coefficients for all major variables is not presented due to lack of space

Tab. 2: Descriptives and partial correlation coefficients for chosen variables, control variable “level of HRM”, N = 73, df = 70

Variables	Mean	SD	1	2	3	4	5	6	7	8
1 work-life balance	2.16	1.20								
2 diversity management	2.08	1.33	.34**							
3 talent management	2.51	1.33	.14	.20						
4 size of company	4.97	2.02	-.03	-.03	.17					
5 knowledge company	.41	.50	.18	.20	.01	.01				
6 intensity of PDM	11.23	6.07	.21	.12	.13	-.18	.37**			
7 level of personality div.	1.40	.68	.14	.12	.05	-.15	.32**	.60**		
8 favorable to using PDM	.36	.48	.30*	.03	-.11	-.20	.14	.39**	.29*	
9 problems with pers. div.	.75	.43	-.29*	.07	.21	.17	-.06	-.17	-.13	-.34**

* $p < 0.05$.

** $p < 0.01$.

Source: data from own research processed by SPSS v.20

On the contrary, knowledge companies manage personality diversity not only as a by-product of high level of HRM but they do it more deliberately (correlation coefficient between variables “intensity of PDM” and “knowledge company” $r = 0.33$, respective $r = 0.37$ after checking for control variable “level of HRM”, see Tab. 1 and Tab. 2), which confirms our second assumption (personality diversity is managed deliberately more often in knowledge companies).

Next to these general assumptions, our research tested also using and usability of five specific propositions for PDM:

- (1) work is distributed not only according to knowledge and skills, but also in compliance with key personality traits,
- (2) managers approach and treat talents/bearers of key attributes individually,
- (3) teamwork is moderated by a set of clear rules so that individuals can work by their pace and style of work without disturbing or slowing down the others,
- (4) methods of education are tailored to suit individual learning styles,
- (5) HR department helps managers to correctly approach talents or generally different types of people (provides them with advices, trainings, specific tools etc.).

Surprisingly, a high percentage of respondents claim to use already these approaches or tools in their companies, namely: (1) is used in 58 % companies, (2) in 65 %, (3) in 48 %, (4) in 34 %, (5) in 59 %. Although positive claims are often results of a high level of HRM, partial correlation coefficients checking for this variable show that companies using PDM intensively tend to apply approaches (1) – (4) more likely and deliberately, regardless of their level of HRM (correlation coefficients r varying from 0.4 to 0.6). Activity (5) results purely from a high level of HRM.

On the contrary, some respondents claim that these activities are inadequate or useless for their company: (1) is seen as pointless in 14 % companies, (2) in 8 %, (3) in 22 %, (4) in 27 %, and (5) in 12 %. It is also notable that almost 55 % respondents answered that they see no point in adapting the structure of their workforce to match the psychological structure of their customers, and only 16 % claim to actually use this measure.

4 Discussion and limitations of research

Our findings indicate that personality diversity management is an important topic for most companies, even though they manage it rather intuitively, without naming it. This might be

one of the reasons why they often fail to cope with problems caused by personality diversity or to take advantage of the positives of diversity. Thinking of personality as of a diversity category would push companies to work with it more consciously. For that matter, companies where personality diversity is largely present already tend to use sophisticated HRM with elements of PDM, which eases introduction of personality diversity into HRM strategies.

Nonetheless, there exist some limitations of our research: above all, the sample of 73 firms is not very large, and therefore the results should be regarded rather in terms of general tendencies than in terms of exact levels and measures. However, some of the findings are strong enough to give evidence of the state of using PDM in the Czech Republic. The research is planned to be prolonged into a second phase, and thus more data will be gathered to prove current findings.

Second, this study was designed as a pilot research, and could not go deep enough into the problem and look closer at single practices or tools used in companies. The general view should be accompanied by subsequent specialized qualitative studies in close future.

Third, research in form of a questionnaire can be biased by both subjective perception of the questions and not objective answering. These risks were partially diminished by using cross-questions, and were taken in account on formulating conclusions.

Conclusion

Our research has revealed that most companies face various problems caused by personality diversity but only a part of these problems is recognized and managed. Company owners and HR managers in the Czech Republic are not entirely conscious about the existence of personality diversity in their workforce and its effects. They use a variety of tools and approaches applicable in PDM but mostly this occurs as a by-product of a high level of HRM, or as a measure destined to deal with single, most visible problems resulting from personality diversity which stays unseen and not managed as a whole.

This pattern occurs across all company sizes, but changes with type of company: knowledge companies tend to recognize personality of individuals and its effects more than other companies.

We can conclude that personality diversity and its management becomes an important element of HRM. Its approaches and tools are very applicable in practice and can bring to companies not only better using of their workforce potential, but also help them to succeed in the war for talent.

However, more research is needed to deepen the topic: measuring of labor productivity depending on PDM tools used, analyzing of types of personality diversity, finding the exact link between work-life balance and PDM practices which proved to be partially correlated, and other.

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