AN INVESTIGATION OF THE CULTURAL DIVERSITY
COMPETENCIES OF MANAGERS IN THE VICTORIAN ENERGY INDUSTRY

Presented By

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Submitted in partial fulfilment of the requirements of the degree of

Doctor of Business Administration

Charles Sturt University

November 2015
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Statement of Originality

This is to certify that to the best of my knowledge, the content of this thesis is my own work. This thesis has not been submitted for any degree or other purpose.

I certify that the intellectual content of this thesis is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged.

The thesis is less than 100,000 words in length, exclusive of tables, figures, bibliography and appendices, and complies with the stipulations for the degree of Doctor of Business Administration by Charles Sturt University.

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November 2015
Acknowledgements

I could not possibly have completed this dissertation without the comment from my first supervisor, Dr Alan Fish who said that “since you can do this, why don’t you?” Pragmatism and I are good friends and this was uniquely motivational. To Alan, I am eternally grateful. Thank you so much. To my second supervisor, Dr Debra da Silva, I am also most grateful. Your points about making my purpose clear are well heeded. Finally to my third supervisor, Dr Brian D’Netto, I thank you for your gentile learned guidance, long haul persistence and endless patience. You are both a gentleman and a scholar. When all seemed so dreadfully and irretrievably lost you saved me. I cannot thank you enough. Thanks also to Dr D’Netto’s former student, Dr Thomas Verghese who gave me lots of positive affirmations over coffee and proved that the finish-line could be reached. To Dr Eddie Oczkowski, thank you for your unfaltering support and understanding over this long haul.

Ms Jessica Byers and Ms Lianna Ypelaan have been fantastic research assistants. To Jessica, I am sorry that the questionnaire you so faithfully developed finished up being consigned to history, but it was part of my learning and that alone gives it purpose. To Lianna, thank you for all of your running around, to and fro never failing in the cause no matter how much the road seemed travelled before. You have the patience of a Saint. I especially would like to acknowledge your commitment to seeing this through. Thank you so very much. We grew into this together and made a great team. Much appreciated!
My patient and stoic husband (Des Dalton) thank you for reading my drafts, putting up with me writing right the way through our family holidays in Queensland, your financial contribution to my studies and being there for the super long haul that this has been. It can’t have been easy, but I could not have done it without you.

To my children: son Renny, and triplet daughters Zella, Eily and Kasinda Dalton, I know it will be difficult to imagine Mum without these studies. Indeed you have all grown up into the exceptional young adults you are today during this time. I thank you for your remarkable acceptance of my need to have spent time on this project and the loving humour with which you have continually commented on this.

To my Mum (Gloria Stockdale) and Richard Hughes (my “Step Father”) who have dedicated their time and support in all manner of ways; made me laugh, provided me with motivation to go on, made me coffee, accompanied me on the long trips to Wagga, performed an emergency dash to Lakes Entrance while I was in writer’s lock down to deliver my computer I’d left in Traralgon (thank you Richard), fed me a strange diet of nuts, strawberries and yoghurt (Mum!) and took me out to escape the strange world one occupies when writing a thesis. Indeed my children have grown up through this research and it has been a big part of their lives as well. I hope they don’t miss it too much!

Finally, without the challenge my friend Martin Legg threw out the challenge in the late 1990s that he and I could not complete an MBA, I might never have even contemplated starting this second journey. Martin, it’s about time you did your DBA!
Finally, and by no means last, to Pat Carter, who came into my life like a summer breeze in 2005, your unbridled support, laughs and encouragement is so gratefully acknowledged.

Thank you to them all.

Linda
Abstract

The Australian Energy Industry has undergone an enormous change in the past two decades. There is increasing levels of overseas ownership. This, along with increased levels of cultural diversity in Australian society generally, has meant that managers within this industry now, or in the future, need a much greater level of capability in managing cross culturally. The people they manage, work alongside and report to are expected to become culturally far more diverse. This study developed an original competency matrix from a comprehensive review of the literature in to what current theory and practice indicate are the competencies managers need to perform in a culturally diverse environment. The competencies were then categorised for simplicity of use to develop a model called the Diversity Management Competency Model or “DMCM”. The model expresses the competencies in behavioural terms. The research also investigated the extent to which managers in this industry believe they have developed the competencies of the model and what they would like to see implemented to develop these competencies, and the results are presented here.

The sample was 30 managers from across the electricity industry in Victoria. This industry is a network comprising of three parts: generation (and in some cases fuel mining), distribution and retailing. Managers from privatised firms from each part were sourced and interviewed.

The participant managers completed a semi structured interview conducted on an individual basis over approximately 30 minutes’ duration.
The results of this were analysed using qualitative research techniques – interpretatively and thematically.

Each interview was conducted individually and privately by the researcher. Strong emphasis was placed on the voluntary and confidential nature of participation in accordance with University Ethics considerations. The interviews were conducted between May and September 2014. Sourcing participants proved to be very difficult both due to the participants own time constraints and the fact that firms in this industry are not easily contactable for outsiders.

The data analysis indicated that the participants rated themselves as having “Moderately” developed cultural diversity management competencies contained within the DMCM. This was despite up to thirty per cent of participants rating themselves as “No. Not yet developed” for individual competencies of the model. Further, the researcher’s own assessment of participant’s demonstration of the competencies of the model was that “Moderate” may be somewhat ambitious as many of the behavioural examples provided to demonstrate individual competencies of the model were superficial. As such the researcher assessed the participants as having moderately developed the competencies identified to “understand self” and only having a low level of competency development for “understanding others”, “workplace analysis” and “workplace application” of the competencies required to successfully achieve positive diversity management outcomes.

Participants were not able to suggest improvements to the DMCM, but were able to provide their opinions about how the competencies
contained within the DMCM may be developed and indicated a high level of interest in both the research and in the issue cultural diversity management. This is despite an apparent low level of cultural diversity in both the managers and those who report to them.

This model would be of benefit to Australian firms in any industry looking to implement recommendations of the 2012 White Paper into the Australian-Asian Century, seek to harness the benefits offered by cultural diversity and to overcome its potential obstacles. The research also provides an insight into the current level of cultural diversity management competency development within one significant Australian Industry, thereby providing an insight into the prospective gap between current managerial competency levels and those predicted to be needed to realise the potential of the human resources capital contained within them both now and in the future as cultural diversity levels continue to rise and organisations increasingly become global.

Like all research, this study has its limitations. Most importantly in the nature of the sample. More senior and middle level managers made up the majority of the sample as they were more easily contactable than managers at lower levels who both were difficult to access as their jobs did not normally include speaking to people outside of the organisation and were cautious that their involvement may not be condoned by their home organisations.

The DMCM received unanimous support and its development upon a competency framework fits well within current human resources management practice in Australia, and indeed internationally. It can make a
contribution to the elimination of practices which foster discrimination and prejudice, embrace the benefits of diversity and may even provide managers with a platform of competencies needed to respond to the challenges of both transnational and global leadership now or in the future. The identification of behaviours, central to competencies, also supports the work of earlier researchers in both cultural diversity management, cultural intelligence and practical implementation for both individual managers and organisations.
CHAPTER 1: THESIS INTRODUCTION

Introduction

Organisations once operated in stable environments, where the most important task was the maintenance of day to day operations. Management roles were seen to revolve around the traditional management functions of planning, organising, co-ordinating and controlling, with organisations most commonly structured as traditional establishments. Management roles within them were typically long term and stable (Dunphy & Stace, 1990: 147). This is clearly no longer the case. Today, the environment has become fast paced. Managers are now required to deal with an ethnically diverse workforce and effective management of this diversity requires additional competencies.

One of the most important aspects of diversity in the Australian workforce is multiculturalism. Australia has one of the most culturally diverse populations in the world (D’Netto & Sohal, 1999; Dunn, Thompson, Hanna, Murphy & Burnley, 2001; Lewis, French & Phetmany, 2000). In 2012-2013, net immigration made a positive contribution to the population size of all Australian states and territories, with New South Wales and Victoria showing the highest gains. In 2012, 27.7% of the Australian population were born outside of Australia (ABS, 2013). Not only is the proportion of people from other cultures increasing as a percentage of the total population, the level of diversity is also increasing with successive waves of immigration.

This has not gone unnoticed by Australian researchers. As early as the 1990s researchers were acknowledging increasing cultural diversity levels in the Australian population (Hugo, 1995) and scholars were attempting to
come to terms with what this would mean for management practice. An empirical assessment by D’Netto and Sohal (1999) concluded that human resources practices in relation to workplace diversity were “mediocre”, especially in relation to recruitment and selection and training and development. A decade later a group of Australian researchers (Shen, Chanda, D’Netto & Monga, 2009) observed that there was still little attention being paid, across the world, to the issue of valuing, developing and making use of diversity. Just two years later, Fenwick, Costa, Sohal and D’Netto (2011) concluded that companies in the Australian manufacturing sector had actually improved, moving to “above average” from “mediocre” in terms of valuing and recognising the benefits of diversity.

On the other hand, research in the Australian construction industry by Loosemore, Phua, Dunn and Ozguo (2011) found that despite construction sites being among the most culturally diverse workplaces there remained some anxiety about safety risks and evidence of racism. However cultural diversity programs were not seen as a priority by managers in that industry. Similarly, McMurray, Karim and Fisher (2011) investigated the Victorian Police in Australia and concluded there were significant challenges in the management of cultural diversity in this organisation. This study indicated that three culturally diverse communities viewed the Police as a racially based organisation, dominated by White Anglo Saxon males.

In addition, in an Australian study, Soldan and Nankervis (2014), concluded that for the Australian Public Service, diversity management outcomes were not being achieved despite a lot of rhetoric. These researchers attributed this to a lack of line management training, a lack of line
management involvement in the development of diversity management training and a lack of managerial accountability for diversity management efforts. Around the same time, Kramer (2012) argued that there was evidence that diversity outcomes were not improving in the Australian public or private sector. Kramer contends that this was because there is no common approach, but action seems to be focussed on legal compliance. However, Kramer does acknowledge that there is evidence that highly effective organisations (like CSR) do integrate diversity management into their strategic management process.

Syed and Kramer in 2009 had also noted that Australian workplaces still lacked “adequate structures” to manage cultural diversity, that diversity in employees must be recognised in their backgrounds and in their issues, and that Australian workplaces continued to be dominated by Anglo Celtic males. Syed and Kramer (2009) did not clearly explain the content of the “adequate structures” which were absent in the Australian workplace. Therefore the apparent conclusion is that Australian workplaces vary enormously in their diversity management practices.

A review of the literature indicates that there is no comprehensive model (a structure) which identifies competencies required to effectively manage diversity in the workplace. There have been a number of guideposts in the Australian literature and these are discussed in the next chapter.

This thesis seeks to fill this gap in the literature by developing a comprehensive model containing the competencies required to manage diversity and then applying it in the Australian workplace.
This new competency model is called Diversity Management Competency Model (DMCM). This model is based on a comprehensive review of the empirical and theoretical literature which addresses the competencies managers need to effectively manage a culturally diverse workforce. The literature indicates that scholars have tended to concentrate on expatriates and global managers and other forms of diversity in the workplace, such as gender diversity. Further, past research tends to have been conducted off shore, particularly in the United States of America. This thesis focuses on managing cross-cultural diversity in Australia. The thesis aims to provide tangible benefit to organizations, as the diversity management competencies in the model can be used for selection and development of managers. In addition, this study assesses the extent to which managers believe they possess these diversity management competencies. This thesis also seeks to identify competency gaps in the sample population and provides strategies to enhance diversity management in the sample industry and Australia generally. This is based on the Social Inclusiveness theory which aims to improve the terms on which people take part in society, in this case the workplace, so that particular individuals are not disadvantaged and/or marginalised.

**Background to the Study**

The researcher worked in the Energy Industry as an Industrial Psychologist during the late 1980s through to the mid 1990s. It was a time of enormous change. The then Kennett Liberal Government of Victoria decided to sell off the assets of the government owned State Electricity Commission of Victoria. This meant that its component parts; coal mining,
generation, high and low voltage distribution and retail sales ended up being sold off independently (sometimes together such as a power station with an open cut mine). Significant numbers of personnel were shed through a voluntary departure program and as a result a government run enterprise with a 75 year history suddenly was sold.

These were significant capital purchases for investors, who in the vast majority of cases, came from overseas. For example Loy Yang B is currently owned by a joint venture of Mitsui (a Japanese firm) and GDF Suez (a French firm). Yallourn Energy is owned in part by China Light and Power. Many have head offices located off shore and home office directives must be followed and reported against. Recently during an industrial dispute at Yallourn the aggrieved workers protested outside the Chinese Embassy in Melbourne.

Another issue which came to the researcher’s attention at the time was that power stations, open cuts and high voltage distribution networks are mainly in rural and regional Australia therefore often many hours’ away from capital cities where new migrants tend to initially settle. Therefore, at the time the workforce was almost exclusively of white Anglo British Irish decent with a large minority of 1950s “Mediterranean” migrants. There were almost no Asians nor “Continental” Europeans, apart from Italian and Greeks and a few from the former Yugoslavia, and the researcher cannot recall meeting any African people apart from Afrikaans and other African Caucasians during the entire time of employment (almost decade long) in the industry. At one point whilst working at Morwell Briquette and Power with a workforce of some 300 people, the researcher noted that the one Indonesian felt he needed to
Anglicise his name in an attempt to fit in, besides people could not pronounce his Indonesian name.

Now, 20 years after having left the industry, the researcher wonders how the rapid growth in diversity has impacted this industry. She now works as an Organizational Psychologist in private practice and is still located in the heart of the Victorian power industry in the Latrobe Valley and maintains both a keen interest in the industry and a passion for foreign culture. The researcher has often consulted back to this industry on the two issues of selection and development. The researcher does not recall ever having seen a selection criterion like “Ability to speak Japanese”, or a “Knowledge of Indonesian Culture”. Have the managers in particular acquired the competencies to work for, with and beside persons of different ethnic and cultural backgrounds or have they simply been going with the flow and adjusting on the run? Have the “learnings” of the literature reached those “on the coal face”?

This industry, like many others, has used a behavioural basis for their selection processes since the early 1990s. This requires specific competencies are identified in the processes of personnel selection and development so that behavioural “data” can be collected and assessed against these criteria. The researcher decided to develop these competencies for cultural diversity management and apply it in this industry. In order to identify these competencies, the researcher examined the literature on workforce diversity and developed a comprehensive diversity competency model. The next task was to answer the question, “what have managers done already to develop these competencies and how far do they think they have
progressed?” After identifying these competency deficiencies, this study looks at strategies the managers themselves believe can be adopted to reduce these deficiencies. Consequently, this research focuses on the practical implementation of cultural diversity management competencies, with a focus on the Energy Industry – specifically the electricity sector of this industry. From here on identified as the Victorian Electricity Industry.

**Characteristics of the Victorian Electricity Industry**

The current Victorian Electricity Industry comprises of three major components: generation, distribution and consumption. Companies within these components are now operated by private firms. Until 1993 they were integrated as a government owned business (called the State Electricity Commission of Victoria or SECV). By 1995 most of the Victorian Electricity Industry was privately owned and operated.

The majority of Victoria's electricity requirements are supplied by brown coal generators in the Latrobe Valley located in regional south east Victoria. Other electricity supply comes from gas-fired generators and from renewable energy sources including hydro-electric, wind power, solar and biomass.

Electricity can also be supplied to meet Victorian demand via transmission interconnectors with other States. In addition, demand can be reduced through agreements the State has with Alcoa and through privately negotiated contracts between energy retailers and large (mostly industrial) customers.
Electricity is provided to consumers via the distribution infrastructure. Electricity is distributed through overhead power lines and also via underground cables. The total length of Victoria's electricity distribution lines is around 200,000 km. The transmission networks feed high voltage electricity and high pressure gas into the lower voltage or lower pressure distribution lines.

There are five electricity distribution areas in Victoria: Three areas encompass Melbourne and the inner suburbs, and two cover the outer suburban areas and regional Victoria.

Victoria's 6,000 kilometer high-voltage electricity transmission system is owned and maintained by AusNet Services.

Transformers reduce the transmission voltage to allow it to be transmitted via lower voltage distribution networks. The majority of electricity transported in Victoria is from the brown coal generators in the Latrobe Valley to Melbourne, the largest demand center in the state.

Victoria's electricity transmission network is interconnected with South Australia, New South Wales, and Tasmania and indirectly with Queensland. This allows the transportation of electricity from the states when electricity demand in Victoria is relatively high, or from Victoria when demand is relatively low.

Victoria's energy retailers provide customers with their energy services. The retailers deal with energy producers, transmission and distribution companies, and provide a "bundled" service to their end consumers. There are approximately 2.2 million residential and small
business customers that use electricity in Victoria (Victoria State Government, 2015).

The National Office of the Australian Services Union estimates that before privatization there were 21,500 people employed in this industry and only 8,000 after. In the Latrobe Valley – 9,000 before and 3,000 after (Australian Services Union - National, 2015).

Relevance of this Study

The main purpose of this study is to assess and assist with the burgeoning management challenge of increasing levels of workforce diversity in the Australian workforce, particularly the impact on the Victorian Electricity Industry. The research calls upon managers in this industry (and indeed those across Australia) to personally develop and apply a range of specific managerial competencies identified in the literature to best manage their increasingly culturally diverse workforces. In identifying competencies and applying them at an individual manager level, it shifts the accountability from an organisational level to an individual manager and in so doing shifts accountability to managers at all levels to view, understand and implement knowledge, skills and attitudes in their workplaces which could result in meaningful systemic change to the challenges and opportunities cultural diversity brings to Australia. It begins by clearly identifying and defining what these competencies may be and then asks managers in the electricity industry the extent to which they believe they have developed these and finishes with their opinions about how they believe these competencies are best developed.
This devolution of accountability from HR Departments to managers themselves is a significant paradigm shift. It is argued that these competencies in the management of cultural diversity are an additional demand to the core of managerial practice and that these will need to become an integral part of management practice in Australia. The issue of what competencies are needed in the face of bigger issues like transnationalism and globalisation are not specifically addressed here, apart from how the importation of managers from other countries to work in Australia as a result of business acquisitions has further added to diversity.

Increasingly managers are being called upon to supervise, work with and report to people of diverse cultures. There are two principal perspectives as to why the management of these culturally diverse workforces is important; to “unleash the potential embedded in it” and to create inclusive workplaces. This study looks at what is required to effectively perform the role of manager in such an environment. The challenge of how these managers may then perform if required to work abroad for the global companies who own many firms in the industry is outside the scope of this research. As noted by Patton and Applebaum (2003), the gap between what practitioners expect and what theoreticians expect has widened. But how wide is it in terms of the management of cultural diversity in the workplace and can research itself assist in the gap being filled?

It is proposed to limit the scope of this research to competencies needed for working with cultural diversity. It is recognised that there are other forms of workplace diversity – gender and religion being examples. It is expected that if this first stage identifies a gap between theory and practice,
strategies to close this gap would enable diversity competent managers to enhance their performance in an ever increasing global business environment.

The Karpin Report

At around the time of the privatisation of the Victorian electricity businesses, “The Karpin Report” of 1995 was released. The aim of this report was to provide insight into the way Australia prepared its managers for work and for leadership. It made recommendations on globalisation, diversity, lifelong learning and enterprise and educational institution best practice. This report provided significant guideposts for cross cultural management development. This report established awareness of the relationship between management capabilities at all levels of the organisation and company performance. It highlighted the education, training and ongoing professional development managers need to perform effectively in the workplace. These skills are leading, managing people, communicating, negotiating, and resolving conflict, fostering creativity, innovation, managing change.

The Karpin Report recommended the implementation of a management competencies framework and that these can be defined, developed, maintained and promoted as flexible management competencies for use in all industries, including small business, and by managers operating at all levels. This would build on the following existing work, like the implementation of National and State Training Boards and development of industry based management competencies.

*Implementation would be by building core competencies; strong industry influence; ongoing research; coordination between industries;*
incorporation of existing work; and the development of flexible software package containing competency material (Samson, 2011: 21).

The report fell short of stating who would be who, what and when would be accountable for ensuring all of this.

Since this report, many industries have developed management competencies for their particular industry. For example, the South Australian Public Sector (2015) has developed a competency framework for its front line and middle managers which is still current. Positively, at both levels there is a mention of cultural diversity in the “promote diversity” and “develop diversity” competencies. When it comes to the academic study associated with this, diversity subjects’ fall into the electives category at the end of the program. These competencies do not define the term “diversity” and may be referring to gender diversity. Perhaps this is due to the rapid increase in cultural diversity in just the past decade, and, along with it, rapid globalisation. This research contends that even if the electricity industry did develop a management competency framework, it is unlikely that the significant additional competencies demanded in this new business environment could have been foreseen or included.

The Karpin Report stated that Australian companies must improve their practices if they want to meet today’s international standards. Many of the issues raised in the Karpin Report have indeed come to fruition or are starting to do so, such as the ‘rise and rise of Asia’ and particularly of China’s opening of its doors to international commerce in the late 1970s but which really picked up momentum after the 1990s and has now developed in to
China assuming dominance in world affairs, economics and trade. China is now Australia’s leading trading partner followed by Japan.

The patchy implementation of Karpin recommendations indicates that many of the management and leadership challenges identified in 1995 have not yet been fully addressed. When Samson (2011: 5), on behalf of Innovation and Business Skills Australia revisited the Karpin Report, he said it was “Market forces, rather than a concerted action by Government, that ensured many of the recommendations found their way into practice within organisations”, but that the recommendations continue to be relevant which “is testament to the forward looking focus of the report”. However, it is contended that significant change in the business and global environment since 1995 has resulted in new and additional leadership and management challenges. This is not to say that those recommendations are no longer relevant, but that there now are other considerations.

In 2011 Samson revisited the Karpin Report to assess what had become of its recommendations. He found individuals and organisations had become much more globally knowledgeable, aware and capable according to many of his commentators. During Samson’s project research, most of his participants reported in the past ten to fifteen years, Australian managers had embraced notions of doing business globally, and particularly in Asia. Interestingly, more credit was given to businesses themselves, rather than the government (Samson, 2011). However, there was criticism of our poor skills in languages other than English, and in understanding foreign business cultures and how to manage ethical dilemmas in other cultural contexts (Samson, 2011). In the middle of this discussion, Hutchings (2005: 1) added
that even where there is recognition of the need for cross cultural management competency “organisational preparation remains negligible”. Therefore, managers need to first develop competencies required to work in culturally diverse environments in Australia, before developing competencies needed to work in global assignments.

**Diversity Management and Productivity**

Even though cultural diversity management was not the focus of the Karpin Report (1995), other authors had argued for better workplace management practices to enhance social inclusiveness in multicultural countries like Australia (Cox, 1994). Such practices lead to increased productivity by supporting those traditionally disadvantaged (such as migrant workers) who also have potential. This occurs when workplaces “accept and utilise” the diversity of their workforces (Barak, 2013: 8). This author states that despite decades of legislation aimed at equality in the workplace, organisations need to do more to overcome the discrimination and disadvantage migrants face in the workforce. Researchers in Australia, such as Syed and Murray (2009) provided an example of this when they described the challenges faced by migrant Muslim women. In the American context, Barak (2013: 2) stated the “unfortunate inability of corporate managers to fully comprehend its dynamics, divest themselves of their personal prejudicial attitudes, and creatively unleash the potential embedded in a multicultural workforce”. He even went so far as to say that workforces should also be active change agents at a range of levels, including in the community and in state and federal programs (Barak, 2013: 8). Indeed, as many academics in
this field have suggested, interventions are required at multiple levels (Sue, 1991; Syed & Murray, 2009; Turnbull, Greenwood, Tworoger & Murray, 2009; Turnbull, Greenwood, Tworoger & Golden, 2010). Whilst this study is focused on change at the individual manager level, it does include all levels of management. Therefore, this research will also make a contribution toward the attainment of socially inclusive workplaces.

**Forces for Change**

*Business Environment*

As discussed earlier, the business environment is changing rapidly and has become global. Globalization in a business context can be defined as the move of industries, companies, and business to make practices more international and expanding to other countries and cultures. Globalization is all about making and keeping connections (Barnum & Gaster, 1991). Many companies are now moving towards expanding business overseas to keep up with moving economic times. The electricity industry probably did not imagine becoming part of this as its assets are fixed and transmitting electric power from Australia to another country is not even on a drawing board at this time. So the people are mobile but, at least for now, the assets are not. Further, production and distribution assets had been state owned and run for the best part of a century. The move towards their sale in Victoria followed the model of the Thatcher government in the UK. Across Australia, uptake of privatization has been patchy and not to the same degree as in the UK.

Despite not really choosing to globalise, there are a number of reasons why Australian industries see a move such as globalization as a strategic
advantage but it would appear that in the case of the Electricity Industry the
cost of the assets was simply so large that their purchase was outside of the
scope of solely Australian based firms. For example in 2012 the debt at the
1026MW Loy Yang B plant, co-owned with partner Mitsui & Co., Ltd., was
refinanced with a syndicate of banks. Project finance debt of A$1.06 billion
($0.85 billion) with a tenure of five years, maturing 30 June 2017, was
provided by the syndicate, comprising Australian and Asia-Pacific banks
(GDF Suez, 2014). This is simply a massive amount of money. Once
companies have made this investment they have then set about creating
Australian based offices and representatives to both work alongside and set
strategic direction for those in their operations to a greater or lesser extent.
For example GDF Suez, a multinational French company acquired a
dominant share in Victoria’s Hazelwood and Loy Yang B power stations in
2012. According to its website, the firm now has a European Operations
Manager, based in Australia, to whom the respective power station managers
now report.

It is not hard to see why firms try to expand across national borders.
Researchers Gomes and Ramaswamy (1999) list many benefits of this
including acceleration of new product development, access to new
technologies. Improved location for rapidly taking advantage of the arbitrage
opportunities allowed by multiple locations and perhaps most importantly,
the ability to take greater benefit from economies of scale. However, there
are negative effects associated with globalization, including problems of co-
ordination and control, the creation of administrative systems to manage
expansion into other countries, and in particular, the specialized human
resource management required to deal with cultural variations. These
considerations can become quite costly and if not managed effectively can result in financial loss and impediments to future investments (Smith, Fischer & Sale, 2001: 177). “Success in today’s international climate demands highly specialized yet closely linked groups of global business manager’s, country or regional manager’s, and world-wide functional managers” (Bartlett & Ghoshal, 1992). This differs greatly from the way it was just a decade ago.

Globalization has created a pressure on companies to customize into a multicultural approach. Old values are not part of the new multicultural companies. This can be seen from the fast growing global market, making it necessary for Australian companies to become globally and domestically competitive. This in turn calls for the need for managers who are competent to manage global business operations (Karpin, 1995).

Also in the almost two decades since the Karpin Report, new forms of doing business and arranging work have occurred which are transforming business landscapes. These include outsourcing, off-shoring, public private partnerships, supply chain integration, collaboration and alliances. The expansion of information and communications technology has revolutionised ways of doing business, allowing small and micro companies to ‘go global’ like never before, and to do business with the largest of firms (Gates, 1999).

Tariff and quota protection in Australia for local firms has been substantially reduced or eliminated in most industries, so that home markets are fiercely under attack from the world’s best companies, including many from very low wage countries. While this has happened for some time in goods based industries, it is now happening increasingly in service based industries, through the internet, global franchising, alliances and other means.
Whole industries which used to be local are now almost completely global, including the service industry (Samson, 2011). It could be argued that Electricity Industry assets are not relocatable and not able to be sourced abroad, but their staff, the services they rely on for the operation and maintenance and their consumables are.

In October of 2012 the then Gillard Labour Government promulgated a Whitepaper called “Australia in the Asian Century”. In the paper, it said that the government wants to shift the emphasis of our trade with Asia from predominately raw resources to services like research, innovation and education. Correspondingly the competencies needed to develop and deliver these will bring further challenges.

This has also changed recruitment. Lau and Murningham (2005: 645) say “by attracting a culturally diverse pool of applicants, organisations have the benefit of recruiting employees with many cross cultural capabilities”. They suggest that international business decisions require knowledge of complex international environments and institutions. Such knowledge also translates into stronger capabilities for identifying business opportunities and risks in the global business environment. People who can grow the business will be bigger assets. However, organisations cannot recruit culturally diverse candidates unless they are both competent and prepared to work in regional areas. Most generators of electricity throughout Australia, particularly for the base load/high volume, are located in rural or regional areas as are distribution assets and about two thirds of the retail customers. For the generators, this is simply due to the proximity needed to both cooling water and fuel sources. Given that immigrants still initially tend to settle in
cities and then slowly spread out from there to secure employment, educational and lifestyle opportunities, the employees of the generators have traditionally been less culturally diverse than other parts of the industry located in capital cities.

This immigrant settlement situation started to change around twenty years ago. As early as 1995 Hugo identified that there had been a fivefold increase in the number of overseas born people living in regional Australia. The privatisation of generators has meant international corporations have established themselves regionally and this too has brought diversity. Cultural diversity has also occurred in the past couple of decades in these communities for other reasons, for example in the Latrobe Valley, the home of the Victorian power generation which is located 160 km’s from Melbourne, 290 international students from 31 different countries come annually to attend the local University campus (Latrobe City Council, 2012).

