Diversity Hotspots and Social Integration: An Overview

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ABSTRACT

As the marketplace for goods and services becomes increasingly global, businesses must understand and embrace diversity in their brands as well as in their workforces. Simply having a diverse employee population is no longer enough, according to Forbes; for a company to succeed in today's challenging economy, it must not only meet the needs of a multifaceted marketplace, it must respect different cultures, ideas and philosophies. From the experiences of Apple it is possible to argue that while an organisation may not be able to completely deal with the challenge of diversity faultlines, it can mitigate the effect of it with the appropriate response strategies. Six of them have been highlighted and these are task autonomy, establishing superordinate (shared) team identity, intergroup teams, intra-team communication leadership style, decision making norms, openness to change.

Keywords: Diversity, Hotspot, Social, Integration, Review

INTRODUCTION

According to Keleman and Bansal (2002) with the emergence of globalisation, many organisations are now operating outside their domestic markets. Thanks to the effort of international organisations and the goodwill among nations, the many barriers that obstructed the entry into new territories have been cleared and many organisations can freely access other markets. Most importantly it is the contention of Tuggle, et al (2010) that the growing presence of multinational organisations has also created a work pool of people from different backgrounds especially political, cultural and other background. These in addition to other demographic differences such as a gender, race etc provides enough point for which employees should be segregate. One of the main issues that can affect the development of international business is unregulated effect of the diversity faultlines and team task autonomy (Chen, 2011). These can influence the quality of decisions and social integration within the organisational environment.

In this report the focus is to discuss the key attributes of characteristics of diversity faultlines and team task autonomy within the international business environment. The case of how Apple company which is an American multination company is used as case study to examine the techniques and policies which are used by organisation to deal with the twin challenges of diversity faultlines and team tax autonomy to enhance social integration and decision quality which are indispensable factors in modern competitive advantage.
**Diversity Faultlines**

Within the extant literature the concept of faultlines have been discussed and extensively applied to different fields even though the core principles are the same. In every group there are different people with different political, economic, socio-cultural and environmental and other backgrounds (Van Knippenberg, et al, 2011). However some of the people in the groups may have backgrounds that are closely related to each. In that case the people within a team that share common characteristics and features tend to be more inclined or closely knitted to each other than with the rest of the team members (Lee, et al, 2011).

Thus Lee, et al (2011) explains that the “faultlines” is concerned about the simultaneous attributes of a group of people within a team mirroring the team’s structure of diversity. Because of the closeness of ties which bind smaller units of people within a group together, they tend to form subgroups within the group for different purposes (van Dijk, et al, 2012). Hutzschenreuter & Horstkotte (2013) also argue that the strength or intensity of the faultlines within a particular group is dependent on the degree of similarity within the potential sub-team in breadth and width as well as the extent of dissimilarity between them. When the level of similarity between the two are very high and wide, it means that there is a higher tendency to have large number of subgroups emerging within the main group but a lower scope similarity will also mean that the number of subgroups or sub-teams that will emerge as faultlines will be reduced significantly (Chattopadhyay, et al, 2004) Hutzschenreuter & Horstkotte (2013) reiterate this fact when they assert that the faultlines of a group is dependent on the compositional dynamics of the multiple attributes of the team that can potentially divide it into smaller groups. These faultlines increase in strength as more attributes become correlated. For example in the formation of a team, the initial observation is to find obvious faultlines such as gender determining the categorisation of the people. Thus women tend to relate more with women while the men tend to feel more comfortable relating with the men (Early and Mosakowski, 2000).

This imaginary split between the two genders can further split as the group progresses when members of the initial sub-groups (either within male or within female or across the gender) identify more common points that bind them together than the mere gender differences (Keleman and Bansal, 2002). For example as members gets to know each other better, those from the same country begin to develop new faultlines and it can further subdivide when people from the same tribe also emerge from the national subgroup to form a new sub of the initial sub-group. There is also the opportunity for further subdivision depending on the extent of differences that can be identified between them. According to Lau and Murnighan (2005), there are many advantages which diversity faultlines bring to an organisation or a team. For example diversity faultlines can be used as channels to share and listen about feedbacks which may not easily be disclosed in a formal setting. It allows organisation to identify some pressure buttons to manage such as team member’s emotions, unarticulated and unformulated experiences, etc and it can be a channel to deepen relationships, enhance individual trust and understanding and trust in order to get people so close more quickly and easily (Li and Hambrick, 2005). However it has been observed by Menard-Warwick (2009) that with time that if faultlines are not well managed, its strength notwithstanding it can destabilize and impair the effective functioning of the team. Regardless of their origin, diversity faultlines can create subtle interpersonal connection within the group that can ultimately undermine the desired unity and commonality of objectives expected for the group as a whole (Menard-Warwick, 2009).

