

**OLKC 2008**  
**“The many senses of organizational learning and knowing”**

**Gender and Diversity Issues as Challenges and Resources for Learning Organizations**

Draft

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**ABSTRACT**

During the last decades gender and diversity have become a business case in many respects. Therefore, organisations have to learn not only to consider gender and diversity issues as hindrances or problems but as opportunities to develop new competences. Organisational learning in this sense means to become aware of gender and diversity issues by questioning the daily “doing gender” and “doing difference” in their organisational culture and routines and how to make sense of gender and diversity in a productive way. The objective of this paper is to highlight the main factors for gender and diversity related organizational learning and to put the focus on the structural and on the emotional aspects which organisations and individuals have to face when dealing with these issues.

**KEYWORDS**

**diversity, gender, diversity management, knowledge, organizational learning, inclusion**

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## 1. INTRODUCTION

Gender equality and anti-discrimination policies have become core topics within the European Union during the last two decades<sup>2</sup>. From the 1970's on this led to new legal regulations and policies on the governmental level (e.g. European Council 1976, 2000a, 2000b, European Parliament 2002). Besides this, turbulent economic environments and rapidly changing conditions are forcing organizations to be innovative and to develop abilities to handle these challenges. Innovation requires new and diverse perspectives as well as flexibility. In this respect, due to differences in life and working experiences, a diverse workforce has in the last two decades increasingly been considered a value and an asset for responding to these challenges (see e.g. Cox/Blake 1991)<sup>3</sup>.

As a consequence, organizations have become more or less aware of the internal and external effects of gender and diversity issues - not only because of the new regulations but also because gender and diversity have become a business case in many respects (Cox/Blake 1991, Catalyst 2004). To name only a few examples: Due to the ageing of the workforce, organizations (profit and non-profit) increasingly encounter problems to hire and to retain highly qualified employees and their expert knowledge. In addition, economic globalization results in an intercultural work force and diversified customer needs to which organizations have to respond and deal with. Due to changes in social norms and values, new lifestyles have emerged. As a consequence, more women enter the workforce and organizations are facing needs from single parents and members of patchwork families for a better balance between lifetime and worktime. In order to retain committed and productive staff, organizations also have to deal more with issues of anti-discrimination concerning gender, physical abilities, sexual orientation and age. People are not able or willing to give their full commitment and motivation to an organization, which discriminates against them or supports a discriminatory organizational culture. For example, most organizations are not aware of the emotional problems employees may have when they have the feeling that their sexual orientation is not accepted within the organizational culture. Due to this, they may be less productive because they constantly use much of their energy to cope with potentially discriminating situations. Or, older customers are not addressed by certain product designs because of the missing usability. Therefore the main objectives in focusing on gender and diversity are, for the most part, not to promote social change and act according to ethical rules but to develop the economic advantages of gender equality and anti-discrimination policies.

As a consequence, organizations have to develop abilities to respond to the needs of customers and a diverse workforce. Therefore, during the last two decades some managerial instruments have been developed in order to deal with gender and diversity issues in a productive way. Gender relations are often associated with women's promotion, equality management and gender mainstreaming. By comparison, diversity management focuses on gender relations, age, physical abilities, sexual orientation, ethnicity and other social categories, which influence – meanwhile often in an intersectional way (see

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<sup>2</sup> See for more details: [http://ec.europa.eu/employment\\_social/fundamental\\_rights/index\\_de.htm](http://ec.europa.eu/employment_social/fundamental_rights/index_de.htm) and [http://ec.europa.eu/employment\\_social/gender\\_equality/index\\_de.html](http://ec.europa.eu/employment_social/gender_equality/index_de.html).

<sup>3</sup> There is still a lack of research on this effect (see Sepehri 2002). Some studies exemplified that due to the in-group-effect, problems of creativity are solved better by a diverse team than by an homogeneous team. Where quick decisions are essential, homogenous teams are more efficient (see Bassett-Jones 2005).

McCall 2005) – the productivity and the competitiveness of an organization. Women’s promotion and equality management are often used as tools within diversity management.

The deliberations above indicate the main objectives in implementing diversity management, gender equality programs or anti-discrimination policies: To advocate social change and act according to ethical rules is, for the most part, not the priority – the development of economic advantages is the goal. In order to accomplish this, it is important for organizations to learn not to consider gender and diversity issues as hindrances or problems but as values and opportunities to stay competitive and to develop new competencies. In comparison to other management issues, dealing with gender and diversity concerns not only organizational functions but identities and power structures. Thus, diversity management – when taken seriously – has to be part of strategic management and must be considered as an ongoing change and therefore learning process. The paper highlights how organizations can benefit from their diversity.