Another key component of the 2012 White Paper “Australian in the Asian Century” is the need for skills which “will allow businesses and individuals to work across regional boarders, sharing skills and experience”. Of particular importance is the acquisition of what is referred to as Asia-literacy including language skills by students in Australian schools in one of four identified Asian languages. The principal driver for this is the recognition that despite our citizens still being mainly of Western European ethnicity and English being the majority first language and the national language, that Australia is geographically located at the bottom of South East Asia and so it makes good sense that these Asian nations (in this case all the way North through to India and China) become the focus of our future trade
in both goods and services. Like the Karpin Report before it, the paper falls short of specific implementation plans, assignment of accountabilities for implementation and costing.

In mid-November 2012, former Australian Labour Prime Minister, The Honourable Paul Keating delivered the Keith Murdoch Oration to the State Library of Victoria. The Oration was entitled “Asia in the New Order”. Keating “reiterated his long-held views about the decline of the “Anglosphere”. He argued that Asia is increasingly becoming a significant world power in its own right (without the Anglo world, including Australia, New Zealand and the United States of America). He went on to say that when he was Prime Minister he “rejoiced in the diversity around us and the fact that the big old societies of the East, formerly locked down by colonialism and poverty, were free to go their own way”. He said we (Australia) needs to “concentrate on where we can be effective and where we can make the greatest difference”. He believes that this is “fundamentally South East Asia”. Most specifically in Indonesia; especially given its geographical location. If we (Australia) do not, then we risk becoming a “Western outpost”. Therefore, we need to “strike out on our own”. So his focus was geographically significantly smaller than that of The Hon Julia Gillard.

All of this focus on diversity and productivity has occurred at the same time as a less vocal but important call for businesses in multicultural countries to become more socially inclusive but this time for psycho-social reasons; like wellbeing and welfare. In fact, in May 2008 a government body was set up by the then Rudd Labour Government to oversee initiatives in this regard called the Australian Social Inclusion Board. The Australian Social Inclusion
Board was formed with a brief to advise Government, consult with the community, and report on social inclusion in Australia. In its only report (2010: iii), it defines social inclusion as being “about ensuring that everyone is able to participate fully in Australian society. It is about people having the necessary opportunities, capabilities and resources to enable them both to contribute to and share in the benefits of Australia’s success as a nation” (Australian Social Inclusion Board, 2010: 11). The report specifically speaks about the elimination of racial discrimination being one of its objectives but says there is currently no national data on the general population’s perceptions of discrimination or the impacts of discrimination. In terms of the Australian workplace it is difficult to distinguish between the objectives of social inclusion that of existing legislation on fairness and equity - The Equal Employment Opportunity Act (1986) and Racial Discrimination Act (1975) which have been in place for decades. In September 2013 the Prime Minister, Tony Abbott, ceased to operate the Board, passing its responsibilities over to the Minister for Social Services. It appears that in popular media, at least, social inclusion was associated with welfare, disadvantage and poverty in the community at large, with little specific mention of workplaces. Since 2013 even this seems to have gained less coverage. In a rare Australian study into how to achieve acculturation, in this case for professional Chinese immigrants, Lu and others (2011) found that social support at work was the best indicator and clearly demonstrates the role of the workplace in social inclusion.
Cultural, Immigration and Communication Changes

Australia is now one of the most culturally and linguistically diverse populations in the world. Indeed, the Australian Bureau of Statistics (ABS) now describes Australia as “culturally and linguistically diverse” (ABS, 2012). Cultural diversity statistics for Australia:

• A migrant arrives in Australia every 1 minute and 29 seconds.

• Almost 400 different languages, including indigenous languages, are spoken collectively by Australia’s almost 23.1 million population.

• More than a quarter of Australia's population was born in one of 200 overseas countries.

• Two out of every five people have at least one parent born overseas.

• In the 2009/2010 financial year the three largest birthplaces of settler arrivals to Australia were New Zealand, China and India.

• In terms of net migration per capita, Australia is ranked 18th (2008 Data) ahead of Canada, the USA and most of Europe.

• Australia’s population is projected to grow by 27.2 million by 2026, with net migration expected to account for 55% of the total growth and more than two-thirds coming from non-Anglo-Celtic backgrounds (OriginsInfo, 2015).
Over the past two decades there has been significant growth in immigration from a broad range of countries, with record highs in net immigration having been achieved in the past ten years. In Australia, as at June 2011, 27% of the population were born overseas, of these about 5.1 percent of these were from countries where English is not the first language (China, India, Vietnam, and Italy) (Australian Bureau of Statistics, 2012). Indeed the Australian Bureau of Statistics now describes Australia as “culturally and linguistically diverse” (Australian Bureau of Statistics, 2012). This compares with the United States of America with only 12 per cent born overseas and the United Kingdom with 8.3 per cent born overseas (Crisp & Turner, 2010). It follows that, with time, Australian workplaces’ employees will increasingly reflect these trends and therefore the cultural diversity in the workplace will also increase.

In Australia, these immigrants tended to remain in capital city ethnic enclaves. Rather than assimilate in to the broader community or move out of the cities and into remote and regional communities they have tended to form their own communities. Both of our major cities of Sydney and Melbourne have at least a Chinatown, an Italian, a Greek, Jewish, a Middle Eastern and a Vietnamese precinct. Now things are changing and our newest Australians are making their homes in rural, regional and even remote communities, like never before; even those who had previously settled into major cities to fulfil residency requirements (Hugo, 2008). While the reasons for this are complex as there are a range of forces at play – such as a significant and ever increasing intake of foreign university students (and many of Australia’s universities are located in regional areas, albeit larger ones), higher levels of urbanization on the fringes of capital cities, changes to visa processes and government incentive schemes;
Hugo (2008: 568) concluded that “the immigrants add an element of diversity to what in many areas have been strongly Anglo Saxon societies”, when referring to the increasing level of immigrant settlement outside of capital cities, which at that time he estimated to be around 11 per cent of recent arrivals, plus an undefined percentage of longer term immigrants (those residing in Australia for over 12 months (OECD, 2015)). On top of this, more and more people are living and working in foreign countries, world markets are integrating and multinational organizations are becoming commonplace (Bhadury, Mighty & Damar, 2000).

Channels of communication have opened up with the internet, email, social media and mobile phones, but contrary to popular belief that English would become the “lingua franca” (or the language of the world, specifically “business” world) the opposite seems to have occurred with other languages becoming more entrenched in their native countries and the concept of English as the lingua franca facing strong resistance among older people (Seidlhofer, 2001; Cogo & Jenkins, 2010; Cogo & Dewey, 2011); leaving those who thought that learning a second language to English an unnecessary chore possibly now needing to seriously reconsider and those to whom English is already a second language becoming a potential resource to be tapped and not just an interesting curiosity.

The Terminology

Before commencing this thesis, some terms need to be defined:
**Culture**

One of the pioneers of research in to the field of cross cultural management was Geert Hofstede, a Dutch social psychologist. He defined culture as “the collective programming of the mind, (which) distinguishes one group or category of people from another” (Hofstede, 1980: 25). He even went on to define ways in which cultures are dissimilar. He notably developed the “cultural dimensions theory” on how cultures differ from each other along five dimensions – Power-Distance, Individualism, Uncertainty avoidance, Masculinity and Long Term Orientation (Hofstede, 1980: 312). Culture has been described as the “human made part of the environment” (Triandis, 1994: 1). Culture also specifies what behaviours are desirable for members of the culture (norms) and individuals in the social structure (roles) and the goals and the principals that are important to one’s life (values) (Robert, Probst, Martocchio, Drasgow & Lawler, 2000).

**Cultural Diversity**

Cultural Diversity is defined by the Oxford dictionary as the existence of a variety of cultural or ethnic groups within a society: Australia is now considered to be culturally diverse (ABS, 2011).

**Management and Culture**

This term implies that culture impacts on management and management impacts on culture. In 1997 Adler stated that managerial values are profoundly impacted by culture.

Of the multitude of definitions of “leadership” the one which will be used here is the one by Hughes, Ginnett and Curphy (2002: 22) who in reflecting
on leadership state that it “involves the interaction between the leader, the
followers and the situation”.

Further, that culture has situational importance (Yukl & Chavez, 2002),
in other words culture will influence leadership as it is important to the situation.

**Diversity Management**

The term “Diversity Management”, in the context of workplaces, is
widely used to refer to the practice of addressing and supporting multiple
lifestyles and personal characteristics within a defined group (groups such as
those of a particular gender, education, culture, sexual orientation, religion).
However, “Cultural Diversity Management” as defined by Bassett-Jones (2005)
refers to the “systematic and planned commitment on the part of the
organization to recruit and retain employees with diverse (cultural) backgrounds
and abilities” and “to deliver competitive advantage through leadership”.
Similarly, Adler (1997) argued that transnational leadership theory is concerned
with the interaction of people and ideas among cultures. While Adler (1997)
was addressing what has come to be known as “global leaders”, this definition
appears to also explain cultural diversity management. In other words, cultural
diversity management is defined as the management of workplaces with
heterogeneous cultures/ethnic backgrounds. The term “Managers” will be used
to refer to leaders at all levels of the organisation – from supervisor/team leader
to senior executives.

**Competencies**

The term “competencies” is used here to refer to “the capability for
attaining a standard of performance”. Within this, there are two competing
definitions; one for benchmark performance and the other for superior
performance (O’Neill & Doig, 1997: 45). The most commonly implemented
definition in Australia is, “the application of skills, knowledge, attitudes or
behaviour for entry level or adequate performance” (O’Neill & Doig, 1997: 51),
as such this the one which is supported here. It is important to remember that
the concept of competencies is generally attributed to the work of David
McClelland and the Hay Group decades ago (on behalf of the American
Compensation Association, 1996). It was this later work by Adler et al (1995)
who sought to set standards equal to expected performance in the job and which
ended up being adopted by the Australian National Training Board in its
that defining competencies as criteria for superior performance also has merit as
it can assist individuals and organizations in “raising the bar”.

However, given that diversity management is in its infancy in Australia,
baseline entry and performance requirements appears to be an appropriate
starting point. Therefore, this research is aimed at producing a base level model
of competencies specifically needed for managing in a culturally diverse
environment and then asking a group of managers to assess their own
competency development progress against it. This model will be called the
Diversity Management Competency Model or “DMCM” which is based on
existing research. These competencies will then be categorized by the
researcher in the formation of a model which later will be tested in one
significant Australian industry – that being the Electricity component of the
competency lists often become too long and arduous. The intent here is to stick
to those competencies which are unique to the manager dealing with diversity,
be comprehensive (but succinct) and not to repeat those of the domestic manager in a culturally homogeneous work environment.

**Competencies for Managing in Culturally Diverse Environments**

The first thing that was done to identify what was already happening in the Energy Industry and more specifically the electricity industry was a review of the literature to see if anyone had published papers on what actually are the required competencies for managing a culturally diverse workforce. There was nothing specific to this industry either under the search area of managing in diversity or cross cultural management. There is not even evidence in the literature of the industry competencies which should have been developed a decade ago beyond those at a trade level. It is the researcher’s belief that this in fact was a positive as it highlighted the void in which the research is focussed.

Fifteen years ago, in a major review Edwards, O’Reilly and Schuwalow (1998: 80) said, “The committee’s review of Australian management concluded that Australia’s predominately Anglo-Celtic senior management group lack sufficient abilities and this shortcoming retards Australian enterprise in its desire to meet challenges of the ‘Asia-Pacific Century’. This paper reviewed the progress of Australian business activity in Asia and observed that, while some advances had been made, the level of activity remained below potential.

This focus on Australians increasingly moving into Asia as expatriate managers remained the focus of much of the Australian research. Fish and Wood (1997, 37) suggested that in order to do this “interactional” and
“transactional management skills”. Fish (1999: 461) added that the value orientations of expatriates needed to be considered prior to departure. Bender and Fish (2000: 125) emphasised the need for cross border assignments in preparation for globalisation.

**Literature Review**

The first stage of the research was a comprehensive review of the literature to determine what other researchers have contributed to the debate on competencies needed by managers working in culturally diverse environments. The field of managing in diversity can be found in all sorts of areas; from international human resources management, cross cultural management and studies relating to expatriates. This makes the task enormously difficult as the search area is so broad, so the literature reviewed was limited to that concerning competencies needed to effectively work in multicultural environments. Also, of the countries deemed to now be multicultural, like Australia, Canada, the United States of America and the United Kingdom, diversity has arrived at different periods in time meaning the literature shows bursts of research activity in one part of the world and not in others.

**Research Questions**

Since the seminal work of Hofstede in the 1980s (Hofstede, 1980) the research has recognised that working with people from different cultures creates new and different challenges for people working in organisations in all sorts of ways. Almost
two decades later, researchers such as Adler (1997) considered specifically how culture influences leadership. The research then turned to how companies can make the most of this diversity (Bassett-Jones, 2005) along with how to address the more complex demands presented by it (Shen, Chanda, D’Netto & Monga, 2009). Research on how to manage diversity is now quite extensive (Adler & Bartholomew, 1992; Ely & Thomas, 2001; Ang et al, 2007; Conger & Ready, 2004; Chang & Tharenou, 2004; Brownell & Goldsmith, 2006; Ulrich & Smallwood, 2006; Ang et al, 2007; Turnbull, Greenwood, Tworoger & Golden, 2010). There is agreement about the need for the knowledge, skills, and attitudes/values to be defined and that current practice is that they be expressed as “competencies” and in behavioural terms (Adler, Cotchett & Williams, 1995; O’Neill & Doig, 1997; Conger & Ready, 2004). There are points of agreement which can be found and from these the researcher has formulated a Diversity Management Competency Model (DMCM). The DMCM has not been applied in a workplace before. This research does this to obtained two way feedback – on what managers think of the DMCM and how managers self-assess their own progress in developing the competencies identified in the DMCM. As the DMCM is new there is not literature specific to the development of these competencies, so managers who participated in the research were asked what their development preferences were.

The research questions are as follows:

**Main Research Question (RQ 1):**

*To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Management Competency Model (DMCM) to effectively manage diversity in the workplace?*
Related Research Questions:

**RQ 2:** To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Management Competency Model to “understand self”?

**RQ 3:** To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Management Competency Model to “understand others”?

**RQ 4:** To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Management Competency Model to conduct “workplace analysis”?

**RQ 5:** To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Competency Model to “Apply” to the workplace, cultural diversity management competencies?

**RQ 6:** What strategies do managers in the Victorian Energy Industry have for the development of these competencies?

**RQ 7:** What strategies do managers in the Victorian Energy Industry believe should be adopted to address diversity competency deficiencies?

Methodology

This research adopts a qualitative approach. Rather than look for causation, the aim is to “understand people and what they say and do” (Myers, 2013: 5). Denzin and Lincoln (2011: 3) described qualitative research as:

*A set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of*
representations, including field notes, interviews, conversations, photographs, recordings and memos to self... qualitative researchers study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them.

It is this “reality” that this research endeavours to capture. Merriam (2014: 2) even went so far as to say that qualitative research “offers the greatest promise of making a difference in people’s lives”. This investigation, which is for the completion of a professional doctorate, aims to gain this change through providing definition and actual workplace application to the broader discussion. To ask managers in the Electricity Industry for their own experience, insight, understanding and perspective, changing both their lives and that of others. Australia is at a critical time. The opportunities diversity presents are laid before us. This research can crucially assist in realising these.

The focus of this study is on thirty managers from across the industry and at different levels of seniority in the traditional hierarchical organisation from team leader through to senior executive. The primary data collection method was a structured interview conducted on an individual basis of around one half hour’s duration. The interview had three components – collection of a range of demographic information, the presentation of the components of a Diversity Management Competency Model which participants were asked to both rate their level of personal development in respect to the competencies contained within four categories (called “Quadrants”) and in so doing use behavioural examples, wherever possible, to justify their self-rating, and to provide their own preferences on how the competencies of the model could best be developed. There was also the opportunity for the participants to recommend
additional competencies for the model. The research methodology, including data collection procedure, is expanded upon in Chapter 4.

**Chapterisation**

This thesis has 6 Chapters. Chapter 1 provides the background in which the study was conceived and sets the direction for the dissertation. Chapter 2 presents a review of the literature. Chapter 3 develops the cultural diversity management competency model (DMCM) and includes a summary of the model at the end. Chapter 4 focuses on the methodology, including data collection. Chapter 5 provides the results of the research. Chapter 6 explores the key findings, limitations of the research and suggestions for future research.

**Research Contributions**

This research will make the following contributions to management theory and practice:

- Provides a self-assessment of the Electricity Industry’s managers’ progress toward the development of competencies identified for meeting the challenges and realising the benefits of cultural diversity management.

- Calls upon Electricity Industry managers, and Australian managers in general, to personally take responsibility for their continuing development and application of cultural diversity management competencies. This will require a significant paradigm shift from
focussing on “traditional managerial” competencies to adding those that will best realise the benefits of cultural diversity.

- Provides “cognisance” for the need for a “meso-organisational” change (Syed & Pio, 2010: 132; Syed & Murray, 2009: 429). There is only a small body of previous research into cultural diversity management in Australia. This research makes a significant contribution to this and uses “real life” examples – managers who are in Australian workplaces now and who have witnessed an increase in their managers, co-workers and subordinates coming from diverse cultural backgrounds.

- There is only a small body of previous research into cultural diversity management in Australia. This research makes a significant contribution to this and uses “real life” examples – managers who are in Australian workplaces right now and who have witnessed an increase in their managers, co-workers and subordinates coming from culturally diverse backgrounds.

- It articulates the cultural diversity management considerations in behavioural terms and which already has broad acceptance in Australian workplace policy and practice.

- It will assist organisations in both complying with a range of legislative requirements and in realising the benefits of cultural diversity based governmental directives.

- It will provide a model of competencies which can be used across the various functions of human resources management; recruitment, selection, development, and performance management, of managers.
• It identifies what development strategies managers themselves believe best suit them in relation to advancing their own proficiency in the application of cultural diversity management strategies.

**Summary**

The aim of this first chapter has been to set the background and direction for this thesis, which aims to develop a diversity competency model (DMCM). The model is then used to investigate the current level of development of cultural management competencies in the Victorian Energy Industry, and provide manager’s own preferences on how these competencies may be developed further. The aim being to create awareness and direction for the future development of these competencies. It has reviewed the forces on businesses in the Electricity Component of the Victorian Energy Industry and introduced key terms, particularly “competencies”, where this construct came from, how it evolved and how competencies are now used in practice. The way in which the findings from this research may contribute to the future was also outlined. The next chapter is a review of the literature relating to the key issues of this research study.
CHAPTER 2: LITERATURE REVIEW

Introduction

The objective of this second chapter is to conduct a comprehensive review of the theoretical and empirical literature which addresses the competencies managers need specifically to work effectively in a culturally diverse work environment. From reviewing this literature it is clear that past scholars have tended to concentrate on expatriates and global managers and other forms of diversity in the workplace, such as gender diversity. Further, past research tends to have been conducted off shore – particularly in the United States of America. Whilst being informed by this previous work, this research is focused on the specific unique competencies managers need to effectively manage culturally diverse work groups in Australia.

An Overview of the Competency Movement

Competencies have been part of the language of management for at least three decades. Brownell (2006: 309) says “preparing the next generation of leaders is a key goal of both human resource professionals and graduate business educators, and competence-based approaches have been recognized as one method of achieving this outcome”. The earliest work by David McClelland (1973) defined them as standards of performance. Boyatzis (1982 - cf Singh, 2009: 514) only included skills and knowledge at a behavioural level and the remaining were considered to be “underlying characteristics”. Hornby and Thomas (1989 – cf Woodruffe, 2000: 86) defined competencies as being “knowledge, skills and qualities”. Spencer and Spencer (1993) added the
behaviours had scaling properties and managers’ stories of achievement could be differentiated on the basis of a number of action oriented steps. Woodruffe (1993) defined a competency as a “dimension of overt manifest behavior that allows a person to perform competently” (cf Williams, 2002: 101). Brownell and Goldsmith (2006: 311) says “most authors agree that competencies are the things learners have do know and do to achieve targeted outcomes.”

Competencies are now considered to be the building block from which other HRM (Human Resources Management) functions can be determined – like recruitment, selection, training and development, performance appraisal and remuneration (O’Neill & Doig, 1997). Boyatzis (2008: 6), who first started writing about competencies around thirty years ago, recently said a competency is a capability or ability. A set of related behaviours organized around an underlying construct, which we call the “intent”. For example, a person can ask questions and listen to someone because he or she is interested in understanding this other person, his or her priorities, or thoughts in a situation. The latter we would call a demonstration of empathy. The underlying intent is to understand the person. There is a lot of discussion about what the components are. Brownell and Goldsmith (2006) says they are fundamental knowledge and skills. Fantini (2000) expressed them as awareness, attitudes, skills and knowledge. Coursey, Curtis, Marsh and Campbell (2002) defined competencies as attitudes, values, knowledge and skills. For this research, “competency” will refer to knowledge, skills and attitudes (values) all expressed in behavioural terms – how knowledge is to be applied, how skills or abilities are to be demonstrated and the overt behaviours which characterize the holding of a particular value or attitude. The focus of this thesis is at the level of an individual manager, as he/she understands culture (in himself/herself and others), as he/she
interprets this on the job through analyzing the workplace in terms of diversity management and as he/she applies or implements the management of the workplace to achieve positive diversity outcomes.

Finally, the Oxford Dictionary defines “competence” or “competency” as “the ability to do something successfully or efficiently”. According to this definition a person who is competent has the ability, knowledge or skill to do something successfully. Interestingly as pointed out in O’Neill and Doig (1997: 53) when a competency framework was first adopted in Australia there were two “standards” for each competency suggested – one was for minimum performance and the other for superior performance. By and large Australian organizations adopted the former standard – that of defining competencies as a minimum standard of successful performance, rather than superior. This thesis also adopts a similar approach. Extensive adoption of competencies has lead O’Neill and Doig (1997: 52) to state that “competencies become a driving force in performance management and feedback processes, high-potential identification, succession and reward schemes”.

Since the late 1970’s there have been attempts to define what cross-cultural management competence is, and there have been various definitions of what “competence” is. The earlier work in this field focussed heavily on “values” (or attitudes). Coursey et al (2000: 379) provides the definition of competency as attitudes, values, knowledge and skills needed to deliver quality service to people. Unfortunately, their research on competencies found that a massive gap exists between what we believe and what we can demonstrate. Cowling, Newman and Leigh (1999) conducted a study that suggests that competencies are more a set of skills; it is a mix of aptitudes, attitudes, and personal attributes possessed by effective managers. They have
identified a cluster of competencies, these include personal attributes, interpersonal skills, self-management skills, information management skills and technical knowledge and skills. Competencies were also defined as a “dimension of overt manifest behaviour that allows a person to perform competently” (Woodruffe, 1993: 29). Another definition sees competencies as an underlying characteristic of an individual that is causally related to criterion referenced effective and/or superior performance in a job or situation (Spencer & Spencer, 1993). All these definitions are related to behaviour characteristics which mean that competency can also predict behaviour (Newman, Pyne, Leigh, Rounce & Cowling, 2000).

Issues like whether or not other concepts, like emotional intelligence, personality traits or general intelligence, correlate with these competencies is not of concern to this thesis as the focus is on overt behaviours. Neither are other factors that can effect managerial performance; such as those identified by Boyatzis (1982) like job demands and organizational environment. Many authors have pointed out how human resources personnel can support management competency development and organizations (Maznevski & DiStefano, 2000). However, this thesis does not focus on the impact of human resource management on competency development.

**Purpose of the Competency Model**

Before we commence the discussion of the results of the literature search into what the diversity competencies may be, it must be stated that this research has chosen to take the approach of developing a competency model, as opposed to a list or a dictionary or even diagram as it is considered this
approach provides significant practical benefits. Conger and Ready (2004: 43) suggest a competency model has three critical benefits clarity, consistency and connectivity. Competencies help organisations to set up clear expectations about the types of behaviours, capabilities, mind-sets, and values that are important to leadership roles. “By establishing a single model for an organisation’s management ranks, competencies provide a common framework and language for communicating and implementing the firm’s leadership development plan”.

Conger and Ready (2004) also suggest some limitations to the competency model. Competency models are based on research on a wide and diverse range of management and leadership behaviours; this results in the framework becoming overly complicated. Another limitation is that these models are based on an ideal concept of leadership. In some cases, research has examined small samples of outstanding senior leaders to determine competencies. Conger and Ready (2004: 45) caution that “such a universal model fails to recognize that leadership requirements vary by level, culture and situation”. This research will address this concern by seeking managers from all levels to participate. The next section reviews what exactly are cultural diversity management competencies, based on the work of previous scholars.

Benefits and Challenges of Diversity

According to Turnbull et al (2010: 1) managing a diverse workforce is a “business imperative”. Their reasoning is probably based on the known benefits and drawbacks which have been articulated in the literature for some time. The literature indicates that there are several benefits of diversity. A
number of researchers (Dupriez & Simons, 2000; Soderberg & Holden, 2002) argue that cultural differences are in fact a source of business competitive advantage and organizational health. Bassett-Jones (2005: 169) says that diversity is a “recognizable source of creativity and innovation that can provide a basis for competitive advantage”. Stening and Ngan (1997: 12) wrote about the challenges faced by managers in the East Asia region and suggested that “in line with the proposition that cross cultural interactions can be a two way learning process, training should be provided specifically on the advantages of cultural diversity within organizations; according to Cox and Blake (1991) these include the attraction of better personnel, improvements in flexibility and greater organizational flexibility. In India, management researchers Jauhari and Singh (2013) investigating diversity (including cultural diversity) management practices in a multinational corporation in the information technology industry found a positive relationship between perceived diversity climate and employee loyalty. They suggest that this could help counter talent attraction and retention problems.

More recently, Risberg and Søderberg (2008) argued that Danish companies who were the forerunners in diversity management (in relation to gender) also provided a discourse on diversity management as a social responsibility and how it assists minority groups having difficulties accessing the job market. Bleijenbergh, Peters and Poutsma (2010) suggested that in the promotion of diversity management practices in organizations, in the Netherlands, that organizations should emphasize justice and sustainability of the employment relationship. The latter two being countries not traditionally known for cultural diversity. Cultural diversity is an integral aspect of the Australian workforce and it will only get bigger as we do in fact take up the
opportunities Karpin (1995) alluded to in Asia and beyond. On 31st October 2013, Mr Rupert Murdoch, Executive Chairman of News Corporation delivered the 10th Lowy Institute Lecture. The theme of these lectures is “multiculturalism”. Mr Murdoch said it was time for Australia to “engage with the world” and that our multicultural society provided “a precious resource” with which to do so.

There are also pitfalls, as capitalizing on diversity requires considerable effort. The literature tells us there are significant challenges to the management of cultural diversity and these tend to be around the idea of “disintegration” – a force that can pull teams and organizations in different directions. It is, according to Bassett-Jones (2005: 173), also a “cause of misunderstanding, suspicion and conflict in the workplace that can result in absenteeism, poor quality, low morale and loss of competitiveness”. He suggests that managers need to “have a commitment to build a relationship with each individual, or group/team member.”

A group of Australian researchers, including Shen (2009: 236) point out that just because an organization becomes culturally more diverse, it does not mean that the advantages of diversity will be will automatically be realized. In fact, it needs to be “actively valued with strategic and people centred policies”. If not, Shen, D’Netto and Tang (2010: 2156) warn that the disadvantages of “the existence of segregated ethnic communities within the organization, increased conflict, increased training costs, communication breakdown, low cohesion and high turnover” may come to the fore. These scholars provide specific management strategy recommendations for addressing these challenges at an organizational level and from a human resources policy perspective. This thesis
provides a model for diversity management at the intervention level, for guiding the behaviour of individual managers.

The irony in all this is that there does not appear to be this type of strategic thought to capitalize on these benefits behind Australia’s cultural diversity until relatively recently, with most major immigration programs having been based not on the skills that diversity offers, but on a reactive response to humanitarian crises around the world, like the Vietnam War and most recently conflicts in Somalia, Zimbabwe and Sudan, and the Middle East, as well as financial crises like that currently in Europe.

Around the world, the recognition of diversity in the workplace is intensifying. Söderberg and Holden (2002: 117) point out that the idea of “national cultures as well-defined and homogeneous entities is out of phase with the new economy”. In fact, it appears to be “out of phase” even in counties considered to be homogeneous like China. Dong and Liu (2010: 224) point out that in China, businesses of all sizes “are increasingly seeing the entirety of the world as a source of business opportunities and one interconnected economy” and that this means that Chinese firms are “increasingly working with culturally diverse employees or business partners”. In fact prior to this, Ralston, Egri, Stewart, Terpstra and Kaicheng (1999: 1) observed that even though globalization was a fairly new concept, a “new generation” of managers were already acting more “independently” than their Confucian values would have previously predicted. This can be attributed to the rise of the multinational firm in China.

Extensive immigration to Australia and increasing levels of engagement with people from other cultures emphasizes the need for diversity competencies.
This opportunity to master diversity at home before the wave of globalization grows bigger, may well provide Australia with a real advantage. Managers will need to learn about multiple cultures, to be effective in the global environment.

