# MANAGEMENT DIVERSITY

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## Abstract

The paper outlines the possibilities of diversity management in relation to managing people with diverse personality characteristics. This issue was mentioned by many authors, but a complex solution to solve this discrepancy in managing people with different personalities to reach high performance was not described in human resource theories yet. Managers are missing a useful set of tools and recommendations for this important part of people management. The research confirmed that is highly important to work with personal diversity in Czech labor market. Based on the research the document suggests principles of managing diversity and creates a model so that employers could use the available human capital more efficiently and improve quality of working life of their employees as well. Based on number of primary sources, the thesis presents a view of diversity management, justifies its purpose and use in practice. Using an extensive questionnaire survey and both quantitative and qualitative analysis of gathered data, the conclusions confirm importance of the topic for human resource management in the Czech Republic, and point out the current unsatisfactory state that organizations themselves are often trying to improve.

**Key words:** human resource management, diversity, personality

**JEL Code:** J24, J71, J81

## Introduction

Based on the proposed theoretical principles as well as on the empirical research in the Czech Republic, tools of personality diversity have been designed which do not aim to exclude the process within HRM, but to integrate the issue of diversity into the basic HRM strategies. Change, development and dynamics are words that more than ever characterize the present. A great expansion of modern technologies in recent decades, augmented by the globalization phenomenon, started a series of social changes and is significantly reflected in the way of life and thinking of the society almost worldwide. All social changes have a huge impact on the

managerial discipline of human resource management – new challenges that need to be addressed and incorporated into the concept of working with people keep emerging.

Such challenges include the fact that the workforce in the labor market is becoming more and more diversified, while employers themselves often seek diversity for economic or ethical reasons. Holders of competencies appropriate for a job are no longer represented by a particular type of person; they rather complement their skills and education with a unique combination of characteristics of individuals and their personalities. These characteristics are expressed e.g. as sex, age, health status, experience, family or social background, native language, way of thinking, cultural patterns of behavior, personal values, psychological characteristics, and so on. In a team of different types of people and personalities employers then need to learn to work with such diversity – and thus master diversity management. Managers meet diversity quite often, although they may not always be explicitly aware of it. International or multicultural teams or interdisciplinary teams noticeably exemplify diversity in the workforce. Groups consisting of both sexes or with different age composition perceive diversity less often, or the issue of diversity is emphasized in connection with discrimination. Rarely do people realize the presence of less visible diversity, i.e. all of the other above mentioned human characteristics, such as the way of thinking or personal values.

This could be observed in practice on the change in the behavior of various psychological personality types in a social environment that they for some reason do not feel comfortable in: productive and creative people in a team often became followers without their own initiative and enthusiasm, because they could not or would not identify with their environment, or they simply did not like the environment, and mentally resigned to their work; sometimes people got into unsolvable conflicts, because each of them perceived a problem from a different perspective and simply could not find a common language. In a work environment this phenomenon has at least three important implications: first, an employer may have problems recognizing the suitable man for the job and make the most of his or her abilities, on the other hand, the employee himself or herself may experience feelings of frustration and lack of appreciation and both may eventually combine and result in inefficiencies in both independent and team work.

## 1. Background of Management Diversity

This issue, when the individual performance or behavior of a man differs significantly – either positively or negatively – from his or her performance and behavior in a group, has been

pointed out, for example, by Lamm and Trommsdorff [1973], Harari and Graham [1975], Camacho and Pulus [1995] Worchel et al. [1998], Shepperd and Taylor [1999], Bharadwaj and Menon [2000], Schmidt [2012] and Mueller [2012] and others. However, the concepts of human resources management have not offered any comprehensive solution to this conflict and guidance how to effectively manage people with different personal characteristics to give their best performance and be happy at work. Managers lack the necessary set of tools and recommendations for a fairly large and increasingly important part of human resource management.

## 2. Research of Diversity Management

The research has proven that if we use the experience, views and attitudes of companies, it is useful to work with personality diversity in the Czech business environment. Not only most companies in the Czech Republic appreciate personality diversity and find it a beneficial phenomenon, but they also agree with the fact that personality diversity should be somehow further managed. Most companies in the Czech Republic have worked with personality diversity, although not always intentionally and knowingly; yet, they use some of the tools and approaches that either make use of the benefits of personality diversity, or alleviate specific problems associated with it. The actual transition from intuitive management to naming the issue would help many companies use these tools more effectively, by allowing them to put them into context, think of them as part of a policy, or even strategy. Finally, the most compelling argument for the Czech companies to seek to manage personality diversity is the fact that a very high percentage of companies face some minor as well as more serious problems associated with the existence of personality diversity among their employees; many companies would then wish to reap the benefits of personality diversity more than now.

