Managing Diversity at Workplace: A Case Study of hp

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Abstract

Diversity and diversity management in multicultural workforce is increasingly becoming an important issue for the business in the era of globalization. It affects the productivity and efficiency of the workforce in general. The purpose of the study is to encompass the dimensions of diversity management in a practical company. Particularly, the study shed light on the diversity management issue of a multinational organization. We have analysed the diversity management journey of Hp from the beginning till now giving particular focus on diversity dimensions and strategies. The paper also highlights the theoretical aspect of ‘paradigms of diversity management’ and its application to Hp. We have analysed Hp’s diversity inclusion model and its own way of managing diversity in multicultural workforce. The findings of the study will be beneficial for the Bangladeshi organisation as it provides some guidelines and recommendations of diversity management. We find strong multicultural workforce diversity in the Hp operation and a variety of workforce diversity within the company.

Key Words: Diversity management, Cultural synergy, Paradigms of Diversity Management, Multicultural Work force, Inclusion Model.

Introduction

In recent years, diversity has come to play a central role in organizational life, due to increased globalization, greater workforce diversity, and the increasing complexity of jobs (Williams and O’ Reilly, 1998). The term diversity has many interpretations. Different scholars have defined it in different way. Cox (2001) defined diversity as the variation of social and cultural identities among people existing together in a defined employment or marketing setting. While, William and O’Reilly (1998) defined diversity as the degree of heterogeneity among team members on specified demographic dimensions, their theory aims to explain how such heterogeneity affects team processes and performance. Thomas and Ely (1998) argue that diversity should be understood as the varied perspectives and approaches to work that members of different identity groups bring. Similarly the management of diversity is also perceived differently by different scholars. The paper provides some in-depth understanding of diversity, its strategies and paradigms in the multicultural environment. The paper is divided into six sections. Section one presents a brief overview of Hp, section two focuses on dimensions of diversity management followed by cost benefits of diversity management, section three discusses the strategies and paradigms of diversity management. Section four provides an analysis of Hp way of diversity management followed by its diversity management inclusion model. Section five provides an understanding of how Hp managed its diversity in multicultural workforce and how it managed

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gender non-discrimination in the workplace. Final section provides some recommendations which could be effective for any multicultural organization and particularly for Hp.

**An Overview of hp**

Originated by two class mates of Stanford University Bill Hewlett and Dave Packard, Hp was established on the 1st of January, 1939 (Menke, 2007). Headquartered in Palo Alto, California, the company has long been admired for its products, ethics, business innovations, and competitive spirit (Connolly and Burnett, 2003).

Today, Hp is the world’s largest seller of personal computers and the 5th largest software company in the world employing over 172,000 employees worldwide with a Revenue of $104.3 billion (Hp, 2008). It has great management; great product lines and great market share (19% of the world’s volume in desktop computers, for example) (Fisher, 2008). Hp designs, manufactures, and services products and systems for measurement, computation, and communications. The company's products and services are used in industry, business, engineering, science, medicine, education, and the home in more than 120 countries (Seltzer, 1997). As it operates in more than 120 countries and employs over 172,000 employees, it is easy to understand the presence of multicultural workforce in the company and the complexity of diversity management within the company. In fact, Hp initiates its diversity management policy from the very beginning as Menke (2006) identified that Hp formed the famous ‘open corporate culture’ (OCC), in the 1940s, as Bill Hewlett and David Packard developed a new management style called ‘management by walking around’. Groeger (2008) also mentioned that from the beginning, the two founders have developed a management style which had never occurred in a large company before. They coined a new type of corporate culture which was to be called ‘the HP way’.

**Diversity Management and its Dimensions**

Diversity is the industrialized world’s perennial underdog. The increasing diversity of school neighbourhoods and workplaces presents an unrelenting demand for effective interaction among diverse people (Johnson and Packer, 1987). People’s experience of diversity, conceptions of diversity management and ideals of diversity, matters because they address not only recruitment but what happens after the recruitment (Fiske and Lee, 2008). The global economy moves diversity to the top of the agenda. Immigration, worker migration, and gender and ethnic differences continue to dramatically change the composition of the workforce which further complicated the diversity issue (Barak, 2005).

The organizational literature began emphasising the business case for diversity in the late 1980s (Cox and Blake, 1991). The businesses case predicted a range of benefits resulting from greater workforce diversity within organizations (Konrad, 2003). Ely and Roberts (2008) reframe diversity research from a paradigm that emphasises difference to one that emphasises relationships. They argue that relational approach highlight the personal, interpersonal, and inter group dynamics that influence how people interpret and act on their differences. From this perspective difference can also be a source of creativity and resilience. As a characteristic of workgroups, diversity creates challenges and opportunities that are not present in homogenous
work groups. Thus managing diversity means understanding its effects and implementing behaviours, work practices and policies that respond to them in an effective way (Cox, 2001).

