

## Diversity Management in Turkish Enterprises

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### Abstract

*This report is a part of the project "Diversity management and as answer for demographic changes". The project is a continuation of the research on diversity management in Visegrad countries implemented by Alcide De Gasperi University of Euroregional Economy in Jozefow, (Poland), Seged University (Hungary), Matej Bel university in Banska Bystrica (Slovakia) and University of international relations and public relations in Prague (Czech republic) The main aim of the research is to examine demographic changes and their influence on job market. In this article Turkish sample was conducted a research for examination of demographic changes and their influence on job market in the framework of diversity management. The findings of the research show that homogeneity of different variables in Turkish enterprises are exclusively in the tendency of turning into heterogeneity. In a comparative sense it can be said that there is no dramatic difference between Turkish enterprises and V4 countries in scope of diversity management.*

**Keywords:** *Diversity management, demographic changes, Turkish enterprises, culture, society.*

## Türk İşletmelerde Çeşitlilik Yönetimi

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### Öz

*Bu rapor "Çeşitlilik yönetimi ve demografik değişiklikler" projesinin bir parçasıdır. Proje, Alcide De Gasperi Üniversitesi Jozefow (Polonya), tarafından uygulanan Visegrad ülkelerinde çeşitlilik yönetimi araştırmalarının bir devamı niteliğindedir. Seged Üniversitesi (Macaristan), Banska Bystrica'daki (Slovakya) Matej Bel Üniversitesi ve Prag'daki Uluslararası İlişkiler ve Halkla İlişkiler Üniversitesi (Çek Cumhuriyeti) ortak olarak çalışmaya katılmışlardır. Araştırmanın temel amacı, demografik değişimleri ve iş piyasasına etkilerini incelemektir. Bu makalede, Türkiye örnekleminin demografik değişiklikleri ve iş piyasası üzerindeki etkilerinin çeşitlilik yönetimi çerçevesinde incelenmesi amaçlanmıştır. Bu çalışmanın sonuçları Türk işletmelerdeki değişkenlerin homojenliğinde heterojenliğe doğru bir değişmeyi çeşitlilik yönetimi açısından barındırdığını göstermektedir. Karşılaştırmalı bir yaklaşımla çeşitlilik yönetimi açısından Türk işletmeler ve V4 (Alcide De Gasperi Üniversitesi Jozefow (Polonya), Seged Üniversitesi (Macaristan), Banska Bystrica'daki (Slovakya) Matej Bel Üniversitesi ve Prag'daki Uluslararası İlişkiler ve Halkla İlişkiler Üniversitesi (Çek Cumhuriyeti) ülkeleri arasında dramatic bir farklılığın olmadığı söylenebilir. Sonuç olarak çeşitlilik yönetimi Türk işletmelerce uyanmaya çalışılmaktadır. Bu çalışmanın sonuçları yapılacak çalışmalar için öncül değerindedir.*

**Anahtar Kelimeler:** *Çeşitlilik yönetimi, demografik değişiklikler, Türk işletmeleri, kültür, toplum.*

## Introduction

Diversity, or in other words, offers many advantages for workplaces and these advantages are provided in three basic ways. The first is the design level, the second is the service level, and the third is the strategic level. For example, when an organization is properly managed in terms of labor diversity, efficiency can be seen in acquiring resources and managing costs. The reason for this is that this diverse workforce brings problem-solving and creativity skills that benefit by the organization in terms of its performance. For this reason, diversity can be seen as an important element to attract a skilled workforce while saving company's money in the process. This has significant benefits for the organization. In this article Turkish sample was conducted through a research for examination of demographic changes and their influence on job market in the framework of diversity management. Below the definition of diversity management can be seen as:

“The application and support of multiple lifestyles and personal characteristics within a defined group. Management activities include training of the group and supporting the adoption and respect of various racial, cultural, social, geographical, economic and political backgrounds” (<http://www.businessdictionary.com/definition/diversity-management.html>).

It is also an art of to handle with how to operate workforce diversity due to increasing demographic complexity in labor force which also includes feminization (Kirton & Greene, 2010, p.249-262).

Diversity is always implies a positive meaning for effectiveness of the team (Knight et all, 1999, p.445-465).

It will benefit the employer to have a variety of workforce and emphasize the diversity as it will ensure that the needs of the consumer are met in a professional manner. In addition, the organization is able to develop relationships with its suppliers and partners while creating value for shareholders.

Diverse work force is also addresses diverse social capital combinations. With such capital combination, there occurs an important challenge for the companies.