In very severe cases, as observed by Naik & Kim (2010) the members of the sub-groups that emerges from a larger group may develop into an irreconcilable split or breakaway groups that may lead to the emergence of sects, opposition groups foment rebellious attitude, sectionalism etc which can stimulate rancour and animosity that eventually disturbs the conviviality and contiguity of the group as expected (Helquist, et
In the international business arena the issue of diversity faultlines have become more critical in view of the fact that international organisations operate within an environment where people from different cultures, countries, religions and other persuasions work together towards the fulfillment of the common objective of the organisations. It is the contention of Kang (2014) that the long-term survival and prosperity of the organisation depends on the ability to develop the required capacity and the technique to identify potential diversity faultlines within the organisation and groups and ensures that these faultlines do not work to obstruct the entire agenda of the organisation. Instead it should be directed to facilitate the achievement of the desire organizational objectives.

It is within this context that Pearsall, et al (2008) have argued that while there is the need for organisations to identify diversity faultlines and work towards their harmonisation, it is not an easy task. This is because diversity faultlines are not easy to bring under control all the time when it becomes so much entrenched. Further, some of these diversity faultlines are formed more at the personal level and involves an inherent bonding that may be stronger and well developed over time before the people came into the organisation such as the effect of cultural values (Kooij-de Bode, 2007). Even in some cases it is difficult for the group members themselves to observe these faultlines but reflect in their action unconsciously (Polzer, et al, 2006). This is the reason why the Homan, et al (2008) explains that faultlines are a priori, hence boundary identification is not necessarily the central issue (cf. Homan, et al., 2008). Sawyer, et al, (2006) suggest that sometimes the more difficult to identify faultlines are the most dangerous for the organisation as they act as secret weapons to draw the attention of harmonious organisations away from its intended objective.

However, within a growing diverse business environment that is constantly changing in its complexity, the difficulty in identifying some of the faultlines notwithstanding, it is important for international business organisations to make sure that they program their operations such that it organically adjust to potential faultlines in the organisation which are then harnessed towards the attainment of the organisation objective (Ren, et al, 2008)

**Team Task Autonomy**

In the same regard the literature on team autonomy also provides insightful information about the pros and cons of the team task autonomy. Firstly the concept of autonomy is defined by Karasek (1998) as the extent of control that is exercised over the performance of a task. Most studies about autonomy have either looked at individual level autonomy or group or team level autonomy and have positively related them to their performance outcomes.

For example Langfred (2000) explains that individual autonomy means the independence, freedom and personal judgment or discretion than a person is allowed to bring to bear in his or her task in an organisation. In the same regard Langfred (2000) defines team autonomy as a reference to the same attributes of allowing a team some degree of space to bring their own independence, freedom and descretion to bear on a set of tasks that they have been assigned to do.

van Mierlo et al (2001) captures this when he asserts that in high team task autonomy the team is made to own the task and direct it as they determine best (van Mierlo et al., 2001). In the field of management Homan, et al (2007) contends that a team with high team task autonomy or which is allowed and encouraged to manage its own task and working practices, there is bound to be higher performance considering that autonomy is viewed as a motivational factor. This inspiration stems from motivational theories such as Maslow hierarchy of need and Herzberg hygiene factors. These theories explain that beyond the monetary or financial compensation which an individual looks for, they seek after recognition, self-esteem and self-actualisation.