The research further showed that companies employing a high percentage of knowledge workers tend to use some management tools of personality diversity (or tools for individual approach to employees) more often than other companies. This approach to knowledge and key employees should not be found in relation to talents. Results of the analysis indicate that talent management is in the Czech environment perceived more as a support of high-performance workers or workers with high development potential, who however meet certain stereotypical image of the ideal worker and do not deviate much from a corporate culture. Finally, the extent to which companies use management tools of personality diversity is strongly dependent on the overall level of HRM of a company, and whether individual senior

employees are supported by the HRM department to address this issue regardless of the company size. The company size does not matter even in the cases of personality diversity. It partly affects only the overall level of HRM.

The survey also showed that most of the companies use relatively developed system of evaluation and performance management, which significantly approximates the idea of using personality diversity management in practice – if companies have not started applying this approach yet, they might find it relatively easy to include the issue of personality diversity in the process of evaluation and performance management, where employees have space to communicate their preferences and talk about problems and together with their supervisor reflect both to further work. Indeed, several respondents indicated interviews or periodic annual reviews as a way to address problems arising from personality diversity in their company.

It turned out that companies with developed work-life balance programs face the problems arising from the existence of personality diversity less often, even though there usually is a slightly higher level of personality diversity in such companies. Companies which care about work-life balance programs are also often able to make use of specific characteristics of their employees and also try to adapt work conditions to individual employees a little more than other companies, these are mostly foreign and knowledge companies. However, the use of work-life balance programs does not correspond at all to the number of employees; small and large businesses devote to it equally.

The rate of the use of management tools of personality diversity in the Czech Republic includes the entire range: from zero to relatively high, from intuitive problem solving through naming the issue of different personality traits (personality diversity) to specific tailored solutions, from fighting the most pressing problems through their prevention to reaping the benefits of personality diversity. However, it is important to add that the cases of intuitive work with personality diversity prevail over the cases of targeted work, and that the number of companies using special tools for managing personal diversity and not relying only on a few basic activities such as interviews, reviews and teambuilding is very small. Only a few, yet these companies prove that the issue of personality diversity is in the Czech environment beneficial to companies, usable and most importantly, already being used in practice.

## 3. Model for Diversity Management

Based on the theoretical point of view on the issue of diversity from the first part of this article, and based on the research conducted in companies operating in the Czech Republic, it is now possible to design a model for managing people with different personality characteristics. It presents a simplified guidance and summary of principles and context for the use of personality diversity management.

If a company concludes that it is necessary to adequately implement personality diversity management, it is necessary to decide what level of personality diversity management is appropriate for a company and which elements can be ignored. This decision is strategic – it enters a human resources strategy of a company, from which then individual policies, programs and specific measures unfold. Since the management of personality diversity is seen as part of a corporate HR strategy, it is possible to universally work with it in different types of companies and in companies of various sizes; it just needs to be integrated into those processes and approaches the company already uses. Even the actual naming of the issue of personality diversity (i.e. the moment it enters a human resources strategy) in many cases significantly helps to improve its management. The introduction of a new process called "personality diversity management" would be ineffective and probably counterproductive. The way in which it is possible to reflect individual approaches to employees with different personality characteristics to specific activities and processes of HRM can be formulated as follows:

### 3.1 Human resource planning and job creation

If a company decides to reap the benefits of personality diversity, it may adapt its human resource planning and job creation to it. First, it is necessary to perform an audit of what personality types (or work roles) are currently represented among the staff, and what types (or roles) or their combination would be suitable for the company and the job. If an organization knows that its work would benefit from greater personality diversity, or different personality composition of the staff, it may include it in its plans for future recruitment. Even the specification of jobs may contain information about a personality type, or a team role the employee will hold in that position.

### 3.2 Recruitment and selection of employees

The process of recruitment and selection of staff should be adapted, even if the organization does not desire any additional personality diversity. As the research shows certain intergroup

personality diversity exists between different departments or between different occupations. For greater efficiency of the recruitment process it is therefore appropriate to adapt the formulation or way to reach potential job seekers to their expected personality profile, in other words, to use their language, and emphasize aspects of the job and corporate culture that are interesting for the type of person that organization seeks to hire. By targeting the right group not only the attractiveness of such communication to the desired group of people in the labor market will increase, but at the same time it will reduce the number of completely unsuitable applicants.

Similarly, during the selection of candidates it is necessary to give different weight to different methods and selection criteria depending on the type of personality the organization is looking for, or what personality types apply for the job.


### 3.3 Evaluation and performance management

Evaluation and performance management must again respect the degree of diversity the organization tolerates or wants to use. Although the criteria for the evaluation of performance should be the same for all employees or comparable among themselves, the actual performance of individual employees and the way to achieve it may vary. Already when drawing up an agreement to perform work, it is possible to emphasize the type of performance – speed versus accuracy or certain ratio between them, creativity versus the completeness of solutions, etc. A combination of both can then be achieved through cooperation of more employees who complement each other, if no universally efficient employee is available.


