Recent events in the highest echelons of power in the US government have brought the subject of diversity into public discourse more than ever before in recent history. Diversity may be defined as the variability in the workforce. Rasmussen, 1996, states that the workforce is comprised of a variety of backgrounds, styles, perspectives, values, and beliefs as assets to the groups and organizations with which they interact. Some of its characteristics are inherited, while others are acquired. Today’s customers have come to expect world-class quality in the goods and services they purchase. The management of diversity is essential for creating an environment in which people from different walks of life can come together as a unified team to produce world-class quality. Research into construction “best practices” underscores the fact that good construction quality depends on a cohesive team working towards a common goal. This is sometimes very difficult to accomplish with workers of different cultural, racial and ethnic backgrounds. An organization cannot have satisfied external customers until it has satisfied internal customers. It cannot meet, let alone exceed external customers’ needs when internal customers are at war with each other, as is often the case with construction projects.

What is the history of Diversity management? Several events over nearly four decades have influenced the status of the diversity question today: The Civil Rights Act, Affirmative Action, Equal Employment Opportunity, Sexual Harassment, and the Americans with Disabilities Act. These events, combined with increasing immigration have drastically changed the profile of the workforce; resulting in a very heterogeneous mix of workers, far different from the way it was in 1965. The 2000 census identified that the racial and ethnic makeup of the US is rapidly changing - already, Latinos outnumber African-Americans, and are the fastest growing group. The workforce of the future will become increasingly multiracial, multi-ethnic and multi-cultural, furthering the need for diversity management. The management of diversity is about good business, not just meeting state or federal mandates; it involves optimizing the interaction between people from all walks of life. Without organized approaches, many negative factors will destroy harmony in the work force.

What are the factors that represent diversity? A typical model of diversity comprises two concentric circles. The inner circle represents attributes that can be seen readily, such as age, race, ethnicity, physical qualities, and gender. Although not necessarily visible, sexual orientation is also included. These factors cannot be changed, and form the basis of stereotypes. The outer circle has other factors that individuals have the ability to change, such as marital status, religious beliefs, education, income, parental background, geographic location, work background and military experience.

What does it mean to construction? Discriminatory behavior is a fact of life in today’s society, despite all the talk about its eradication. Many large corporations have been the subject of lawsuits in recent years, charged by employees (or customers) with gender, racial, age, and other types of discrimination – many have settled out of court to avoid publicity and hefty awards against them for egregious behavior that was outlawed many years ago. The fact that many of these organizations generally deny wrongdoing would suggest their top executives really believe they have done nothing wrong, and that they seem unconcerned with the under-representation of minorities and women.

How is discrimination manifested in organizations? Two important ways involve stereotyping and selective communications. Without justification, generalizations are often made about minority groups. These beliefs can be damaging, and create the conditions for failure. Organizational communication patterns are one example of how this can happen. An individual’s organizational success is best predicted by the nature of informal communication links. As organization charts flatten formal links are diminishing in importance, increasing the value of informal links. Networks tend to be formed by individuals of either similar race/ethnicity or professional or other common interests. This system may undermine individuals with specific formal roles, whose subordinates may obtain crucial information even before they do. It often stunts the careers of minority groups.
Haven’t minority business programs addressed the diversity issue? In the case of public sector projects, minority or women-owned (WMBEs) architectural, engineering and construction firms have had mixed success with so-called “set aside” projects as they have been engaged as subcontractors to meet prescribed diversity requirements. While this sharing of the publicly funded work is not a perfect process, it has enabled many capable professionals to enter an often-impenetrable arena; several have gone on to perform admirably and experience well deserved growth and prosperity in the open marketplace. Exit interviews have pointed to a practice by majority companies of “benign neglect”. Once a coveted contract is won, it often becomes clear that the WMBEs are not in the “in group”; the lines of mission critical information often exclude them. This is especially true in those cases where informal lines of communication are the most effective conduits for such information. Many find themselves on the losing end of contract requirements they did not receive or were kept abreast on; progress payments to the primary contractor may not be cascaded down to the subs in an equitable or timely fashion.

Many construction industry members, without solid evidence, believe that WMBEs lack the technical skills and/or management knowledge to produce a successful construction project. Yet many failures of WMBEs are really failures of small businesses that are undercapitalized, undercompensated, and under-patronized.