According to Thatcher, et al (2003) being granted an autonomy is a self-actualisation and self-esteem factor. When individuals are allowed the opportunity to exercise their skills and their talents, they form the impression that they are highly valued and their talent is recognised. This stimulates a stronger urge in them to deliver on the task in order to justify the confidence that
has been reposed in them by their superiors. In that respect they are motivated to deliver better than when they are under strict supervision. Arguing from the perspective of the Kantian theory, Kang (2014) explains that team task autonomy is a necessity for organisational development because when employees are allowed to exercise a greater degree of control over what they do, they see management recognition of them as autonomous moral agents. They are ends in themselves and not only a means to achieving the end of their superiors. This explain why the traditional literature on team task autonomy has provided evidence to show that teams that were given this opportunity demonstrated high team and individual outcome (Smith & Lindgren, 2010). It is not only with respect to high motivation that group task autonomy has been linked to but has been found to be a precursor for employee satisfaction and enhance performance. According to Warr, (1994) enhanced team task autonomy reduces the potential work place stress, psychosomatic and psychological complaints (Warr, 1994) and high productivity. Further in the work of Warr (1994) he explains that the high team task autonomy enhances quality of output delivered by the employees. Most importantly because employees have the opportunity to explore without restriction in their team, there is the higher likelihood that their several experiments and observations can enhance the chances of developing an innovative product for the organisations (Homan, et al, 2007). Thus enhanced team task autonomy is a factor in stimulating innovative tendencies and innovation in general.

Additional Homan, et al (2007) has found out that enhanced team task autonomy is linked to job satisfaction, reduced employee turnover, absenteeism and accidents. Also in the earlier work of Lau & Murnighan (2005) they explain that with team task autonomy the organisation has a better chance to train its staff to take up higher and additional responsibilities which will ultimately reduce the cost of the organisation. For example with employee task autonomy, employees learn from each other more and are able to perfectly replace them when they are not in a position to work. Since team task autonomy is an important factor in management training the organisation can rely on internal resources to fill up management positions in the future which will not only reduce the cost of recruitment but the lost resources as a results of the gap created by the vacation position (Homan, et al, 2008).

Another important advantage which team task autonomous has is that because the whole team work together, they do not only develop their individual autonomy but also they are able to harness the synergistic effect or benefits of working together which they would not have gotten if they were working as individuals (Jehn and Bezrukova, 2010).

**Diversity Faultlines and Team Task Autonomy**

In conclusions therefore it is important then to understand the relationship between the team task autonomy and the diversity faultlines. As has been explained diversity faultlines provides some benefit but potential danger for an organisation. If it is not well managed it can create challenges for the organisation which can affect motivation and for that matter counterproductive but the opposite is the case of team task autonomy. Thus in an organisation with high level of diversity faultlines, it is possible to count on team task autonomy as a moderating factor to ensuring coherence, contiguity and conviviality within the workplace (Jehn and Bezrukova, 2010). In the international business terrain where different individual with different cultural, religious and other background are expected to work together, and faced with the potential faultless which can distort the desired harmony, management can adopt team task autonomy as a measure to regain control over the team by stimulating motivation which can counter any counterproductive activities of the diversity faultlines. However in relation to diversity faultlines, Rico, et al (2008) explains that team task autonomy can be abused. The reason is that when a team has a high diversity faultlines, giving a team a higher degree of autonomy can negatively affect team autonomy because it obstructs the quality of communication and collaboration among team members.
Diversity Faultlines in Decision Quality and Social Integration in a Global Enterprise

Having examined the two issues of diversity faultlines and team task autonomy, it is then important to look at how these can be managed in order to positively affect decision quality and social integration within the international market (Rico, et al, 2008). It is necessary to draw on the experiences of an organisation that has over the years designed mechanisms to deal with the challenges of diversity faultlines as a way to better understand and gain the rudimentary techniques that are employed to manage diversity faultlines and team task autonomy related challenges in an organisations (Rico, et al, 2008). The case of Apple provides a classic example of for other companies to work through. Apple is an American branded company that manufactures assortment of the computer and electronic devices.

As at the year 2014 the total number of employees of the company is 98,000 and these come from as many as 149 different countries across the world. Out of these employees 12,000 are women and the remainder are men. Further 43,123 of them are below the age of the 35 while the remainder are more than 35 years (Apple Inc, 2014). Apple is a circular organisation hence does not discriminate in its recruitment against any religion, race or colour. Indeed the CEO of Apple Tim Cook is a self confessed Gay (a subgroup that is traditionally undermined in the societies). Thus the design structure of the Apple as an organisation provides an opportunity for the emergence of the several sub-groups hence faultlines on the basis of the diversities which exist within the organisations (Apple Inc, 2014).

As a modern organisation, Apple understands that these diversities have significant implications of the attainment of the organisation objectives hence ensures that they are managed by developing appropriate strategies and structures in order to moderate the effect of these strategies using an array of techniques documented in the current literature (Jehn and Bezrukova, 2010).