Cultural diversity is a major issue in diversity management. Ely and Roberts (2008) define cultural diversity as differences among team members in race, ethnicity, gender, religion, nationality, or other dimensions of social identity that are marked by a history of inter group prejudice, discrimination or oppression. Rijamampianina and Carmichael (2005) mention three dimensions of diversity as primary, secondary and tertiary which are depicted in figure 1.

![Figure 1: Dimensions of Diversity, Adapted from Rijamampianina and Carmichael (2005).](image)

**Cost –Benefit of Diversity**

Diversity becomes most advantageous when the organization wants to expand its perspective, strategy tactics, or approach, to reposition the organization, reposition strategy from a bricks and mortar to an e-commerce environment, launch a new product, create a new idea, develop new marketing plan, design a new operation, or assess emerging trends from a new perspectives (Adler, 2002). If diversity is well managed, organization can benefit from both synergistic and culture specific advantages including enhanced creativity, flexibility, and problem solving skills (Zillar, 1972, Hayles and Robert, 1982). Rijamampianina and Carmichael (2005) argue that
diversity, if effectively managed, can be a source of competitive advantage for the group or organisation. Only organisations that can anticipate and respond to change will be able to survive in today’s business environment. Indeed ability and agility to change require ability and agility to learn, and learning requires diversity. A more diverse workforce will increase organizational effectiveness (Kulik and Roberson, 2008). It will lift morale, bring greater access to new segments of the market place and enhance productivity (Thomas and Ely, 1996).

Diversity most frequently causes problems in convergent processes, at times when the organization needs employees to think or to act in similar ways. Diversity renders communications and integration more difficult. People from different culture fail to understand one another. They do not work in the same ways or at the same place. The potential for increased ambiguity, complexity and confusion becomes highest when the organization or project requires direction and clarity- convergence (Adler, 2002). Cox (2001) mentions that increasing diversity presents a double edged sword; hence the challenge of managing diversity is to create conditions that minimize its potential to be a performance barrier while maximizing its potential to enhance organizational performance.

**Approaches and Strategies for Managing Diversity**

Manager’s ability to recognize cultural diversity and its potential advantages and disadvantages defines an organization’s approach to managing that diversity. Adler (2002) identified three approaches to manage the diversity like Parochial, Ethnocentric and Synergistic.

![Figure 2: Approaches to Managing Diversity, Adapted from Adler (2002).](image)

Out of the three, Synergistic approach assume cultural contingency- that the best way depends on the particular cultures of the people involved. This approach recognizes both the similarities and differences among the cultures that compose a global organization and suggests that we neither
ignore nor minimize cultural diversity, but rather view it as a resource in designing and developing organizational systems (Adler, 1980). As Hp is a global innovative and learning organization, its key resource to manage diversity is cultural synergy.

Adler (2002) identified four steps in creating cultural synergy (Figure 3). From our research, we have found that Hp went through all of the steps to achieve this synergy. Adler (2002) also identified five strategies for managing cultural diversity (Figure 4). The most desirable one is cultural synergy which can be obtained by valuing other culture while upholding self culture. While analysing Hp, we have found that it tries to maintain cultural synergy by putting difference in the market place, workplace and community (figure 6). By working with people who have a different frame of reference, one can learn to look at problems from different point of view, learn new ways of solving problems and thus can create cultural synergy (Laroche, 2003). This is what Hp really did in its workplace.

![Figure 3: Creating Cultural Synergy, adapted from Adler, 2002](image)

Ely and Roberts (2008) identified two major varieties or models of attitudes on how to manage diversity. One variety or interpretation of diversity is a type of pluralism and the other stresses a colour-blind commonality between people. The first model holds that differences between people are real, substantial and consequential and therefore important for how we should treat
each other; differences should be acknowledged and valued in daily interactions (Plaut, 2002). Same concept of diversity is supported by Frederickson (1999) as cultural pluralism, by Ely and Thomas (2001) as the integration & learning perspective and by Berry (1980) as integration in the acculturation literature.

In contrast the colour blind model of diversity proposes that differences between people are merely superficial and therefore, irrelevant to show how people should treat each other (Plaut, 2002). In this view, ignoring differences in daily interactions helps avoid conflict. The basic metaphor is the classic melting pot that is new comers assimilates into the basic, existing identity by dissolving their old memberships and value systems. Other supporters of this model are Fredrickson (1999) as one way assimilation models and Berry (1980) as assimilation. Our standpoint for Hp is Pluralism rather than ‘melting pot’ as it acknowledges and values differences in cultures. Ruffino (2005) also denied ‘melting pot’ approach and developed five step processes for becoming a diversity savvy person. The steps are very similar to Adler’s (2002) four step process of creating cultural synergy.
Paradigms of Diversity Management

Thomas and Ely (1998) identified three Paradigms for Managing Diversity. Organization usually takes one of the two paths in managing diversity like the discrimination and fairness paradigm and the access and legitimacy paradigm. Before fitting Hp with a particular paradigm, we would like to discuss each of them to some extent.

