

THE LEADERSHIP ACROSS DIFFERENCE PROJECT



SOCIAL IDENTITY TENSION AS A LEADERSHIP CHALLENGE IN TWO ORGANIZATIONS IN SPAIN: A Case Study

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Spain today...



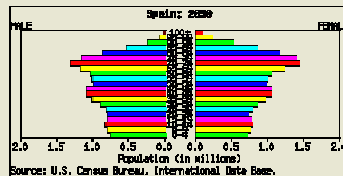
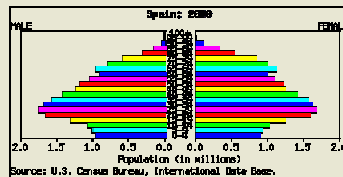
- The "Spanish Transition 1975-78"
 - Death of "Generalissimo Franco"
 - Signing of Constitution 1978
 - "nation of different nationalities"
 - Multi-party democratically elected government
- Presently lead by socialist president
- Population of 42,717,064 habitants
- Seventeen distinct autonomous regions
- Official language of the nation "castellano"
 - 3 officially recognised autonomous languages
- Inflation 3.6%
- Unemployment 11.1%
- Economic growth 0.5% above EU average

Spain tomorrow...

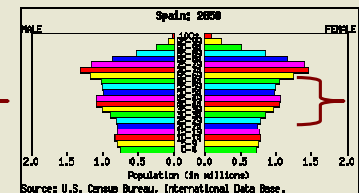
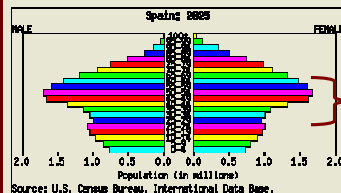
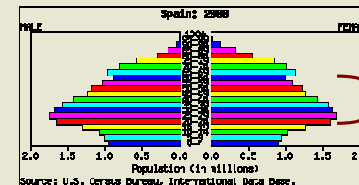


Population Pyramid: an aging society

- Average age for childbearing 30.8 and rising
- Fertility rate of 1.3 children per women (below replacement rate 2.1)
- Working age Spaniards will start to shrink by the year 2010
- 16.9% population over the age of 65
 - 21.2% in 2025
 - 30.8% by 2050
- Fertility rates growing in immigrant communities



Spain tomorrow...Population Pyramid



Spanish Cultural Values Context



Bi-polar cultural dimensions (Schwartz)

- High on Harmony
 - (opposed to Mastery)
- Moderately high on Egalitarianism
 - (opposed to Hierarchy)
- Moderately high on Intellectual Autonomy
 - (opposed to Embeddedness)

Salient Social Identity Groups



Gender - Women

- 51% of working age Spaniards
- 39% of the active workforce
- 16% are unemployed
- 18% of executives in companies with more the 10 employees are women
- 28% average salary gap
- Commitment of present socialist government to push gender equality policies

Class ceilings

Religion - Catholic

- 98% Christian
- 80% practising Roman Catholic
- Small protestant and Orthodox Chrsitian communities
- 1% Muslim (North Africa)
 - Tensions resulting from "religious terrorism"
 - Madrid bombing 11/03/2004
 - Catholic echelon's fear that Christian societies are "morally disarmed" against "the eruption of strong values that are coming with Muslim immigration"

Catholic domination

Salient Social Identity Groups



Ethnicity & Race

- 95% White
- European→Latin→Region
- Gypsy community
- Moorish cultures North Africa
- "Black" cultures West Africa
- Latin American communities

Quickly mixing

Immigration

- Over 3 million immigrant residents
 - 1% population 1995
 - 7% population 2006
 - 39% Latin America
 - 22% European Union
 - 14 North Africa
 - 13% Central and Eastern Europe
- Unemployment
 - 13% Eastern Europeans
 - 15% Latin Americans
 - 22% Africans

2nd in Europe

Social Identity Spillover Challenges Facing Leaders



Study "La Vanguardia"

