Cultural Diversity on Practical Examples

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Abstract

This research paper drafts an overview on cultural diversity in modern World, especially focused on practical examples. The scientific article deals with the concept of culture and cultural diversity in today's fast-changing world. The article tries to outline the term cultural diversity through practical examples of culturally diverse countries.

Keywords: Culture, Diversity, Practical Examples

1. Introduction

Diversity is known as the acceptance, recognition and understanding of individual differences in terms of race, beliefs, class, physical ability, age and gender (Esty et al. 1995). Cultural diversity creates innovation of new ideas, experiences, management, skills, technology and production. However, this may also lead to disagreements, conflicts on public policies and animosity between different groups of people. There are advantages and challenges diversity brings to the work setting which will eventually affect the wellbeing of the economy. The challenge is to carefully manage it. Openness to cultural diversity has been key to economic development. An example as stated by Appaduray (2017), Malaysia’s history of economic and social transformation is very remarkable from the period of colony up till its independence.
and this is due to the contributions by a diverse community striving and working together.

2. Literature Overview on Cultural Diversity

There is a debate on whether cultural diversity creates costs or benefits to the economy. On one hand, a diverse pool of experiences and expertise can create more dynamic synergies which will lead to better output for all. Diverse societal norms, ethics and customs can help to create new ideas, production of more variety of goods and services and enhance technological innovation (Ager and Brückner 2013, p. 79). Stakeholders dispute whether cultural diversity creates economic costs or benefits. On one hand, a richer pool of expertise and experiences can create organizational synergies, leading to better outcomes for all. At a macro level, diverse societal norms, customs, and ethics can nurture technological innovation, the diffusion of new ideas, and so the production of a greater variety of goods and services (Ager and Bruckner 2013, p. 93). Foreign Direct Investment (FDI) and human capital have been shown to affect Total Factor Productivity (TFP) positively; thus, it has a significant impact on economic growth (Fleisher at al., 2007). Ethnic and linguistic diversity are greatly related with economic growth (Alesina et al., 2005, p. 798). On the other hand, diversity may cause issues in coordination especially in an environment where many languages are spoken which in turn will incur more errors; thus, increasing production and transaction costs (Goren, 2014, p. 280); thus, leading to negative impact on economic growth (Triesman, 2000, p. 415; Glaeser and Saks, 2006).

The study of cultural psychology has also indicated an exploration of the existing relationship between individuals’ or population thoughts, behavior or culture. The study sought out the impact of culture on human mind or how cultural influences are created within the human mind. The study of multiculturalism has also indicated the connection or relationship between psychology and the factors determining human behavior. The behavior characteristic of an individual or a given population is determined by the culture in which the subject is encompassed within. According to Lawton et al, (2015), the culture basically results in deviating roles in the culture that are defined by cultural aspects like gender, religion, sexuality, social economic status, race, religion, traditional practices among others. The cultural practices, values, roles, and beliefs
are passed from one generation to another through social interactions, which is a basic component of human psychology (Kirmayer, 2012, p. 155).

According to the studies conducted, culture and cultural diversity determine the meaning attached to perceive mental illness in society. From what has been observed, the attitude and cultural beliefs of a certain group of people can determine the possibility of perceived existence of the diseases within the population. Cultural diversity in healthcare settings is directly carried to the service setting of the consumers’ of mental health services with the culture varying both between and within the population group. Culture and cultural diversity put an association to the meaning of mental illness as opposed to actually having an illness (Emerson & Murphy, 2014).

3. Cultural Diversity in the Modern World

In the world of globalization, cultural diversity in the workforce is inevitable. With more businesses compete on a global level, the needs of multicultural employees in organization is an added advantage for competing globally. There are many advantages and challenges related to multicultural workforce however, if managed properly, business could be improved where productivity is increased, market maximization achieved and access to human capital is unlimited.

Cultural Diversity is Increasing Access to Talent Pool for Businesses. In a highly competitive business environment, access to labor with specific talent pool can be limited. By limiting the labor from a single source of cultural in a context of country, the cost of operating the business can be high. This is due to the shortage supply of employees with required skill set and company need to invest in developing human capital. Choosing to develop human capital can be capital intensive and time consuming. When company changed their hiring policy to include multicultural workforce, access to labor can be shifted towards positive side of supply line vs demand line of talent pool. This will result in higher supply of employee with related skill sets and business can be developed to be able to compete or innovate in short-term period. However, for sustainability and stable supply of skillful labor, business can choose to further improve the number of supplies of scarce skill sets by developing human capital through training program by existing employees with related skill sets.
to train other employees to obtain the required skill sets for long-term period. This approach will further shift the of supply and demand of labor forces to positive side and further reduce the cost of human capital and labor wage.

Cultural Diversity also Improve Productivity by hiring multicultural workforce, businesses can further improve their productivity. With access to higher workforce, the company will be able to produce more products and further reducing the price of the goods. When the price of goods is reduced, the company will benefit with higher sales volume and higher profitability. This can be supported by the theory of supply and demand equilibrium. We can see when business increase the supply of products, the cost of products will reduce and become accessible by consumers. By having more people with jobs, this can improve the economy as more people having access of money to purchase goods. Besides increase in number of people with jobs, multicultural workforce will increase the density of population. With higher number of populations, higher demand will be expected. This will further push the demand curve towards positive side and increase in profitability of the business.