The Discrimination and Fairness Paradigm focuses on equal opportunity, fair treatment, recruitment and compliance with federal equal employment opportunity requirement. Companies under this philosophy often institute mentoring and career-development programs specifically for the women and people of colour in their ranks and train other employees to respect cultural differences. This paradigm believes that the staff get diversified, but the work does not (Thomas and Ely, 1998). Hp adhered to this paradigm in the 1960s and 80s by establishing a workplace free of discrimination, focusing on equal employment opportunity and affirmative action (figure 6 & 7).
Hp’s shifting of Paradigm over the years

The Access and Legitimacy Paradigm believes on the acceptance and celebration of the differences. The common characteristics of this paradigm is that such companies almost always operate in a business environment in which there is increased diversity among customers, clients or the labour pool and therefore a clear opportunity or an imminent threat to the company. Hp stuck to this paradigm in the 90s by creating an inclusive work environment that values all employees (Figure 6 & 7).

The Learning and Effectiveness Paradigm organizes itself around the overarching theme of integration. This new model for managing diversity lets the organization internalize differences among employees so that it learns and grows because of them. Indeed, with the model fully in place, members of the organization can say, ‘we are all on the same team, with our differences—not despite them’. If we give a close look in the figure 6 and 7, it is clear that Hp follows this paradigm in 21st century. It ensures global diversity by putting differences to work at the marketplace, workplace and community. So in our opinion, Hp now adhered to this paradigm but it has achieved this through years of experience and initiative.

Hp Way of Diversity Management

Hp started its diversity management policies at the very beginning which it called ‘open corporate policy’. Their management style is known as ‘management by walking around’ and the motive is ‘everyone in the organization wants to do a good job’ (Menke et al., 2006). The open culture created an atmosphere of trust and mutual understanding in the early days of Hp as trust is thought to be the most important for a profitable and flourishing enterprise.
Hewlett and Packard formalized the Hp Way in 1957, the year the company went public (Dong, 2002). Hp’s unique company culture is known as the Hp Way and is based on a set of five enduring organizational values, seven corporate objectives, and a number of strategies and practices (Menke et al., 2006). Five organizational values are trust and respect, high level of achievement and contribution, uncompromising integrity, teamwork and flexibility and innovation. Seven corporate objectives are profit, customers, fields of interest, growth, people, management, and citizenship. Strategies and practices include Management by Objective, Management by Walking around and Open Corporate Policy.

Highlights of Hp Diversity Journey

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<td>College recruiting program established</td>
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<td>Student work experience program started</td>
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<td>Black Managers Network started</td>
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<td>Women and minority focus groups held to involve employees</td>
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<td>First Technical Women's Conference held; 400 women attend</td>
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<td>CEO issues a statement valuing diversity</td>
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<td>First Accelerated Development Program (ADP) piloted</td>
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<td>Recipient of Catalyst Award</td>
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<td>Domestic partner benefits established</td>
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<td>First worldwide diversity dialogue held with HP senior managers</td>
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<td>Black Employees Forum held</td>
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<td>Revised nondiscrimination policy to include sexual orientation</td>
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<td>Deaf &amp; Hard of Hearing Forum held</td>
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<td>Employee Network Group guidelines established</td>
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<td>Leadership, Education and Development Program (LEAD) established</td>
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<td>Five technical and professional women's conferences held, serving more than 5000 women</td>
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<td>Work/life initiative established</td>
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<td>Gay, Lesbian Employee Network (GLEN) started</td>
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<td>International diversity initiatives started in Europe and Asia-Pacific</td>
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<td>Harassment-free work environment affirmed</td>
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<td>ABC Dependent Care Collaboration initiated</td>
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<td>United Negro College Fund Award</td>
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Dong (2002) describes HP way as a management philosophy emphasizing integrity, respect for individuals, teamwork, innovation, and contribution to customers and the community. This culture has now effectively spread throughout the Silicon Valley and is recognized as a cornerstone of both HP’s and the Silicon Valley’s success. Merging with Compaq, HP reaffirmed the five enduring values and added two more: passion for customers, and speed and agility (Menke et al., 2006). When Packard and Hewlett passed away in 1996 and 2001, respectively, obituary writers noted their enduring legacy was not the multi-billion dollar tech giant -- it was the HP Way (Dong, 2002).

**HP Diversity and Inclusion Model**

HP diversity and inclusion model is well understood by the figure 6 and 7 as both of the figures show HP’s policies and achievements towards diversity over the years. At HP, employees believe that diversity and inclusion are key drivers for creativity, innovation and invention. Throughout the world, they are putting their differences to work to connect everyone to the power of technology. Creating a diverse, inclusive environment has been an ongoing journey of continuous action for many years. It has been a journey guided by deeply held values and norms with strong leadership.