## **2. DIVERSITY MANAGEMENT AS PART OF STRATEGIC MANAGEMENT**

Organizations all over the world are increasingly confronted with pressures for global interdependence and the need of global cooperation and innovation. Besides economic, technical and structural aspects, cooperation and knowledge exchange between workers become important. These requirements have social preconditions such as social and functional appreciation of the counterpart and a trustful, supporting and motivating atmosphere. From this perspective diversity has to be understood as a complex socially constructed phenomenon which shapes working conditions, processes and, last but not least, the productivity of people. The term “diversity“ refers to different categorizations in the literature (see e.g. Gardenswarz/Rowe 1994, Thomas 1995, Thomas/Ely 1996, Sepehri 2002, Wächter 2003). Hays-Thomas, for example, defines diversity as

„...differences among people that are likely to affect their acceptance, work performance, satisfaction, or progress in an organization.“ (Hays-Thomas, 2004, 12)

This definition refers to the complexity of effects diversity can have for organizations. With their model of four layers, Gardenswarz and Rowe provide a good overview of diversity dimensions (see figure 1).



Figure 1: Four layers of diversity – adapted from Gardenswartz/Rowe (1994)

Although such categorizations have come to be frequently contested in the scientific community because of their reductionism, they have been used by decision makers on the political as well as on the organizational levels to deal with diversity issues in the last decades. Currently the discussion is turning to a more intersectional perspective, which emphasizes a differentiated view of human beings and their embeddedness in power structures and life circumstances.

According to Andresen (2007, 744), the diversity of individuals in age, sexual orientation, gender or physical abilities influences their cognitive concepts, their knowledge repertoire, their behaviour and above all their choice of perspectives. Diversity in organizations thus creates a complex frame of knowledge, which is a resource that cannot be imitated by others. The knowledge (professional and life experiences, explicit and implicit knowledge of rules, norms and values) and the consequences of this knowledge (attitudes, ways of thinking, deciding and behaving) make an organization unique – in its culture, innovative power, creativity, productivity and, last but not least, in its achievement of strategic objectives and its competitiveness.

From a resource-based perspective, the diversity of the staff has been linked in the literature with a range of expected benefits (see e.g. Thomas 1991, 28.). Most of these expectations have not been empirically examined and proven, because the majority of

them are difficult to measure as the effects may become apparent at some remote period and often can be not deduced causally from certain measures (see Hanappi-Egger et al 2007, Domsch 2003). Principally the following expected benefits of diversity and diversity management are mentioned in the literature:

- The motivation and loyalty of the work staff can be fostered when people feel valued within an organization.
- Anti-discrimination and valuing of diversity can broaden the pool of qualified job applicants.
- Taking into consideration the diverse perspectives of the staff, diversity can increase the problem-solving capacity and the level of creativity of the organization.
- When conflicts are avoided and individuals are valued, the rate of fluctuation and therefore costs can be reduced.
- Knowledge of diverse customer needs enhances customer relations and retention.
- Knowledge of diverse cultures can support the development of new markets and market segments.

The mere existence of diversity in an organization does not automatically lead to these expected benefits. From the author's point of view, due to its complex dimensions and effects, diversity and its management has many preconditions and has to be understood as a task of strategic management for several reasons. First, dealing with different diversity dimensions can be a risky management task, as power relations are concerned and conflicts between different groups can burst open. Second, awareness and knowledge of different diversity dimensions have to be developed by the management in order to be able to link diversity with organizational objectives, structures and processes. Third, methodological competence on managing diversity has to be acquired by managers to control the related strategic processes.

Research data show that organizations approach diversity strategically in different ways. Thomas and Ely (1996) and Dass and Parker (1999)<sup>4</sup> developed four levels on which organizations are dealing with diversity in a corporate context.

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<sup>4</sup> Similar classifications had been developed by Hiller/Day 2003, Friday/Friday 2003.

Approach	Perspective on diversity	Definition of diversity	The way to deal with diversity	Objectives concerning diversity
Resistance approach	Diversity is not an issue or considered as problem and hazard	not “us”	Preservation of the (imagined) homogeneity in the organization	Defending the status quo
Discrimination and fairness approach	Diversity is considered as source of problems	Diverse groups have to be protected to avoid (legal) problems	Assimilation of differences under a dominant ideal	Anti-discrimination of diverse groups and individuals
Market Access and legitimacy approach	Diversity creates new opportunities	Differences are important resources	Emphasising differences – “celebrating diversity”	Better access to work staff and customers
Learning and effectiveness approach	Diversity and similarities offer new opportunities and save costs	Differences and similarities are important resources	Pluralism and Inclusion	Long-term learning on the individual and organizational level - inclusive organization

Table 1: Paradigms in diversity management following Dass/Parker 1999

The approaches to diversity chosen by organizations may range from resistance against (resistance approach) to the assimilation of differences (anti-discrimination and fairness approach) to the selective use of differences for organizational objectives (market access and legitimacy approach). Organizations that take on a resistance approach ignore the heterogeneity of their staff and their environment. These organizations are at risk to remain driven by diversity related problems and develop no competencies to deal with such challenges with adequate strategies. They also do not exploit the diverse knowledge and perspectives in their organizations.