**Diversity Management’s Domestic Impact**

As outlined in the previous Chapter, significant increases in cultural diversity has fundamentally changed things for managers working in organizations, especially those who did not see this coming. They may have foreseen other shifts like the rise of the multinational organization, but diversity as a distinct management challenge may well have caught them “off guard”. In fact in New Zealand, a country considered by both Australians and New Zealanders as being culturally very similar, researchers McNally and Parry in investigating managers in the finance sector in (2000: 100) concluded “the challenges resulting from rapid growth and the issues of cultural diversity mean that managers may struggle to keep up with the levels of learning required of them”. Implying that if they have an additional challenge of cultural diversity, that this in addition to competencies needed for transnational management, will be too much for the current crop of managers to handle since they have not even commenced this journey from diversity management to transnational management. This was after these researchers had concluded that in assessing these managers against a “global management” or “transnational” competency model, that “there was no evidence to indicate that managers in the finance sector possessed the knowledge, skills and abilities that matched transnational management (McNally & Parry, 2000: 99)”. This is rather problematic for managers in the New Zealand finance sector. In addition, they did not did not
appear to possess the competencies and were not interested in travelling to foreign places like Asia. They would rather go to somewhere culturally similar, like Australia.

Therefore it appears that managers have an additional issue to attend to; that of achieving performance when direct reports, colleagues and even superiors are much more likely to have been born, raised and educated in a culture different to their own. It could be argued that persons of any cultural background will simply comply with dominant organizational culture. Unfortunately, this does not appear to be the case. Robert et al (2000: 656) looked at a single firm with operations in the United States, Mexico, Poland and India and concluded that their results “point to the importance of the role of national culture in understanding employees’ reactions to particular management practices”. One of the authors, Robert, had earlier concluded “numerous national cultures may impact on the formation of subsidiary organizational cultures (cited from Robert, Probst, Martocchio, Drasgow & Lawler, 2000: 656)”. Merritt (2000:283) studied culture “in the cockpit” looking at whether or not culture had an impact on pilots’ cockpit behavior. This author concluded that in fact it did; that national culture exerts an influence over and above the professional culture of pilots and that the results may extend to any organization which is “hierarchical in nature and involves teams of individuals interacting in high risk, high technology environments.”

In Australia the need for cultural diversity to be consciously managed has also been identified. Australian researchers Syed and Pio (2009: 132) in their research into labor market experiences of Muslim women in Australia concluded that “ethnic and religious barriers must be given cognizance within the micro-societal, meso-organisational and micro-
individual issues faced in the workplace diversity practices within the Australian labour market”. In other words, the management of diversity impacts at all societal levels and migrant workers are not simply “shaped” on the basis of their professional skills and qualifications, but face many barriers in their desire to work in Australia. This research investigates issues at just one critical level – that of the individual manager and therefore at that “meso” organizational level.

Therefore the research appears to be affirmative of this basic principle – that culture significantly influences people’s behaviour in the workplace. Peppas (2002) summarized suggestions for managing cultural diversity and suggested that employees need to adjust management techniques to address increasing numbers of minorities in the workplace. He concluded that diversity management is in fact different from domestic management. Morrison (2000) concurs with this argument stating that global leadership is quite different to domestic leadership. Unfortunately there is a gap in the research between identifying the need for these techniques and clearly articulating what these management techniques actually are. For the purpose of this research, these management techniques are called “competencies” to fit in with the widespread practice of using competencies as the basis for human resources management practice both in Australia and abroad, particularly the United States and the United Kingdom (O’Neill & Doig, 1997: 45).
Need for Specific Diversity Management Competencies

There is now a significant body of research which has shown that an organization’s perspective on diversity affects the functioning of culturally diverse work groups; cultural diversity in Australia’s workplaces has become a reality. There are three main diversity perspectives. The first is derived from a perspective of the need to link cultural diversity to the group’s work and work processes as this appears to be the foremost objective of recent Australian Government policy. Ely and Thomas (2001: 38) call this an “integration-and-learning perspective”. Here, they explain cultural diversity is “a potentially valuable resource that the organization can use, not only at its margins, to gain entry into previously inaccessible niche markets, but at its core, to rethink and reconfigure its primary tasks as well. It is based on the assumption that cultural differences give rise to different life experiences, knowledge, and insights, which can inform alternative views about work and how best to accomplish it”. In the work groups they studied that embraced this perspective, this view of the role of racial diversity encouraged group members to discuss openly their different points of view. Despite not taking a competency model as such, Ely and Thomas (2001) have identified specific actions organizations need to adopt to implement this objective and these actions will be considered in the development of a comprehensive competency model for diversity management in the next chapter. This seems to have been the primary motivation for the Australian Governments’ White Paper “Australia in the Asian Century”. A key component of this White Paper was skills development which would “allow businesses and individuals to
work across regional boarders, sharing skills and experience”. This would allow Australian businesses to trade in services like research, education and innovation, rather than continue to heavily rely on the mining and sale of raw mineral resources. However, it does appear to be a case of policy based on the realization that Australia has indeed become a multicultural society.

A second reason for a focus on diversity is “the access-and-legitimacy perspective”, Ely and Thomas (2001) point out that this approach can assist in gaining access to and legitimacy with a diverse market. In the work groups they studied that embraced this perspective, this view of the role of racial diversity led to race-based staffing patterns that matched the racial make-up of the markets they served. In Australia, the restrictions of EEO could limit implementation of this perspective, despite researchers like Lau and Murnighan (2005) acknowledging that “by attracting a culturally diverse pool of applicants, organisations have the benefit of recruiting employees with many cross cultural capabilities.” HRM functions like selection and development of personnel for such opportunities would still need to comply with EEO.

The social inclusiveness theory to diversity management puts forward the idea that not only is there a valuable resource to be tapped in workplaces becoming culturally diverse, but simply it is also the right thing to do at all levels of society, including in the workplace. It is a moral as well as a business imperative. The term ‘social inclusion’ – has been promoted by the Australian Government since 2008. Gidley et al (Gidley, Hampson, Wheeler & Bereded-Samuel, 2010: 123) say that “Social Inclusion” appears poised to replace terms such as access and equity, which
reflected earlier policy iterations in relation to increasing the proportion of disadvantaged groups”, but suggest it may be “old policies repackaged”.

The concept of social inclusion can be traced to the work of German sociologist, Max Weber in the 19th century. Gidley and others attribute the modern use of the counterpart term 'social exclusion' as having emerged in France with an emphasis on the importance to society of social cohesion. They observed that the concept spread in Europe throughout the 1980s and 1990s. The culmination of which was Tony Blair's Social Exclusion Unit, created in 1997. The adoption of a similar policy in Australia began in South Australia in 2002 and later was implemented nationally via the Rudd government's Social Inclusion Board inaugurated in May 2008 (Hayes, Gray & Edwards, 2008). However, the Board ceased to operate in late 2013 with its role was taken into the portfolio of the Federal Social Services Minister.

There is now a body of scholarly work on the subject of social inclusion in the workplace. This includes the studies of Australian researchers Syed and Pio (2009) and Syed and Murray (2009). This research argues that workplace exclusion causes disadvantage and violates social justice. A recent review of literature in this field was conducted by a group of American researchers (Shore, Randel, Chung, Dean, Ehrhart & Singh, 2010). Shore and others (2010: 1) concluded that “inclusion literature is still under development, with limited agreement about the conceptual underpinnings of this construct”. These researchers were trying to resolve what social inclusion meant in a practical sense for higher education, but found they needed to define social inclusiveness first. In so doing they started with Brewer’s (1991: 476) “optimal distinctiveness theory”, which states that individuals need to reconcile for themselves the
opposing needs to both fit in and differentiate themselves. An outcome is that total inclusion may not be what people desire anyway. Further analysis of this concept is beyond the scope of the current research. However, any level of increased social inclusion is a desirable outcome.

Finally, in the discrimination-and-fairness perspective, which has significant overlap with the social inclusion perspective; “cultural diversity is a mechanism for ensuring equal opportunity, fair treatment, and an end to discrimination; it articulates no link at all between cultural diversity and the group's work and, in fact, espouses a colour-blind strategy for managing employees and employee relations (Lau & Murnighan, 2005: 39)”. In Australia this has been a legislative requirement for almost four decades and in situations where this objective may clash with either of the other two, tough decisions will need to be made. Sadly, Syed and Pio (2009) identified that despite decades of a raft of equity/fairness legislation having been enacted in Australia, significant workplace disadvantage remains for those from non-Anglo Celtic backgrounds. Clearly, a change of approach is needed for both the social inclusion and discrimination and fairness perspectives and this research provides a valuable input into these concepts.

Unfortunately, capitalizing on cultural diversity is easier said than done. Along with workplace cultural diversity come many challenges which can provide impediments to the realization of these benefits. The diversity management competencies identified for inclusion in the DMCM are those which are considered in the literature to maximize the opportunities workplace cultural diversity presents Australia with, some are pre-existing
and some have existed forever – like racism, but will not go away or apparently even abate unless specifically addressed by management.

**Identifying the Diversity Management Competencies**

The search for what competencies are needed by a manager working in a culturally diverse environment commenced in the Australian literature. Unfortunately there appears to have been a jump from investigating domestic competencies to the challenges of globalisation, without having paid much attention to managing diversity. There is a large volume of research into competencies needed by the expatriate worker. Expatriate work continues to grow in the developing world particularly and Asia has a particular focus for Australian researchers both past and present. This research will aim to identify competencies required to perform well as a manager in a diverse cultural workplace environment.

Research from countries with longer term experience of cultural diversity in the workplace, like the United States of America, appears to support the idea that there are quite distinctive competencies which need to be acquired to not only achieve superior performance but create harmony. The health care sector seems to have been the focus of American research, featuring strongly as the industry of choice for studies having been conducted and the identification of competencies needed. This is probably because health care is an essential service and many of the workers within this industry are themselves immigrants.

It appears that these competencies have much in common with those needed by both “expatriates” (widely accepted as referring to persons who work
in foreign countries) and “cross cultural managers” (generally meaning persons who may move between a small number of countries; like Australia and a Head Office in Germany) what have come to be known as “global managers” (persons whose work takes them from country to country – such as managers employed by multinational firms, but sometimes used to refer to expatriates as well). This research aims to develop a model which identifies the competencies needed when working in a culturally diverse environment. As there is a significant paucity of literature which specifically addresses the issue of cultural diversity management in Australia, this research will be informed by research done on the competencies of expatriates, global managers, cross cultural managers and general diversity management (which often considers other forms of diversity such as gender, sexual orientation and religion).

There appears to have been a sudden shift in Australian research from domestic diversity management issues to the challenges of cultural diversity management in overseas operations. In the late 1990s, Edwards, O’Reilly and Schuwalow (1998: 80), implied that Australia would remain relatively homogenous culturally and that the only thing we had to worry about was our place in Asia as Karpin (1995) had predicted. There was a mention of “diversity management” which came to be interpreted as gender diversity – more specifically women in the workforce, but little else. These authors said that Australian predominantly “Anglo-Celtic senior management group lack significant abilities and this shortcoming retards Australian enterprise in its desire to meet the challenges of the Asia-Pacific Century”. These researchers were concerned that a lack of language and cultural knowledge was retarding Australian business penetration of Asian markets and they recommended a more strategic approach to HRM in this area. Managers working in Asia, being the
next focus, would be ill equipped in terms of “global skills, particularly cultural and foreign language”. The goal of cultural diversity management was specified in the federal government paper of 2013 “Australia in the Asian Century” and that is “unity in diversity”.

Chang and Tharenou (2004) from Victoria undertook semi structured interviews of CEOs with culturally diverse workforces and concluded that the competencies needed were cultural empathy, learning on the job, communication competence, general managerial skills and personal style. They do not really explain how their list may or may not differ from that of a manager not working with such diversity, other than acknowledging that the world has changed and these are the competencies needed in the current environment. Harung and Harung (1995) suggested that as diversity increases the need for integration also increases. Therefore, it is anticipated that the distinctive competencies for managing diversity will largely be those based around the need for “integration”. Overall, the previous research on managerial competencies for working in culturally diverse environments is dispersed. More synergy is needed for research to inform current business management practice. This paper attempts to take a step toward such a model.

In the United States, researcher Campinha-Bacote (2002) examined the challenges of providing healthcare in a multiethnic environment and found that the integration of cultural awareness, cultural knowledge, cultural skill, cultural encounters and cultural desire is needed. Turnbull et al (2010) set out to identify the competencies and developed a draft of an instrument they call the Inclusion Skills Measurement Profile (ISM). The instrument is still undergoing development, but at this stage has included; diversity
sensitivity, integrity with difference, interacting with difference, valuing difference, team inclusion, conflict over difference and embedding inclusion. If we separate out those “dimensions of inclusion” listed as applying at the “individual level” then we may assume that this could infer competencies of diversity sensitivity, integrity with difference (called intra personal) and interacting with difference and valuing difference (called inter-personal). They acknowledge that one’s own social/cultural identity could potentially influence how participants complete the ISM. Perhaps the ability to assess one’s own cultural impact on management is a competency in its own right.

Also in the United States, Hannigan (1990) reviewed the literature into intercultural effectiveness and stated that the competencies were ability to establish and maintain relationships, interaction management, orientation view, cultural empathy, linguistic ability, flexibility and a realistic view of the target culture. Many of these many however, may be required of a manager dealing in a culturally homogeneous environment. The issue of linguistic ability is not covered by Turnbull et al (2010).

The Global Manager

Since the Karpin Report of 1995, there appears to have been a huge focus on the concept of what managers need to work in the global business world in the literature. At the same time there has been the development of a broad consensus that competencies describe “certain personal traits, behaviors, skills, values and knowledge” needed for adequate performance. Further, once identified these competencies can be used for personnel processes like selection, training and development and performance appraisal. These two directions do
not appear to have converged, however. There is an argument that competencies are needed to work in diversity, but it is really only those predicted to determine the success of the expatriate manager or the “global manager” that are discussed in the literature. In this thesis, the intention is to identify the competencies which are additional to the task of managing in a culturally homogeneous environment, but rather than try to fit them in to one or another competency framework that they be identified and placed into a new model called the DMCM.

This sudden interest in the global manager is in part due to the ever increasing number of multinational firms, but also due to changes in communication, the operation of the global economy (for example clothing manufactured in developing countries on behalf of developed ones), and simply the movement of people around the world. The use of expatriates continues to grow and there has been research on this for over forty years. Expatriate work is likely to continue for the foreseeable future; particularly in the context of managers from developed countries serving assignment time in less developed countries. Since the use of expatriates has been around so long, there is a veritable mountain of research on almost every aspect of their existence; including suggested competences, but extending through to issues like how their spouses might best settle in to re-acclimatization upon their return. Ironically, it was in fact from expatriate research that the modern competency movement was born; it originated with the identification of success factors for US Foreign Service representatives (Spencer & Spencer, 1993).

In the meantime, while it seemed the focus was either still on the expatriate or more importantly the global manager, a quiet revolution has been going on across Australia. We are moving from a predominately Anglo country to a truly multicultural society. While the literature appears to have moved on
to the question of what global managers need to work effectively across national and cultural boundaries, our workplaces are becoming increasingly culturally diverse. While there are benefits to be gained from this diversity, Bassett-Jones (2005) warns of a “combustible cocktail of creative tension that is inherent in diverse organizational contexts” and leaders in this need “suitable training”. Søderberg and Holden (2002: 105) point out that cultural differences have predominately been seen negatively – as sources of conflict, friction and miscommunication. They go on to say that “no manager experienced in international business can, it seems, ever escape from the possibility of misjudgment, misperception and handling the complexity of cultural relationships.” They suggest that this model of doom and gloom has existed in the management literature for forty years. Søderberg and Holden (2002: 103) regarded cross cultural management to be a discipline of international management focusing on cultural encounters between what are perceived as well-defined and homogeneous entities” and went on to say that this sort of, what the researcher would consider a cultural silo way of thinking, was already “out of date”, since organisations now need to think of “multiple cultures” and how they interact. Rosen and Rosen (2000) called the competencies needed to work in this environment “global literacy”, and Jeannet (2000) called them “the global mind-set”.

There are also a number of articles which discuss what appear to be “moderating variables” when it comes to the successful management of cultural diversity. In Australia, Leveson et al (2009: 389) provide an example of this when they argued that before anything can be achieved at all, a demonstration of care and support for cultural diversity management is necessary – it is a precursor to its success. They stated, “cultural diversity management practices
may need to be perceived as a sign of caring and support, before employee commitment is positively affected”. In America, Choi (2010) pointed out that diversity management outcomes may also be moderated by effects of contextual factors, such as organizational culture and demographic characteristics of group members and supervisors.

Finally, before moving on to reviewing competency models from the literature, it must be noted that the way in which other forms of diversity such as gender, sexual orientation and indigenous status affect managers working in culturally diverse environments, is beyond the scope of this research. For example, Jogulu and Wood (2010) found that leadership styles of women are perceived differently in different cultures. Their study compared how women in leadership roles were perceived in Australia and in Malaysia and found that women leaders in Malaysia received less favourable evaluations than those in Australia and this may be explained by cultural beliefs about the role of women in society, and organisations in particular.

**Previous Diversity Management Competency Models**

Diversity competency models are not new in the literature, as many models have been provided for both expatriates and global leaders. In early research, Adler and Bartholomew (1992: 52) presented a skill set needed by an individual to be globally competent, highlighting those which transcend the historic competencies required of expatriate managers. These are:

- Global perspective
- Local responsiveness
- Synergistic learning
• Transition and Adaptation
• Cross cultural interaction
• Collaboration
• Foreign experience

They argue that these competencies are best assessed through experience in the field. Black, Gregerson and Mendenhall (1992) argued that cultural flexibility, task orientation, people orientation and ethnocentrism are the competencies which especially applied to expatriates. Brownell and Goldsmith (2006) indicated that “sound character” was the distinctive competency for global leaders. This author stated that successful expatriates had similar “characteristics” which included:

• A drive to communicate
• Broad based sociability
• Cultural flexibility
• Cosmopolitan orientation
• A collaborative negotiator

Townsend and Cairns (2003) state that global leaders need a global perspective, that they are synergistic learners and have cross cultural sensitivity. Spencer and Spencer (1993) believed it was necessary to develop “hard competencies” – such as analytical thinking, and “soft competencies” which tend to be affective and behavioural such as relationship building, when moving into a global management role. Conger and Ready (2004) provided eleven competencies managers within global firm IBM need to develop (they are customer insight, breakthrough thinking, drive to achieve, team leadership, straight talk, teamwork, decisiveness, building organisational capacity,
coaching, personal dedication and passion for the business). However, none of these competencies appear to target cross-cultural or diversity management specifically. These same researchers were critical of competency models generally arguing that the competency lists can become so long that managers lose the ability to focus on everything expected of them – despite their having no reported issues with IBM’s eleven competencies. Ulrich and Smallwood (2004) stated that global managers simply need “talent, accountability and innovation”. Bennett, Aston and Colquhoun (2000) did not really offer a competency list but stated that the “aim” of cross cultural managers is to manage change, manage cultural differences and manage professional responsibilities and the first step in doing so is “cultural self-awareness”.

When it comes to competency models for cultural diversity management specifically, there are few in the literature, mainly from the early 1990s. A major contribution was made by Sue (1991). She developed a model for diversity management at all levels of the organization. At the individual level she included:

- Beliefs and attitudes about racial or ethnic minorities.
- Knowledge encompassing the acquisition of information regarding one’s own and other cultures’ values, worldviews and social norms.
- Skills involve building the foundation for effective multicultural counselling management and communication (the research was in the context of the provision of student counselling services by counselling psychologists in the United States).

Chang and Tharenou (2004) produced a list of competencies needed as: cultural empathy, learning on the job, communication competence, general managerial skills and personal style, after having conducted semi structured
interviews with CEOs of Australian firms with culturally diverse workforces. Also in Australia, Lloyd and Härtel (2010) named the competencies they believed were specific to the management of culturally diverse work teams: cognitive complexity, goal orientation, dissimilarity openness, tolerance for ambiguity and emotion, and conflict management skills. Finally, Freeman and Lindsay (2012), again in the context of expatriate managers working in Malaysia which is also ethnically diverse, found the key to performing in this environment was the individual’s ability to change and adapt and this is beyond culture and language skills. Cerimagic (2010) in investigating expatriate Australian managers working in the UAE, simply said that managerial style must adapt to the country in which the managers work. Again in relation to expatriates in South Korea, Despotovic, Hutchings and McPhail (2015) stated that cross cultural training can contribute toward intercultural effectiveness and minimise the challenges associated with working and living internationally. For those seeking to become managers, Crossman and Clarke (2010) found that graduates who had overseas experience had improved employability as this afforded them the opportunity to forge networks, have opportunities for experiential learning and language acquisition and the development of soft skills related to cultural understandings, personal characteristics and ways of thinking. This implies these are the competencies future managers are going to need. Therefore the “general” managerial competencies cannot be distinguished from those especially relevant to the challenge of managing a culturally diverse workforce.
Cultural Intelligence

Following this, the concept of Cultural Intelligence (or simply “CQ” for short) began to take hold and is now a major concept in the literature and has even began its journey into common expression. First introduced in to the literature by Early and Ang (2003), CQ is defined as “an individual’s capability to function effectively in situations characterised by cultural diversity”. Cultural intelligence was first conceived as an individual level construct, and like general intelligence (IQ) before it, a trait like characteristic – you either have it or you don’t and you can’t really develop it. These researchers focused on a managers’ personal ability to operate in a variety of situations over a career (Earley & Mosakowski, 2004: 2).

A few years later Ang and others (2007) developed the Cultural Intelligence Scale (or CQS for short). The CQS is written in what appears to be very measureable, behavioural terms, like competencies. This thesis does not intend to use the description of cultural intelligence as a trait, but rather seeks to add elements of the model of cultural intelligence, as spelt out in the CQS, to the list of competencies in the development of a broader model. The Cultural Intelligence Scale (CQS) has four parts:

*Metacognitive intelligence:* The ability to acquire cultural knowledge, recognise cultural assumptions, understand cultural norms and perceive others’ cultural preferences before and during interactions.

*Cognitive intelligence:* Knowledge of economic, legal, values and social systems in different cultures and subcultures.

*Motivational intelligence:* The desire to learn about and function in situations involving cultural differences, based on intrinsic interest and confidence in one’s ability to deal with them.
Behavioural intelligence. The ability to exhibit situationally appropriate verbal and non-verbal actions including words, tone, gestures and facial expressions, when interacting with people from different cultures.

These broad categories have then been broken down into single statements, which appear very similar to competency statements:

**Metacognitive CQ**

I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds.

I adjust my cultural knowledge as I interact with people from a culture that is dissimilar to me.

I am conscious of the cultural knowledge I apply to cross cultural interactions.

I check the accuracy of my cultural knowledge I apply to cross-cultural interactions.

I check the accuracy of my cultural knowledge as I interact with people from different cultures.

**Cognitive CQ**

I know the legal and economic systems of other cultures.

I know the rules (e.g. vocabulary, grammar) of other languages.

I know the cultural values and religious beliefs of other cultures.

I know the marriage systems of other cultures.

I know the arts and crafts of other cultures.

I know the rules for expressing nonverbal behaviors in other cultures.

**Motivational CQ**

I enjoy interacting with people from different cultures.

I am confident that I can socialize with locals in a culture that is unfamiliar to me.
I am sure I can deal with the stressors of adjusting to a culture that is unfamiliar to me.

I enjoy living in cultures that are unfamiliar to me.

I am confident that I can get accustomed to the shopping conditions in a different culture.

*Behavioral CQ*

I change my verbal behavior (e.g., accent, tone) when a cross-cultural interaction requires it.

I use pause and silence differently to suit different cross-cultural situations.

I vary the rate of my speaking when a cross-cultural situation requires it.

I change my nonverbal behavior when a cross-cultural situation requires it.

I alter my facial expressions when a cross-cultural situation requires it.

The authors of the CQS have suggested it may be used to screen out those who may be proficient in domestic settings, but unlikely to succeed in cross-cultural settings or in jobs that require frequent and ongoing interaction with people from other cultural backgrounds. This is exactly one of the specific purposes of the development of competencies. Further, the model of CQ, as described in the CQS, sound exactly like the challenge of managing in culturally diverse environments; whether they are in Australian workplaces or abroad, and the language is consistent with the way competencies have been widely expressed (knowledge, skills and attitudes). Researchers have stated “in sum, the CQS has exciting implications for global leadership and effectiveness of individuals in work and non-work international and domestic settings that are culturally diverse” (Van Dyne, Ang & Livermore, 2010). The CQS is still in the development stage, but already its authors are recommending its use in “domestic settings which are culturally diverse”. There does not seem to be any
studies available where the CQS has been used in this way, even internationally. Johnson, Lenartowicz and Apud (2006: 525), in the context of international business management competency model development, criticized the CQ concept saying it “focuses more on learning than doing” and that even though CQ has a behavioural component, that it needs more emphasis on application and have added “personal characteristics” to their model.

Egan and Bendick, Jnr (2008: 387) argue that managing inter-group relationships is a major issue since “it threatens the ability of both domestic and global firms to operate efficiently, cooperatively and fairly”. Egan and Bendick Jnr (2008) in proposing a diversity university level management program, argued that multicultural management is broader than this and that students of international business “must also be equipped to understand how cultural differences work and thus how to turn cultural competence into a competitive advantage. Søderberg and Holden (2002: 117) have been arguing this emphasis on “national cultures” leaves managers operating in the new business environment (where multicultural teams are often the norm), vulnerable to “arriving at conclusions and recommendations to managers that may be misleading because of insufficient attention paid to contexts, cultural differentiation or fragmentation, or ongoing cultural change processes”. In other words, Søderberg and Holden (2002) appear to be proposing the addition of competencies in understanding cultural contexts, bringing cultures together and understanding how they change. This sort of adaptation is exactly what Dong and Liu (2010) were talking about and what appears to be needed in cross cultural management.
Diversity and Inclusion Skill Deficiencies

In a major research paper of 2010 called “Skill Deficiencies in Diversity and Inclusion in Organisations: Developing an inclusion skills measurement” Turnbull, Greenwood, Tworoger and Golden (2010) argued that the next step is the “identification of skills gaps and remediation” and proposed “inclusion skills”. They developed what they call an “Inclusion Skills Measurement Profile” which provides feedback in seven areas in the form of competencies: diversity sensitivity, integrity with difference, interacting with difference, valuing difference, team inclusion, managing conflict over difference and embedding inclusion”. This was a major step forward in the cultural diversity literature. The difficulty with all of these is that it is really only the “intra-personal” and the “interpersonal” competencies of diversity sensitivity, and integrity with difference (intra personal) and interacting with difference and valuing difference (inter-personal) that apply at an individual managerial level. The remainder address what the management competencies are when the manager is operating at a team and organizational level. This creates repetition as it is usual that a manager would operate across the levels of a hierarchical organization on a simultaneous every day basis.

The competencies from the Inclusion Skills Measurement Profile (Turnbull et al, 2010) are listed below:

The Intra-Personal: Diversity Sensitivity competencies are:

- Monitors own diversity sensitivity and impact on others.
- Makes a conscious effort to learn about those who are different.
- Pro-active in exposing self to a range of experiences with those who are different.
• Takes steps to improve own diversity awareness.

The Intra-Personal: Integrity with difference competencies are:

• Aware of personal attitudes and beliefs about members of their own social identity group.
• Vigilant about the tendency to discount self and members of own social identity group due to internalized oppression.
• Able to encourage those from own social identity group(s) to acknowledge and own the merits of their difference while honoring the diversity in others.

The Inter-Personal: Interacting with Difference and Valuing Difference competencies are:

• Listens actively for other frames of reference and does not prejudge.
• Seeks to understand and adapt to different styles when working with those who are different.
• Treats others as they wish to be treated.
• Shows a readiness to change the way he/she does things to meet the needs of those from diverse backgrounds.

The Inter-Personal: Valuing Difference competencies are:

• Encourages innovation and creativity in the workplace.
• Embraces diversity as a resource to benefit the organization and its members.
• Treats diversity as an asset, not a liability.
• Supports systems, procedures and practices which promote diversity in the workplace.
• Leverages the benefits differences can add.
Competencies at the team and organizational level are:

- Team Inclusion measures the following key competencies:
  - Takes every opportunity to ensure that project teams and work groups are diverse.
  - Encourages and capitalizes on the diverse contributions and strengths of team members.
  - Practices inclusive behaviours in groups and intervenes when exclusionary behaviours occur.

- Resolving Conflict over Difference (Group level) competencies are:
  - Takes a conscious effort to learn about different styles of conflict resolution.
  - Has insight into and monitors own preferred conflict management style and its impact on others.
  - Is proactive in managing conflict over difference when it arises rather than avoiding it.
  - Actively creates the space for people to use different forms of conflict.

- And finally, the Embedding Inclusion competencies (Organisational level):
  - Is actively involved with organisational issues that promote diversity awareness.
  - Constantly seeks out opportunities to lobby influential individuals and groups on issues of diversity and inclusion.
  - Challenges prejudice and injustice, when confronted with evidence of it in the workplace directly or indirectly.
• Is an active advocate of treating people fairly and accommodating difference in all spheres of life, i.e. personal, social, professional and the wider community.