### 3.4 Motivation and bonuses

Since everyone has a slightly different incentive structure, managers should target different groups of employees using different incentives and their forms – someone is motivated more by financial reward, someone else by challenges in the form of complex work tasks, another by social status, the fourth one prefers good work team. The actual bonus or its portion should be optional so that the employee could select the best (most motivating, subjectively most valuable) bonus through a system. Typically, it is a cafeteria system in the case of getting benefits or additional bonuses for exceptional performance, etc. This method of remuneration maximizes the utility of individual employees while keeping remuneration cost the same. In the case of the use of benefits of personality diversity, the incentive system also includes the actual adaption of the entire organizational culture and HR strategy to this approach. Due

to this fact, a larger proportion of employees experience a feeling that they fit into the organization, they share the values of the organization, and thus increase their loyalty and commitment.

### 3.5 Work-life balance

In a similar way, the balance between personal and professional life is an individual matter. It is wrong to assume that all employees want to give the maximum possible performance, or on the contrary, that they all want to have a part-time job and work from home. The concept of HRM, with an emphasis on individual approach to employees must allow employees to choose from several options a line, which is best for them in the life situation – considering the time spent at work, the amount of work done and remuneration. In addition to higher employee satisfaction, the creation of work-life balance leads to a reduction of problems caused by the existence of personality diversity through greater willingness of employees to make compromises and to better listen to their colleagues.

### 3.6 Talent management

In the area of talent management, the issue of personal diversity has a great potential and possibility of application: it is necessary to listen to the needs and preferences of a talented employee more than to "ordinary" employees and, in addition to work-life balance, to adapt to him or her the remuneration or incentive method.

### 3.7 Career planning, training and development

The management of personality diversity incorporated into career planning again represents a personalized approach to an employee not only in terms of the theoretical potential of a person, but it also takes into account employee's personal values and personal qualifications. Related training and development of employees should also be based on the willingness and enthusiasm of employees to work on improving their skills, as well as the ability to learn – training and development opportunities should not exceed employees' abilities to be perceived positively and not as an additional and inadequate burden to the job description (not considering training and education that is necessary for the performance of the present work). Quite an important element in the selection of educational methods is to ensure that the methods were adapted to the learning style of each employee, if it is technically and economically feasible. In addition, education plays an important, if not crucial role in the

management of personality diversity as an instrument thanks to which managers and staff really use the elements of personal diversity management and thanks to which a company culture which is friendly to personality diversity is formed. This role can be divided into three parts (taken from the chapter Diversity Management Tools, the general approach is fully applicable to personality diversity):

a training on diversity proper and how to deal with it, which each new coming employee in a company should take in order to understand and identify with the perception of diversity in a particular company, a practical skills training, where individual employees try to empathize with others and understand their perspectives and thinking, way of working and difficulties encountered at work, while they themselves get involved in problem solving, and team-building activities, in which a team or a group of people should learn to work together more efficiently and which should also include the elements of the diversity issue.

It is important that training worked with specific problems or situations that occur in the organization, and that relate to all levels of hierarchy in a company, otherwise it will not have the intended effect.

### 3.8 Knowledge management

The issue of communication and its forms determined by personal attitude of each person is also related to knowledge management: information needs to be transmitted through communication. In order for knowledge management to work properly, it is necessary to focus not only on rules developed for knowledge management, but also on the quality of communication based on the above recommendations.

### 3.9 Leadership and the role of HR department

The difficult task of real working with personality diversity lies primarily on the shoulders of line managers. Because of the existence of personality diversity, a summary of skills and abilities to lead a group of people must also include diversity the ability to bring to life the above-mentioned principles and approaches to personality diversity. Many managers somehow work with personality diversity and moderate it today not only in relation to individuals but also between employees, as indicated by the research carried out. It can thus be recommended to HR departments to specifically focus on the issue of personality diversity and to transmit through trainings main ideas to employees as well as to managers across the

company's organizational structure and to provide line managers with more support than today.

But as mentioned at the beginning of the chapter, the management of personality diversity is not and should not be a single discipline or a closed process; it should become part of the leadership and HRM approach.

## 3.10    Organizational culture

The fact that the management of personality diversity enters the HRM strategy and the very concept of human resources in an organization must eventually correspond to the organizational culture. In an environment where diversity is seen as something normal, ordinary, yet for each person unique in its own way, where staff know the strengths and weaknesses of their team roles and their colleagues, it is more natural and easier to adapt individual HRM components and vice versa – a progressive non-violent adaptation can result in an organizational culture that appreciates personality diversity.

# 3    Conclusion

Human resources management and its concept must constantly adapt to many factors, such as social climate, situation on the labor market, the order of values and rights of workers, competition or legislative environment. HRM challenges currently primarily include how to attract, stabilize, motivate and effectively engage the best employees at work, whether these are talents or not, in an environment of diversity, heterogeneity.

Based on the proposed theoretical principles and on the empirical research in the Czech Republic several recommendations for personality diversity management have been created, which do not consist in the separation of the process within HRM, but the integration of the issue of diversity into the basic HRM strategies. The issue is then reflected in individual HR policies, processes and activities.

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