- 49.6% believe that the number of immigrants will increase significantly
- 53.7% recognize the need to incorporate foreigners into the workforce
- 53.3% believe that there are already too many foreign residents

The term most readily associated with immigrant communities for 42.7% of the people polled was

"desconfianza" or "mistrust"

Managing in a paradoxical society

Spain LAD Sample & Faultlines

Org1: 55 questionnaire respondents, 11 interviews

Org2: 56 questionnaire respondents, 11 interviews



Organization 1

- For profit
- Operating unit MNC
- + 800 staff
- 40 nationalities
- 15 languages (operational)
- 65% female, 35% male
- Average age 29
- Prominant Social ID Groups
 - Gender
 - Nationality (Immigrants)
- Dominant Social ID Groups
 - White, Spanish, Christian

Multinational for Profit

Organization 2

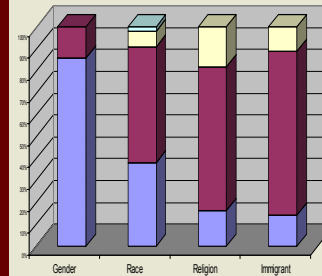
- Not for profit
- SME
- 380 staff & 400 volunteers
- 15 nationalities
- 2 languages (operational)
- 70% female, 30% male
- Average age 38
- Prominant Social ID Groups
 - Gender
 - Nationality (Immigrants)
- Dominant Social ID Groups
 - White, Spanish, Christian

SME not for Profit

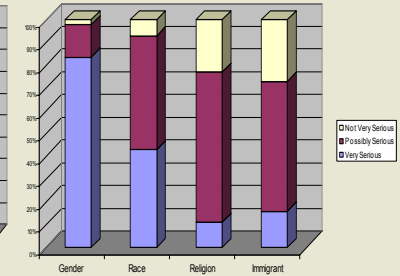
Perceived Seriousness Social Identity Conflict Scenarios



Organization 1



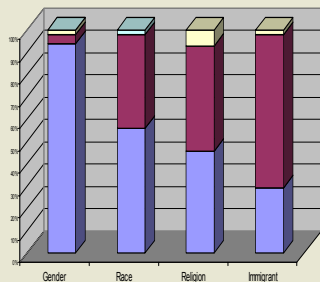
Organization 2



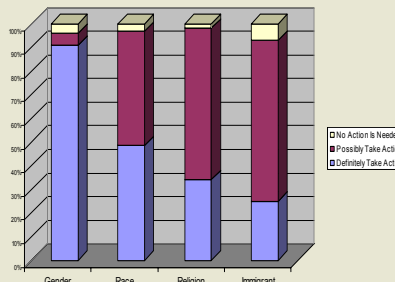
Need For Action to Be Taken Social Identity Conflict Scenarios



Organization 1



Organization 2



Who Should Take Action? Social Identity Conflict Scenarios (survey scale 1-5)



Organization 1

Who Should Take Action?	Ave
<i>Immediate supervisor(s)</i>	1.4
<i>Human resources</i>	1.6
<i>Individuals directly involved</i>	1.7
<i>Senior Executives</i>	2.5

Organization 2

Who Should Take Action?	Ave
<i>Human resources</i>	1.5
<i>Immediate supervisor(s)</i>	1.6
<i>Individuals directly involved</i>	1.9
<i>Senior Executives</i>	2.1

Organizational leaders are expected to intervene

Who Should NOT Take Action? Social Identity Conflict Scenarios



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<u>Organization 1</u>		<u>Organization 2</u>	
Who Should NOT Take Action?	Ave	Who Should NOT Take Action?	Ave
Advocacy group	3.7	External Consultant	3.9
Community leaders	3.7	Professional organization	4.1
Lawyer or legal counsel	3.9	Lawyer or legal counsel	4.2
The government	4.3	Respected religious leader	4.4
Respected religious leader	4.3	The government	4.6