Summary

The literature shows that there is very little agreement about what the cross cultural management competencies are – for both working abroad and working at home in diversity. There is at least some degree of consensus on the competencies needed for working abroad. This is not the case in cultural diversity management, especially in Australia, where the literature has been scarce. There is an identifiable gap in the literature between what cultural diversity management demands and what the competencies managers will require in order to realise either the productivity or social inclusiveness gains.

This may have something to do with earlier patterns of immigration where the “White Australia” policy may have meant cultural assimilation was easier for people who entered under this policy as they were considered to be more culturally similar. Today, Australia is a very multicultural country and managers need diversity competencies in order to function effectively in the workplace.

It may be relevant to revisit some of the concepts prevalent in the literature a decade or two ago; like Hofstede and Minkov’s (1991) cultural values and concepts of “distribution of power”, “tolerance to ambiguity”, “individualism vs collectivism” and “harmony vs assertiveness”. Alternatively, Trompenaas (1993) “seven dimensions of culture model”, which provides seven dimensions by which cultures can be distinguished from each other which he
defines as Universalism versus Particularism, Collectivism versus Individualism, Affective versus Neutral relationships, Achievement vs Ascription; Orientation towards Time, and Internal versus External Control. An example of a practical implementation of this is provided by Trompenaas (1996) in conflict resolution where he states that the distance between cultures is a starting point for resolution.

In addition, alternate measures such as differences in language and nonverbal behaviours (Graham, 2001), corruption and ethics (Graham, 2001) and religious differences of subgroups which again has previously been a major thrust of the literature. Steady debate about the language issue and whether or not foreign language proficiency is necessary, does not seem to have reached a consensus. Chin (2011: 20) argued that if Australian banks want to get into Asia they first need to be culturally intelligent as it reduces conflict on cultural nuances. He goes on to argue that language proficiency helps but is not as effective as cultural intelligence at gaining and sustaining customer loyalty. Interestingly, in Australia, Bowen and Doughney (2010) found that aspirations for higher education among students residing in the large immigrant communities located Western suburbs of Melbourne (and therefore professional jobs like management) was actually stronger in households in which English is not the main language spoken at home. Perhaps the next generation of managers will have a larger percentage from non-English speaking backgrounds.

Other forms of comparing cultures includes the work of Loh, Restubog and Gallois (2010) who compared Singaporean and Australian managers in terms of how permeable group boundaries were for each. They found that Singaporeans form groups with less permeable boundaries than Australians do, but that different job tasks and situations require different levels of boundary
permeability. In other words, employees with tight cultural boundaries suit some situations or tasks and not others and managers need to be able to work this out and manage appropriately – another way in which cultures differ. These could usefully inform particular organisational development strategies at all levels to best align overall performance with that of individuals – for example, there would not be a great deal of point in persons low on intolerance to corruption working for federal policing or customers. This could be applied at a team or organisational level, to assist in determining just how diverse our organisations really are so that bridges can be appropriately made. Finally, where there are differences, there may well be similarities which should be taken into account when dealing with diversity.

This Chapter has reviewed the literature and presented a detailed analysis of the meaning of the term “competency” was conducted. The benefits and challenges of diversity were presented. An analysis of various diversity competency models was presented. Given the need for a comprehensive diversity competency model, this thesis will develop such a model and use this model to investigate management of diversity in the Victorian Electricity Industry.
CHAPTER 3: BUILDING A COMPREHENSIVE DIVERSITY COMPETENCY MODEL

Introduction

This third chapter is a presentation of the comprehensive Diversity Management Competency Model (DMCM). The model has been developed through a comprehensive review of the literature in the field of managerial competencies, cultural diversity and an extensive review of literature on competencies managers working in expatriate roles have been advised to develop as these competencies are associated with assignment performance, reliability and success. The chapter ends with a tabular presentation of the DMCM.

Management Competencies

There have now been lists of managerial competencies produced for at least three decades. The word “competency” is relation to managerial functional performance is largely attributed to the work of Boyatzis’s (1982) book “The Competent Manager”. He identified 12 “General Competencies” for managers. Dierdorff and Rubin (2006: 211) categorized competencies for managers into six areas – managing decision making, managing human capital, managing strategy and innovation, managing the task environment, managing administration and control and managing logistics and technology. Abraham and others (Abraham, Karns, Shaw & Mena, 2001) found American managers identified up to 23 management competencies – surprisingly at the
bottom of the list was “previous experience in living and working in a foreign country” (although only endorsed as necessary by 5.8 per cent of respondents and it can be argued that “experience” is not actually a competency). The six most commonly identified were: leadership skills, customer focus, results oriented, problem solver, communication skills and team worker.

Some researchers have continued to produce general lists for managers, others have developed those for specific companies, industries and even distinguished between different levels of management or when they are working at a “strategic level” as opposed to an “operational level” or indeed when they are undertaking specific functions like HRM or finance. Shen, Chanda, D’Netto and Monga (2009) when considering diversity management from a HR perspective, have called for researchers to conduct studies at all levels; particularly for the achievement of the diversity management goals of fairness and equity. This thesis is at the level of the individual manager – no matter what level their job is in the organizational hierarchy.

Model Assumptions

The proposed diversity competency model (DMCM) is principally predicated on the basis that the competencies included are those unique to the challenge of managing in a culturally diverse environment. The model has 4 components as there were four key competency themes or groupings apparent in the literature and these have been given titles which summarize the similarities of the competencies contained in each component – called “Quadrants”. The first two are at the “Individual Level” and the second two are at a “Workplace Level”. Quadrant 1 is “Understanding Self”, Quadrant 2
is “Understanding Others”, Quadrant 3 is “Workplace Analysis” and finally, Quadrant 4 is “Workplace Application”.

The four other assumptions that have guided the development of the proposed model are: Firstly, those competencies identified in works like that of Rubin and Dierdorff (2009) as being strongly associated with the role of a manager are excluded, except when the researcher recognizes that when implementing significant cultural shifts – like from essentially a homogeneous culture to a significantly diverse one, that strong emphasis on the mode of implementation of a particular managerial competency may be necessary. For example, in the United States affirmative action for minorities and women was previously aimed at addressing the huge disadvantage women faced in gaining access both to certain occupations and promotional opportunities (Kurtulus, & Tomaskovic-Devey, 2012). In Australia the same has applied to persons from Indigenous backgrounds for certain jobs. In Quadrant 3 and 4 the researcher has included some of these competencies. Previous researchers have also identified such competencies. For example, Chang and Tharenou (2004) called these “General Management Skills” in their model. However, some “General Management Skills” which also apply to diversity management are presented as an integrated competency. For example, “Conflict Management” is included as a competency titled “Manage conflict over difference”.

Secondly, unlike previous competency models, the DMCM will include only those competencies which an individual manager can, as a minimum, assess his or her own performance against and are generic; which also allows them to be transferable from one workplace to another, and from
one managerial “level” to another. Therefore, identified competencies apply equally at any level of management and potentially over a life time of work.

The third assumption is that the competencies contained in the model are able to be continually developed and are referred to in the literature as “dynamic”. This concept is discussed by Sue and Sue (1990: 146) who said, in relation to the training of counsellors in multicultural United States of America, “becoming culturally skilled is an active process, that is ongoing and that never reaches an end point”. This is a view Boyatzis (2008), who is seen as a leading academic in the competency movement, when he said that “one of the benefits of the competency approach… is that (they) can be developed in adulthood”. They are not static.

Finally, a single competency will only appear in one category so that repetition is eliminated and the proposed model is as concise as possible. It will be shown that for some competencies it is indeed debatable about which Quadrant they should belong to and there seems to be no better case in point that that of foreign language proficiency. Classification of competencies into a quadrant was based on the question, “to what end does the competency serve?”. In this case, it was determined to place this particular competency in “Understanding Others” because of the apparent role of language in racism as well as its role in communication.

The starting point for all of the competencies contained in the model has been two significant works – that done by Turnbull et al (2010) and from the large body of work on cultural intelligence by Ang et al (2007) which was placed into a competency type framework in the Cultural Intelligence Scale (CQS) by a group of researchers, including Ang (Van Dyne, Ang & Koh,
The model put forward by Turnbull and others (2010) is inclusive of competencies at the organizational, team and individual levels. The organizational and team competencies are outside of the scope of the current model, but some competencies have been considered relevant at the individual manager level. The CQS was designed as a global leadership tool. As such, some of its components are based on concepts that are also not specific to the management of culturally diverse workgroups. Therefore, only the components of both models deemed directly relevant have been incorporated into the DMCM.

Other recurring themes in the literature have been incorporated into the new DMCM were based on a large body of work supporting their inclusion – each component or category of the model has been referred to as a “Quadrant” for ease of description. The following section provides an explanation of how each of the DMCM components was formulated through the literature search along with an explanation of how each quadrant was named. The entire model is based on the idea of forming alliances across cultural difference (Kivel, 1995) which is an integral feature of the Australian workforce.

**Presentation of the DMCM**

The DMCM can help individual managers to assess their own competency development throughout their career when and where the issue of management of cultural diversity has more relevance, such as when working in culturally more diverse environments. It may also be used to form the basis of other HRM processes; like development of job descriptions,
selection criteria and performance and development plans. Shen, D’Netto and Tang (2010: 246) lament that to date there is no study statistically examining the contribution of diversity management in HR to organizational performance from financial and non-financial perspectives. Further “empirical research on this aspect would advance our understanding of the contributions of HR diversity management”. Tightening the focus of the contribution of diversity management competencies down to an individual manager may provide the basis for such a study in future, as individual performance can be linked to organizational performance. An explanation for each Quadrant of the DMCM and the relevant competencies contained in a quadrant is presented in the following paragraphs.

*Quadrant 1 – Understanding Self*

This first Quadrant was called “Understanding Self” as it contains those competencies identified in past research, which appear to collectively refer to “internal perceptual processes” – like how a particular personality attribute, attitude, cognition, preference or motivation likely plays out in the workplace. There is a danger of moving from the identification of competencies to the identification of personality characteristics, intelligences or traits. This is not the intention here, as behaviours are the focus. Therefore, this competency Quadrant is about the understanding (relate to the issues at hand) considered necessary to competently manage in culturally diverse environments: called “Understanding Self”.

It has been noted that what one “brings to the table” is an important idea in the literature, i.e., “unless you understand how your own cultural background influences your own behavior you are unlikely to be effective in
culturally diverse environments”. Managers “must gain an awareness of their own cultural drivers before they can understand what drives individuals from other cultural backgrounds (Peppas, 2004: 42)”. This is similar to a condition precedent to what Turnbull et al (2011: 6) describe as one element of the “interpersonal: interacting with difference and valuing difference” competency of “showing a readiness to change the way he/she does things to meet the needs of those from diverse backgrounds”. If you do not know how/why you do things how may you change them? Researchers in the field of expatriate success in East Asia, Stening and Ngan (1997: 11), hinted at the same idea when they said that their results “suggested that in developing expatriate training programs, attention must be paid not only to where expatriates are going but from where they have come”.

In the CQS model by Van Dyne et al (2008) there are individual scale questions consistent with this theme – for example, “I am conscious of the cultural knowledge I use when interacting with people from different cultural backgrounds” (from their “Metacognitive” questionnaire items) and “I am conscious of the cultural knowledge I apply to cross cultural interactions” (from their “Cognitive” questionnaire items). Turnbull and others (2010) identify both “monitors own diversity sensitivity and impact on others” (the “impact” component of which is included in Quadrant 2) and “takes steps to improve own diversity awareness”, along with “aware of personal attitudes and beliefs about members of own social identity group”. All three of these competencies are considered to fit with this category of competencies. The competency “is proactive in exposing one’s self to a range of cultural experiences” was also derived from the statement made by Van Dyne and others (2008: 17) stated that “successful intercultural interaction requires a
basic sense of confidence and interest in novel settings”. Van Dyne and others called it a “Motivational” component.

Jokinen (2004) says more understanding is needed about this issue; i.e. how international experiences can predict global leadership competencies, and therefore, we may assume, diversity management competencies as well. In a unique Australian study conducted in Victoria by Monash University researchers (Townsend & Cairns, 2003: 313) found that in the larger quest to develop globally competent managers that students of international business should have “experiential engagement beyond sojourner or tourist activity”. This is based on the “World Learning context” (cited in Fantini (2000: 30)) that proffers that cultural interaction is in a set of stages whereby cultural understanding is developed. Stage 1 is an Educational Traveller, Stage 2 is a Sojourner, Stage 3 is a professional and Stage 4 is an Intercultural/Multicultural Specialist. This “developmental process” has been used to some degree in the expatriate research. They argue that to acquire this competency, it is not even necessary to leave Australia. A manager could achieve this competency by living with a family from another culture. Similarly, Crossman and Clarke (2010) found that graduates who had overseas experience had improved employability as this afforded them the opportunity to forge networks, have opportunities for experiential learning and language acquisition and the development of soft skills related to cultural understandings, personal characteristics and ways of thinking. This personal level of interaction is “important in reducing the present day problem of preconceived perceptions of different cultures”. This is the intent of the competencies included in this Quadrant of “Is proactive in exposing one’s self
to a range of cultural experiences” and “Takes steps to improve one’s own diversity awareness”.

There are quite a number of articles in the literature which correlate emotional intelligence with cultural intelligence (Moon, 2010). Whilst not an intention of this thesis, as the aim is to separate out those specific additional competencies needed for working in culturally diverse environments from those of a manager in a culturally homogeneous environment, the component of emotional intelligence relating to self-awareness would appear to relate here, in fact, Moon (2010) found that this dimension was correlated strongly to metacognitive CQ. Therefore, the competency “Ability to monitor one’s own diversity sensitivity and its impact on others” was developed to capture this concept.

Learning on the job may also be an important competency of the manager in culturally diverse situations, Porter and Tansky (1999: 97), again within the context of expatriate success, argue that “having a learning orientation” is adaptive. Porter and Tansky said “a learning orientation will enhance expatriates success because adaptability is so important for success”. These people, they argue; review their behaviour, ask what change in strategy may lead to success next time and try again with a revised strategy. In a rare Australian study, specifically into diversity management, researchers Chang and Tharenou (2004: 72) concluded that the competencies needed are cultural empathy, learning on the job, communication competence, general managerial skills and personal style. Cultural empathy has already been identified in the model being developed here. In relation to personal style they say “managers have to continually learn on the job as the situations and
contexts may vary across time and across cultures”. Consistent with this, Dragoni and others (Dragoni, Tesluk, Russell & Oh, 2009: 731) stated in relation to expatriate managers that those with “stronger learning orientations” were more likely to get development opportunities which in turn improved their competence. This has been interpreted here as a competency of “learning on the job” and is added to our developing model.

In Australia, Härtel (2004) argued that when individuals are diversity closed (not interacting with difference), outcomes are predicted to be less positive than when they are diversity open. The ability to be flexible and open also is recurrent in the literature. In relation to expatriates, Peppas (2004: 43) from the United States, says that “flexibility and openness are critical to working with individuals who are different from oneself and who may have ideas different from one’s own”. Tolerance is a key characteristic of flexible and open individuals. Researchers conducted a regression analysis and found that the necessary infrastructure to CQ was cultural empathy, ethnocentrism (negatively related) and openness to experience (Ahmadi, Shahmohamadi & Araghi, 2011). The finding that ethnocentrism is negatively related is not surprising since it may be that the more ethnocentric one is, the less open one can be. The competency from Turnbull and others’ (2010: 6) model of “Shows a readiness to change the way he/she does things to meet the needs of those from diverse backgrounds” is considered to be a good match with the intent of the literature, but for the purpose of simplicity “flexibility and openness” has been used in our developing model.
**Quadrant 2 – Understanding Others**

This quadrant was called “Understanding Others” and was motivated initially by the work of Stephen Covey in his work “The 7 Habits of Highly Effective People” (1989: 236) when he espoused the “habit” of “first seek to understand and then to be understood”. Quadrant 2 is therefore about understanding others, those competencies that provide for successful comprehension and sympathetic awareness.

There are abundant warnings in the literature that biggest threat to cultural diversity is racism, oppression and discrimination and that this comes about because individuals are both shaped and viewed in relationship to their environment and the larger social forces (Sue, Arrendondo & McDavis, 1992; Loosemore, Phua, Dunn & Ozguo, 2011; McMurray, Karim & Fisher, 2011). Therefore, in the model the researcher has separated out those competencies which relate to understanding yourself from those which are about understanding others as the first steps in developing a model. All of the competencies in Quadrant 2 are about developing an understanding of how the culture of other employees affects managerial behavior in the workplace.

Building a relationship with each individual, or group/team member has also been emphasized in research in allied fields, like expatriate success. Australian researchers, Chang and Tharenou (2004: 65) included “respecting other values” and “treating people as individuals” in their “theme” of cultural empathy. In a homogenous culture it would seem that the need to know each individual and their cultural background would not be as important, as generalizations can be made. However, in a culturally diverse environment each individual may come from a different cultural background, therefore
getting to know each individual takes on a new significance. In the paper by Turnbull and others (2010: 4), two “Intrapersonal” categories are discussed: “Diversity Sensitivity and “Integrity with Difference”. This discussion relates well to the Quadrant “Understanding Others” and has been included in this thesis. Unfortunately, being a relatively new field in the literature, discussion about the need for managers working in culturally diverse environments to demonstrate these competencies of sensitivity and integrity is scarce.

Often identified in the literature are cultural encounters or having had experience in other cultures. Despite managers working in culturally diverse environments “as a day job”, it is unclear to what extent they actually engage with persons from cultures other than their own? They may hold a passport but never travel, or if they do, they go to counties which have more similar cultures – for example England, the United States, New Zealand and Canada (all of which are considered “Anglo cultures”), as was the stated preference for managers in the New Zealand finance sector in a study by McNally and Parry (2000). They may not relate to persons outside of the mainstream culture in or outside of the workplace. Avery and Thomas (2004: 380) argue that one of the ways for business students to develop diversity management competencies in a general sense, is for them to have “structured contact with dissimilar others”. In Australia, Lu, Restubog and Gallois (2010) found that social support at work was the best indicator of acculturation by professional Chinese immigrants and clearly demonstrates the role of the workplace in social inclusion. It appears that the definition of “dissimilar” should come from the theories put forward almost three decades ago by Hofstede (1983).
Jokinen (2004: 313), from Finland, says more understanding is needed about this issue; i.e. how international experiences can predict global leadership competencies, and therefore, we may assume, diversity management competencies as well. Townsend and Cairns (2003: 313), recommended “experiential engagement beyond sojourner or tourist activity”. Even in “General” managerial competencies this is mentioned (Abraham, Karns, Shaw & Mena, 2001: 846). These points are picked up in “understanding others” in our model. However, “experience” is not a competency, therefore competencies considered likely to be developed or enhanced have been; participating in cultural encounters, interacting with difference and knowing social, cultural, value and religious customs and knowing business legal and economic systems.

Three of the competencies in this Second Quadrant have been derived by the work of Van Dyne and others (2008: 20) in their Cultural Intelligence Scale’s (CQS) “Behavioural CQ” component – “I change my verbal behaviour when a cross-cultural interaction requires it” and “I use pause and silence differently to suit different cross-cultural situations”, “I vary the rate of my speaking when a cross cultural situation requires it”, “I change my nonverbal behaviour when a cross-cultural situation requires it” and “I alter my facial expressions when a cross cultural interaction requires it”. These five questions on the CQS have been summarized in the DMCM into just three components. Similarly, the proposed model “borrows” from Turnbull and others’ (2010) model. All four competencies included in “Interpersonal: Interacting with Difference and Valuing Difference” and are included in the DMCM. Turnbull and others (2010: 6) argue that these competencies allow for the “authentic expression of difference”.

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The issue of whether or not language proficiency is needed by managers who work cross-culturally either domestically or as expatriates has appeared repeatedly in the literature. Yet, there is no consensus on the effect of language proficiency. Australia is considered one of only five countries who are termed “Anglo” – where the only language is English (Merritt, 2000: 300). Managers in Australia would therefore feel quite justified in only speaking English. They do not need to speak any other language. When it comes to workplaces in Australia there is no current support for a particular workplace to use other languages, as English is the official language of Australia. One of the real shifts in Australian business has been banking’s expansion into Asia. Chin (2011: 20) argued that if Australian banks want to get into Asia they first need to be culturally intelligent as it reduces conflict on cultural nuances. He goes on to argue that language proficiency helps but is not as effective as cultural intelligence at gaining and sustaining customer loyalty. Language proficiency also takes a big effort. It is estimated that it takes about 2,000 hours to gain a good understanding of a language. This is not what official government policy is. Language competency is a core element of the paper “Australia in the Asian Century”. The focus of this is learning Asian languages for the purpose of enhancing our trade relationships in that region, not on relating better to those Asians who already reside here. The paper identified four Asian languages and recommended that Australians learn these languages.

While language proficiency can generate business opportunities, from a purely theoretical perspective it would appear that managers in multicultural workgroups with a significant ethnic minority who can speak the language of that minority, would have an advantage in building relationships and enhancing communication. Research by Chin (2011) supports this view. While not
specifically mentioned, this appears to be implied in the concept of cultural intelligence. Its inclusion would also be outside the more “intrinsic” abilities the model of cultural intelligence. This argument is supported by the work of Johnstone and Kanitsaki (2008: 19) who argued that English language proficiency in Australian Healthcare “was used as a social marker to classify, categorize and negatively evaluate people of non-English speaking backgrounds”, therefore having a role in promoting racism. In fact, they linked language proficiency to really negative outcomes of workplace cultural diversity - “dislike, fear of difference, and fear of competition for scarce healthcare resources and repressed hostility and ignorance”. Therefore, foreign language proficiency may play a role in realizing the advantages of diversity as well as helping to combat racism.

In relation to expatriates, back in 1997 researchers (Stedham & Nichita: 81), argued that language proficiency enables the expatriate to communicate with host country nations and also contributes to an understanding of the country’s culture. These authors argue that in the case of expatriates, language and really understanding culture are intertwined. Bigelow (1994) considered language training as likely a “critical factor” in the success of business school graduates two decades ago. In the United States, Downes, Varner and Musinski (2007: 22) considered language proficiency to be an “added advantage” rather than a necessity. Also, in the United States and again within the context of expatriates, Peppas (2004: 44) argues that “even a few simple phrases in the local language is almost always appreciated and shows that the business traveller took the time and effort to attempt to communicate in the host language”. This may well apply to managers working in culturally diverse environments where there are larger or more significant clusters of a particular
ethic group; that even a few words or phrases can assist in building relationships cross-culturally. Indeed language acquisition for graduates obtained through overseas experience was one of the stated contributors to improved employability for graduates in Australia (Crossman & Clarke, 2010).

There appear to be other advantages as well, Cox and Blake (1991: 52) state that bilingual persons have more “divergent thinking and cognitive flexibility” than those who speak only one language and that these people should be sought out by organizations to add to the creativity of business performance. The DMCM includes language proficiency in the competency list. While English is the main language of communication in the Australian workplace, when managers are sent on overseas assignments, the benefits of learning another language are significant.

**Quadrant 3 – Workplace Analysis**

This third Quadrant includes those competencies which are necessary to analyse the functioning of the workplace in terms of how it performs against the goal of creating an inclusive and effective workplace where the benefits of diversity may be realized. This quadrant was named “Workplace Analysis”. More importantly, it contains those competencies with the objectives of “integration and learning” and “fairness and equal opportunity”. These competencies are about how the policies translate into workplace outcomes and how workplace outcomes may be changed through new or adapted workplace policies.

Ely and Thomas (2001: 38) made a number of recommendations for successful workplace diversity management, although stopping short of structuring these recommendations as competencies: Differences were valued
as opportunities for learning. All employees were valued, respected and encouraged to express their racial identity. These aspects of the way they functioned afforded opportunities for cross cultural learning and enhanced the group’s performance. These recommendations have been interpreted as competencies in the third Quadrants of the DMCM. For example, “Understand the diversity composition of the workplace and value differences as opportunities for learning” and “Find opportunities for cross-cultural learning through workplace functioning” were both incorporated in the third Quadrant.

An adjunct to this is, which is seldom mentioned in the literature is that managers must also be aware of the values espoused within their organization (Gentry & Sparks, 2012: 27). This is essential as organizations also have cultures and these can interact with the values of the individual. HRM and other organizational processes and systems may provide barriers and managers need to be vigilant and work toward their elimination. While the design and development of HR systems in organizations tends to reside with HR Departments generally, managers have a specific role in ensuring that when these systems are implemented, they do not provide barriers to harmony and integration. For example, performance management systems should not punish employees who to take time off for important religious and cultural events.

It must be remembered that there has been equal employment opportunity (EEO) legislation in Australia since 1975, which is aimed at human resource management implementation rather than the development of individual managerial competencies (for example, legislative compliance
could be considered as falling under the general managerial competency of “results orientated”). Therefore Australian managers should have been complying with this for almost forty years and human resource processes like recruitment/selection, performance management and remuneration and reward systems should also be compliant. Disappointingly, recent Australian research in the construction industry by Loosemore et al (2011) concluded that this compliance was in fact the main driver of any type of diversity management strategy. Since integration is a key objective of both EEO and Diversity Management, the DMCM includes competencies of “Identify workplace management practices and HRM systems which prevent discrimination and disadvantage” and “Monitor and comply with legislation in relation to EEO”.

**Quadrant 4 – Workplace Application**

Competencies in the fourth Quadrant relate to the application of issue of implementation of the workplace actions which set a positive context for positive cultural diversity outcomes through taking specific action against those disadvantages of cultural diversity which are identified consistently in the literature and/or provide barriers to the achievement of realizing the opportunities of diversity. Therefore, this Quadrant has been named “Workplace Application”.

There is a huge body of psychological and sociological literature which points out that humans are “social animals” and that they tend to gather in cohorts of similarity – culture is one aspect of similarity, as is gender, religious affiliation and so on. The problem with this is that in situations where acceptance of cultural diversity is not driven by management at every
level some employees may end up being left out. Putnam (2007: 137) states that people living in ethnically diverse settings appear to “hunker down” – that is, to “pull in like a turtle”. Rather than getting hostile, they withdraw from collective life. Diversity managers need to deal with this, not by bleaching out ethnic communities, but by creating overarching identities – or creating inclusive workplace culture. Therefore the competencies selected for inclusion in this fourth Quadrant are those that both create inclusion and remedy exclusion.

Building a relationship with each individual, or group/team member also stands out in research in allied fields, like expatriate success. Chang and Tharenou (2004: 64) included “respecting other values” and “treating people as individuals” in their “theme” of cultural empathy. In a homogenous culture it would seem that the need to know each individual would not be as important, as generalizations can be made. However, in a culturally diverse environment each individual may come from a different cultural background, therefore getting to know each individual takes on a new significance. This idea has been embraced in the “Open communication with workgroup members”, competency.

Managing conflict over difference appears to be another quite distinctive competency in the literature, particularly to overcome issues like prejudice and racism. In fact, it is identified at group level in Turnbull and others’ (2010) model. There is an assumption that a clash of cultures can be responsible for organizational failure (Shen, D’Netto & Tang, 2010; Selmer, 1999). As pointed out previously the literature contains tales of doom over this very issue as conflict is the main threat to diversity, both in terms of not
fully achieving organizational goals but also by avoiding disruption and the psychological stress that accompanies conflict. By and large, conflict is viewed as destructive, rather than as an opportunity for positive growth, and it is assumed that the greater the difference between people, the higher the propensity for negative conflict. This ideology, most likely informed the concept of cultural distance and the previous “White Australia” policy which existed until the outbreak of mass immigration associated with the Vietnam War in the 1960s. This was “expanded” to incorporate persons of Mediterranean descent in the 1950s—especially when Australia needed the skills of these immigrants for the major infrastructure project of the Snowy Mountains Scheme. Now that we have achieved cultural diversity, sensitive and appropriate conflict resolution styles are needed. This is quite a separate point to conflict management in homogeneous environments, as one could assume that where there is a significant cultural minority who have a preference for a particular conflict resolution style, it could be highly beneficial to incorporate cultural considerations in the resolution approach. For example, Asians do not like to “lose face” and ensuring this does not occur, could be a useful strategy under this competency for the manager of a workgroup comprised of Asian persons. Kim and Nam (1998: 218) state that “loss of face” (i.e., humiliation) is likely to trigger “bitter conflict” in Asians. Similarly, boisterous displays of emotion are also frowned upon as are firm handshakes normally used by Westerners (including Australians) to indicate consensus has been reached, and agreement achieved. This is included in the competency of “using culturally appropriate and sensitive methods of managing conflict in the workplace”.
A second aspect of this focus on conflict is that there is discussion in the literature that these negative outcomes of cultural diversity can be moderated by the beliefs and expectations that the work group has of its members (Ely & Thomas, 2001). Therefore, if an organization wants to capitalize on diversity, workgroups need to understand each other’s perspective. Ely and Thomas (2001: 265) say that workgroups they studied that embraced gaining from diversity “encouraged work group members to discuss their point of view – including those linked to cultural experiences. This provides opportunities for learning which is acknowledged in the competencies in this Quadrant.