Organizations with an anti-discrimination and fairness approach are mostly anxious to meet legal requirements and avoid problems like legal charges, conflicts and high fluctuation rates or sick leaves. These organizations are aware of diversity issues but do not value them in a productive way. They take on a more problem-oriented perspective.

Other organizations believe that diversity could be a valuable (knowledge) resource regarding market development. They choose the market-access approach to use the diversity of their staff to customize their products and services (e.g. gay-marketing, ethnic-marketing, age-related-marketing).

The fourth perspective on diversity, the learning and effectiveness approach, can be considered the most complex one which aims for a fundamental change in a specific organization on the structural, procedural and cultural levels. From this perspective an inclusive organization should be the result of the diversity management concept. Or-

ganizations using this approach mainly assume that people are more committed to the organizational objectives and are willing to improve their productivity.

In most cases only one approach is chosen for the conceptualization of diversity management or the four levels exist more or less side-by-side. Compared to the first three approaches, the learning approach is still underdeveloped in the current organizational practice. Therefore, most organizations engaged in diversity management do not explore and fully exploit the strategic potentials of their diversity in an ongoing change and therefore learning process.

### **3. DIVERSITY MANAGEMENT AS A CHANGE AND LEARNING PROCESS**

Considering the implementation of diversity management as a change and learning process means, in a first step, identifying the driving forces relevant for the specific organization. Such forces can be new legal regulations concerning anti-discrimination and gender equality, internal conflicts between different groups, poor performance concerning innovative ideas, a lack of qualified and motivated staff, cases of discrimination, mobbing and sexual harassment or a new strategic orientation of the organizations towards corporate social responsibility, corporate governance and sustainable management. Due to the complexity of the driving forces, managing diversity has to deal with deep-rooted assumptions about diverse groups and individuals. These assumptions are both based in the organizational structures, routines and culture and are effects of them. For instance, older staff members are generally considered less capable of learning than younger employees, or women with children are often excluded from promotions due to their work-life-balance needs. Prejudices, stereotypes and traditional views on individuals and groups who do not match the dominant picture of an employee (mainly male, young, healthy, white, heterosexual, relieved from any care or support obligations and with a certain cultural background) materialize themselves in the daily interactions, decisions, division of labour and self-representation as well as in artefacts of the organizational culture such as symbols and pictures. The crucial point here is that gender and diversity management, implemented as part of the strategic management, challenges institutional aspects as well as individual identity formations and traditional power structures. Organizational problems mirror the hegemonic power structures, norms and values of a society. Therefore, individual and organizational learning under these circumstances often bring up not only new opportunities for individuals and the organization as a whole but also resistance and patterns of negative response.

As a consequence, from a strategic point of view, managing diversity must be considered an ongoing change and learning process which takes into account these different levels of “doing-difference” in order to be able to initiate appropriate change and learning processes which are workable concerning potential conflicts and patterns of resistance. A descriptive model of a diversity related change process has been sketched by Danowitz, Hanappi-Egger and Hofmann (2008):