Do NOT
go outside the organization for resolution

Most Effective Responses to Escalating Tension




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Organization 1	Ave
Supervisors and managers must treat all groups with respect	1.2
Develop policies and procedures for equal treatment	1.3
Program of policies, procedures & training for prevention	1.5
Training programs	1.6
Investigation to identify the individuals	1.7
Gathering of different individuals to get to know each other	1.8

Organization 2	Ave
Supervisors and managers must treat all groups with respect	1.4
Develop policies and procedures for equal treatment	1.4
Training programs	1.7
Program of policies, procedures & training for prevention	1.8
Provide opportunities to learn about those that are different	1.8

Explicit policies, training, contact & leadership accountability

Least Effective Responses to Escalating Tension




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Organization 1	Ave
Inform the media	4.4
Redesign the work to avoid interaction	4.4
Let the situation play itself out; do nothing	4.4
Encourage transfers to other part of the organization	4.5
Stop hiring non-dominant group members	4.5

Organization 2	Ave
Let the situation play itself out; do nothing	4.5
Inform the media	4.5
Encourage transfers to other part of the organization	4.6
Redesign the work to avoid interaction	4.6
Stop hiring non-dominant group members	4.6

Avoidance techniques are NOT accepted


Social Identity Spillover & Organizational Conflict Situations



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Organization 1	Organization 2
<p>Immigration, Race & Religion</p> <ul style="list-style-type: none"> • "It was a Muslim boy... and Ramadan began and every year they allowed him to change his schedule..." • "...this year they didn't allow him to change his schedule..." • "...very soon after he left, the boy gave notice after this incident." 	<p>Gender Imbalances</p> <ul style="list-style-type: none"> • "The fact of not having women at the executive level? Well, because that's life... That's life... it's just like that. Women can easily occupy management positions, on a much lower level than men. It has become a clear social issue." • "Yes, at XXX Barcelona we're still mostly women, the men of course have management positions, the general manager, the president and the board of trustees."

Triggers to SI Conflict Situations



- Assimilation
- Insults & humiliating actions
- Exclusion
- Different values
- Differential treatment
- Simple contact


Triggers to SI Conflict Situations



<u>Organization 1</u>	<u>Organization 2</u>
<p>Assimilation</p> <ul style="list-style-type: none"> • "...the profound differences...the most important ones...the religious beliefs for example, disappear due to the initiative of the people." • "...his problems were the last thing they wanted to deal with." • "... they just let him leave and didn't say anything." 	<p>Assimilation</p> <ul style="list-style-type: none"> • "So they proposed putting me on an "improvement plan" and insisted that I would have to change my attitude..." • "The HR manager reacted by saying that if they were lies I should just do the improvement plan, get it over with and move on...let things go."

Observed in both Organization 1 & 2


Triggers to SI Conflict Situations



<u>Organization 1</u>	<u>Organization 2</u>
<p>Different Values</p> <ul style="list-style-type: none"> • "...it is also ugly because he wasn't able to override his principles." • "...if the person granted him a flexible schedule then he was favoring a certain culture and that it would be clear that they favored Islamists and homosexuals here..." • "...it is good that the typical characteristics, like religion, are not made evident." 	<p>Different Values</p> <ul style="list-style-type: none"> • "...he told me that he came from a family business and that he used to call his secretary a whore and that it didn't create any problems..." • "...So, I had to tell him that I wasn't his secretary and I certainly wasn't a whore!"

Observed in both Organization 1 & 2

Triggers to SI Conflict Situations



<u>Organization 1</u>	<u>Organization 2</u>
<p>Insult</p>	<p>Insult</p> <ul style="list-style-type: none"> • "So this guy started off by being very jovial...telling the typical guy jokes...you know, like... "What you need is a good screw..." or, you must be having your period..." • "I don't have to accept treatment where someone yells at me and humiliates me by shouting..."