Compared to the literature from the United States, Australian literature does not appear to have many articles devoted to racism in the workplace. Research on Victorian Police in Australia by McMurray, Karim and Fisher (2011) concluded that the culturally diverse communities the Police serve considered them as being a racially based organisation – meaning that they were racist (and perhaps sexist) in their recruitment of Police personnel leading to an organisation dominated by white Anglo Saxon males. This lack of research on racism in the workplace in Australia is surprising, given the large volume of literature on racism in Australian society at large and especially toward subgroups like Aboriginals and Muslims (especially post 9/11). One article that does focus on the workplace is by Syed and Pio (2010: 115) who point out that diversity management (for Muslim women working in Australian Economic Sector) is impacted by “macro societal and micro individual issues”. After conducting a study into racism in the American workplace (Brief et al, 1997: 69), the researchers concluded that racism was alive and well in workplaces, however now it is more subtle than in the past.
There is now evidence in the literature that diversity and racism are inter-twined. This was supported by Australian researchers in investigating black nurses in Australian hospitals (Mapedzahama, Rudge, West & Peron, 2012: 153) who exposed the “subtle, mundane nature of Australian racism” and Loosemore et al’s (2011) investigation of the Australian construction industry. In his European research, Wrench (2003: 6) recommended the following: training the immigrants, making cultural allowances, challenging racist attitudes, combating discrimination, equal opportunities policies with positive action and diversity management. Under “diversity management” he recommended valuing diversity and managing diversity (by which he meant actively managing the diverse mix of employees to contribute to organizational goals and to develop a heterogeneous work culture). Again, there are several competencies in this Quadrant which are derived from this recommendation. Ely and Thomas (2001) identified three predictors of diversity success: Quality of Intergroup Relations, Degree of Feeling Valued and Respected and Meaning and Significance of Cultural Identity at Work. These three aspects have all been incorporated into Quadrant 4.

The model by Turnbull and others’ (2010: 3) includes a number of “team level” and “organizational level” competencies which are specifically focused on conflict in the context of diversity. These are considered to be too specific for the model being developed here, but rather should remain subcomponents of the general management competency of conflict management and are therefore not included in the DMCM. The outstanding competencies here, that appear as unique for situations of diversity, are that of “Actively creating the space for people to use different forms of conflict resolution” and “Takes a conscious effort to learn about different styles of
conflict resolution”. In combination it is suggested they be called, “culturally sensitive conflict resolution competency”.

Strong cultural shifts need advocates. Unfortunately after all these years, along with other forms of discrimination and disadvantage, racism is also still present in workplaces and still needs direct action. There are a number of competencies in this Quadrant which have been derived from the work of Turnbull and others (2010: 3), in particular from the Team Level competencies – like practicing inclusive behaviours and intervening when exclusionary behaviours occur. While Turnbull and others “Embedding Inclusion” competencies are in their model at a “Team level”, being involved in organizational issues which promote diversity awareness, challenging prejudice and injustice and actively advocating and treating people fairly are all included in this fourth Quadrant as they are required for diversity management implementation.

A group of researchers, including Brief (1997: 69) suggested that organizations create a norm of openness among subordinate managers, critically discuss of instructions from above, articulate misgivings, reinforce doubts and analyse how to respond. Wrench (2003: 6) recommended the following: training the immigrants, making cultural allowances, challenging racist attitudes, combating discrimination, equal opportunities policies with positive action and diversity management. To address “diversity management” Wrench (2003) recommended valuing diversity and managing diversity. These issues have been interpreted as competencies in Quadrant 4 as “Value and be an advocate for positive cultural interaction and encourage workplace debate and encourage workplace debate on cultural diversity issues” and “Educate on the
The Diversity Management Competency Model - DMCM

The competencies put forward in the literate have been placed in a model called the Diversity Management Competency Model (DMCM). The competencies were then categorised according to the theme to which the researcher considered they belonged. Four themes were identified – those that relate to understanding self, understanding others, conducting workplace analysis and implementing positive cultural diversity management practices. As there were four themes identified; each is referred to as a Quadrant in the DMCM.

The Diversity Competency Model is presented below in the form of a table. The two top quadrants of this model deal with the competencies of a manager at the “Individual Level” and the lower two are those competencies a manager must employ in his or her workplace - the “Workplace Level”.

effects of prejudice and racism and take remedial action in the incidence of racism, hatred or violence”.

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Table 1: The Diversity Management Competency Model (DMCM):

<table>
<thead>
<tr>
<th>Quadrant 1: Understanding Self</th>
<th>Quadrant 2: Understanding Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ability to understand one’s own beliefs and how they affect one’s life and work.</td>
<td>• Ability to acquire cultural knowledge.</td>
</tr>
<tr>
<td>• Ability to monitor one’s own diversity sensitivity and its impact on others.</td>
<td>• Understand and have empathy for cultural norms - recognize and perceive others’ cultural norms before and during interactions.</td>
</tr>
<tr>
<td>• Makes a conscious effort to learn about those who are different</td>
<td>• Exhibit situationally appropriate verbal and non-verbal actions when interacting with people from different cultures.</td>
</tr>
<tr>
<td>• Is proactive in exposing one’s self to a range of cultural experiences.</td>
<td>• Have cultural empathy: Interact with and value difference.</td>
</tr>
<tr>
<td>• Takes steps to improve one’s own diversity awareness.</td>
<td>• Know economic, legal, value and social systems of different cultures/subcultures.</td>
</tr>
<tr>
<td>• Is flexible and open.</td>
<td>• Foreign language proficiency.</td>
</tr>
<tr>
<td>• Possesses a learning orientation and reviews and revises own strategies.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quadrant 3: Workplace Analysis</th>
<th>Quadrant 4: Workplace Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Know how the advantages and disadvantages of diversity manifest themselves in the workplace.</td>
<td>• Open communication with workgroup members, e.g. “Open door policy”.</td>
</tr>
<tr>
<td>• Understand the diversity composition of the workplace and value differences as opportunities for business and learning.</td>
<td>• Manage conflict over difference. Identify sources of conflict and use culturally appropriate and sensitive methods of managing conflict in the workplace.</td>
</tr>
<tr>
<td>• Identify workplace management practices and HRM systems which prevent discrimination and disadvantage.</td>
<td>• Value and be an advocate for positive cultural interaction - encourage workplace debate on cultural diversity issues.</td>
</tr>
<tr>
<td>• Monitor and comply with legislation in relation to EEO.</td>
<td>• Educate on the effects of prejudice and racism and take remedial action in the incidence of racism, hatred or violence.</td>
</tr>
<tr>
<td>• Find opportunities for cross cultural learning through workplace functioning.</td>
<td>• Afford opportunities for cross-cultural learning.</td>
</tr>
</tbody>
</table>
Sources:

Quadrant 1


Quadrant 2


Quadrant 3


Quadrant 4

Summary

The diversity competencies model (DMCM) developed in this chapter identifies the competencies managers need to be effective in the workplace in Australia. Individual level competencies include competencies for “Understanding Self” and “Understanding Others”. Competencies at the “Workplace Level” include competencies for “Workplace Analysis” and “Workplace Application”. The competencies included in the model are specific competencies which will enhance the management of diversity in a multicultural workplace. Managers working in multicultural environments require these competencies for effective performance.
CHAPTER 4: METHODOLOGY

Introduction

This chapter describes the methodology used for the study. It begins with an explanation of the major Australian industry selected for the research study, the sample, the research design employed and then describes the principal method of data collection (a semi-structured interview). The chapter concludes with a discussion of the data analysis procedure which will be used in this study.

The Victorian Energy Sector (Electricity)

This study included participants from organizations who had membership in the Energy Supply Association of Australia (ESAA) – specifically the Victorian Electricity generators, distributors and retailers. This is the pre-eminent representative body for organizations in the energy industry in Australia. Only the electricity component members were sought for inclusion in the study. The researcher personally met with both the CEO of the ESAA as well as several current and former senior representatives in the industry, earlier in the research; to establish rapport, gain their ideas for the design of the research project, seek their support and let managers know diversity research was being conducted. It was these meetings that helped to modify the research questions and the subsequent stages of the research process.
As indicated in chapter 1 and 2, one of the reasons for selecting the Victorian Energy Industry for this study is because electricity assets/business tend to be located in rural and regional areas. These areas tend to be those where multiculturalism in the workplace and community has come more recently, as compared to the capital cities. Electricity generation, distribution and sales is a technologically intensive industry which although fixed in its location is significant in its asset worth and contribution to society. More importantly it is only in the last fifteen to twenty years that many of the businesses in this industry became owned and operated by international companies, thereby further increasing the need for managers in this industry to work in a culturally and ethnically diverse environment. Therefore the assets are fixed (at least for the time being) and the people are on the move. The final reason for selection of this industry is that it is one with which the researcher is very familiar, having worked in it for many years within the human resources area and the major industry in the location in which the researcher currently resides. As the researcher worked in this industry in Victoria, it was decided that only privatized entities of the industry would be invited to participate. It was then decided that only Victorian firms would be contacted for data collection purposes. Finally, it was determined to include participants only from the State of Victoria as it was the State where the greatest degree of privatization had occurred and presumably most exposed to the global business environment.
The Sample

A sample of managers from organizations in the Victorian component of the Australian electricity industry was obtained through the use of an extensive network of personal contacts and the snowballing process. Making contact was extremely difficult as the target companies often did not have publicly listed telephone numbers and those which were tended to be for electrical emergencies or seemingly unattended inquiry lines or website inquiry numbers making getting to each contact extremely time consuming. Every attempt was made to gain participants from across the industry – from generators through to retail distributors of electricity. The criteria for selection of participants was that they were “managers” who were accountable for the performance of one or more others who directly reported to them. In the traditional functionally based hierarchical organization, which all of the participants belong to, this meant persons in front line supervisory/team leader through to senior executive positions (excluding the most senior, such as Chief Executive Officer, Group Managers and Board Members). The participants included functional managers; principally in operations and maintenance and then in support functions like procurement, finance and human resources. Some of the participants were in fact expatriates themselves having come to Australia to work on behalf of their firm from another overseas location. These people were considered legitimate participants as they were in the role of a manager in the Victorian Electricity Industry.

In some cases the manager’s employing organization was contacted and their participation sought through the company, again utilizing the
researcher’s existing contacts. In other cases participation was sought directly from a person known to be in the target group. Further, at the conclusion of each interview the participant was asked to nominate one or two others who they believed met the criteria for participation in the research. A total of thirty people were interviewed for the research.

The number of participants was based on the advice of senior researchers from Charles Sturt University. As pointed out by Leedy and Ormrod (2010: 147) care was taken to ensure that the sampling was “purposeful” and to “select those individuals that will yield the most information about the topic under investigation”. All of the interviews were conducted in the months of May through to September 2014. There appeared to be strong interest in the research, with the only refusals being on the basis of time management constraints and not on the basis of a lack of interest in the research. Interestingly the biggest time constraints related to the development and implementation of new “time saving” computerization for maintenance of systems assets and its tracking and a serious fire in an open cut coal mine.

Each interview was conducted privately on an individual basis – either face to face or via the telephone. Face to face interviews, although preferred by the researcher, were difficult to obtain as most power stations, mines, and terminal stations have demanding site safety induction and rigorous security measures, many of the participants were located a long way away, and participants seem to prefer interviews over the telephone rather than face-to-face. As such, only 10% (or 3) of the interviews were able to be done face-to-face. In addition, during the fire “flow on effects” throughout the industry
at the time – such as increased arson alerts, had resulted in further restrictions to access and mobility. As such, most of the interviews were conducted over the telephone. The participants also seemed to prefer the anonymity of the telephone.

**Research Design**

A research paradigm is a set of beliefs, values and assumptions that a researcher has regarding the nature and conduct of research (Johnson & Onwuegbuzie, 2004). Gall, Borg and Gall (1996: 692) state that a research study must satisfy four important criteria, i.e., utility, feasibility, propriety, and accuracy. A study has utility if it is informative, timely, and useful to the affected persons. It is feasible if it is appropriate to the setting in which the study is conducted. It has propriety if it is conducted legally and ethically. Finally, it is accurate if it is valid, reliable and comprised of comprehensive information for making judgments on future directions. In the last fifty years there has been much debate with respect to qualitative and quantitative methodology and methods (Brophy, 2002). Quantitative methods essentially produce numerical findings and statistics (Silverman, 2005). The strength of traditional quantitative research is its commitment to objective ‘truth’, using reliable tools, instruments, rational, logical discussion and providing evidence for claims made. Neutrality and a ‘disinterested pursuit of truth’ are important parts of the construction of scientific knowledge in this paradigm, commonly referred to as a positivist philosophy (Brophy, 2002). Quantitative purists believe that research should be objective and that context-free generalizations are possible and desirable (Johnson & Onwuegbuzie, 2004).
Qualitative research by contrast produces findings not arrived at by means of statistical procedures or other means of quantification (Miles & Huberman, 1994). This type of research provides data consisting of well-grounded, rich descriptions from which fruitful explanations can be derived. Qualitative research emphasizes the exploration of participants’ own situated experiences aiming for the richness and significance of individual experiences (Cappellen, 2008). Furthermore, qualitative research is best suited to understanding and studying a complex and under-researched issue as it can generate serendipitous findings and go beyond initial conceptions (Cappellen, 2008; Miles & Huberman 1994). Qualitative purists (also called interpretivists) believe that research is value-bound and that context free generalizations are neither desirable nor possible (Johnson & Onwuegbuzie, 2004). Both paradigms have their strengths and weaknesses.

This thesis adopts a qualitative research design. As stated earlier, thirty managers in the Victorian Energy Sector were interviewed to collect data for this study. Since the purpose of this study was to investigate the extent to which managers had the competencies required to manage diversity effectively, it was felt that interview data would provide a deeper insight into the acquisition and development of diversity competencies.

Research Procedure

The researcher’s evaluation from preliminary discussions with managers considered similar (managers worked for companies who contracted to electricity firms) was that the participants would find the topic to be sensitive, and therefore allowed the participants to have the interview
conducted after hours and/or from home on request. It was difficult to
determine whether the primary motivator for the sensitivity was because it
was about “competency” assessment which may have left participants feeling
vulnerable or inadequate in some way or because cultural issues themselves
are not something which people freely speak about for fear of not being
deemed mainstream or politically correct. Therefore it was concluded it was
a “sensitive” topic and it was handled as such. Tourangeau and Yan (2007: 859) provided a definition of “sensitive questions” as follows, “Sensitive
questions is a broad category that encompasses not only questions that trigger
social desirability concerns but also those that are seen as intrusive by the
respondents or that raise concerns about the possible repercussions of
disclosing the information”. Actions taken to reduce the effect of the
sensitivity recommended by Tourangeau and Yan (2007: 875) are “collecting
the data in private” (which was done, by allowing participants to be
telephoned and in many cases after hours and from home), “priming the
motivation to be honest” (that their responses are for research purposes, and
are reported on confidentially), and the “non-presence of a third party” (non-
presence of an employer).

To initiate the data collection phase, the prospective interviewees
were contacted and the overall research project was outlined and the method
of data collection using semi-structured interviews was explained to the
participants. Since the sample consisted of managers from the Victorian
Energy Sector, the key ethical issues were confidentiality and anonymity.
Participants were informed that the researcher was bound by ethics guidelines
and protocols for human research, and despite in many cases having been a
former work associate, that this would be strictly abided by. Participants were
also assured that all data would be kept in the possession of the researcher for a period of seven years after which it would be destroyed in accordance with the Ethics Committee guidelines. Participants were also told that their participation in this study was entirely voluntary and that they could withdraw from the interview process at any stage of the data collection. Participants were assured that individual responses would not be identifiable. At this point their participants were asked to consent to being interviewed. Almost all participants approached immediately gave their consent to participate in the project. A few could not participate because of a lack of time. A mutually suitable interview time was agreed upon so that participants did not feel time pressured. In order to enable participants to speak freely and honestly, the interviewer made notes during the interview and participants were advised up front that notes would be taken. The interviews were not digitally recorded.

Rather than ask each participant to complete a consent form, an email or a text message confirming the purpose, date and time of the interview was sent to each participant before the interview actually commenced. Every participant was also offered the opportunity to receive an abstract or copy of the completed research project. All participants were provided with both the researcher and the research supervisor’s contact details so that at any time they could direct any questions back to either the researcher or the research supervisor.

At the commencement of each interview a statement was read out, reiterating the issues of confidentiality, voluntary participation, etc. (see Appendix 1). Participants were informed that all responses would be recorded in notes taken by the researcher and important statements would be recorded verbatim. If the person’s response was unclear or they may have
said something other than what they had intended, the participant was immediately asked to restate their response to ensure participant responses were recorded correctly. Care was taken not to “put words in their mouth”. Particular attention was paid to ensuring that the interviewer’s personal reaction, including tone of voice, volume and level of empathy, were as objective and consistent as possible, even when the participants provided answers that may have been controversial or disagreeable.

Semi-Structured Interviews

Data was collected via semi structured interviews with voluntary participants from across the industry. In inviting prospective participants emphasis was placed on the fact that the data was being collected for a thesis, and in no way would the individual results either be provided to their employer or published in the thesis itself. In addition, participants were assured that the competency ratings were for the research itself and not for any type of performance assessment. Participants were encouraged to be as objective as possible. The interviewer did not provide any feedback given verbally or through non-verbal cues as to the interviewer’s personal opinion about participant responses.

Each interview was completed in about thirty minutes. The questions were based on the researcher’s proposed Diversity Management Competency Model (DMCM). The interviews were conducted using a semi-structured questionnaire (see Appendix 1). The interview commenced with several demographic and work experience questions designed to determine the interviewee’s awareness of their exposure to the opportunities needed to
develop cross cultural management competencies and what sorts of initiatives had been taken by their organization to assist them in further developing these competencies. The questions commenced with background questions, like “how long have you worked in the energy industry” and then questions about multiculturalism, the participant’s own cultural/ethnic identity and travel experiences and aspirations.

The second section of the interview was based on the Diversity Management Competency Model (DMCM). In this section the participants were asked to provide behavioural examples to demonstrate that they understood behaviors which would be consistent with the performance of each component of the DMCM. Research participants were all asked to discuss each competency – talking about their personal attainment in the development of each of these, and where possible to give a demonstrative behavioral example from their own experience (as opposed to a theoretical example). If it was clear that participants could not think of an example of their own no further prompting was provided. However, if they could think of an example, the researcher lightly prompted to obtain the elements of situation and/or task, action and result (“STAR”). This is method is widely used in Australian recruitment generally (Allcock, 2013):

**Situation.** Start by outlining the situation you were in.

**Task.** Talk about the task at hand. What was required of you?

**Action.** What did you do? What action/s did you take and why?

**Result.** Summarise the results of your actions.
An example, “Cultural knowledge of norms, practices and conventions in different settings”. A participant may have provided an example such as “I have travelled extensively throughout Asia and have acquired this type of knowledge in the process” or “I have friends from a broad range of cultural backgrounds (and named them)” was considered sufficient to demonstrate a competency to an “Advanced” level.

It was important to note that this was not to provide the basis of an assessment of their personal competency, but rather to assist the participants to assess their own competency development progress and to get their thinking around the meaning of each competency in a practical or applied way as well as to affirm to the researcher that they really did understand the meaning of each competency. A legitimate answer was therefore, “No. I can’t think of anything I have done in that regard” or “No. But I hope to in the future”. This, however, would have been deemed demonstrative of a “Just Beginning” level of competency development. At the end of each Quadrant of the DMCM each participant was asked to provide their own evaluation as to what extent they have developed this competency category – ranging from “Just Beginning”, “Low”, “Moderate” through to “Advanced”. It should be recalled that each competency is included as a minimum standard of performance and not as a benchmark for superior performance (a detailed explanation of this was included in Chapter 2). Therefore this question aims to gauge participants’ progress toward developing each competency rather than a standard of current performance. Again no judgment was made on the participant’s answer. The aim was to gauge the current state of development in an overall sense.
Participants should have been both comfortable and familiar with this method of competency demonstration since it has been in use in this industry for over three decades (especially for job applications – internal and external). The researcher considered it important that the participants found the interview to be a positive experience and readily accepted participants’ own contribution to managing the pace of the interview. Appreciation for participation was provided throughout the interview.

The second stage was the researcher rating the responses. In the personnel selection process, behavioural examples are compared against the selection criteria and knowledge based criteria are assessed by selection panel members who are experts in the field (or other methods – like knowledge tests) to determine how well the applicant has demonstrated the demands of the job, as expressed by the selection criteria, and then the candidates examples are compared against each other. In this research the behavioural examples were only compared against the stated competencies by the researcher. It was decided that since the researcher had many years of experience and training in this type of rating, both in teaching this method and in the conduct of literally hundreds of interviews, Behaviorally Anchored Rating (BARS) scales would not be used. The BARS method is often used for both personnel selection and performance rating (Green, Sauser, Fagg & Champion, 1981: 761). Unfortunately the development of BARS takes a great amount of time and effort to develop and since research (Murphy & Constans, 1987: 573) also argues that these BARS are not necessarily more objective and less prone to bias than scales without behavioural anchors it was determined not to use BARS. Composite examples of skills
(competencies which were based on skills) acquisition were compared against each competency by the researcher.

Competencies which are based on a large knowledge component or could easily be objectively tested (like language proficiency and cultural knowledge) were based directly on the participants’ stated level. Whilst overstating is also possible in these competencies, it was considered less likely as these competencies were considered less likely to be socially sensitive (King & Bruner, 2000) and also more easily tested. For example, in a study, 2569 applicants for clerical jobs rated their typing speed and were later given a standardized typing test. Typing scores correlated .62 of better with self-assessments. (Levine, Flory & Ash, 1977: 428).

Finally, the researcher rated the composite responses, after having placed them on a matrix so that comparisons could more easily be made, for each Quadrant on the same rating scale. This is explained more fully below.

At the end of this section, participants were asked to tell the researcher if they believe that the DMCM needed further competencies to be added to it, and if so, to describe what other competencies may be required of managers working in culturally diverse environments.

The third component of the interview included questions about how the participant’s believed the competencies would be best developed. They were asked what they think managers could do to develop the diversity management competencies in the future. Again, they were asked to provide behavioural examples in some detail, where possible – rather than just state something general like “chalk and talk” or “put me on a plane and send me overseas!” Examples that included a training objective, a training
methodology and a performance objective or “situation”, “action” and “result” were sought. The interview concluded by asking the participants if they had any further remarks on the competencies needed to work effectively in culturally diversity environments.

Even though each interview took between twenty five to thirty minutes to complete, respondents were encouraged to take their time to answer the questions, particularly in producing behavioural examples. They were also praised for the information they could provide as many of the participants had advised the researcher in the set up phase that the interviews covered issues that they had not really ever thought through before in any detail and so they were somewhat unprepared for the questions asked. They were re-assured that everyone probably felt the same way and that this was not a reflection on their abilities. They were reminded that the interviews were not being recorded to encourage their openness and honesty. Permission was sought to take notes during the course of the interview.

By commencing the interview with some demographic questions that the respondents found easy to answer, the participants were able to relax and ease into the interview. The participants’ seemed to enjoy recounting their travel experiences and postulate future plans both for holidays and for work. By the end of each interview it appeared that the participants all felt that they had enjoyed the experience. Since the issue of managing in a culturally diverse environment had evolved over time, managers had never really stopped to think consciously and reflectively about what this means in their current role. Hence they felt that participation in the interview had provided an opportunity to consciously reflect on their diversity competencies.
**Procedure for Data Analysis**

Researchers often regard the analysis of qualitative data as subjective exercise (Braun & Clarke, 2006). This subjectiveness can be reduced by utilizing well-regarded analysis methods and principles (Boyatzis, 1998). Thematic analysis was the method used to examine the data in this study. It is a foundational method for qualitative analysis and the first method that a researcher should learn (Braun & Clarke, 2006) and was deemed to be appropriate one for this study.

Thematic analysis is defined as ‘a method for identifying, analyzing and reporting patterns (themes) within the data (Braun & Clarke 2006, p. 79). It is a subjective and interpretive process, which generates categories from the data (Boyatzis, 1998). The aim of thematic analysis is to find themes, patterns and regularities from the data. The process of thematic analysis involves the identification of themes through careful reading and re-reading of the data (Aronson, 1994; Braun & Clarke, 2006). It is a flexible and useful research tool, which can provide a rich and detailed yet complex account of data (Aronson, 1994).

The first step in the process involved typing up the raw data of handwritten notes to enable the researcher to review the interview transcripts more easily. Next, the raw data had to be meaningfully distilled. This is referred to as data reduction and can be defined as the process of selecting, focusing, simplifying, abstracting, and transforming data from written-up field note transcriptions (Miles & Huberman, 1994). The two main reasons for data reduction are: to condense the data so that is more manageable and to
transform it in a way that is comprehensible in terms of the research question being addressed.

A preliminary analysis of the data generated a list of interesting ideas from the raw data. Codes were then assigned to different features of the data that appeared interesting. Coding refers to: ‘the most basic segment, or element, of the raw data or information that can be assessed in a meaningful way regarding the phenomenon’ (Boyatzis, 1998: 63). This effectively organized, as mentioned, the data into meaningful groups and then categories to reveal themes through the production of matrices. Researcher judgment is necessary to determine what the themes are and it involves a degree of subjectivity (Aronson, 1994; Braun & Clarke, 2006). Themes or patterns within the data can be identified in an inductive or bottom up way or a deductive, top down way (Braun & Clarke 2006). This study adopted a deductive approach. In this approach, the researcher looks for themes with the research questions in mind, rather than for themes emerging from the data. Wherever possible, the themes were named from the actual words of the respondents to ensure that any categorisation was based on the original statements in the recorded data (Brophy, 2002).

To add credibility to the data of this study, an independent reviewer who was familiar with cross cultural diversity and qualitative research processes, reviewed the transcripts and the themes identified. The independent reviewer checked the identified themes to ensure that they were balanced, non-repeatable and unambiguous. Initial inter-rater agreement defined as the proportion of agreement on codes and themes was eighty five
percent. The independent reviewer and the researcher discussed and refined the themes and then reached an agreement on the categories.

Ethical Considerations

An ethics proposal was prepared and submitted to the Ethics Committee of Charles Sturt University in accordance with the University Regulations for Research. Approval was then procured from the Ethics Committee. The researcher complied with all requirements such as anonymity of participants, confidentiality of data and freedom to withdraw at any time during the data collection process.

Summary

This chapter has provided a description of the methodology and research paradigm adopted for this study. A description of the Victorian Energy Industry and the sample used in this study was provided. The chapter included a description of the how data were collected using the various items contained in the Diversity Management Competency Model (DMCM). The research procedure was illustrated as well as an explanation of why thematic analysis was selected and the process involved with it. The chapter concluded by discussing the ethical considerations.
CHAPTER 5: FINDINGS

Introduction

In this chapter the results of the data collection processes are presented. Thirty semi structured interviews were conducted with current managers from the electricity industry in Victoria. These were done between May and September of 2014.

Findings

Prior to presenting the results obtained for each of the research questions, suggested enhancements to the model and training and development recommendations, the demographics of the sample population and their cross cultural experiences are provided first.

Participants

The participants for the research were sourced through contacting either individuals on a direct basis or contacting head office representatives, like HR Departments. Not every firm provided participants on an equal basis as some embraced participation more enthusiastically than others and when the goal of having interviewed thirty managers was achieved no further participation was sought.

Overall, the sample was well balanced as participants were sourced from across the various sectors of the industry (mining and/or generation, distribution and retail). It turned out that managers who were “senior” or “middle” were a lot easier to access for participation than those lower down
the organizational hierarchy – with just six participants being from below “middle” management level. The reason being that more senior managers saw it as a part of their position to speak to people from outside of their organization, whereas those at less senior levels expressed concern that speaking to the researcher could potentially not be condoned by their employer. These respondents needed additional reassurance that participation in the interview would in no way jeopardize their employment and that people in more senior roles had already participated. Their positions in the organizational chart were validated to ensure that the researcher agreed with their position level statement.

A large number of the interviewees identified themselves as belonging to “senior management” – with twelve persons being in this category. Another twelve considered themselves to be “middle management” and just four thought themselves “team managers” and two as “supervisors”. There were seven functional areas participants who said they belonged to: human resources, engineering, operations management, maintenance management, research and development, strategic planning and procurement.

Whilst not the focus of the research, it is interesting to note that only five of the participants (17 per cent) were female and none were indigenous. This percentage for women is significantly higher than the overall percentage of women employed in the Electricity, Gas, Water and Waste category according to Engineers Australia (Kaspura, 2013) which reports women as making up just six per cent. No specific attempt was made to seek participants of a particular gender. However, all female participants advised that they belonged to HRM departments. Not one manager identified as Australian Indigenous (Aboriginal or Torres Strait Islander). This is despite their making
up 1.42 per cent of the population in Latrobe City (Latrobe City Council, 2014) where the major generators are all located.

The interviews were all conducted without passing any value judgments on participants as to their self-assessed level of competency attainment or their orientation toward the competencies themselves. Another recurring issue was that the participants felt rushed. They were reluctant or unable to provide examples, urged the interviews forward and generally gave the impression that they had a lot on their plate. None of the participants were rude, but certainly they appeared time conscious. This may have resulted from social anxiety associated with the sensitiveness of the topic. Participants were frequently reassured their responses were to be used in research, and not for any other purpose and that their responses would be and remain confidential.