HP perceives ‘Diversity’ as the existence of many unique individuals in the workplace, marketplace and community. This includes men and women from different nations, cultures, ethnic groups, generations, backgrounds, skills, abilities and all the other unique differences that make each of the employees exceptional. By ‘Inclusion’ HP means a work environment where everyone has an opportunity to fully participate in creating business success and where each...
person is valued for his or her distinctive skills, experiences and perspectives. Inclusion is also about creating a global community where Hp connects everyone and everything through its products, services and its winning workforce. In fact diversity and inclusion are woven into the fabric of the company (Hp, 2008).

At Hp, it is recognized that creating a diverse, inclusive work environment is a journey of continuous renewal. Each step in the process has an important significance to remember as it moves forward into the 21st century (Figure 7). Together the steps create a diversity value chain upon which it is building its winning global workforce and workplace.

**Dealing with Increasingly Multicultural Work force**

As Hp has grown and expanded throughout the world, its workforce has become more diverse and this diverse work force helps the company realize its full potential. Recognizing and developing the talents of each individual brings new ideas to Hp. The company benefits from the creativity and innovation that result when Hp people who have different experiences, perspectives and cultures work together. This is what drives invention and high performance at Hp.

The increasingly multicultural, diverse and high-achieving workforce is the sustainable competitive advantage that differentiates Hp to win in the marketplaces, workplaces and communities around the world. Over the years, Hp ensures an inclusive, flexible work environment that values differences and motivates employees to contribute their best. Hp believes that to better serve customers, it must attract, develop, promote and retain a diverse workforce. Trust, mutual respect and dignity are fundamental beliefs which are reflected in the behaviour and actions of the employees of Hp. Moreover, accountability for diversity and inclusion goals drives the success of Hp.

**Gender Non-discrimination in hp**

Hp non-discrimination policy includes electronic job posting, harassment-free work environment, domestic partner benefits and employee network groups. Since its founding, Hp has demonstrated an ongoing commitment to people and to fair employment practices. Hp’s policies and supporting practices include a set of values that consist of a strong belief that all employees should be treated with dignity and respect. In accordance with this, Hp does not discriminate against any employee or applicant for employment because of race, creed, colour, religion, gender, sexual orientation, gender identity/expression, national origin, disability, age, or covered veteran status. It is also Hp’s policy to comply with all applicable national and local laws pertaining to non-discrimination and equal opportunity (Hp, 2008).

Another example of non-discrimination is revealed when Hp receives perfect score in Human Rights Campaign Foundation’s Corporate Equality Index in September, 20, 2005. Hp has scored 100 percent on the Corporate Equality Index for three consecutive years (Hp, 2008).
Recommendation and Conclusion

Although Hp has tried to adapt with emerging paradigm of diversity management and to create cultural synergy in the workplace, still it has room for improvement. Managing diversity itself is a complex phenomenon. To achieve sustainable competitive advantage from diversity, it needs to continuously monitor and change its strategy towards diversity issue and try to update its founding principles. Moreover, as Hp is doing a technical professional business, like any other technical business, they consider soft skills in general and interpersonal skills in particular as secondary to technical skills for employees. So they need further cross cultural training and workshop to develop their diversity skill. Similarly diversity trainers and HR managers need to handle this sensitive issue with due diligence. We would like to recommend some strategies to implement a multicultural approach that create a corporate culture to support and nurture all types of employees. These include developing key leadership traits, recognising individual differences, giving feedback sensitively and encouraging cross cultural awareness.

Change is inevitable; corporate culture is a way in which companies accomplish their strategies. Hp once focused primarily on developing innovative measurement technologies, but more recently found itself in the extremely competitive personal-computer market. Hp developed a culture for engineers at a time when life-cycles of products were longer. But in the last decades, product life-cycles became shorter and profit margins became lower. Although Hp has changed some of its original policies over the years to cope with the pace of globalization, it needs further development in the way of diversity management considering the shorter product life cycle, rapid technological development and financial meltdown of world economy. Thus change and leverage diversity must be done in a systematic approach where organization like Hp will be recognized as a social system with interdependent component to fully capture the power of diversity.

We found Hp case study as an ideal example of diversity management in the workplace. Accordingly, Hp can be a pioneer in diversity management for Bangladeshi large corporate firms. As in recent years, we have observed more and more diversified people come together in the same workplace, their team spirit, cultural diversity, multi-disciplinary background and efficient diversity management helps the organization to be more successful. Further research can be conducted by taking a Bangladeshi company into account and compare its diversity management issue with translational or multinational company and also taking care of socio-cultural and economic circumstances of the host country.
References


