Learning Objectives

Upon completion of this unit, students should be able to:

1. Identify ways to reduce the difficulties faced by minorities in organizations.
2. Classify diversity and multicultural issues in everyday life.
3. Demonstrate encouragement and support with regard to diversity in meeting organizational needs.
4. Explain how the role of cultural values and attitudes determines how to approach employees from different cultures or ethnic backgrounds.
5. Discuss why shaping culture is a critical function of leadership.
6. Distinguish the difference between adaptive culture and unadaptive culture.
7. Analyze how leaders use signals and symbols to shape culture and values.
8. Classify the cultural values associated with adaptability, achievement, clan, and bureaucratic cultures and the environmental conditions associated with each.
9. Discuss some ways a leader instills ethical values in the organizational culture.

Written Lecture

Diversity is a fact of life in today’s world. The U.S. population, the workforce, and the customer base are changing. In addition, organizations are operating in an increasingly global world, which means dealing with diversity on a broader stage than ever before. Diversity is defined as all the ways in which people differ. This definition has been broadened in recent years to be more inclusive and recognize a broad spectrum of characteristics. The inclusive definition of diversity embraces not only dimensions such as gender and race, but also characteristics such as work style, nationality, and income level. There are several reasons why organizations are recognizing the need to value and support diversity. Diversity helps organizations build better relationships with diverse customers and helps develop employee potential. A diverse workforce provides diversity of thought and a broader and deeper base of experience for creativity and problem solving. One aspect of diversity of recent interest is women’s style of leadership, referred to as interactive leadership. The values associated with interactive leadership, such as inclusion and relationship building, are emerging as valuable qualities for both male and female leaders in the twenty-first century.

Today’s leaders face significant challenges leading people who are different from themselves. The first step for leading diverse people is to understand the hardships that people who do not fit the mainstream white, U.S.-born, male culture often endure. These include prejudice, stereotypes, and discrimination; unequal expectations; the glass ceiling; and the opportunity gap. Another
important issue is global diversity. Leaders can be aware of the impact culture may have; understand social and cultural value differences, and develop cultural intelligence. People differ in their level of diversity awareness and their sensitivity to other cultures, values, and ways of doing things. Leaders evolve through stages of personal diversity awareness and action, ranging from minimum efforts to meet affirmative action guidelines to valuing diversity as an integral part of organizational culture. Strong, culturally sensitive leadership is the only way organizations can become inclusive. Leaders first change themselves by developing personal characteristics that support diversity. They use these personal characteristics to change the organization. The ultimate goal for leaders in the twenty-first century is to build organizations as integrated communities in which all people feel encouraged, respected, and committed to a common purpose and goal.

Leaders influence organizational culture and ethical values. Culture is the set of key values, norms, and assumptions that is shared by members of an organization and taught to new members as correct. Culture serves two critically important functions—to integrate organizational members so they know how to relate to one another and to help the organization adapt to the environment. Strong, adaptive cultures have a positive impact on organizational outcomes. Creating and influencing an adaptive culture is important because the right culture can drive high performance. Leaders build high performance cultures by emphasizing both values and solid business operations as the drivers of organizational success.

A culture gap exists when an organization’s culture is not in alignment with the needs of the external environment or company strategy. Leaders use ceremonies, stories, symbols, specialized language, selection, and socialization to instill and strengthen the needed cultural values. In addition, leaders influence cultural values most strongly through their daily actions. Leaders should consider the external environment and the company’s vision and strategy in determining which values are important for the organization. Four types of culture may exist in organizations: adaptability, achievement, clan, and bureaucratic. Each type emphasizes different values, although organizations may have values that fall into more than one category.

Of the values that make up an organization’s culture, ethical values are among the most important. Ethics is the code of moral principles and values that governs the behavior of a person or group with respect to what is right or wrong. Leaders shape ethical values through values-based leadership. Leaders’ personal beliefs and level of moral development influence their personal ethics. For organizations to be ethical, leaders have to be openly and strongly committed to ethical conduct in their daily actions. Many good leaders practice spiritual leadership, which means displaying values, attitudes, and behaviors that motivate people toward a sense of spiritual expression through calling and membership. The principles of spiritual leadership can improve both organizational performance and employee well-being.