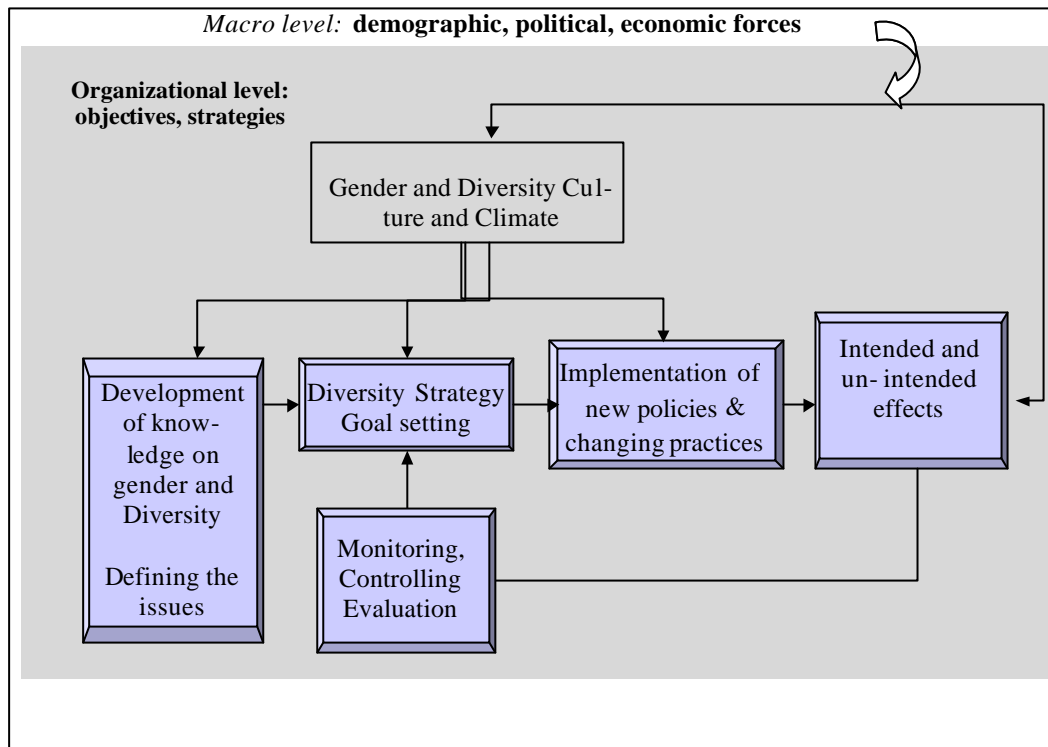


Table 3: Diversity management as change process (adapted from Danowitz, Hanappi-Egger, Hofmann 2008)

Learning within this framework means that organizations improve their performances by dealing with power differences based on social categorizations, stereotypes and patterns of prejudice and create an inclusive organizational climate in which differences are allotted space within the organization and are not ignored (resistance perspective), assimilated (anti-discrimination perspective) or simply “celebrated” (access perspective).

#### 4. ORGANIZATIONAL LEARNING UNDER AN INCLUSION-ORIENTED PERSPECTIVE ON DIVERSITY

To shape inclusion-oriented learning processes several prerequisites turn out to be essential. First, the leading management must commit to the approach and the according strategy. They must be prepared to learn to consider gender and diversity issues not only as hindrances or problems but as opportunities to develop new routines, structures, competences and perspectives to meet the organizational goals.

Diversity related learning processes focus in this first step on the reflexion on basic assumptions (see Schein 1992) and on “theories in action” (see Argyris/Schön 1978) which build the frame for the re-production of gender and diversity specific prejudices and stereotypes, the so called “doing-gender” and “doing-difference” in the daily interactions (see Fenstermaker/West 2002). By this, an organization becomes aware of the dynamics of gender and diversity issues and their intersectional nature. This learning



step enables managers to identify and define the related problems, the potential benefits and the risks of a change on a profound level of knowledge.

As diversity is the result of social constructions and therefore power structures, diversity related organizational learning processes have to be seen as a context dependent social process in which individuals interact and shape organizational structures and routines. Problems may arise when gender or group identities and interests and power positions are questioned. This is the case when the dominant group – in most cases still mainly white, heterosexual men with a certain cultural background – stand to lose their privileges by measures like mentoring, positive discrimination or equality programs. In order to be able to create an inclusive diversity concept and to deal with possible conflicts, managers on the different levels have to acquire and to develop different forms of knowledge and competences:

- Theoretical knowledge of gender and diversity specific stereotypes, patterns of inequality and discrimination in order to be aware of such dynamics within the organization.
- Expert knowledge and knowledge of methods of gender and diversity sensitive organizational analysis to be able to create supportive concepts and measures to manage gender and diversity issues.
- Reflexive competences are essential to deal with one's own prejudices and stereotypical views.
- Social and communicational competences are especially necessary for building a gender and diversity related supportive net of social relations, for influencing micro-processes and for conflict solving (see Hofmann 2006).

In addition, managers have to combine their diversity knowledge with their working field (e.g. strategic management, human resources, controlling, budgeting, product design, customer relations, marketing, etc.) in order to initiate essential changes on every organizational level. Last but not least, it is essential to develop strategic competence for diversity management. Managers engaged with these management tasks have to develop embedded implementation strategies which avoid resistance and create and foster incentives to learn (see Danowitz/Hanappi-Egger/Hofmann 2008). Thereby the allocation of resources and the relevance and acceptance of diversity related learning processes and knowledge must be considered crucial factors.

## **5. SUMMARY**

Organizational change and learning concerning gender and diversity is a multidimensional strategic issue. Therefore, from the author's point of view, approaches which focus only on the "diverse knowledge" of the staff and its exploitation are too narrowly considered. Compared to that, inclusion-oriented organizational learning has to take into account the dominant power structures and interests of the dominant group and the gender and diversity specific micro-processes and politics which support or hinder learning

processes. Therefore, it is an imperative for managers to develop gender and diversity specific knowledge in order to deal with these issues in a productive way.

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