Observed in Organization 2 only

Triggers to SI Conflict Situations

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<u>Organization 1</u>	<u>Organization 2</u>
<p>Differential Treatment</p> <ul style="list-style-type: none"> that would be "...favoring one of the supposed antagonists of American culture." "...Some colleagues didn't agree with this and they said so to company heads... that they shouldn't give him a flexible schedule for this reason..." 	<p>Differential Treatment</p> <ul style="list-style-type: none"> "At last I was going to transfer to the international cooperation department...with the condition that they could revoke my contract after six months..." "...to get the transfer I had no renounce my permanent work contract and accept a temporary six months position."

Observed in both Organization 1 & 2

Triggers to SI Conflict Situations

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<u>Organization 1</u>	<u>Organization 2</u>
<p>Exclusion</p> <ul style="list-style-type: none"> "He wasn't so much interested in his own benefit but in having the request for a flexible schedule rejected..." "... this exchange of feelings from staff who were not requesting anything for themselves but simply asking them to reject a flexible schedule for someone else." 	<p>Exclusion</p> <ul style="list-style-type: none"> "...people in the HR department supported me because they believe in mobility between departments and thought that perhaps the change could help things..." "...the director of my department said that I was already on the way out... So they rejected my transfer and now I can't change departments."

Observed in both Organization 1 & 2

Triggers to SI Conflict Situations

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<u>Organization 1</u>	<u>Organization 2</u>
<p>Contact</p> <ul style="list-style-type: none"> "...the Spaniards who had already been working here for two or three years thought that the Belgians were very fussy..." "...and here they got the impression that the Belgians were amazingly fussy, that they do nothing else but complain." 	<p>Contact</p> <ul style="list-style-type: none"> "I only know that I've been in Barcelona for seven years, OK? And I fight with the Catalans so much that...it's my first experience abroad, and I hadn't lived before in another country and "...for seven years I've been fighting with the Catalans.... This has created some tension."

Observed in both Organization 1 & 2

Formal Leadership processes and outcomes:
Organization 1

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<u>Leadership Process</u>	<u>Outcomes</u>
<ul style="list-style-type: none"> Perceived lack of leadership intervention by staff <ul style="list-style-type: none"> Supervisors, managers, directors Leaders believe they manage SI tensions well Strong intervention HR function 	<p>SI tensions DO NOT escalate into organizational conflict</p>

Formal Leadership processes and outcomes: Organization 2



Leadership Process

- Perceived lack of leadership intervention by staff
 - Supervisors, managers, directors
- Leaders believe they manage SI tensions well
- Weak intervention HR function

Outcomes

SI tensions
DO NOT
escalate into
organizational
conflict

Conclusion: Leadership processes and outcomes



Organization 1

Lack of leadership intervention is compensated by:

- Strong organizational culture
- Acceptance of "weeding out"
- Individuals value diversity
- Recruitment & retention policies

Organization 2

Lack of leadership intervention is compensated by:

- Strong organizational culture
- Acceptance of "weeding out"
- Individuals value diversity
- Recruitment & retention policies

Multinational for Profit

SME not for Profit

Key Learning Points & Implications for Future Research



Learning Points from Research

- Tendency for leaders to not know how to manage social identity conflicts situations
- SI conflict triggers do not necessarily escalate into organizational conflict
- Increased knowledge, contact and training at all organizational levels may have positive impact
- There may be mediating and moderating factors to include in the *Leadership-Diversity Management* equation:
 - Organizational culture, leadership style, individual's diversity beliefs, nature of workgroup tasks etc,

Additional Slides



Examples of:

- Triggers
- Organizational remedies
- Policies & Procedures
- Leadership intervention

Org 1: Race/Religion Issues



Muslim & Ramadan

- "It was a Muslim boy... and Ramadan began and every year they allowed him to change his schedule..."
- This year, due to a change which took place in Human Resources they didn't allow him to change his schedule so that he could follow Ramadan... very soon after he left, the boy gave notice after this incident. "
- they didn't look for another solution, another more interesting department, no, nothing, they just let him leave and didn't say anything.
- *...his problems were the last thing they wanted to deal with."*