Those participants who obviously had the opportunity to speak to colleagues who had previously participated in the research were a lot more relaxed in the interviews than those who were the first for their organization. Every participant was positive at the conclusion and no one made negative remarks about the content of the interview when there was a free opportunity to say whatever they wanted before closing the interview. Not one person took the opportunity to contact the researcher before or afterwards or indeed contact the researcher’s supervisor. It was stated that Ethics approval had been granted, but no one asked for further information on this.
Demographics

A very high ninety per cent of the participants had a minimum qualification of a bachelor degree and thirty six per cent of the sample population had completed a post graduate qualification (eleven post graduate honors and five post graduate degrees i.e., Masters/PhD). There was only one TAFE qualified manager interviewed and just two participants who had only completed a secondary school education and all three belonged to non-engineering functional areas (procurement and HR). There was no real pattern for who had completed post graduate studies or higher degrees with both being spread across the range of functional areas. Whilst there was no further questioning of participants on what sort of degree, etc., they held, the researcher’s own experience suggests that the dominant educational background would have been in engineering studies at the degree level and subsequent studies being either in specialist engineering – such as maintenance management or general management (such as an MBA), except in specialist functional areas, like HRM or procurement.

These findings are consistent with the Engineers Australia (Kaspura, 2013) assessment that the “proportions in engineering occupations in Electricity, Gas, Water and Waste is above the state average” and “that completion of a Bachelor Degree qualifies engineers to become professional engineers”. The researcher observed that operational managers (i.e. those not in support functions like HR and finance) in the electricity industry had, in the vast majority, developed through the ranks of engineers. No publicly available evidence is available to support this contention. The most senior
Australian based managers in this industry (Board of Directors members) come from a much broader range of backgrounds as can be seen on company websites (for example that for AGL). None of these participated in the research with all people in the sample being from a minimum of two levels below the Board of Directors.

Participants were asked “how long have you worked in the industry?” The results were astounding with 80% reporting over twenty years, all the way up to one participant stating sixty years. Only six people had been in the industry for under ten years, sixteen had been in the industry for between 21-30 years and the remaining eight for over 31 years. Given these data clusters, averaging did not make a lot of sense. Clearly this is not an industry where there is high managerial turnover. No age statistics were collected, but it seems likely that many of the managers who participated would be nearing the end of their careers.

Given that the major year for privatization was 1995 – nineteen years ago, there appears to be only six new managers who could have come in post-privatization. When the industry was privatized, existing employees were simply transferred from government employment to the new private firm who took over the business they belonged to – so employees who worked at Yallourn Energy (the government entity) were transferred to the new owner upon the sale, and in this case, again on resale to now Energy Australia, Yallourn. This too is suggestive of low turnover and without turnover there are very few opportunities for new people to enter the organization.

Figures are not available for the electricity industry on its own (the Australian Bureau of Statistics includes reports Electricity, Gas, Water and Waste Services in one category). Engineers Australia (Kaspura, 2013)
believe that the utilities sector (with these same inclusions) did actually grow between 2006 and 2011 by over nine per cent. Clearly this is a much broader category than just electricity and no separate figures were available. One media release from the Australian Bureau of Statistics in 2000 reported that employment in the electricity supply industry did actually fall by six per cent between 1998 and 1999. No further information is available. Importantly, even though skilled migration fed the demand for skilled engineers, and there was quite possibly a drop in recruitment going on longer than just one year, employers in the sector seemed to prefer, at least between 2006 and 2011, (through employment figures) Australian born males by 14 per cent over overseas born males (67 to 53 per cent) in any case. This may be due to competency considerations and not necessarily indicative of bias in the selection process. If this persists the rate of cultural diversity in the sector may remain behind that of others, even if recruitment increases for its engineers.

Only two people said they were not born in Australia and both were in fact expatriates – and both had only been here for under 10 years – one was Dutch and the other Austrian. Interestingly, when it comes to ethnic/racial identity, being born in Australian did not stop one person from identifying “Maltese”. The Australian Bureau of Statistics (2013) found that 20 per cent of Australians are second generation and over half of all Australians (53 per cent) are third generation plus. Therefore, this person may have been a second or third generation Australian, but felt a need to point this out whereas no other participant did – everyone else said “Australian”.

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Cross Cultural Experience

Over half of the participants (53%) believed that their workplace had become more culturally diverse, despite there not being much evidence for it in the managerial ranks of those who participated. A huge ninety percent believed that they work with one or more people who they believe had been born overseas (clearly referring to their direct reports or the people who work for them). No publicly accessible figures were available, but the researcher noted low levels of cultural diversity at the point of privatization and there has been very little increase since – according to the participants themselves.

When it came to management, a fairly large thirty percent said that they reported to someone that they believed to have been born overseas (Only five of these nine people were in the senior management). Participants were then asked where they thought the people they reported to had come from, all but one thought the person to whom they report were from a European country – just one person said they thought the person they report to was from South Asia (Pakistan). The others believed to have been born overseas were thought to have been born as follows: 1 in Ireland, 2 in Belgium, 3 in England, 1 in Germany and 1 in Finland – therefore four out of nine from Anglo-Celtic countries and three being still from very developed countries of Europe, which would still be considered to be far less culturally distant than say Pakistan. It is not known whether these people are located in Australia (as migrants or expatriates) or are abroad (which would seem more likely for the senior managers), therefore requiring transnational reporting. All, but one of these nine participants, who had said this was the case said it had only been so within the past 10 years and most of these (seven) reported that this had
only been the case within the past 5 years. The remaining 70 per cent believed that they reported to someone who was born in Australia.

In the meantime cultural diversity in the communities in which these people live has continued to rise – for example Latrobe City (the heart of the predominant brown coal generation industry) now has 12 per cent of its population born overseas and over 5 per cent speak a language other than English (Latrobe City Council, 2014). Further statistics on cultural diversity were provided in Chapter 1.

When it came to traveling and/or working in non-Anglo-Celtic countries, only twenty seven per cent of participants said they had done neither; they had not worked nor travelled to non-Anglo Celtic Countries. This indicated that seventy three per cent of the participants had worked and/or travelled in these countries. An impressive twenty three percent have both travelled and worked in non-Anglo-Celtic countries; twenty percent said they had worked in these countries and twenty per cent said they have travelled in these countries. Forty three percent had travel aspirations for non-Anglo-Celtic countries, only seven per cent had working in non-Anglo-Celtic countries as a career ambition and a much heathier 17 per cent stated they would like to both work and travel in non-Anglo-Celtic Counties.

What really stood out was that the twenty per cent of participants who had worked in non-Anglo Celtic countries had an average period of employment in the industry of 22 years – which suggests they were employed in the industry at the time, potentially placing them in the category of “global managers”, in an industry which appears less impacted by multiculturalism. Further, of those that had either worked/travelled or worked abroad in non-Anglo Celtic countries only 10 per cent had a desire to work in these countries
again, even though forty three per cent of the total sample had future travel aspirations which included non-Anglo Celtic countries. So it seemed, at least for now managers in this industry are happy to keep their work and travel aspirations separate or it could also be that overseas opportunities are not being offered at the moment so managers are not realistically thinking about them.

Table 2: Demographics:

<table>
<thead>
<tr>
<th>Educational Background</th>
<th>Participants</th>
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<tr>
<td>High School</td>
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<tr>
<td>TAFE</td>
<td>1</td>
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<tr>
<td>Bachelor</td>
<td>11</td>
</tr>
<tr>
<td>Post Grad</td>
<td>11</td>
</tr>
<tr>
<td>Masters/Doctorate</td>
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</table>

<table>
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<tr>
<th>Time in Industry</th>
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</tr>
</thead>
<tbody>
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<td>Less than 10 years</td>
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<tr>
<td>11 to 30 years</td>
<td>16</td>
</tr>
<tr>
<td>More than 30 years</td>
<td>8</td>
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</table>

<table>
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<tr>
<th>Cultural Identity</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglo Celtic Australian</td>
<td>27</td>
</tr>
<tr>
<td>Western European (Expatriate)</td>
<td>2</td>
</tr>
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<td>Greek</td>
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Research Questions

Main Research Question (RQ 1):

To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Management Competency Model (DMCM) to effectively manage diversity in the workplace?

When presented with a four point scale on which to self-rate their competency development progress for each of the competency Quadrants – from “Just Beginning”, to “Low”, and then “Moderate” and, finally, “Advanced”, the most common answer was “Moderate” across all four Quadrants. Of the two participants who stated that cultural diversity management still had no relevance to their industry, both readily provided ratings for themselves against the scale which was considered to indicate that despite their arguing that cultural diversity had not arrived in their industry, they still supported the competency framework. Across all Quadrants participants’ assessments demonstrated that they felt they had room for development with less than 20 per cent across the model reporting being “Well Developed”.

These self-assessments are not evidenced by the responses. When the researcher tested the evidence it was concluded the participant assessments were overgenerous for three of the four Quadrants. Whilst Quadrant 1 was indeed “Moderate”, the remaining three were more appropriate to a rating of “Low”. There is a significant body of literature that states that self-assessments tend to be favorably inflated, widely known in the literature as “faking good”. Its prevalence is especially reported for research topics where the topic is sensitive (King & Bruner, 2000). This was discussed at length in Chapter 4.
Managers in the Victorian Energy Industry appeared to have an acceptable conceptual understanding of the competencies contained within Quadrant 1 – “Understanding Self” which calls for internal perceptual processes necessary for managing cultural diversity. The researcher agreed that the overall rating was “Moderate” in agreement with the participants, however, this Quadrant was let down by Competency 1.4 “Is proactive in exposing one’s self to a range of cultural experiences” and Competency 1.5 “takes steps to improve one’s own diversity awareness” and Competency 1.7 “Possesses a learning orientation and reviews and revises own strategies”. The examples provided here were of low standard and significant numbers of participants said they had not developed these competencies at all. The researcher concluded that for Competency 1.7 a “generic” managerial interpretation had been taken and not one of cultural diversity management. As it was for only three out of the seven competencies it was decided that no change to the rating should be made and the answer is “Moderate”.

Participants really struggled to evidence the competencies contained in Quadrant 2 – “Understanding Others”. Quadrant 2 saw the participants openly declaring that they did not possess cultural knowledge and could not speak languages other than English, and has been rated as “Low”. The finding of a distinct lack of cultural knowledge seemed most difficult to reason with international news being presented 24 hours per day and a clear preference for Australians to travel to Asia (more detail is provided on this in the detailed discussion below).

For Quadrant 3 – “Workplace Analysis” there was little behavioral evidence of participants actually having acted or conducted themselves in line with what the competencies called for and it is concluded that participants are
really only at the “Low” level of development of these competencies. Further any demonstration of them to date appears to be largely attributable to the compulsory compliance with legislation already in place calling for equality and fair treatment of others.

Unfortunately, essentially the same appears to apply to the presented evidence for Quadrant 4 – “Workplace Application”. Whilst there was a lot of acknowledgement that a lack of cultural diversity had driven a lack of opportunity to demonstrate skills, and to provide motivation for their development in the first place, the conclusion obtained is that the managers in the Victorian electricity industry displayed almost no evidence of being able to implement workplace competencies which are intended to set a conducive context for positive outcomes of cultural diversity and that their level of competency development is “Low”.

**Related Research Questions:**

After the interviews were concluded the researcher assessed the responses as it was considered that the participants very likely “faked good” to “conform to socially acceptable values, avoid criticism or to gain social approval” as the questions were socially sensitive and this has been reported as being the most likely occurrence of these responses (King & Bruner, 2000: 81). This was despite the many steps taken to avoid this through the research methodology – such as by seeking behavioural examples, using objective language, not being judgmental. It is extremely difficult to avoid this response bias when seeking responses to questions which are inherently socially sensitive.
An outstanding example which was deemed both comprehensive (as it contained all the components of a behavioural example) and one which the researcher considered to be “Advanced” (in terms of its’ demonstration that the participant really understood the intent and meaning of the competency) in Quadrant 1 (Competency 1.1) includes – “I know that I find it difficult to subscribe to rigid organizational structures. Here we all see ourselves just as colleagues and not boss and staff (internal perceptual process – understanding how one’s own beliefs affect one’s life and work). Once I met a Japanese manager who, when we met, shook my hand and gave me his business card (situation). I then put the business card in my back pocket and then sat down (action). Afterwards I realized the offence my action may have caused by sitting on his business card. I have tried to be more mindful since (result)”. Equally, an example which did not contain all the elements could still show solid understanding – for example, one participant said for Competency 2.4 Understand and have empathy for cultural norms – recognize and perceive others’ norms before and during interaction, “Like observation of body language”. This equally was considered sufficient to have shown the participant understood the intent of the competency.

RQ 2: To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Management Competency Model to “Understand Self”? Research question two sought to find the extent to which participants believe they have developed competencies to “Understand Self”. As a reminder, this Quadrant was named “Understanding Self” as it contains those competencies which all related to “internal perceptual processes” – like how a personality attribute, attitude, cognition, preference or motivation likely plays out in the workplace.
Quadrant 1: Understanding Self

There are seven individual competencies in this first Quadrant which has been called “Understanding Self”. The comments participants’ provided again each individual competency are both summarized and like comments are grouped together (the same process is also adopted below for the remaining Quadrants).

Competency 1.1: Ability to understand one’s own beliefs and how they affect one’s life and work:

Respondents overwhelmingly reinforced their belief that they demonstrated this through comments like “Yes. I am competent in this” or just “Yes” after restating the competency. Examples of longer answers were “I am very aware of my own attitudes and beliefs and how they affect employees” and “I have an open approach to people and culture”. A couple of respondents wanted to prove their understanding of the competency through providing examples of how they saw the competency in action by giving general examples, like: “Such as a belief of hard work may affect certain cultures who take a more relaxed style”. Not one person felt that they had not demonstrated this competency. The outstanding example provided in the introduction was provided by a participant in relation to this particular competency.

One respondent interestingly agreed firstly that he really believed he had demonstrated this competency as he is aware of his own beliefs, “however, I would not let these affect the way I manage my team of people”. This comment therefore appeared to be the opposite of the intent of the competency as the “monitoring” is an important component, which would not be something one would simply be able to shut off. The concept is more
dynamic than this. Culture and its impact is pervasive. This comment was considered to be indicative of a low level of understanding. This same participant rated himself as “Advanced” in his development overall for the competencies contained in this Quadrant.

The overall assessment for this competency (by the researcher) was “Moderate”.

**Competency 1.2: Ability to monitor one’s own diversity sensitivity and its impact on others:**

In the demonstration of this competency participants provided examples of how they go about learning about people from other cultures, these include: “I watch what is said and how it is said”, “I am aware of how they (people from different cultures) act and behave”, “I watch what is said and who they are communicating with” and “I have to watch what is said and body language to (learn about) people from different cultures” – this was interpreted as the participant paying attention on the dynamic of the interaction when involved with people from different cultures. All of this was categorized as the participants saying that they were learning through critical observation which is a very legitimate development strategy. Others said that they just were doing this by being in a state of readiness, like, “I have an open approach to cultures and people”. One participant believed he could see the competency in others when he said he was “aware of how they are perceived by other people in the way they communicate”. Implying that people who have this competency communicate differently to those who do not. Not one participant believed that they did not demonstrate this competency.

One participant’s example was how he critically observes others to check they do not create problems, “I monitor how they (people from
different cultures) communicate with others and ensure they do not say something offensive”. This was interpreted by the researcher as showing a very poor understanding of the competency as the participant did not appear to understand that this competency was about monitoring one’s own self when with those who are different not catching them out. The participant actually still believed himself to be “Moderate” overall for the competencies contained in this Quadrant.

The overall assessment for this competency (by the researcher) was “Moderate”.

**Competency 1.3: Makes a conscious effort to learn about those who are different:**

The majority of participants believed themselves to be demonstrating this competency through their approach to the management of their personnel – examples include: “I approach employees from different cultures to learn about their cultures”, “I feel that I communicate well with employees from different cultures” and “I put time into speaking to employees from different cultures to establish their needs in the workplace”.

Surprisingly, this was the first competency where three of the participants simply said “No”; meaning that they simply did not believe that they could demonstrate this competency at all. One of these said she did not have time to meet all employees. This was a middle level manager – but from Human Resources. Therefore this is understandable. Her interpretation of “All employees” could number in the thousands.

The overall assessment for this competency (by the researcher) was “Moderate”.

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**Competency 1.4: Is proactive in exposing one’s self to a range of cultural experiences:**

This competency category was synonymous with travel (and eating other foods in the process of travelling). Exposing one’s self to cultural experiences through travel was the answer of most of the participants. One person said that should he be exposed to other cultures in the workplace he will actively research them. Implying that the opposite may also hold true – if not exposed to different cultures he would not do research into other cultures.

One participant got no further than the lunch table, he said, “Yes. I will talk to people at the lunch table”. One participant got nowhere at all. He said, “No. I don’t travel or engage with different cultural activities”. This was difficult for the researcher to interpret. Was it hostility or was it simply a lack of opportunity? It was decided to move on to the next competency with this participant. Another six simply said “No” quite assertively and again it was decided to move on to the next competency (making a total of seven participants who felt they could not demonstrate this competency).

The overall assessment for this competency (by the researcher) was “Low”.

**Competency 1.5: Takes steps to improve one’s own diversity awareness.**

Even though the majority of the participants said that they could demonstrate competency here, there was a significant number who could not. Examples provided by the two thirds who believed that they could were: “by approaching employees from other cultures to learn about their culture”, and “through travel”. One person said it needs to be a requirement of their job role or they would not bother.
Therefore, the remaining third of the participants said they were “not competent” in this competency, making this particular competency the one with the highest number of participants declaring themselves as having not even started to develop competency here. It is hoped that simply participating in this research may lead to awareness and action in the future as this is a very disappointing result. One responded by saying he does not put an effort into learning about cultures – ironically just after he had answered the previous competency has having been proactive in exposing himself to a range of different cultures because he travels.

The overall assessment for this competency (by the researcher) was “Low”.

*Competency 1.6: Is flexible and open:*

Not one participant declared themselves as not competent for the competency, giving the researcher the impression that to do so would have been too personal. While most people just assertively restated the competency – “I’m always flexible and open”. Two participants thought that being able to travel to foreign countries demonstrated this competency as they considered it essential to being successful as a traveler. A presumption which seemed sound.

Unfortunately what really seemed to be missed was any evidence that a cultural diversity management perspective was considered here as not one participant incorporated this in their response and seemed to interpret this as a generic managerial competency.

The overall assessment for this competency was (by the researcher) “Moderate”.

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Competency 1.7: Possesses a learning orientation and reviews and revises own strategies:

There were just three people who said that they did not have competence for this competency. The remainder overwhelmingly restated the wording of the competency and enthusiastically agreed that they demonstrated it. Examples include: “Yes. It is important that if something doesn’t work to revise and seek alternative strategies”, “Yes. Can revise own strategies if something does not have a positive outcome”, and “Yes. Has to try new strategies if one does not work”. Again, the researcher got the impression that participants felt obliged to be positive in their demonstration of this competency and likely interpreted this as a generic managerial competency, and not within the context of cultural diversity management by saying how a cultural factor had caused review and revise their own strategies.

The overall assessment for this competency (by the researcher) was “Low”.

For Competency 1.1, all but two participants gave no real depth of understanding to their answers – like how they had consciously thought about their own beliefs through faith, personality, interest or ability. Competency 1.2 received a lot of answers where the participants thought about monitoring diversity sensitivity in others, but not themselves. No one said that they think carefully about what they say and do or how it may be perceived. For Competency 1.3, the participants gave examples of on the job ways of learning about culture, but no participant even mentioned the many ways off the job cultural knowledge can be acquired – like watching SBS, attending local cultural events, or even listening to the news. This also held true for
Competency 1.4 where the only cultural experiences participants mentioned were those associated with travel or food. Competency 1.5 calls upon managers to take steps to improve their diversity awareness, again the responses seemed to indicate a lack of true understanding of the competency as not one participant mentioned anything close to truly demonstrating the competency – like “I speak to new immigrants about how they are settling in to Australia”. Apparently everyone sampled is flexible and open (Competency 1.6), but no one gave any substantial examples apart from travel. Ramadan got mentioned a couple of times in other respects, but not one person provided an example that linked Ramadan to being flexible and open – like making provisions for prayer time during work time. Finally, for Competency 1.7, there was a lot of discussion about behavioural flexibility, but all participants missed the point of having a learning orientation, according to their responses. An alternate conclusion is that they simply assumed this to be a well mastered generic management competency and just glided over the answer.

To summarize the declarations of not having achieved any competency development - three participants declared themselves “No – not competent” for the competency of “Makes a conscious effort to learn about those who are different”, a very high ten participants declared themselves “No – not competent” for the competency of “Takes steps to improve one’s own diversity awareness” and three said they were “No – not competent” for “Possess a learning orientation and reviews and revises own strategies”. This means that between ten and thirty three per cent saw themselves below competence somewhere in this Quadrant. However, for the majority of the competencies, a “Moderate” rating was achieved, both by the participants and
by the researcher. Therefore, the answer to the research question of “To what extent to managers in the Victorian Energy Industry believe they have developed the “Understand Self” competencies identified in the Diversity Management Competency Model to effectively manage diversity in the workplace?” is - “Moderate”.

RQ 3: To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Management Competency Model to “understand others”? Research question three sought to find the extent to which participants believe they have developed competencies to “Understand Others”. The researcher’s expectation for examples in this Quadrant which would have attracted an “Advanced” rating would be like “I attend and participate in Chinese New Year festivities in Springvale (Melbourne) each year. I watch the dragon and cheer him along”. Another “Advanced” example may have been, “I exchange recipes with my Italian friends at work. We each go home and attempt the recipes and talk about how they turned out” (have cultural empathy: Interact with and value difference). Unfortunately, examples did not reach this level of understanding and detail.

Quadrant 2: Understanding Others

This Quadrant contained 6 individual competencies. It was named “Understanding Others” as it contains those competencies which are about comprehending and sympathetically being aware of other people. A strong (“Advanced”) example of past behavior demonstrative of this competency is – “I am an active news watcher. Each time a cultural story comes on TV, I go to the internet to search where this country is located so that I can associate that cultural issue with a country” (Ability to acquire cultural knowledge).
**Competency 2.1: Ability to acquire cultural knowledge.**

Most participants said that they do actually take the time to learn about the different cultures in the workplace – thereby demonstrating their ability to acquire cultural knowledge.

Five participants boldly stated that they do not bother as it is not an interest of theirs. The researcher did not pursue this further so as not to make value judgments, however, this is certainly disappointing. It is only hoped that should they find themselves managing multicultural workers that their level of interest in developing competency in this regard significantly increases.

The overall assessment for this competency (by the researcher) was “Low”.

**Competency 2.2: Understand and have empathy for cultural norms – recognize and perceive others’ cultural norms before and during interaction:**

There was unanimous support from the participants that they could demonstrate this competency. All of the examples were along the lines of being considerate in interactions – through things like observation of body language/eye contact, providing time off for significant cultural events like Ramadan, recognizing cultural norms when interacting.

The overall assessment for this competency (by the researcher) was “Moderate”.

**Competency 2.3: Exhibit situationally appropriate verbal and non-verbal actions when interacting with people from different cultures:**

The examples used for the participants’ demonstration of this competency had a lot of similarity to those provided in the competency directly above. The researcher determined that the participants did not truly
understand the difference in the two competencies, but that responses were generally acceptable. Some examples include: “Yes. I am aware of appropriate ways of communicating that will not offend other cultures”, “Yes. I am open to all people from different cultures”, “Yes. I am mindful of body language and the way things are said when communicating with employees from different cultures”, and “Yes. People need to be aware of the way they speak and body language which is appropriate to certain cultures, such as waiting for the other person to initiate a handshake”. The researcher concluded that perhaps the participants had not heard the “situationally” component of the competency, however, three of the participants simply stated “No”, whereas no one had said “No” for the earlier competency. One participant said, “No. Not sure how to”. The researcher thought it best to leave the questioning there so as not to prompt the participant too much.

The overall assessment for this competency (by the researcher) was “Moderate”.

**Competency 2.4: Have cultural empathy: Interact with and value difference:**

There was overwhelming support for this competency. Participants were keen to demonstrate the competency through comments like “Yes. I value differences of people”, and “I try to understand the needs of different cultures”. Unfortunately, when it came down to it, not one person gave a comprehensive behavioural example.

The overall assessment for this competency (by the researcher) was “Moderate”.

**Competency 2.5: Know economic, legal, value and social systems of different cultures/subcultures:**
Nine of the participants said that they know the basics of some Asian cultures (one specifically mentioning India, one giving the example of Malaysia and another citing China and Indonesia). One person (who incidentally was born in Australia but identifies as Maltese) said he knows the economic, legal, value and social systems of just Malta. Two of these people simply said they “Know the basics” (of a few, unspecified) cultures. Nine people simply said they do know the economic, legal, value and social systems of different cultures/subcultures without any further elaboration and the researcher considered it best to leave it there, rather than confront them on their knowledge. An astonishing 12 participants said “No”, they do not have this knowledge. One said he doesn’t put in the effort to learn.

The overall assessment for this competency (by the researcher) was “Just Beginning”.

*Competency 2.6: Foreign language proficiency.*

When it comes to foreign language proficiency there was not a lot of capability amongst the managers interviewed. This single competency had by far the highest “No. Not competent” rate across the entire DMCM and really pulled down the overall assessment rating for this Quadrant. Two speak Indonesian (and one of these Chinese as well), one speaks Dutch and French, one speaks French and German, three speak Italian, one speaks Maltese – making a total of eight people who speak another language and only two in thirty can speak a language of a country geographically close to Australia (and only two speaking Asian languages in total. This is a low level of foreign language proficiency by any measure, but most certainly below the expectations of “Australia in the Asian Century White Paper”. Current levels of foreign language proficiency in the Australian population are estimated to
be at around 16 per cent (of these 73 per cent speak an Asian language - Mandarin, Chinese, Vietnamese, Hindi and Tagalog). Making Asian languages spoken by around 12 per cent of the Australian population, but by only 7 per cent of the participants (Australian Census, 2011).

The overall assessment for this competency (by the researcher) was “Just Beginning”.

The researcher was very surprised at the lack of any real effort demonstrated across this Quadrant. For Competency 2.1 many said that they got their cultural knowledge from the workplace, even though many had said loud and clear that their workplace was not yet multicultural. Competency 2.2 was actually pleasing with good solid examples. Competency 2.3: it appeared the “situationally” part got lost in that cultural norms can’t always be followed as the situation may preclude it – such as time urgency in working with cultures who do not monitor and measure time in the same manner. For Competency 2.4, asking for cultural empathy, no one gave behavioural examples of having done so. Competency 2.5, was very disappointing with 12 participants saying they did not know economic, legal, value and social systems of other cultures. With today’s 24 hour news coverage and social media, the researcher believed this to be almost a given. The results for the final competency (2.5) in this Quadrant, language proficiency, were low but there is no apparent requirement in the current work environment any way. Only two people said they were proficient in an Asian language.

Five participants (17 per cent) said they do not take the time to “Acquire cultural knowledge”, three said “No – not competent” for the third competency (“Exhibit situationally appropriate verbal and non-verbal actions when interacting with people from different cultures”), twelve (40 per cent)
said they did not have competency in knowing the economic, legal, value and
social systems of different cultures/subcultures and only eight (27 per cent)
believed they had foreign language proficiency – meaning twenty two (73 per
cent) being in the “No – not competent” category. Therefore, the “below
competent” component was between 10 and 73 per cent.

The answer to the third research question of “To what extent do
managers in the Victorian electricity industry believe they have developed the
competencies identified in the Diversity Management Competency Model to
“Understand Others”? Clearly, with up to seventy three per cent of participants
failing to demonstrate one or more of the competencies of the Quadrant, and
forty per cent had not even begun to develop one or more of the competencies
of the Quadrant, the managers are “Low” in their current level of competency
development.

RQ 4: To what extent do managers in the Victorian Energy Industry believe they
have developed the competencies identified in the Diversity Management
Competency Model to conduct “workplace analysis”? Research question four
sought to find the extent to which participants believe they have developed
competencies to conduct “Workplace Analysis”. The results are provided
firstly in terms of what the participants actually said and then how they rated
themselves, and then how the researcher rated the responses. A behavioural
example the researcher hoped to find in this category and which would have
rated “Advanced” was “One of my employees is Indian. He is vegetarian.
One night I went to his place and he cooked us dhal. I might become
vegetarian (joking). I really got to know him and what he likes to do at work”.
(Understand the diversity composition of the workplace and value differences
as opportunities for business and learning). In fact, this example was
provided by a former industry manager with whom the researcher was speaking generally about the research and who was not in fact a participant as by the time the research was underway he had retired. Below are the actual results:

**Quadrant 3: Workplace Analysis**

This Quadrant has 5 competencies. It was named “Workplace Analysis” as it contains those competencies which are considered necessary to analyze the functioning of the workplace’s performance against the objective of creating an environment which is inclusive and effective in realizing the benefits of cultural diversity – most importantly, competencies which aim to achieve “integration and learning” as well as “fairness and equality of opportunity” and how the workplace can be changed with new or adapted HRM policies. An example in this Quadrant considered worthy of an “Advanced” rating was “I have noticed that an X (culture) member of our team is very quiet. I think it’s because he sees himself in the minority. I would like him to express his ideas and take initiative to lead projects, but he never puts himself forward. I know he has these skills. For the X conference coming up I asked him to perform the role of Conference Coordinator”.

