Importance of Employee Engagement in Multicultural Organizations

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Executive Summary

Increasing workforce diversity has been one of the most important challenges organizations are facing over the past forty years. In today’s world, managers need to lead and motivate multicultural teams formed by employees with different gender, race, religion, age, ethnicity, education, socioeconomic background, and work experience. Additionally, there are four different generations in the workforce, baby boomers, generation X, generation Y, and Millennials. Given this complex diversity in the workforce, managers and HR practitioners must understand what the generational differences are, and how they might influence the engagement of the employees (Lapoint & Liprie-Spence, 2017).

Employee engagement is the foundation for establishing sustainable organizations. Effective employee engagement strategies can give an organization a sustainable competitive advantage because they reduce employee turnover, they improve employee's performance, and they improve the well-being of the employees (Yadav & Katiyar, 2017).

Organizations can implement diversity practices to obtain positive outcomes from employee engagement such as increase profitability, flexibility, creativity, successful adaptation to market fluctuations, and organizational growth. Organizational trust is the best mechanism to implement diversity practices, and the presence of high employee inclusion, which is up to which extend the employee feels as part of the organizations, it will strengthen the relationship between diversity practices and trust climate (Downey, Van der Werff, Thomas & Plaut, 2015).

The conclusions and literature included in this paper sustain that diversity practices such as inclusion, mentoring programs, communication, training programs, and the increase of staff diversity are powerful strategies to establish a corporate culture that fosters employee engagement.
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Importance of Employee Engagement in Multicultural Organizations

Employee engagement increases an organization's value which it translates into a company that operates more effectively and efficiently, both essential characteristics required to be a successful organization. Higher employee engagement means to have more enthusiastic employees that have higher job satisfaction and higher commitment to the organization, thus reducing employee turnover. However, the workplace is changing, and organizations tend to be more diverse than ever before. Diversity in the workplace encompasses different genders, race, ages, ethnicities, and different cultural backgrounds (Lapoint & Lipri-Spence 2017).

The researcher concentration is general administration and employee engagement in multicultural organizations is a critical aspect that managers must consider in order to embrace and increase sensitivity for diversity and to take advantage of the unique characteristics of each generation at work to make a meaningful work environment to all employees. The focus of this paper is to identify some key diversity workforce characteristics so practitioners and managers can implement the proper diversity strategies and employee engagement strategies.

In 2016, Continental AG published that one of the main pillars is “Industrialize Best Fit” where the aim is to meet the needs of the organization with the right employees with the right skills and abilities. Being a global company with 220,137 employees in 427 locations around the world, Continental AG appreciates and encourage employee diversity, ideas, and experiences because these are key elements for the success of the company. Continental AG female participation is about 27 percent of the workforce globally, and regarding female management positions, they count for 12.2 percent with the aim to reach 16 percent by 2020. By the end of 2016, 45 percent of the management team worldwide comes from outside Germany (Continental Corporation, 2017).
The researcher of this paper sustains that Continental AG is in the process to define the necessary employee engagement strategies globally. While this organization has made some improvements in recent years to promote diversity and higher job commitment, there are still many opportunities to increase employee engagement. Managers at Continental AG need to work with HR practitioners to implement the necessary diversity practices that can enable and identify the right employees for the current and future job opportunities for all employees.

**Work Ethic in Multicultural Organizations**

It is common for organizations to have diversity in the workforce. People with different gender, race, ethnicity, native language, culture, religion, and values come to work every day and they must interact with each other, so leaders must be ready and prepared to manage this challenging environment. Managing diversity and multiculturalism brings also ethical challenges as there are differences in moral judgments and perceptions among different people. Researchers found that managers in organizations must deal with universal ethics and moral-cultural relativism. Universal ethics are based on internationally accepted human rights, and more specifically they are related to the Universal Declaration of Human Rights (UDHR), where the first article states that all human beings are born free and they are equal in dignity and rights. Moral cultural relativism is related to local ethical norms (Mele & Sanchez-Runde, 2013).

Work ethic includes all the attitudes and beliefs that represent the value of work and it is used as a reference to evaluate how employees perceive work importance, how employees distinguish good moral behavior from bad moral behavior, and how individuals perceive leisure time. Work ethic is a fundamental component of employee engagement, as it influences employee commitment, job satisfaction, and vigor at work (Hite, Daspit & Dong, 2015).
To develop an ethical corporate culture, organizations must foster ethical leadership to influence and motivate employees in developing cognitive capabilities to make the right decision in an open environment of trust that is supported by the organization. Organizations can develop an ethical climate by implementing corporate principles, policies, procedures, values and practices applicable to all individuals within the organization regarding the appropriate behaviors in the workplace (Romanelli, 2018).

Generations at Work

A generational cohort is integrated by a group of individuals who share some common experiences and certain life events during the same historical period of time. This means that these individuals during the same period of time they were born, attended school, started to work, engaged in marriage, and retired from the workforce. Generations are also influenced by some historical events, cultural, and social phenomena, which in consequence have an impact on the individual's attitudes, behaviors, and way of thinking. Each generational cohort has its own unique characteristics as mentioned in Table 1 below. Managers must consider these characteristics to implement the correct diversity and engagement strategies as each generation contributes in its own way to the workplace (Hoole & Bonnema, 2015).