Org 1: Weeding out



Weeding out of non-conformers

- *"...it's not serious, because the company isn't actually obliged to do it.*
- *"there isn't a clause in the agreement here stating that there is a way to adapt to the Ramadan for example, they strictly follow the agreement, word for word."*
- *The problem is also the fact that he left because of this, it is also ugly because he wasn't able to override his principles."*
- *"I think they were already waiting for him to leave because they hired someone else. That boy could have been a boss but they hired someone else."*

Org 1: Operational Strategy



Recruitment & Retention

- *"Because I think that the Center considers that they have to accept this diversity in order to keep people on here, because if people do not feel comfortable well they'll look for another job...because this Center doesn't pay very high salaries...therefore, if you want to keep people here, of different languages, and so with this diversity they have, the only way you can do it is by making people feel comfortable. So that's one way, a good way to keep people on at work. And also, if people go around saying they treat me very well there, well you can attract talent...new talent."*

Org 1: Policies & Procedures



Formal Policies & Procedures

- *"I think that my company is very smart and that it had already envisaged that it was going to work with a 90% mix of people from different countries and I think that they had foreseen all these things in the contract. The problems that may arise no longer arise because they had already anticipated the fact of having foreigners working for them."*
- *"...we have made a great effort to insist...well in the global policy that the organization does not make distinctions of any kind. I mean the policy that there is no distinction based on belonging to one group or another.*
- *"...the rules may vary somewhat from one department to another" but they are, "...always covered by the global, general norms."*
- *"...focused on the fact that these types of attitudes or problems resulting from differences between groups are inadmissible here, so that people know that it is not the way to act in this company."*

Org 1: Nature of Task



Nature of Task as Moderator

- "...more than the aspects of distinct people working together, I think the problem lies in the nature of the work itself...more so than the fact that they come from different groups. They work within a context which is XXX and so there can be tensions but relative to the work itself, not because of belonging to one social group or another."
- It is possible that we have had isolated incidents between people. But not because of belonging to distinct groups...but more because of the task itself or the work..."
- I think that there is a neutral environment. Everyone comes to work for the project...no matter how international they are...they come here to work
- ...it depends on which tasks are performed by the work team. If the work requires it...it is positive that there are people from different countries.

Org 1: Standard Culture → Weeding Out



Neutrality → "International way of being"

- I think it is because the people in XXX are not totally authentic...at work there is a standard way of interacting. That allows everyone to interact at work in an international way, where the profound differences...the most important ones...the religious beliefs for example, disappear due to the initiative of the people.
- I think it is good that the people at XXX are not very authentic...it is good that the typical characteristics, like religion, are not made evident.

Org 1: Leadership Intervention



Lack of first-line leadership action and accountability:

- ...she took things too lay back and didn't take the right decisions and didn't put her stamp on the issues and she remained a bit on the sideline on the most important matters.
- he should have intervened before to try and clarify what personal and professional respect towards the beliefs of others is
- So what we have here is a relinquishment of leadership functions, certain communication deficiencies and a way of passing responsibility onto another level of the hierarchy.
- but what they do in actual fact is pass responsibility on to other levels. They did not exercise a leadership role.
- it's not only a matter of reporting problems but also of taking an active part in solving them...
- ...I think that the proposal should have been drawn up by the team leader and not by the next level in the hierarchy...A lot of time is wasted with these kinds of things.

Org 2: Gender imbalance



Societal and Organizational discrimination?

- "The fact of not having women at the executive level? Well, because that's life...That's life...it's just like that. Women can easily occupy management positions, on a much lower level than men. It has become a clear social issue. Women due to obligations they have, not professionally but personally speaking, they need to choose between their personal life and their professional career. They always have to make this decision."
- "...it always seems that you have to fight more to show something. To show that you know more or to show that you are worth it or...well, things that would not be necessary if a man was in this position."
- "Yes, at XXX Barcelona we're still all women, the men of course have management positions, the general manager, the president and the board of trustees."