On the other hand, globalization has led to a culturally diversified workforce in organizations that need to translate consumer demands into services or products offered. In this sense, levels of an organization related to strategic, service and design levels can be strengthened through diversified workforce. In terms of service level, consumer demands are met more efficiently in organizations with a diverse workforce. For example, the Montreal Bank's operating structure includes the recruitment of Chinese-speaking employees who can communicate more effectively with the Chinese consumers served by the bank. This has led to a prestigious credibility among the communities of the Chinese who use the services of the bank. As a result, the bank has received many awards through the Workplace Equality Program.

The management of diversity of work force passed through a series of developments during the time. In 1960s the managing workforce representation was being used as a term with managing workforce demographic relations term while managing diverse talents in 1980s (Thomas Jr, 2011, p.1-9). Now in existing period it is known as Diversity Management.

Managing multicultural groups, enabling them to take initiative, communication among them, and similar problems is in the concept of diversity management. Global diversity is still a newly appeared term for especially non-multinational companies (Macgillivray et al, 2008, p.65-76) but their interest is still growing due to globalizations inevitable consequences

Successful diversity management consists of revealing the rich and diverse potential of the whole workforce.

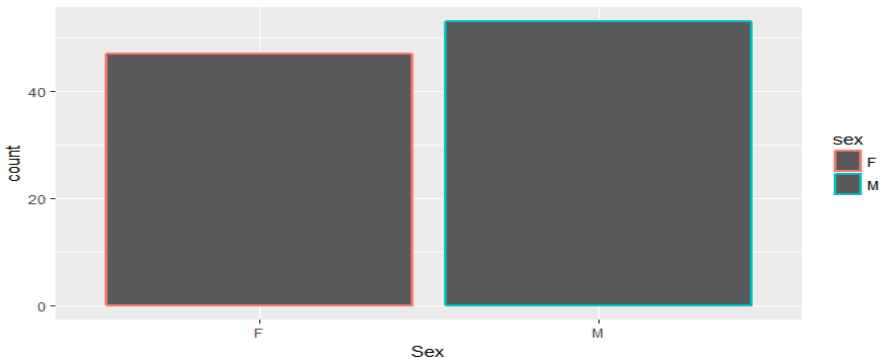
In addition, for companies, diversity plays a major role in mergers and acquisitions, since during this time one of the most important issues is culture. This demonstrates the importance of having a team of diversified individuals at the strategic level. According to employees, research shows that when diversity is detected in the organization, positive attitudes towards the company and their professions arise. Such workplaces are defined as a positive place to work and are perceived as places where employees are valued, and diversity is appreciated and appreciated. In addition, some studies show that the performance, satisfaction levels and the ability to work with others are adversely affected when an employee is not appreciated for their ethnic origin or race. This situation shows the

importance of the diversity of the workforce (Loden and Rosener 1991, p.18-19).

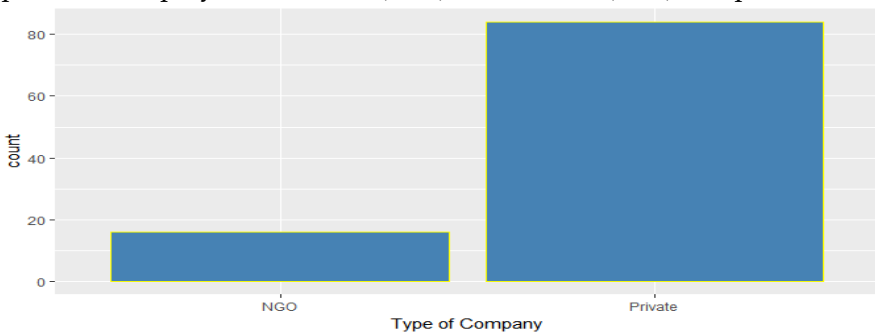
“It is important to understand how these dimensions affect performance, motivation, success, and interactions with others. The institutional structures and practices that hinder the various dimensions of diversity should be examined, questioned and removed” (<https://hr.berkeley.edu/hr-network/central-guide-managing-hr/managing-hr/interaction/diversity/introduction>).

## Findings

### 1. Information about participant



There are 47 female and 53 male participants in this survey. These participants are employed in NGO's (f=16) and Private (f=84) companies.



Cross-Tabulation of Gender and Company Types are as below;

**Table 1. Gender Distribution Among Company Types**

Gender	NGO	Private
Female	8	39
Male	8	45

The number of employees of included companies are separated into 3 groups. These groups are i) Less than 10 employees ii) 50-249 employees and iii) over 249 employees. To compare gender distribution among these 3 groups is important to evaluate gender equality.