Researchers have found that employees' values have an impact on their experience of meaningful work, and for this reason, it is recommended that employers should incorporate engagement and meaningful work strategies to accommodate the unique generational needs. Since each generational cohort brings its own unique contribution to the workplace, managers must consider the best approach to take advantage of the different generational characteristics to motivate and influence employees (Hoole & Bonnema, 2015).
### Table 1. Generations at Work

<table>
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<th>Generation</th>
<th>Main Characteristics</th>
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| **Baby Boomers** | • Individuals were born from 1946 until the mid-1960s (Lapoint & Liprie-Spence, 2017).  
• Employees in this generation are currently nearing retirement age (Hoole & Bonnema, 2015).  
• This generation is marked by historical events such as the Civil Right Movement, the Vietnam War, and the first time humankind landed on the moon (Lapoint & Liprie-Spence, 2017).  
• This generation grew up in a healthy post-war era (buy now, pay later), where families were more traditional (Lapoint & Liprie-Spence, 2017).  
• Baby Boomers have a mentality that they live to work (Lapoint & Liprie-Spence, 2017).  
• This generation doesn't mind working long hours. Their strengths are based on experience, knowledge, and dedication (Lapoint & Liprie-Spence, 2017).  
• Baby Boomers are competitive, optimistic, and focused on personal achievement (Lapoint & Liprie-Spence, 2017). |
| **Generation X** | • This generation has been in the workplace for the past 30 years (Hoole & Bonnema, 2015).  
• Individuals between the ages of 33 and 45 years old belong to this generation (Lapoint & Liprie-Spence, 2017).  
• This generation has the mindset that they work to live as a result of the lack of time they spent with their parents while growing (Lapoint & Liprie-Spence, 2017).  
• Individuals of this generation had to take care of themselves and their siblings as their parents went off to work, so they learned to be very independent (Lapoint & Liprie-Spence, 2017).  
• This generation seeks more work-life balance and they are typically risk takers (Lapoint & Liprie-Spence, 2017).  
• Generation Xers are more independent, creative, adaptable, and they are willing to change the status quo (Lapoint & Liprie-Spence, 2017).  
• Individuals of this generation are more skeptical (cautious) and they are more committed to their work and co-workers (Lapoint & Liprie-Spence, 2017).  
• This generation struggle with trusting authority, multigenerational team projects, and career development (Lapoint & Liprie-Spence, 2017). |
| **Millennials** | • This generation started entering the workforce and some individuals might have been part of the workforce for the past few years (Hoole & Bonnema, 2015).  
• Individuals between the ages of 18 and 32 years old belong to this generation (Lapoint & Liprie-Spence, 2017).  
• The mentality of millennials believes in the group concept where no one is left behind (Lapoint & Liprie-Spence, 2017).  
• Millennials grew up with technology advancements such as smartphones, laptops, internet, and cable television (Lapoint & Liprie-Spence, 2017).  
• This generation embraces social media and takes advantage of mobility and technology in their daily activities (Lapoint & Liprie-Spence, 2017).  
• Individuals of this generation are comfortable with technological changes (Lapoint & Liprie-Spence, 2017).  
• Millennials tend to be optimistic and team-oriented (Lapoint & Liprie-Spence, 2017).  
• This generation is able to multi-task and are technologically well informed (Lapoint & Liprie-Spence, 2017).  
• Millennials are characterized as focus driven, tenacious, and anxious to grow quickly (Lapoint & Liprie-Spence, 2017).  
• Individuals of this generation tend to have issues with respectful communication, with the daily living and employment tasks, and they expect things to happen immediately (Lapoint & Liprie-Spence, 2017). |
Diversity Practices

Some of the most common diversity practices in organizations to increase engagement are shown in Figure 1 below. Inclusion refers to the degree on which employees feel part of the organizational processes, how they participate over the decision-making process, how is their involvement in critical projects, and how they can get access to information and resources from the organization. Mentoring programs is another diversity practice especially for people with many years in the organization to improve their commitment and efficacy to support younger employees and to reduce social isolation. Training programs can reduce managers’ biases, and increasing diversity staff and task forces will improve the relationship with multicultural employees. Communication against sexual harassment and discrimination will create a safe work environment for all employees (Downey, Van der Werff, Thomas & Plaut, 2015).

Figure 1. Diversity Practices in Organizations

Taken from The role of diversity practices and inclusion in promoting trust and employee engagement (p. 37) by Downey, Van der Werff, Thomas & Plaut, 2015.
Researchers have found that one of the most important drivers to increase employee engagement in diversity teams is the relationship with the immediate supervisor, which has the ultimate responsibility for managing the employee's performance and to guide them to get advancement opportunities in the organization. Managers must have sufficient training and awareness of the unique characteristics of each generation at work, so they can take advantage of their strengths in order to motivate them and to increase their job satisfaction. For example, specifically for millennials, the concept of managing performance is related to getting direct, immediate, and frequent feedback on their job performance. Since millennials are the fastest growing segment in the workforce, organizations are implementing the concept of “fun” in the workplace (Schullery, 2013).