Org 2: Organizational Culture & Values



Filtering for shared values

- "...in the recruitment process they give emphasis to the social values. I mean, not just your way of seeing the world, but your social conscience. Using this filter in some way reduces this type of conflict."
- "Well, because of the type of people that are recruited here. During the selection process, they look for certain values in people. I believe that they come here for these values. And one value is this...people who can work together disregarding gender."

Org 2: Organizational Culture



- The **type of person** in the organization inherently **values diversity**
 - "Because of our values...we have, deep inside us, a way of being so that we accept all different kinds of diversity with all its characteristics, don't we? Wouldn't this be absurd? To work for a better world in which that diversity does not exist? I could not understand that...it is simply incomprehensible."
- The **culture** is based upon people that will not be problematic,
 - "I think that if it doesn't happen (identity conflict), it is not because someone is checking and putting rules or because there is a clear and defining policy. But because in reality, people per se are not problematic, there are no problematic people in general."
 - "So mostly they prefer to accept the situation, do the best they can in the circumstances and not get mixed up in problems..."

Org 2: Organizational Protection



Personal commitment to Mission → Organizational protection

- "We take it for granted that nobody discriminates against anybody else because we are an NGO..."
- "...it would surprise me greatly and I'd be really disappointed if the people who work here behaved in the same way as society does, because in the end we defend rights and freedom for everybody, gender, everything, don't you think? So, you're working here, fighting for these values and afterwards in your day-to-day life you don't practice it. I don't know, I'd feel really disappointed."
- "No come on. If someone were to really present a work-related complaint of accusation of conflict in this respect...I am sure that it would not be a fair complaint."
- "They would not allow this kind of work related This would be contrary to our way of thinking. They would not approve of it if such treatment were detected. They would do something, people from HR would intervene..."
- "I am sure that the management makes a real effort to make sure that everything is fair...that diversity exists and is respected. And I do not think that someone could be dismissed because of diversity...I don't believe that this happens..."
- Because you think "this can't happen to us", you don't give it any importance.
- ...what I mean is that matters of harassment and so on...since we consider it difficult for this to happen, then perhaps you brush off a small thing that someone explains to you because you say "no, no, no, this doesn't happen here"...but of course you ask...these things don't really happen here?...well, maybe they do."

Org 2: Social ID Conflict Triggers



Gender Related Conflict

- "So this guy started off by being very jovial...telling a lot of jokes. Jokes that at first I accepted and tried to respond to by appearing tough. The typical guy jokes...you know, like... "What you need is a good screw..." or "Someone should do you right..." or "You must be having your period..." Well, he made comments like that..."
- ...he told me that he came from a family business and that he used to call his secretary a whore and that it didn't create any problems...
- So, I had to tell him that I wasn't his secretary and I certainly wasn't a whore!
- ...he began shouting at me and saying that I should pay attention, that his time was limited, that his issues were important and what was I doing paying attention to someone else....
- I don't have to accept treatment where someone yells at me and humiliates me by shouting that I can only speak with him, that I can't speak with anyone else...that I should only listen to him and tells me, "I order you to do this or do that."

Org 2: Leadership Intervention



Non-existent at all levels:

- *"The worst part about what my manager did is not the offensive things that he said to me, though that was pretty uncomfortable...the worst part is the fact that he abused his authority to keep me in a humiliating situation...that is the worst part.*
- *... I spoke to HR but their hands are somewhat tied because it really depends on whether people believe me or not." On page 19 she says: "Well, the HR manager reacted by saying that if they were lies I should just do the improvement plan, get it over with and move on...let things go. It's a position of trying to avoid problems...shut up and continue on your way."*
- *And now there is a new director that also oversees the HR function and he told me that I was really making it difficult for my manager.*

Org 2: Organizational Remedies



- *So they proposed putting me on an "improvement plan" and insisted that I would have to change my attitude..."*
- *XXX was **transferred** to another store (yet still reported to the same boss)*
- *XXX took 6 months of **stress related leave** (yet this was attributed to the working conditions at the new store), but clearly the tension with her boss influenced this situation*
- *She was all set to transfer to a new division (international group) but her manager **blocked the transfer***
- *She was eventually **released***