Cultural Diversity Promotes Innovation as the multicultural workforce will help business to be innovative and market leader in their segments. With multicultural workforce, access to information on what need to be in the products to be accepted by consumers can be obtained from these multicultural workforces. This will help the business to have a unique selling proposition (USP) and further becoming market leader in their segments. Product can be produced to suit the taste or preferences throughout the region. This will further support the benefits of having multicultural workforce.

Diversity in age groups at the workplace is very common to see in an organization. As the workforce maintain the senior executive, the younger and fresh grads also tend to find footing in the organization. A different generation working together by Definition, Generations are cohorts with similar values and beliefs which affect the way they communicate (Hanna, 2009). There are three generations that are in the current workforce (Stephy, 2008) which are;

- Baby Boomers, people that are born between the years 1946-1964
- Generation X, people that are born between the years 1965-1980
- Generation Y, people that are born between the years 1980-2000
Different generations have different ways of learning, thinking and communicating at the same workplace working together, there will be challenges in getting them to do so. But if viewed at a different perspective, diversity in generation will provide balance in the workforce in terms of productivity of an organization. The difference between the three generations can be strength if each person tolerates with each other from different generations. For instance, a team with the objective to create a new product for the company and it consists of 3 generations, one baby boomer, two generation X and two generation Y. The baby boomers will share his experience on previous customer preference the generation X will be the one coordinating the jobs and generation Y will assists in the technology and current trends. Different generations have different character. Thus, putting them together will create a dynamic and competitive firm. Other than that, with diverse generation one generation can learn from another. Which will create a platform for each of the people to grow in the organization? Baby boomers and Generation X, with their wide and vast experience can share how they get through their career.

At the same time the older generation needs to open up and listen to what is being said by the Generation Y or Millennial. In the end, will benefit the organization better to stay productive. One example of an organization that makes use of the sharing of generation diversity is Accenture; the company provides diversity training within the company is broken into 3 different categories

- Diversity Awareness – to help people understand the benefits of working with a diverse organization,
- Diversity Management – to equip executives to manage diverse teams
- Professional Development – to enable ethnically diverse employees to build skills for success.

With all the points on multicultural workforce benefits to a business, it is fair to expect that multicultural workforce provides an advantage competitive factor to a business. Business with multicultural workforce will attract investment as the business higher leverage in access to human capital, higher productivity and innovative products. With injection of investments from investors, business will have higher capacity to expand
its business and increasing market coverage globally. This will further improve business ability to strengthen their business with access to capital, innovation, creativity, product research and development will be consistently being made. These are the factors that will help business to gain more market traction of their products and maintain it's relevant in the market. Look at how apple deploying multicultural workforce in their policy. It promotes innovation, productivity and market maximization. Apple has been the most valued company in the world with more than $ 1 trillion in 2018.

The Challenges of Cultural and Generation Diversity in workforce indeed helping business in expanding and remain competitive in the free market. The diversity of the workforce exploited in a positive way as a pool of knowledge to enhance the creativity and keep innovate in producing new ideas, strategies and knowledge transfer that can help the businesses. However, dealing with cultural context and generation diversity creates a few challenges that corporations need to adapt and handle. As for example, when the multinational companies (MNC) decided to operate internationally as part of their business strategies through Foreign Direct Investment (FDI) at foreign countries, the issue of structure transferability will arise as these subsidiaries are rarely involved in the planning when the management program exported from headquarters to subsidiaries (Kramer, 2012, p. 251). The challenge will be to equip local leader or global leader-expatriate with global capabilities in cultural intelligence and strategic thinking in managing new diverse environment. The attributes needed as a global leader in managing the diverse background of workforce includes special skills and attention in understanding the requirements of each country assigned.

4. Discussion

This paper was highlighting the analysis and discussion on the key roles of culture diversity in the economic perspective and focused has been made on the cultural diversity and generational gap dimensions in contributing to the development of the economy in Asia Pacific (APAC). The benefits and challenges of these towards the development of APAC were also discussed in its relation to the economics context. Thereafter, the conclusion and recommendation are made with the following point of view. Diversity is the ideas from the west including the practices as well as its
implementation and inclusions in Asia Pacific are distinctly from the western model. In the current business and economic situations, diversity is a key driver of innovation and is becoming increasingly critical for creating competitive advantage, especially in Asia Pacific. Reference is made to the statement by Kari Reston, the Group Head of Diversity & Inclusion of Singapore’s Standard Chartered Bank that “Asia has a truly unique opportunity to both learn from other regions where diversity & inclusion has been pursued more directly for many more years, while at the same time avoiding some of what we would see as lessons learned: for example, treating diversity & inclusion as a legal requirement, focusing on discrimination and compliance. In addition, given Asia’s unparalleled economic growth, the region also faces a unique opportunity to make significant progress more quickly than will other regions where growth is stagnant”. Therefore, by giving a competitive labor market and more emphasis being placed on attracting and retaining a strong workforce, diversity and inclusion implementations are increasingly becoming more important in differentiating one employer or organization from another.

5. Conclusion

A cultural diversity in the workforce is inevitable with very significant impact to the productivity and market optimization of human resources. In a very competitive environment, the supply and access to human resources is limited due to cultural diversity in a global context. The Asia Pacific region is an example of dynamic economy and rich cultural diversity, is growing rapidly in significance and is set to play a critical and important role in the world as the 21st century unfolds. A key factor in its success will lie in the capacity and willingness of the region’s countries to cooperate with one another. The pace towards greater interchange may now be gathering speed, as countries in the region show growing interest in, and place greater emphasis on, more formal cooperation. In other words, “the key thing is not only diversity but also, inclusion which need to address any biases, need to get people to truly embrace the differences, people need to truly appreciate differences”.

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References