*(Know how the advantages and disadvantages of diversity manifest themselves in the workplace)* The results are as follows:

**Competency 3.1: Know how the advantages and disadvantages of diversity manifest themselves in the workplace:**

There were four people who said that they felt that they had not developed competency in how the advantages and disadvantages of diversity manifest themselves in the workplace. The remaining participants all said supportive things like that “Each employee in a diverse workplace possesses
unique strengths and weaknesses derived from their culture in addition to their individuality”. This really reflects the essence of all of the comments made. One person agreed that they meet the competency requirements, but stated that their workplace is not diverse at present so they did not get an opportunity to demonstrate this in their current workplace.

The overall assessment for this competency (by the researcher) was “Low”.

**Competency 3.2: Understand the diversity composition of the workplace and value differences as opportunities for business and learning:**

Six people said they could not demonstrate this competency. The remainder espoused benefits like intellectual development, understanding of current surroundings and the world. There were humanistic views as well, like promotion of dignity and respect as well as the avoidance of tension in the workplace. Just one person responded by pointing out that these differences could have benefits to the business, but did not say what kind of benefits – which is endemic to the competency itself. One person gave the very developed and detailed example described in the introduction to this Quadrant.

The overall assessment for this competency (by the researcher) was “Low”.

**Competency 3.3: Identify workplace management practices and HRM systems which prevent discrimination and disadvantage:**

Many of the participants pointed out it is a requirement of their position to implement this competency, simply saying “We have to”. Another stated the same thing, essentially, by saying “Yes. Companies that employ a diverse workforce must create a culture that promotes dignity and respect to
avoid tension between employees”. He did not point out if he was talking about his company, however.

There were six participants who said they could not demonstrate this competency at all. Just one of the six said that this is because he is not exposed to diversity in his current workplace.

The overall assessment for this competency (by the researcher) was “Low”.

*Competency 3.4: Monitor and comply with legislation in relation to EEO.*

All but one person said they “have to” monitor and comply with legislation in relation to EEO as a job requirement, therefore they have developed competency in this regard.

Unfortunately one participant said he did not know what EEO legislation was – even after the acronym was broken down (Equal Employment Opportunity). The researcher decided not to elaborate so as to not to potentially embarrass the participant.

Due to the strength and frequency of the assertions made that because they “have to” the participants do in fact monitor and comply with legislation in relation to EEO, it was decided that the rating should be “Moderate”, despite the lack of examples. It would have been pleasing to have had statements of support for the principles of fairness and equity which motivated this legislation, but the low levels of diversity probably means that there is not much to implement for this competency (apart from other forms of diversity like women and Australia’s indigenous).

The overall assessment for this competency (by the researcher) was “Moderate”. 
Competency 3.5 Find opportunities for cross cultural learning through workplace functioning.

A significant number of participants (twelve) said that they have not developed competency in finding opportunities for cross cultural learning through workplace functioning and their reasons were unanimous - that their current workplace is not multicultural and therefore does not afford such opportunities, and that being the case, the competency has no relevance any way.

Those that did believe themselves competent said that they did so as businesses need this competency or “It is very important that these opportunities be found”. Not one person actually appeared able to provide a behavioral example - even when slightly prompted through the researcher asking “can you think of an example of an opportunity you have found in your workplace?”

The overall assessment for this competency was (by the researcher) was “Just Beginning”.

Competency 3.1, knowing how the advantages and disadvantages of diversity manifest themselves in the workplace – the examples were quite sound, but none showed consideration of disadvantages. For Competency 3.2, not one example of valuing difference as an opportunity learning having been identified through workplace functioning was provided. Competencies 3.3 and 3.4 which were both about prevention of discrimination and disadvantage – through management and HRM practices and complying with EEO, most respondents said they had to. The responses appeared to lack a depth of understanding as to why these are so critical in terms of motivators for this like enhanced wellbeing of personnel and effective use of resources.
Finally, there were no examples of opportunities for cross cultural learning having been found through workplace functioning – like if a new manager had arrived from overseas.

Four people (13 per cent) believed that they did not meet the competency of “Know how the advantages and disadvantages of diversity manifest themselves in the workplace”. Six people (20 per cent) believed they did not meet the competency requirements to “Understand the diversity composition of the workplace and value differences as opportunities for business and learning”. Six (20 per cent) believed that they did not feel competent in the identification of workplace management practices and HRM systems which prevent discrimination and disadvantage, one person said he was unable to demonstrate the competency of monitoring and complying with legislation in relation to EEO. Finally, a huge twelve (40 per cent) felt they lack the competency calling for managers to “Find opportunities for cross cultural learning through workplace functioning”. Meaning between three and twenty per cent of participants were below competent across this Quadrant of competencies.

The answer to the research question of “To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Management Competency Model to conduct “workplace analysis”? is “Low”, given that up to forty per cent of the participants could not demonstrate one or more competencies.

*RQ 5: To what extent do managers in the Victorian Energy Industry believe they have developed the competencies identified in the Diversity Management Competency Model to “Apply” to the workplace cultural diversity management competencies?*
Quadrant 4: Workplace Application

The final Quadrant was called “Workplace Application” and it also contains 5 competencies. This Quadrant contains those competencies that relate to implementing workplace actions which are known to set a positive context for the achievement of positive cultural diversity outcomes – through acting against those barriers to the realization of cultural diversity’s benefits. A behavioral example from this Quadrant which would have attracted an “Advanced” (and again was one from earlier discussions) rating was “I know that Asian people do not like to get into open argument. They prefer to speak privately about their point of view. Recently, we had a meeting where it was clear that people were not happy with the outcome and things got pretty heated. I noticed that a particular Asian member of staff was overly quiet. Later I asked her to meet me behind closed doors and she explained her objections with the issues raised in the meeting (Manage conflict over difference)”.

The overall assessment for this competency (by the researcher) was “Moderate”.

Competency 4.1: Open communication with workgroup members, e.g. “Open door policy”.

There did not appear to be the least bit of controversy about this competency. There was unanimous agreement by participants that this was their standard mode of operation in their capacity as manager. They all gave confirmatory comments like “Yes. I utilize an open door policy for all employees”, “Yes. I am always approachable”, and “Yes. I like to believe I am approachable to everyone if they have issues”. Not one person gave an example of the last time someone walked through the door with an issue and
the researcher did not like to ask since all participants came out with their response so assertively positively. Further questioning may have been perceived as insulting.

The overall assessment for this competency (by the researcher) was “Moderate”.

*Competency 4.2: Manage conflict over difference. Identify sources of conflict and use culturally appropriate and sensitive methods of managing conflict in the workplace:*

All but one participant believed that they had competency in respect to managing conflict over difference. Three people did, however, point out that they had never actually faced conflict along cultural or racial lines in their job as manager. All considered the management of conflict as essential to their role and that they could assert that they had completed training in conflict management. Despite this no one provided an example, even of “generic” conflict management to back this assurance up. Given the apparent low number of people from non-Anglo Celtic cultures in the workplace, it is considered that these managers may have incorrectly assumed that the management of intercultural conflict is in fact covered in their existing competency set.

The overall assessment for this competency (by the researcher) was “Moderate”.

*Competency 4.3: Value and be an advocate for positive cultural interaction – encourage workplace debate on cultural diversity issues:*

All but two people believed that they had the ability to demonstrate this competency and that they are advocates for debate as “it is important for all employees to get along”. The two dissenters said no on the basis that they
did not believe the competency had relevance in a non-multicultural workplace. Again, the researcher got the impression that they considered this competency to be very much a part of a general managerial competency of interaction management and that many of the participants had not really put this into practice when it came to cross cultural interaction.

The overall assessment for this competency (by the researcher) was “Moderate”.

*Competency 4.4: Educate on the effects of prejudice and racism and take remedial action in the incidence of racism, hatred or violence:*

This was another competency that most participants felt they had, but could not provide examples of having implemented, as they stated that they had not experienced racism in the workplace. Three people said that they had not developed the competency for this very reason. This does seem unusual as when the researcher was in the industry there appeared evidence of it – such as race related joke telling, nick name calling and racial stereotyping. It is possible that over the past decade, strong enforcement of HR policies against discrimination has resulted in suppressing overt discrimination in the workplace.

The overall assessment for this competency was “Just Beginning”.

*Competency 4.5: Afford opportunities for cross-cultural learning:*

Seven of the participants felt this was not a competency they had acquired as yet. Many of the participants argued that their current workplace did not need people to have cross cultural learning. One even said it was too expensive. The remaining twenty three believed that their organization provided some opportunities for cross cultural learning. Examples related to
attending conferences overseas, company sponsorship of cultural events and secondments to overseas operations.

The overall assessment for this competency (by the researcher) was “Low”.

This Quadrant’s competencies seemed to be those the participants could well relate to. The problem was they tended to perceive them and respond to them without the cultural implications. This appeared to be the case for Competency 4.1, 4.2 and 4.3 (open communication, conflict management and advocacy). There was widespread denial of any racism or prejudice (Competency 4.4) and no real examples of affording opportunities for cross cultural learning (Competency 4.5). Some participant’s seemed to take the “afford” to mean cost and, if costs, then no, they would not tend to do that.

The participants believed this was their strongest Quadrant, but this overconfidence appeared to have come from a belief that the competencies being assessed were the “generic” managerial ones and not specific interpretations and that this emanated from a lack of opportunity for the demonstration of these skills to cross cultural management tasks. The almost total absence of any solid behavioural examples also did not assist as the participants did not demonstrate the competencies at all.

Only one participant (3 per cent) believed they did not possess “Managing conflict over difference” competency, two people (6 per cent) said they did not “Value and be an advocate for positive cultural interaction – encourage workplace debate on cultural diversity issues”. However, the final competency in this Quadrant attracted seven people to declare themselves “No – not competent”. Again, with between three and twenty three per cent
of participants assessing themselves as “No – not competent”, an overall rating of “Low” is deduced for this Quadrant. Therefore, the answer to the research question of “To what extent do managers in the Victorian Energy Industry believe they have developed the competencies to “Apply” to the workplace cultural diversity management competencies?”, the answer is “Low”.

**RQ 6: What suggestions to managers in the Victorian Energy Industry have for additional competencies for inclusion in the DMCM?** Overwhelmingly, participants could not think of any further competencies to be included in the model. There were two people who provided comments here and these were “How you are brought up is important” and “Management requires a more diverse skills set “nowadays”. The second was “Managers are now required to be taught a lot more skills and are chosen on openness to different cultures”. Both were considered to be a statements of opinion, rather than additional competency suggestions. One person suggested “empathy”, but did not elaborate further. The concept of empathy is included in the model in a number of ways already – particularly in the quadrant of “Understanding Others”. Another suggested “tolerance and behaviour competencies”. The concept of “tolerance” is considered to have already been incorporated within the model – again, most particularly in the quadrant of “Understanding Others”. Therefore, it is considered that the DMCM has achieved the development goal of being “comprehensive”.

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### Table 3: DMCM Quadrant Findings

<table>
<thead>
<tr>
<th>Quadrant</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Understanding Self</td>
<td>Understanding own beliefs: Moderate</td>
</tr>
<tr>
<td></td>
<td>Monitor diversity sensitivity: Moderate</td>
</tr>
<tr>
<td></td>
<td>Makes a conscious effort to learn: Moderate</td>
</tr>
<tr>
<td></td>
<td>Is proactive: Low</td>
</tr>
<tr>
<td></td>
<td>Takes steps to improve: Low</td>
</tr>
<tr>
<td></td>
<td>Is flexible and open: Moderate</td>
</tr>
<tr>
<td></td>
<td>Possesses a learning orientation: Low</td>
</tr>
<tr>
<td></td>
<td>Overall: Moderate</td>
</tr>
<tr>
<td>2: Understanding Others</td>
<td>Ability to acquire cultural knowledge: Low</td>
</tr>
<tr>
<td></td>
<td>Understand and have empathy for cultural norms: Moderate</td>
</tr>
<tr>
<td></td>
<td>Exhibit situationally appropriate verbal and non-verbal actions: Moderate</td>
</tr>
<tr>
<td></td>
<td>Know economic, legal, value and social systems: Just Beginning</td>
</tr>
<tr>
<td></td>
<td>Foreign language competency: Just Beginning</td>
</tr>
<tr>
<td></td>
<td>Overall: Low</td>
</tr>
<tr>
<td>3: Workplace Analysis</td>
<td>Know how the advantages and disadvantages manifest: Low</td>
</tr>
<tr>
<td></td>
<td>Understand the diversity composition of the workplace: Low</td>
</tr>
<tr>
<td></td>
<td>Identify workplace management practices: Low</td>
</tr>
<tr>
<td></td>
<td>Monitor and comply with legislation: Moderate</td>
</tr>
<tr>
<td></td>
<td>Find opportunities for cross cultural learning: Just Beginning</td>
</tr>
<tr>
<td></td>
<td>Overall: Low</td>
</tr>
</tbody>
</table>

| 4: Workplace Application              | Open communication with workgroup: Moderate  |
|                                       | Manage conflict over difference: Moderate  |
|                                       | Value and be an advocate: Moderate  |
|                                       | Educate on the effects of prejudice: Just Beginning  |
|                                       | Afford opportunities for cross cultural learning: Just Beginning  |
|                                       | Overall: Low  |

| DMCM Overall                          | Low  |

**RQ 7:** What strategies do managers in the Victorian Energy Industry believe should be adopted to address diversity competency assessment ratings for all quadrants having been deficiencies? Despite the most common self-returned as between “Low” and “Moderate” which indicates that the managers who participated in the research by and large have major competency deficits in
regard to cultural diversity management, almost every participant offered a contribution to this question.

In this section of the interview most people felt the need to offer an opinion, most appeared to be based on a compulsion to comment when it appeared that they had not really considered the issue before as they appeared to struggle to come up with a behavioural answer. It was considered positive that they did want to offer comment and all candidates were thanked for having made a contribution. By far, the majority of responses in this section could be seen as statements of support rather than suggestions for development. Fifteen of the participants provided responses that were classified as such. They ranged in complexity from “Further training on cultural diversity in the workplace” to “Huge impact on managers”. It is very important to understand how cultural diversity impacts on the workplace and what triggers workers and people. This can be seen as positive acknowledgement that cultural diversity management is important. This can be interpreted as participants’ calling for “cultural awareness training” which is the first training recommendation to culturally diverse organizations according to Cox and Blake (1991: 53).

The second biggest category, with seven participants’ answers, was that which has been categorized as relating to systemic HRM practices with responses like “Have good discrimination rules in place”, “Managers need to keep to regulations”, “Develop practices more open to diversity”, and “Sound employment opportunities for all”. It was considered that these fitted in very well with the competencies included in the DMCM’s Workplace Analysis and Workplace Application Quadrants, and again could be viewed as statements of support rather than training and development suggestions. Sue (1991: 99)
placed these types of training needs in her “barriers” (differences, discrimination and systemic factors) and “functional focus” (recruitment, retention and promotion) categories of her 3 x 3 diversity training model. The other training needs categories of the model is the competencies themselves.

Six people suggested informal training processes and using existing resources available in the local community or the workplace in an informal way. One person felt that this could be achieved locally by identifying “ethnic groups working for you and approaching their traditional associations for advice and provide training to managers to raise awareness of their social norms”, another said this could be achieved through “…informal networking, such as bringing in traditional food to lunch to spark a conversation about different cultures and different skills required”. Two people were more general simply saying “More opportunity for open discussion around cultural differences” and “Get to know people from different cultures outside of work, in non-formal settings”. Four people liked the idea of more role playing. Three of these were just simply stated “role playing/modelling” or “situational awareness/scenario training”, and the fourth elaborated a bit further saying “Role playing, for example getting a script on how they should behave in certain situations to get a feel for different cultures and develop more empathy”. Four people made very general traditional training comments – like “More developmental assistance for employees from different cultures that they need to work on, for example language skills for employees with limited English”, “Education campaigns/programs on cultural diversity competencies required for managers”, and “More training and exposure to cultural learning, e.g. On how cultural traditions impact on their work, like Ramadan”. These are all examples of a “skill building” training initiatives
according to Cox and Blake (1991: 53) and they argue this is the second most common type of cultural diversity training.

There was only weak support for the idea of having overseas experience as a means of development with just two people suggesting it - “More overseas assignments for managers to develop their knowledge on different cultures”, and “more overseas assignments”. This was surprising given that 10 per cent had earlier stated they had work/travel aspirations for non-Anglo-Celtic Countries.

One person felt that the “traditional management skills” – communication in particular, were letting things down as “Communication processes are average and managers will need to build on this”. Although communication is included in the model, it is used in a specific way in relation to cultural diversity management. This comment was interpreted as not meeting the intention of the model’s communication competency. One participant said they needed workplace signage in different languages and one said that managers needed to “Actively seek out further knowledge on competencies required for diversity management competence”. This could be viewed as a general comment of support.

Two people stated that they did not believe cultural diversity had arrived in their workplace and made their opinions in this section. It had not prevented them from fully participating in the research in all other respects. One person stated “I am not currently exposed to different cultures in the workplace”, and the other responded by saying he wanted it noted that “The participant’s workplace is not very culturally diverse. There is a low turnover and these competencies are not required in the current workplace. Current managers have not built on their cultural competency as it is not required”.

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This was not rejection of the DMCM, but rather of the expectation that cultural diversity had actually arrived in the workplace of the Energy Industry.

The final question of the interview asked whether the participants had any further remarks to make about the competency impact of working in culturally diverse environments. Only four people answered this with any comment and the remaining twenty-six simply said “No”. One of the comments was an elaboration (from one of the same participants who had said this earlier in relation to training) on how he did not believe he worked in a culturally diverse work environment yet and the other three were further statements of support like “Being open to differences is an important quality for Managers to have, as some cultures require certain traditional days off, like Ramadan”.

Summary

Overall, in relation to the electricity industry, it would appear that multiculturalism is still very much in its infancy and its managers’ competency development progress, to meet the challenges that this will eventually present, is low to moderate. The small number of real behavioural examples provided appears to have emanated from a lack of actual behavioural experience. This in turn appeared motivated by the apparent lack of need to acquire and develop the competencies of the model. However, there was very apparent interest and enthusiasm for the subject and the participants’ future personal development. With the current low level of
managerial turnover, it may be that some other major force in the industry yet to occur will open up the industry to new people.

From the on ground implementation in the electricity industry it is concluded that the DMCM was both well accepted and, the results would indicate, considered to be comprehensive. There was still plenty of scope for the majority of participants to further develop the competencies included in the model, both in terms of the participants’ own ratings and in terms of those of the researcher. The really pleasing conclusion is that the participants have started their development of the cultural diversity management competencies identified in the DMCM. The dominant Quadrant, where participants considered themselves to be further developed and the examples given were stronger, overall was Quadrant 1 – Understanding Self, which came in at a “Moderate” level. The remaining three Quadrants came in at the “Low” level.

The next and final chapter contains a broader discussion on what the findings mean for research and practice.
CHAPTER 6: DISCUSSION AND CONCLUSION

Introduction

This chapter starts with a synopsis of community debate on multicultural issues and what the electricity industry’s perceived priorities should be in the news at the time the research finished to provide signposts to the future of both. Then the conclusions drawn from the demographic and cultural experience data are provided along with what was evidenced about the research questions and the implications of these findings for both theory and practice. Potential areas for future research are also identified.

Current Debate

Multiculturalism

There is no doubt that the challenges of managing in the context of multiculturalism in Australia will continue to grow as the number of workforce participants from other cultures continues to rise. In fact, during the course of this research, the issue of people immigrating to Australia not for refugee reasons, but purely for economic ones, became a hot topic of discussion as it appeared that people from developing countries are increasingly choosing to take their chances on improved personal economic prosperity in developed countries – as particularly evidenced within the European Union with significant numbers from disadvantaged Eastern European countries seeking new lives in the more prosperous West. This will
add to the many forces already impacting on Australia’s cultural diversity in
the future.

In July 2014 there was great debate in the media about a boatload of
people trying to enter Australia who had journeyed from Sri Lanka illegally
and whether or not these people were “true refugees” or trying to “better
themselves” and therefore identified as “economic refugees” aiming to gain
improved employment conditions in Australia, bypassing formal immigration
channels which arguably cater for this to some extent. They raised a question
on the implications of this now and in the future given that the Australian
government no longer considers Sri Lanka to be under civil war nor
dangerous to its citizens. At the same time the Australian government was in
negotiations with Japan (among many others) as a prospective preferred
trading partner which could, in the future eventuate in some type of economic
trading block like the European Union which has directly facilitated cross
boarder migration. Indeed Australia already has components of such an
agreement with New Zealand whose economy lags behind that of Australia
by many measures. New Zealanders are already able to join our health,
employment and welfare systems preferentially. The final current issue is
whether or not a person who seeks refuge should or should not be permitted
to stay in Australia long term or be given safe “refuge” only until the
persecution or war ceases and then immediately return to their home country.

All of these factors have the potential to change the vocational
capabilities of our future immigrants and the opportunities in the Australian
workplace these ultimately provide access to.
The Electricity Industry

Even within the Victorian electricity industry the winds of change are also blowing. There is increasing pressure for the closure of “dirty old” brown coal burning power stations – like Hazelwood and Yallourn. Other issues include, power stations who emit high levels of CO2, widely deemed the cause of man-made global warming, the questionable economic viability of businesses in the industry (burdened by huge finance charges), and the introduction of new players – for example “renewables” like large scale solar installations. At present the brown coal power stations, based regionally in the Latrobe Valley, are still relied upon for generating 75 per cent of the State’s electricity (Powercor, 2014). All of which is likely to have both an impact on existing personnel and the possible increase in the potential levels of cultural diversity within the industry and indeed the need to manage this diversity.

Conclusions

Main Research Question

The principal finding of the research is that managers in the Victorian Electricity Industry believe they have developed the competencies identified in the Diversity Management Competency Model (DMCM) to a Moderate level. However, the researcher, through critical review of the evidence, rated their development of the competences to effectively manage diversity in the workplace as being Low. This means that managers in this industry have a developmental challenge ahead of them, if they wish to reap the perceived benefits cultural diversity in the workplace affords.
Demographics and Cultural Experience

The results of this thesis indicate that the managers themselves are not yet culturally diverse and just over half of the sample believed that they had people reporting to them who had been born overseas. A massive ninety three per cent of participants believed they work with one or more people who had been born overseas, but plainly the other evidence did not support this with a large number of people later stating that they did not in fact have a multicultural workplace. The managers themselves were overwhelmingly Anglo Celtic (and male) as found by Syed and others (2009). As initially suspected, multiculturalism is a late comer to this industry – and it may be argued has not yet arrived. What has been a surprise is just how late it appears to be, despite the privatization of this industry almost twenty years ago. There are many reasons why this is the case: perhaps because of a pause in recruitment or that non-European persons had for one reason or another have not yet penetrated managerial ranks in both Australia and/or the country of the ownership of the organization. There could be many reasons, apart from racial or ethnic considerations for this to be the case – like a lack of skilled applicants from diverse backgrounds (this is after all a technologically intensive industry requiring personnel who are up to the task), through to discriminatory employment practices. The most likely reason seems to be a lack of new people entering the industry. In any case, there were absolutely no non-Europeans in the sample. In addition, another conspicuously absent group was women, with only five women in the entire sample and all of these were from HRM specialist units and all identifying as being “Middle Management” and not in the more technical side of the business – most often structured as “Operations” and “Maintenance” and then with a number of
“support” functions like Human Resources Management, Procurement, Finance, and Public Relations. There were no managers who identified as indigenous. Again, whilst this type of diversity was not the focus of the research, it is disappointing. If the goal of Equal Employment Opportunity is that in an organization, employees’ cultural, gender and indigenous, etc. levels should reflect those of the general community at all levels, then there is clearly a long way to go.

It was pleasing to find that by far the majority of participants were able to report that they had worked and/or travelled overseas to non-Anglo Celtic countries. However, they would prefer to travel there than to work there. This is indeed consistent with Australian Bureau of Statistics figures which show most Australian travelers are going to either South East Asia (Brunei, Burma (Myanmar), Cambodia, East Timor, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, and Vietnam) or Oceania (Australia, Papua New Guinea, New Zealand, the Solomon Islands, Fiji, Vanuatu, Samoa, Kiribati, Tonga, Micronesia, Palau, Marshall Islands, Tuvalu and Nauru). The top ten destinations being New Zealand, Indonesia (Bali), the United States of America, Thailand, the United Kingdom, China, Fiji, Malaysia, Hong Kong and India. Perhaps Australian tourists can holiday (and possibly even work) in these countries, where English is not the national language, without having to learn much or any of the local language as tourism for the English speaking is well developed or that many of these tourists are in fact returning to the countries from where they have come.

This is broadly consistent with the objectives of the White Paper “Australia in the Asian Century” – which also includes both India and China and may almost qualify as the first stage of the cultural understanding
“Educated Traveler” (World Learning Context) model (cited in Fantini, 2000: 30). In any case, it is by far an advancement on what McNally and Parry (2000) found to be the case for managers in the New Zealand finance sector fourteen years ago whose travel was found to exclude these countries. Not one participant mentioned that they would like to visit the country where the foreign stakeholders of the firms they work for are based – for example Singapore in the case of AusNet Services (formerly SP AusNet), France in the case of GDF Suez, Japan in the case of Mitsui and Hong Kong, China in the case of Energy Australia, Yallourn and Powercor.

**Research Question 1**

The first research question asked the extent to which managers in the Victorian electricity industry felt they had developed the competencies contained in the DMCM. Unfortunately the researcher concluded that the participants rated themselves more highly across all competencies of the DMCM than the evidence presented appeared to warrant. The participants rated themselves as being “Moderate” across the model. The researcher concluded that the participants’ examples were more appropriate to a rating of “Moderate” for “Understanding Self”, and “Low” for “Understanding Others”, “Workplace Analysis” and “Workplace Application”. This means that the researcher considered participants to be better at the understanding themselves than any of the remaining components of the DMCM.

It was frequently pointed out by the participants that they felt their workplace was not yet multicultural as the reason for not being able to generate behavioural examples and the demographic data supported this. The participant’s enthusiasm for the topic suggests that they have already
benefitted through increasing their awareness of the competencies needed for cultural diversity management and not one participant expressed that any of the competencies contained in the model was irrelevant. It is hoped that this exposure to the DMCM may ultimately assist in their development of the competencies either now or in the future through participants having realized that cultural diversity management has come with multiculturalism, and their industry will not be exempt forever.

**Research Question 2**

The second research question asked to what extent managers in the Victorian Energy Industry believe they have developed the competencies to “Understand Self”. The findings showed that the major issues with making a conscious effort to learn about those who are different, taking steps toward improving one’s own diversity awareness, and possessing a learning orientation. However, due to the strength of demonstration of the other competencies compared to this one, it was determined to leave the overall rating at “Moderate”. There appeared to be a real shortage of motivation for cultural diversity management learning in general, or more specifically what could be an opportunity for transferrable learning experiences. The participants did not seem to be able to view non-work experiences as learning opportunities and their definition seemed confined to very formal learning methods; like the completion of a course or a degree, and not that participation in local cultural events, actively watching the TV news and teaching yourself where cultural news comes from. It may also be that it is only the formal learning that is recognized and rewarded by the organizations to which they belong and/or that cultural diversity knowledge is low or not spoken of in
their workplace. With a lack of cultural diversity in the workplace, there are also few opportunities being presented in the workplace, either formally or informally. For example, being asked by a colleague to join in festivities for Chinese New Year, or attending celebrations for Eid ul-Fitr.

Of course this goes both ways, and it is just as important that the majority of Australians who come from the still dominant English – Irish heritage reciprocate and invite new and/or those of Australians of other racial backgrounds to traditional Australian cultural events in their own homes and elsewhere – like family summer BBQs, Christmas parties, ANZAC Day and Australia Day Picnics. This cultural exchange can be beneficial for all. There are also many common cultural activities, for example Indian Australians have a great admiration for cricket and so do a great many Australians, Chinese New Year is increasingly celebrated by all and so too is St Patrick’s Day (Ireland) and Halloween (United States of America). Australia also has a strong food culture with cuisines from all over the world enjoyed, but most particularly some form of Asian, such as Thai and Chinese, and Italian (Elliott, 2012).

In terms of the definition of the competencies in this Quadrant, participants appeared to have least developed what Van Dyne et al (2008) identified when they stated “successful cultural interaction requires a basic sense of confidence and interest in novel settings”. They called it a “Motivational” component. It is therefore recommended that strategic HRM in this industry consider increasing this motivation through initiatives such as recognizing those who make a contribution to cultural knowledge in the workplace – like a manager speaking about culture in their travel or work experiences abroad and that this be recognized with praise by the
Researchers Tsai et al. (2007: 167) believe increasing motivation for learning is not difficult and simple initiatives like this can have a significant impact on both personnel and the organization at large. Overall, the gap between what the research indicates as preferred for this Quadrant and the assessed competency attainment to date is low for this Quadrant. For the Victorian Electricity Industry, there is work to be done.