What is the role of diversity in international/overseas projects? These projects are a very important market sector; 50% of value of projects by US companies have been due to overseas projects, but there is growing competition from other countries. A typical project could be the construction of a hotel in the Cayman Islands with an American construction manager, a British architectural firm, a Trinidadian engineering firm and a Brazilian contractor, using Mexican and Jamaican workers. Choudhury and Haque of Texas A & M University investigated 35 US contractors working on international projects in Africa, Asia, Europe, Latin America and the Middle East. The study findings pointed to the importance of cross-cultural training to project success; critical factors were the physical environment, language, economic environment, labor conditions, and social environment. The nature of socio-cultural interaction appears to have a major impact on the productivity of project personnel; mistakes in this area can be costly, indeed.

The management of staff with multiple languages makes integration especially challenging because of the difficulty in translating heavily nuanced and complex technical concepts. The use of bilingual project managers appears to be the best strategy. A thorough understanding of the abilities and availability of foreign labor forces is critical in order to have realistic expectations of their production. Also importantly, the cross-cultural training of project staff should include cognitive studies of the host country population and their social and cultural backgrounds. As reported by Dadfar and Gustavsson, Swedish contractors have excelled in Saudi Arabia because of extensive pre-project training on social values.

What types of problems can one expect? Decision-making in some countries is far different from the way it is done in the US. Whereas we have become accustomed to shallow or flat organizations, and staff can collaborate openly and informally in making decisions, other cultures may approach the process in a more formal manner. These patterns are crucial in the conduct of negotiations. US managers need to be patient and respect that approach. The host country’s customs may be very unfamiliar, yet US managers must observe them. For example, Americans tend to use first names freely, even in formal communication. Some cultures take umbrage at this perceived over-familiarity. Many American managers habitually put up their feet to rest their shoes on desks or other furniture, facing their audience. Some cultures are deeply troubled by this action.

Attitudes to time may diverge widely throughout the world. North Americans and Northern Europeans treat time as a very precious commodity; they observe monochronic time, which involves a linear,
orderly time progression. In many agrarian societies, polychronic time is the norm. Time is treated far more flexibly as an objective, not a precise commitment. Several tasks are pursued simultaneously, adapting to changing circumstances. An American project manager needs to understand this to keep his or her sanity.

As recommended by Seelye et al, one should not judge the IQs and abilities of people in the host country, based on their economic conditions or physical appearance. For example, people who have Caribbean or African accents may sound different, yet many of them have studied in an educational system that has given them a fuller understanding of English (and the sciences) than may appear on the surface.

How can a design or construction organization make the transition to managing diversity?

- The transition must begin with the leadership of design or construction organizations. Leaders must show by their words and actions that they believe in the potential and value of all individuals, regardless of race, ethnicity, gender or other differences. Staff at lower levels take their cue from the management ranks; they are quick to distinguish between perfunctory “programs” and sincere commitment.
- Practice tolerance. The opinions and behaviors of other groups must be recognized and respected.
- Communicate a commitment to staff about providing an environment that is conducive to diversity. This fosters cooperation, inclusiveness of all staff, and recognizes value of knowledge, talent and skills from all sources.
- Managers should confront their personal biases and stereotypical attitudes, recognizing that no ethnic group has a monopoly on natural mental ability. They should communicate belief in dignity and respect for all, identify and remove barriers to minority groups in the organization, eliminate judgmental attitudes and learn to listen.
- Leaders in the construction industry need to look for and remove those barriers, both internal and external that inhibit the flow of information that can improve competitiveness.
- Managers must practice employee development in order to make diversity successful: Establish and communicate performance expectations, use appropriate motivational approaches, provide working conditions they appreciate, Provide meaningful feedback, both positive and negative, but respect the individual’s dignity. Use appropriate rewards and recognition – preferably things that the employee values, not just a routine award.
- For international projects, train management staff on the social and cultural values of the respective host country. Use bilingual, bicultural staff to interface where possible.
- Develop conflict resolution procedures that allow a win-win outcome. Differences in viewpoints and cultural factors must be respected and addressed.
- Recognize that the management of diversity is an ongoing long-term process. Like all quality endeavors, a culture of continuous improvement is the best prescription for a design or construction organization to ascend to world-class performance.

For further reading:
Seelye, H., Seelye-James, A., 1995, Culture Clash – Managing in a Multi-cultural World, NTC Books