**Table 2. Frequency Table of The Companies' Employee Volume**

Less than 10 Employees	40
50-249 Employees	31
Over 249 Employees	29

**Table 3. Cross-Tabulation of Gender Among Type of Companies and Their Employee Volumes**

	Less than 10 Em- ployees	50-249 Employees	Over 249 Employees
Female			
NGO	1	6	1
Private	16	11	12
Male			
NGO	6	0	2
Private	17	14	14

Table 3 shows that female group in NGO section is accumulated in 50-249 Employees group. For male group, same structure can be seen in less than 10 employees group. For Private sector, the gender distribution is almost relatively same.

In addition, the departments of participants and its gender-based distribution is also demonstrated below;

**Table 4. Departments of the Participants and Gender Based View**

	HR	Other	Partner
Female	6	40	1
Male	19	33	1

## 2. Diversity Management Background

58 participants declared that they were aware about Diversity Management so far. And 42 of them not. As described in the questionnaire, explanations about “Diversity Management” notion made to whom declared that they did not hear about the notion. Then, their beliefs are asked to see how “Diversity Management” is important for them. (Do you think it is important for the company to have a Diversity management?)

Only 10 % of the participants answered “Yes” option. After that, we asked whether their company has a diversity management strategy or not. Results are;

*Table 5. Frequency Table of “Does your company have a “Diversity Management Strategy”*

<b>Answers</b>	<b>Frequency</b>
Yes, we have as a separate document	28
Yes, elements of the Diversity management strategy are located in other strategic documents of the company	29
Yes, elements of the Diversity management strategy are elements of a code of ethics.	22
We do not have, we plan to develop a strategy.	6
We do not have, we are not planning to develop such a strategy	15

% 60 (6 participants) of participants who believe the importance of the “Diversity Management” are working in the companies which have no diversity management strategy and interestingly % 61 (55 participants) of other group participants are working in institutions which somehow have diversity management strategy.

On the other hand, 52 % of the participants are positive to diversity management in terms of company performance improvement. Their perspectives about the factors that can improve the companies’ performances are asked to the participants and the results listed below as frequencies in each cell.

**Table 6. Could you identify, which benefits bring the use of Diversity management**

	1	2	3	4	5
Improving the image of the company	NA	42	58	NA	NA
Better motivation and performance of employees	NA	42	52	NA	6
Better satisfaction of employees	NA	84	10	NA	6
Increasing company profit	NA	42	42	NA	16
Access to new markets, retaining new customers	NA	NA	6	42	52
Getting the best personnel	NA	52	NA	6	42
Retaining the best talents	NA	NA	10	48	42
Increasing creativity and innovation by building diverse teams	NA	6	10	42	42
To avoid any risk of discrimination in the company	NA	16	84	NA	NA
Increasing client loyalty	6	94	NA	NA	NA
Reduced costs	6	52	42	NA	NA
No benefits	NA	10	90	NA	NA

(1 least – 5 highest degree)

Participants gave highest degrees mainly on “access to new markets, retaining new customers”, “Getting the best personnel”, “Retaining the best talents” and “Increasing creativity and innovation by building diverse teams” factors as the diversity management strategy can contribute. Also, participants generally don’t think that diversity management can contribute to “increasing client loyalty” and “cost reduction” significantly. A few participants think that diversity management has no benefit.

### 3. Workforce Changes

In this part of the survey participants’ perception searched on workforce change in the economy. All participants are agreed on question 6 (In your opinion, diverse team can help to achieve better business results.).

Seventh question was about participants’ expectations of the future of labor change in terms of gender and age.



*Table 7. "Think about the future of the economy and the demographic situation in your country in 5 years, do you think that the labor market participation of individual employees ...?"*

	In-crease	Remain at the same level	Decrease	I don't know
Woman	10	90	NA	NA
Men	NA	100	NA	NA
People 50+	94	6	NA	NA
People below 30 years	16	NA	84	NA
People ages 31-39 years	84	10	6	NA
People ages 40-49 years	NA	84	16	NA
Disabled people	NA	58	42	NA
Foreigners	94	6	NA	NA

According to the participants gender balance in workforce will not change significantly in 5 years but they believe that foreigners' pie will increase in workforce. In terms of age, participants mainly believe that 31-39 age group will be dominant in the workforce in these 5 years. 90 % of the participants see difference in the level of motivation in connection to age and gender.

Finally, respondents declared that their company's employees (employee groups) submitting their specific needs related to work-life balance.