Research Question 3

The third research question asked to what extent managers in the Victorian Electricity Industry believe they have developed the competencies to “Understand Others”. The researcher believes that the demonstration of the competencies of this Quadrant was significantly underdeveloped, coming in as less developed, and that the more realistic assessment would be “Low”. When asked about their ability to acquire cultural knowledge a significant number said they just could not be bothered as it is not an interest of theirs. It is probably fortunate that they do not appear to really be managing within a culturally diverse environment because if they did they would be overlooking a point emphasized by researchers like Chang and Tharenou (2004) and Turnbull et al. (2010) of respecting the values of others and having sensitivity and integrity with them is a vital component of harnessing the benefits of diversity. The knowledge competency in this Quadrant was a real stand out as being born from poor motivation with most people saying they did not know the economic, legal, value and social systems of different cultures/subcultures. It would seem that there has never been a time in history that knowledge was so easy to acquire; with search engines, social media, 24 hour news media and Australians travelling at an “unprecedented rate” of 31
trips abroad per 100 Australians, especially in South East Asia and Oceania (Australian Bureau of Statistics, 2010).

The competency of foreign language proficiency was also one which participants showed very low level of development. Whilst this competency is contentious as the focus here is on Australian managers for whom foreign language proficiency has not been an expected competency, the White Paper “Australia in the Asian Century” certainly calls for it and its association with racism are still important incentives. This situation is unlikely to change until organizations themselves begin to positively call upon their managers for this. In terms of the electricity industry, there are many simple initiatives which could improve this – like basic expressions from foreign languages being placed into company newsletters, sponsorship of personnel to undertake language training relevant to their business and the provision of in house language training (again where relevant to the business). Cultural knowledge could also be improved through initiatives like knowledge quizzes on current cultural affairs in company newsletters or on-line. For managers in the Victorian Electricity Industry there is again a significant shortfall in what the literature is recommending and managers’ own assessed proficiency. It is therefore hoped that this will be acknowledged and that the Industry’s managers will seek to close this gap.

Research Question 4

The fourth research question asked to what extent managers in the Victorian Energy Industry had developed the competencies required to conduct “Workplace Analysis”. The researcher found that the competency level in this Quadrant was “Low”. Participants had difficulty identifying how
the advantages and disadvantages of diversity manifest themselves in the workplace. Given this is a principal motivator for the development of the DMCM this is particularly alarming. They seemed to be aware, from the question itself, that they should be saying something with more substance but could not grasp what it should be. With a lack of cultural diversity in the workplace they had not been exposed to opportunities to acquire this knowledge. Participants did not appear to understand the diversity composition of the workplace and value differences for opportunities for business and learning. Again, participants’ speech patterns – like hesitancy, indicated they knew themselves that they had not satisfactorily demonstrated this competency. There were similar problems in identifying workplace management practices and HRM systems which prevent discrimination and disadvantage. While they understood that some existing practices were supported by legislation, they appeared to be unaware of the existence of the issues the legislation was enacted to address. Lastly, the competency calling for managers to find opportunities for cross cultural learning through workplace functioning attracted very poor answers. It has to be remembered, that almost all of the participants now belonged to firms with overseas ownership. Not one person said that they had even done so much as taken a visiting Japanese manager out to dinner or asked him/her to provide a talk to their personnel, addressing cultural issues. These same organizations also proudly provide sponsorship to cultural events like the Gippsland Indian Association’s “Colours of India”, a popular and growing gala night of Indian food and dance held annually in Latrobe Valley (in the centre of the generation component of the Victorian electricity industry). There was no mention of even simple associations like tasking a manager to provide a
sponsor’s speech at the beginning of the evening. The perception that all learning had to be a formal course seemed to interfere here.

The actual “analysis” component of this Quadrant of competencies appeared to call for competencies which were outside of the traditional role of manager. However, this research took the approach that in order to conquer discrimination decision makers at all levels need to be held accountable for systems and practices which foster it. Again, researchers Gentry and Sparks (2012) pointed out that managers must be aware of the values espoused within their organizations. This researcher contends that until managers can clearly see that values are surreptitiously espoused within practices like reward and recognition systems discriminatory outcomes will continue.

In terms of the Victorian Electricity Industry development of competencies to analyse the workplace for unfair and discriminatory practices appears to be a paradigm shift. Rather than being passive recipients of legislative requirements like EEO, they will need to interpret how discrimination and disadvantage plays out in their workplaces and ensure the policies, procedures and practices they apply in their role as manager do not negatively impact on persons from particular cultures.

**Research Question 5**

The fifth research question asked to what extent managers in the Victorian Energy Industry believed they had developed the competencies to “Apply” to the workplace cultural diversity management competencies. Based on the responses during the interviews, the researcher determined that a rating of “Low” was appropriate.
The behavioural examples indicated that the interpretation of competencies in this Quadrant was largely that of generic managerial skills for having an open communication style and managing conflict. These competencies did not reflect more specialized communication and conflict resolution strategies and approaches that cultural diversity demands. This was similar to the competency of valuing and being an advocate for positive cultural interaction where the interpretation of the competency appeared to be on the general managerial competency of advocacy. The lack of cultural diversity in the workplace, would also have limited participant’s opportunity to observe, as Putnam (2007) that cultures tend to hunker down and like cultures stick together, that achieving positive interaction between cultures is a challenge that has to be managed as it will not just happen. There was a strong belief that there is no racism in the workplaces of the Victorian electricity industry. Should this be the case, it is either because of a homogenous culture or denial. There are volumes of academic research devoted to this topic. In fact, one of the leading academics on the issue of cultural diversity devoted a whole book to how to overcome it (Sue, 2003) in addition to her many contributions to cultural diversity management’s theory and practice.

The final competency in this Quadrant was on affording opportunities for cross-cultural learning. Overwhelmingly, the participants confidently said they did but the answers were either interpreted as theoretical by the researcher or were superficial. For example, secondments to overseas operations were mentioned, but there were no full behavioural examples of having done so - like “We have an operation in “X” country where they were having difficulty with a technical issue so I thought it a good opportunity to
send “A” staff member to help investigate the problem because I thought this would assist them in learning about the culture there so that they would be better equipped to assist them in future. I’ve noticed that he has been frustrated by people over there not adhering to his tight timeframes in the past and he just doesn’t seem to understand that they approach things differently there”. Integrating cultural learning opportunities did not appear a priority. Some participants even said they could not “afford” (as in cost) these opportunities. Whilst funding is an internal operative issue, there are ways of achieving this without travel or significant cost – like getting involved in a cultural activity which had been sponsored by their firm, for example GDF Suez is the major sponsor of the Gippsland Indonesian Angklung (a traditional West Javanese/Bantenese musical instrument) Ensemble based in the Latrobe Valley.

The competencies in this Quadrant are largely specific applications of competencies all participants should already have shown proficiency in as they are cultural diversity management interpretations of generic managerial competencies – open communicator, conflict manager, and advocate. That turned out to be the case. The participants appeared buoyed by their belief that these were competencies they considered themselves to be already proficient in. These specific interpretations, on which the competencies in this Quadrant were based, came from researchers like Ely and Thomas (2001) who said that workgroups should encourage members to discuss their point of view. Shen et al (2010) and Selmer (1999) warned of negative outcomes if cultures clash. Chang and Tharenou (2004) called for people to “respect each other’s values”. Given the low level of cultural diversity in the electricity industry at present, it is not unexpected that it appears not to have
been heeded and preparatory measures taken as the competency development for this Quadrant appears to have stalled at the generic managerial competency level. It is possible that given the industry’s late arrival to cultural diversity that they may become aware of these specific competency interpretations from other industries first – like through professional networking, HRM initiatives and participation in professional development programs.

Like the results against the previous Quadrant, this result is very disappointing considering that competencies in this Quadrant are underpinned by legislation which has been in place for the best part of 30 years. The researcher argues that this is not surprising given that managers have not themselves been held accountable for EEO/Affirmative Action outcomes, but rather, these have remained the domain of HR Departments (White, 2003.: 45) seemingly resulting in a lack of depth of understanding for its aims and desired outcomes.

**Research Question 6**

The next research question asked if participants if they had any suggestions for improvement to the proposed model (DMCM) and overwhelmingly the answer was no. The participants took this as an opportunity to make positive affirmative statements of a general nature about cultural diversity management.

There were no real suggestions for modification of the model and there were many training and development suggestions put forward; mostly offering support for the need to train managers in cultural diversity management competencies and greater need for training programs on this
topic, or emphasizing the need for HRM policies and practices to support positive outcomes (like EEO) and then supporting the idea of using informal training mechanisms and role playing as their competency development training preference. The researcher believes by this point in the interview many of the participants had realized that they really did not possess strong cultural diversity management skills and therefore wanted to take the opportunity to express some general support, both for the research and to not feel embarrassed about their performance throughout the most difficult part of the interview. Clearly it had been a struggle for many and this appeared to reveal itself in participants wanting to rush the interview and in the confidence of the delivery of their answers. There is no doubt that cultural diversity is increasing, however, in terms of actually applying the competencies deemed to consolidate the benefits of cultural diversity the Victorian Electricity Industry’s managers are assessed as being “Low”. This means they have a significant development challenge in front of them.

Research Question 7

The final research question asked if participants had ideas about how the competencies contained in the DMCM might best be developed. Overall, there was not a lot new. Many of the suggestions turned out to be statements of support. The second most supported view was that HRM systems need to be in place to support positive cultural diversity management and finally, the training suggestions were: use resources of the local community and the workplace, use role playing and more implementation of traditional training methods on the topic of cultural diversity management. There was weak support for overseas postings as a training method. In sum, the ideas
presented did not appear to have a great deal of substance with participants appearing to struggle to find something meaningful to contribute – not because they could not, but simply because it seemed to demand an answer to a question they were not prepared for. They did cite the two most common forms of cultural diversity training and they are awareness training and skill building (Cox & Blake, 1991: 53). When cultural diversity management does in fact become an important management challenge for the electricity industry, researchers (Cox & Blake, 1991: 53) caution that they do not believe training alone will bring about cultural change in organizations faced with cultural diversity management, it can be a critical first step, but it cannot be used in isolation. Rather it must be part of a change strategy to be successful. This message is probably more relevant to the HR strategists of the organizations’ to which the participants belong, than the participants themselves. It has to be noted that all of the participants in the study are those that currently hold managerial roles within the Victorian Electricity Industry and most of the managers have a degree. TAFEs can design a Certificate IV in Diversity Management and managers can be asked to complete this program. As many of these managers will probably complete an MBA in the future, it is suggested that MBA programs consider incorporating Diversity Management in their curriculum.

Limitations of the Study

This research has its limitations. The study’s participants were all volunteers approached individually by the researcher and largely came from the senior and middle managerial ranks of the electricity industry in Victoria.
It is apparent from the findings, that due to low turnover, this industry is somewhat behind other Australian industries in its uptake of employees from diverse cultural backgrounds. According to Engineers Australia (Kaspura, 2013) there has also been long term discrimination against overseas born engineers in favour of Australian born which may also have contributed to the current situation – either now or in the past. Addressing this is just one more of the challenges of cultural diversity management for the future.

It would appear that even awareness of what cultural diversity is and its potential implications for managers was particularly low in the electricity industry as many of the participants appeared to have really struggled with the concepts in the interview questions – like that different conflict management styles may be needed for the management of inter-cultural conflict. While it is argued that this is beneficial to gauge and develop diversity management competency development across all industries, the findings from this particular industry may not be reflective of those industries in Australia whose workforces are closer to representing the cultural diversity levels of the general population – like perhaps, healthcare. Another limitation was the participant’s focus on the research; they seemed both time pressured and possibly a little embarrassed at their own assessment of the inadequacy of many of their responses and this may have detrimentally impacted on their responses.

In future, it may be beneficial to get the commitment of senior management and that the participants be permitted to undertake the interview with the encouragement of their home organization and in their work time, since many chose to do the interview after hours, more as a favor to the researcher and without a preparatory briefing on the DCMC.
Another issue which may have been a limitation was the method used for assessing the competencies. Each participant was asked to provide at least one example, if possible, of how they had demonstrated each competency and then to rate themselves as “Yes. Competent.” Or “No. Not (yet) Competent”. At the end of each Quadrant they were asked on a four point scale to assess their level of development for all of the competencies in that particular Quadrant. In retrospect, the four point scale may have been best used across every competency as well, as participants who had several “No’s” in a Quadrant still estimated their level of competency development to be “Moderate” when probably it should have been “Low” or “Just Beginning”. Having to provide an immediate assessment of their answer may have reduced overly positive answers or what appeared to be “faking good”. This was in fact what the researcher did for the entire sample after the interviews were concluded.

The biggest limitation of the DMCM is it does presuppose some level of knowledge of the ramifications to managers of the challenges of cultural diversity management as it would appear from this research that the participants were quick to claim competency when their interpretation seemed to be based on a more generic managerial skill – for example, the competency which asks managers to be advocates for positive cultural interaction was interpreted without the “cultural” component and flexibility and openness toward workgroup members – it did not appear that the participants thought that ensuring those from diverse backgrounds may need special attention came to mind, but rather they treat everyone the same and that is all that is needed. Therefore, future implementation might best be facilitated by a general information session on diversity first.
Scope for Future Research

This research has not been about transnational managers nor has it been about global managers; it has been focused squarely on what individual managers need here and now in Australian businesses to adjust to the ever increasing levels of workplace cultural diversity. When the research was reviewed it was evident that diversity management has not been something considered as a particularly prevalent focus of academics and researchers now. What research there was tended to be from other countries – especially the United States of America, Canada and the United Kingdom. Even then, the flurry of research activity into what cultural diversity management means in practice seems to have abated around two decades ago. Current research, especially Australian, is needed to inform current theory and practice.

In terms of the electricity industry, on the positive side, this research has shown that there is still plenty of scope for diversity management competency development in Australia, having used the electricity industry as an example. On the negative side, should there be a rapid rise in cultural diversity confronting the industry right now, its managers would likely struggle to adapt. The findings against the research questions demonstrated that managers in this industry remain at a low to moderate level of preparation. The preparation of these managers, and in other industries found to have been somewhat sheltered from cultural diversity in their workplace, provides a fertile area of research to assess progress in the managers’ perceived levels of development of the competencies, especially in terms of
the lowest competency quadrants: understanding others, conducting workplace analysis and implementing diversity management practices.

Future research could investigate the apparent precursor to cultural diversity competency and that is how to get managers to be aware of the benefits and challenges of cultural diversity and be motivated toward preparing for these. It was very clear that there was a distinct lack of time to be applied to meeting these either now or in the future. No industry can remain shielded from these forever. This is an industry already comprised of a large number of firms across its network – for example there are almost 50 listed electricity generators in Victoria alone. These, like all businesses, are vulnerable to external forces like market, finance, political change and environmental considerations which govern how they operate. The different parts of the network have more or less contact with the general public. For generators it is very little, except for contractors and other service providers, for retailers it is significant. Generators tend to be based regionally or in industrial locations, distributors in Melbourne and large regional centres, and the retailers in Melbourne. As a result these firms may all be at different stages when it comes to both employing multicultural workforces, and in developing competencies for managing this cultural diversity. This study did not address any of these issues. It was the electricity component of the Energy Industry investigated here as a single entity. Others in this industry like gas (also privatized around two decades ago) and oil (which has never been in State ownership and very much an international commodity) may also have a vastly different level of cultural diversity management competency.
Implications for Theory

Further research would need to be done to validate the DMCM, but there appears to be scope for the DMCM to achieve the first stated advantages of the CQS (Ang et al, 2007) – that of being able to screen out those who may be proficient in domestic (implying homogeneous culturally), but unlikely to succeed in cross-cultural settings or in jobs that require frequent and ongoing interaction with people from other cultural backgrounds. This could be realized through developing the DMCM into a personnel selection assessment tool. Further, should these concepts be placed on a continuum (culturally diversity manager – transnational manager – global manager) managers may progress from one specific environmental challenge to the other, with assessments being possible at each stage. Research by Adler and Bartholomew (1992) put forward this idea for a continuum of transnational to global managers.

Implications for Practice

Having used the Victorian Electricity Industry as an example, it is clear that there is a wide gap between theory and practice. Managers clearly had a great deal of enthusiasm for the challenge cultural diversity brings and its potential benefits, but remain ill prepared to realize its advantages. In terms of creating social inclusion, the Electricity Industry appears to be quite a long way from that. Its management positions are still dominated by Anglo Celtic males. Unfortunately, this places them in a situation where they are at risk of its negative impacts both to their employees and to the organization they represent.
How other forms of diversity, such as gender, intersect with cultural diversity was outside of the scope of the present research and may provide for another field of research for the Electricity Industry given that, for example, women were significantly under-represented in the managers ranks. This is despite women’s share of completions of engineering degrees in Australia now being about 16% and for masters’ degree completions the women’s share is about 18-20%, and for doctorate degree the women’s share of completions is about 22% (Engineers Australia, 2012: 2). Researchers have already given powerful examples of this social exclusion in Australian workplaces through the combination of culture and gender: like Muslim women, being effectively shut out of workplaces in Australia (Syed & Murray, 2009). The underemployment of women born overseas is acknowledged as being an issue by Engineers Australia who stated that being born overseas was a “significant factor in gender differences in unemployment rates” (2012: 17).

Other “multi-level” interventions, such as the suggestion that organizations also focus on their role in the community and governments in which they operate to bring about social change (Syed & Pio, 2010), was also outside of this research and can provide scope for future investigation. The most positive finding of this research being the obvious acknowledgement of multiculturalism in general of the Electricity Industry’s management. Future research should look at how this situation changes in the future. It was also noted that some significant cultural community events were already being sponsored by firms in the industry.
A real benefit of the DMCM is that it is based on competencies and there is strong support for competency models in not only the Victorian Electricity Industry, but across Australian enterprise, and this, of itself, suggests further research into both the model and its implementation, would be well worthwhile. Competencies are used to form the basis of HRM systems like recruitment, selection, training, development, reward, recognition and remuneration, as well as performance management policies, procedures and practices. The DMCM, in whole or in part, potentially contributes to all of these processes, as it sets a baseline behavioural performance standard in terms of knowledge, skill and attitudes/values.

A critical component of HRM is reward and recognition systems, including remuneration. If these discriminate unfairly, remuneration fault lines are created, for example, in Australia Indigenous persons were paid 30 per cent less than non-indigenous according to an analysis of Census data from 2011 (Biddle, 2013). Another remuneration gap is that women are paid less than men. Recently an Australia researcher (Charlesworth, 2013) estimated it to be at around 17.5 per cent. For example, Currie and Hill (2013) did a study of a pay rates at the University of Western Australian University and found that even for academics, academic staff who were women were paid some 15 per cent less than men. It is concerning as Universities should be on the forefront of knowledge and learning. Unfortunately they go on to say that pay discrepancies between men and women is not only an Australian, but a worldwide problem. Implementation of the DMCM, or even a focus on particular competencies, may both assist in overcoming these inequities by having managers analyse and implement practices to overcome discrimination and prevent the emergence of this serious problem in other
forms of diversity along cultural lines – such as religious or race. This is in addition to English literacy which has been deemed a critical vocational skill for migrants and Australian born employees and tends to have a major impact on both employability and income. This was evidenced through the work of researchers who compared migrants in Canada and Australia and found that migrants in Australia experienced greater success with employment and income because they tended to be more proficient in English in the first place (Clarke & Skuterud, 2013).

The DMCM has the advantage of providing a common language for other organizational groupings apart from individual managers, like functional and matrix teams, HRM professionals, the general workforce and within managerial levels. Indeed earlier models like that put forward by Turnbull (2010) distinguish the competencies by individual, team and organizational level. The competencies of the DMCM clearly are at the individual level. For example, Shen and others (2010) advocate for the HRM in leading diversity management strategy. Their premise being that it is HR Departments who set the strategic direction in organizations. HRM departments can use the DMCM to explain and promote cultural diversity management as well as use the model in part for the formulation of HRM documentation like selection criteria, personal development plans and in training needs analysis. Further it promotes a dictionary which can provide a common starting point for discussions between HRM practitioners and the managers to whom they provide strategic support and advice.

Sadly racism, by all accounts, is alive and well (Sue, 2003). Its undesirable outcomes - discriminatory practices which in turn leads to negative individual health, well-being and performance outcomes (Harrell,
Hall & Taliaferro, 2003), has been specifically addressed as competencies in the DMCM. Therefore, it does not appear likely that specific attention on the competencies identified in the DMCM will be superseded any time soon. The participants in the research did not appear willing to acknowledge its existence at all, therefore despite believing they possessed the competency they could not cite examples of implementation of the competency designed to address it and many thought the competency had no relevance to their workplace. It would be unrealistic to believe this to be the case other than for a lack of racial diversity in that workplace and when cultural diversity occurs, unfortunately so will racism.

Along the research process, several competency lists, rather than models, were also proffered. This research specifically chose a “model” approach as it affords both simplicity and focus, without becoming overly complex or arduous; with just four competency categories and with each component having been provided with a name which encapsulates the commonality of the competencies within each component. This should also assist in committing its components to memory, and for managers this has got to be of practical advantage.

This research puts forward an alternate approach to cultural diversity management solely being the domain of HRM practitioners it suggests it is a management challenge across all levels of the organization through its managers. This is well expressed by Bassett-Jones (2005: 173) “They (effective leaders) need to understand the challenges of diversity management”. Organisations are made up of many different types of leaders, therefore it is argued that all managers need diversity management competencies. This research insists that managers at all levels be held
accountable for the best practice in cultural diversity management and the DMCM is based on this premise – every manager, every person accountable for the performance of at least one other person must be competent in cultural diversity management.

Central to this thesis has been the development of competencies which are behavioural and therefore measureable in the cultural diversity management component of a manager’s role. The researcher put forward that the identified competencies could be self-assessed and used by individual managers in guiding their own development, potentially over a lifetime of work, in agreement with sentiment put forward by Sue (1991).

This research undoubtedly made a contribution to the awareness of its participants and they called for more training and development in a range of areas. This was evident in the informal conversations with the research participants during the process of setting up and concluding the formal data collection where many of the participants remarked how this was an issue they had not even thought about, but found their participation in the research to have been thought provoking and educative in its own right. Cox and Blake (1991: 53) identified “awareness” (“focusing on creating an understanding of the need for, and meaning of managing cultural diversity”) and “skill building” (“education on specific cultural differences’) as their two training categories. The participants suggested initiatives which would fit into both.

Sue (1991) saw things a bit differently proposing that there were actually three categories in which training needs to be focused – “organizational functional focus (recruitment, retention and promotion)”, “barriers (differences, discrimination and systemic factors), and on the “competencies” themselves (beliefs/attitudes, knowledge and skills). Whilst
there is argument about the categorization, the suggestions put forward for training by managers in the electricity industry show these models still are relevant to Australian firms.

**Summary**

This final chapter has overviewed the entire research study. It began with a picture of where public discussion on the future of multiculturalism and the Victorian Energy Industry (electricity) was at the time the research was concluded. This shows that both are still in a state of considerable change. It went on to discuss conclusions drawn from the demographic and cultural experience data and then answered each of the seven research questions on an individual basis, showing that for at least one major Australian industry there is much to be done once cultural diversity arrives. In so doing, this research also placed a new model of diversity management competencies into both the academic and practice conversations. This was followed by implications of the findings on both theory and practice. Finally, the limitations of the study were addressed and potential areas for future research were suggested.

Australia has come to multiculturalism somewhat later than other countries like the United States of America, the United Kingdom and Canada. We are not the pioneers. This has afforded our managers, and society at large, a unique opportunity to proactively manage in this environment, to gain the benefits and navigate the disadvantages learned in other parts of the world both for the organizations to which they belong and to Australian society as a whole. This research has shown, that for one major industry at least,
preparedness remains disappointingly low, but its managers’ enthusiasm for the topic was undeniable. To have been able to be a part of these managers’ growing awareness of the demands upon their professional development in the months and years ahead has also been rewarding. There is much to be done, practically and theoretically as the challenge of managing diversity in the workplace will continue to grow.
REFERENCES:


APPENDICES:

Appendix 1: DCM Structured Interview (7 May 2014)

Introductory statement:

I (Linda Dalton) am a Postgraduate student currently undertaking a Doctorate of Business Administration at Charles Sturt University. This interview/survey will form the basis for my research project on the cross-cultural capabilities of managers in the Australian energy industry. Approval for this project has been granted by the University’s Ethics in Human Research Committee. The supervisor of this research is Prof. Brian D’Netto of CSU’s Wagga Wagga campus.

Participation in this survey is voluntary, anonymous and confidential. Please note that your responses will be used for this research project only, i.e. it will not be forwarded to your employer.

All data collected will be securely stored and disposed of in accordance with University guidelines. The results obtained will only be reported in aggregate or anonymous form and used for research purposes.

You are free to withdraw your consent to participate at any time without explanation or penalty.

This research is an investigation into cultural diversity management competencies of managers in the electricity industry. The questions I will be asking you all relate to this and the development of these competencies. We will start with some background questions and then go on to the competencies and conclude with development.
Background:

1. How long have you worked in the energy industry?

2. Which organisation are you currently employed, and how long have you worked for your current employer?

3. What is your Highest level of formal education:

4. What level of management are you employed in (Team Leader or Supervisory, Middle or Senior Management), and in which functional area are you employed?

5. Have you noticed the ethnic/cultural diversity of your workplace has increased? If so, when and how did you notice this?

6. Do you work with one or more people you believe to have been born overseas?

7. Do you report to someone born overseas? If so, from where and how long has this been the case?
8. Were you born overseas? If so, how long have you lived in Australia?

9. What is your own Ethnic/Racial Identity:

10. Experience in working or traveling in non Anglo-Celtic (such as UK, USA, Canada and New Zealand) countries (if only European, please state where):

11. Future aspirations to work or travel in non Anglo-Celtic countries:

**Diversity Management Competency Model:**

The researcher (Linda Dalton) has developed a model of competencies used in the management of diversity. The model has four competency groups called “Quadrants”. I would like to discuss with you each of these (asking also about their personal attainment in development of each of these categories – to what extent do you believe you have developed each of the competencies identified in the model?).
12. **Quadrant 1: Understand Self**

- Ability to understand one’s own beliefs and how they affect one’s life and work.
- Ability to monitor one’s own diversity sensitivity and its impact on others.
- Makes a conscious effort to learn about those who are different.
- Is proactive in exposing one’s self to a range of cultural experiences.
- Takes steps to improve one’s own diversity awareness.
- Is flexible and open.
- Possesses a learning orientation and reviews and revises own strategies.

13. **Overall, I believe my development of this competency category is:**

Just Beginning Low Moderate Advanced

14. **Quadrant 2: Understand Others**

- Ability to acquire cultural knowledge.
- Understand and have empathy for cultural norms - recognize and perceive others’ cultural norms before and during interactions.
- Exhibit situationally appropriate verbal and non-verbal actions when interacting with people from different cultures.
- Have cultural empathy: Interact with and value difference.
• Know economic, legal, value and social systems of different cultures/subcultures.

• Foreign language proficiency.

15. Overall, I believe my development of this competency category is:

Just Beginning Low Moderate Advanced

16. Quadrant 3: Workplace Analysis

• Know how the advantages and disadvantages of diversity manifest themselves in the workplace.

• Understand the diversity composition of the workplace and value differences as opportunities for business and learning.

• Identify workplace management practices and HRM systems which prevent discrimination and disadvantage.

• Monitor and comply with legislation in relation to EEO.

• Find opportunities for cross cultural learning through workplace functioning.

17. Overall, I believe my development of this competency category is:

Just Beginning Low Moderate Advanced
18. **Quadrant 4: Workplace Application**

- Open communication with workgroup members, e.g. “Open door policy”.
- Manage conflict over difference. Identify sources of conflict and use culturally appropriate and sensitive methods of managing conflict in the workplace.
- Value and be an advocate for positive cultural interaction - encourage workplace debate on cultural diversity issues.
- Educate on the effects of prejudice and racism and take remedial action in the incidence of racism, hatred or violence.
- Afford opportunities for cross-cultural learning.

19. Overall, I believe my development of this competency category is:

   Just Beginning    Low    Moderate    Advanced

20. Do you think there are any other specific diversity management competencies (required of managers who work in culturally diverse environments) which have not been mentioned already? If so, what are they?
Development:

21. Please describe what you think managers or workplaces could do to develop diversity management competencies (understanding self, understanding others, embedding benefits and overcoming barriers)?

22. Do you have any further remarks you would like to make about the competency impact of managers working in culturally diverse environments?

Concluding remarks: This research requires a total of 35 interview participants. Would you please nominate one or two people who are also in a supervisory/managerial position within the power industry who you believe may be interested in participating?

Name:

Contact details:

Name:

Contact details:

*Your time and contribution to this research is appreciated. Please be assured that your responses will be held and reported against confidentially. Thank you.*