To improve employee engagement on millennials, high technology companies like Google incorporated "fun" activities in their organization, such as a provision of pool tables, a baby grand piano, an allowance for roller hockey in their parking lot, a rock-climbing wall on site, a company pool, and a beach volleyball pit. Other companies like eBay, they have incorporated amenities such as meditation rooms. The audit firm KPMG has implemented five weeks if time off for all employees since their first year. Microsoft incorporated next to its headquarters a private lake, twenty-five different cafeterias and diverse sports fields such as football, baseball, soccer, and volleyball courts. Even though the success of all these efforts to increase employee engagement is not publicly known, researchers see a trend in organizations to include fun in the workplace (Schullery, 2013).

Organizations can increase the engagement of older generations (Baby Boomers and Gen Xers) by developing two-way mentoring plans. The older experience employee can provide a proverbial wing to shelter the young apprentice while this last one can share the benefits of
technology to the older generation, as they might struggle to embrace the benefits and productivity of new tools (Schullery, 2013).

As part of the demographic changes, in today’s global environment, more females are entering the workforce, so this situation is changing the traditional male-dominated organization and consequent the ethical related issues. Under the gender identity theory, females are more focused not on the self, rather centered on others. They have traits and behaviors like respectfulness, altruism, and they tend to consider the consequences of their decisions. In consequence, researchers consider females are more inclined to take more ethical decisions than males in questionable difficult situations. Organizations can take advantage of these gender differences and balance their management teams to incorporate more females into executive positions (Chen, 2014).

**Literature Review**

Currently, there are multiple generations at work. A generation is a cohort of persons that share and live through a set of common habits, historic events and cultural aspect that provide them with a collective memory that influence and identifies them over a finite period of time. Within an organization, it is possible to perceive that the employee's values and attitudes towards work are very different between people from different generations. For this reason, managers need to consider these generational differences and implement diversity practices if they want to manage effectively their employees (Lapoint & Liprie-Spence, 2017).

Diversity at the workplace has made obsolete the traditional HR approach of one-size-fits-all in regards to employee engagement. To promote higher engagement levels, organizations must re-define the content of work to provide meaningful work to all employees, where a person-
job fit structure can be implemented and factors like age, career stages, and personal development can be incorporated (Hoole & Bonnema, 2015).

Inclusion and diversity in organizations are well-accepted elements that are fundamental business tools in today's global environment. This is mainly driven by the fact organizations can accomplish better results by utilizing employees from different backgrounds and perspectives at different levels of the organization. The approach of a unified organization to embrace diversity and inclusion can have a sustainable positive impact on the well-being of all employees, business, and community (Sanyal, Wilson, Sweeney, Rachele, Kaur & Yates, 2015).

Workforce demographics are changing rapidly. Researchers found that millennials will soon constitute half of the actual workforce in the USA, and this generation often is characterized and negatively stereotyped as "job hoppers". For this reason, organizations require to customize benefit packages to increase their engagement and retention. Some engagement strategies incorporate work-life balance, corporate branding, meaningful job roles, competitive benefits and perks, career development and advancement, training and mentoring (Nolan, 2015).

According to the U.S. Department of Labor, in 2011 females were almost on par with men in the workforce, reaching a 46.6 percent woman participation versus 53.4 percent participation of men. Researchers sustain that hiring female employees can provide a competitive advantage to organizations considering that gender diversity and performance is based on the concept that women and men provide different viewpoints, problem-solving techniques, creativity and innovation to the organization (Badal & Harter, 2014).

Researchers found that each generation has a unique personality that defines their perception and feelings towards the organization and their expectations to promote higher engagement. For example, employees aged between 18 and 29 years tend to look more for the
base salary, variable pay, and quick advancement. Employees aged between 30 and 44 years typically value more medical benefits, base salary, and work-life balance. Employees aged between 45 and 54 considered more important to look for retirement funds, base salary and medical aid (Pregnolato, Bussin, & Schlechter, 2017).

Conclusions and Recommendations

When organizations implement diversity practices, this action sends a powerful message to all employees about the strong commitment and support the organization has for all of its employees from all backgrounds. When employees perceive a fair diversity climate, this directly impacts group job performance, as well as outcomes such as higher organizational commitment and less voluntary turnover intentions regardless of race (Downey, Van der Werff, Thomas & Plaut, 2015).

Recommendation 1

The literature included in this paper confirms that employee diversity brings a competitive advantage to all organizations. A multicultural workforce brings to the organization a variety of different attitudes, mindset, and skills that combine with the different generations at work, they will provide higher efficiency and profitability for the organization. Managers need higher cultural awareness to lead different generations at work.

Recommendation 2

The researcher sustains that when organizations implement diversity practices such as inclusion, mentoring programs, communication, training programs, and increase diversity staff will support a trustful corporate culture that fosters higher employee engagement which correlates to higher efficiency and to an increase of profitability for the organization.

Incorporating the concept of “fun” in the workplace is positively associated with job satisfaction.
References