## **Discussion and conclusion**

Globally aging population and new generation young professionals entering the market are changing the frame of the workplace. Companies need to look forward to the future of the future and to prepare and organizationally understand what they will bring. By 2060, 65 people or more will be only 2 workers for the human half of today's figure. Despite the migration, the EU countries are expected to reduce the population of enough races. The general EU population will grow just before the 2050 summit. The population pyramid is reversed, demographically deeply affected by the structure of the population in the EU Member States between young and middle-aged people. This population will have a greater effect on the unemployment rate for older workers. In response to this demographic aging, the work force has moved into action from the waiting work force;

It may be expected that this development will continue if there is a greater likelihood of improvement in life and living conditions, and if there are more gains in life expectancy.

For this reason, an aging workforce, young unemployment, women's low level of activity, is an important question that Europe should address. The Central and Eastern Europe region is facing similar demographic issues such as Western Europe. In four Visegrad (V4) countries, Poland (PL) is the largest with a population of 38.5 million. Hungary (HU) and Czech Republic (CZ) have a population of about 10 million and Slovakia (SK) with a population of 5.5 million. The demographic structure in the four Visegrad (V4) countries is quite similar, showing the post-war explosion and then the echo of this explosion in the 70's / 80's. In these countries, the young population (counted between the ages of 15 and 29) is relatively large - young people make about 22% of the population in PL and SK and about 19% of CZ and HU populations. As the child's population decreases over time, the age pyramids show the progress of the aging processes of V4 communities. The aging process is also shown by the increase in the rate of dependency on old age, which is sharply rising with the post-war boom production reaching retirement age (National report, 2016).

"The generations that are relevant to the purpose of our work today are: Baby Boomers, Generation X and Y Belts or Millennials. Baby Boomers refer to the post-war generation born between 1946 and 1964; Generation X (Gen X) refers to individuals born between 1965 and 1980; and Y Belt (Gen Y) is found in between those born between 1981 and 1997. Although I am no longer in the workplace, I also refer to the Traditionalists who were born between 1922 and 1945" (<http://www.diversityjournal.com/4226-seven-steps-to-effective-diversity-management/>).

The ability of an organization to effectively address a witch will influence these demographic changes directly on its performance. Only companies that have employees who are different according to gender, age and culture will be able to preserve the best talents necessary to compete. Diversification experts' estimates imply that the extent to which the demographic workforce has changed is effectively and efficiently managed, will have a significant impact on the competitive and economic outcomes of organizations, and managers will face the challenge of dealing with most of the different groups in the workplace. Demographic changes will

continue to make the marketplace, the labor market, and the workforce of the future much more diverse than they are up to now.

The most important issue of this work expanding the business of the V4 countries is knowledge of demographic changes and diversity management and how integrated in the management of development diversity in V4 countries enterprises is. This study focuses on the diversity of the labor force in relation to demographic changes in V4 country enterprises. In fact, one of the main questions is why many organizations are reluctant to adopt in their management practices. Today, it is well known that diversity management can result in profit as well as competitive advantages for institutions. There may be literature that does not provide any empirical work supporting organizations' diversity management adaptation, the claim of diversity of workforce and its importance to organizational profitability. As Cox and Blake (1991, p.52) pointed out, "management literature has suggested that organizations must value diversity, and that organizational competitiveness is seldom open, and that no article observes real research data that supports such a link."

The impact of the implementation of diversity management (DM) by regional determinants and organizations in the V4 countries will lead to a lack of information on this area. They help to choose and spread the best practice. Today's competitive power is the key to growing diversity management in the global marketplace.

The ultimate goal of the "Diversity Management in V4 Countries in Response to Demographic Changes" project is to provide concrete suggestions on how organizations can overcome demographic changes and how diversity management can affect business potential.

This problem should be answered "open" and follow the research questions to find a possible solution.

1. How is the labor force structured and predicted in the V4 countries?
2. How well is the concept of diversity management in V4 countries known?
3. Is there a need for diversity management in enterprises with at IF in domestic and external demographic changes in V4 countries? (Within definition: demographic changes within companies, external: demographic development in V4 countries)

Within the framework of the first question above, it is useful to know the demographic situation and how companies estimate each V4 country.

Within the framework of the second question above, it is useful to know whether the concept of diversity management is up to now. If so, how well-known is it and how important is diversity management for organizations? Do organizations have information about the benefits of this concept?

In the context of the third question above, it should be known whether organizations are obliged to manage diversity as much as now and within ten years, as it depends on the demographic development in the V4 countries and therefore affects their workforce diversity and organization in a similar way. Are the companies ready for the changes? What can companies do to prevent disadvantages due to the diversity of the workforce? Diversity management is a solution for V4 country organizations. In addition to fulfilling academic requirements, it is hoped that the findings of the paper will find recommendations to employees who will likely face more, more and more different managers then different workforce.

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