Task Autonomy

Apple uses task autonomy as a tool for managing diversity faultlines but this is not a simple strategy however it is used in two ways. Apple understands that in a high diversity faultlines environment there is the need to reduce the level of team task autonomy since excess autonomy can entrench differences among the various sub groups (Rico, et al, 2008). On the other hand in a low diversity faultlines environment, giving teams some level of autonomy or a greater degree of the autonomy will rather stimulate greater motivation and productivity. Thus when they company realises that there is the potential for subgroups to immerge in a team and none of the other tools can help cure this emergence, then it is necessary to ensure that they are not given the opportunity to control the project because that will make them gain a greater degree of independence and freedom (Rico, et al, 2008).

Establishing Superordinate (Shared) Team Identity

The second process by which Apple manages diversity faultlines is by trying to establish superordinate or share team identity (Polzer et al., 2006). By superordinate team identity, Apple tries encourage each member to identify themselves as members of a common organisational family working together to achieve common objectives and aspirations. According to Polzer et al. (2006) the superordinate team identity is advantageous for organisation such as Apple because it helps to reduce the overbearing impact of diversity faultlines since it facilitates the transfer of knowledge among the members in a group.

Establishing superordinate goals eliminate any negative views held by the out-group (minority) members and stimulate the in-group (majority) members to accept and value information that is shared by other people especially those from the out-group (Gibson, et al, 2009). Apple uses this strategy more effectively when dealing with teams with multiple group members that operate in two or more different geographical locations (Ocker, Zhang, Hiltz, and Ronson, 2009). From years experiences, Apple has been noted that
because of the shared identity that is established between such groups working in different geographical locations, they develop trust that stimulate their perception of the competence of each other hence crumpling the inherent faultlines and this also eventually affect their productivity (Tyran & Gibson, 2008).

Apple’s strategy for creating superordinates goals is to get its managers to select team members with strong ties in background and values. For example sometimes they recruit engineers from the same university program to break a rising subgroup of people with other social ties. With this strategy, the members identify with the team more at the initial stage of interaction than any subgroups (Haas, 2010).

This notion is consistent with the claims of Lau and Murningham (1998) who argues that usually surface-level attributes such as demographic similarity becomes more visible at the initial stages of interactions in a group. Over the years the numerous steps that Apple has taken to enshrine the team identity among its members includes the use of training and development, aggressive deadlines, reward structures which are based on team instead of subgroups and stressing the importance of having a common, clear and shared objectives (Salas, et al, 2007). On the other hand Apple also offer reference points that enhances team self-regulation.

**Intergroup Teams**

According to the faultlines model increasing the heterogeneity of groups reduces the effect of faultlines significantly. By far inter group team is the most common strategy adopted by Apple and other organisations as a way to deal with the challenges of diversity faultlines to ensure that it helps the organisation to create a more socially integrated organisational environment where decision quality is enhanced (Adenfelt, 2010).

Intra group team simply has to do with ensuring that people from different team and subgroups are drawn together to work towards a common cause. As much as possible Apple tries to minimise the creation of multiple subgroups when they suspect that faultlines are very high and rather focuses on building team with overlapping responsibilities (Homan, et al, 2007).

In Apple Engineers and accountants are drawn together to work on common assignments and task in order to build cohesion among them. Most of the time the tasks are compartmentalise such that each person does not unnecessarily interfere in the work of each other thereby creating some form of sub-task autonomy. However the people have no option than to depend on the output of the other in order to complete whole. Because these have been drawn from different background or different departments, department based faultlines are reduced to the minimum. This is also with respect to faultlines relating to gender, religion and culture. According to Hofstede (2001) people from high uncertainty avoidance cultures are able to work in more unstructured situation and can adapt to change at any pace. On the other hand people with low uncertainty avoidance culture cannot work in unstructured situation and adapt to change gradually. Bringing people of different backgrounds together helps Apple to eliminate the tendency for a group to be seen as either ineffective or effective since they work at different ends of the same task for the common good of the organisation (Polzer et al, 2006). Even with regard to the geographically dispersed teams, Apple tries to create some degree of homogeneity by adding members with strong demographic ties that cut across geographical locations. Thus Chinese or American employees may be separated from each other as much as possible and rather located in different geographical locations in order to break the cultural faultlines as much as possible (Zhou & Shi, 2011). This is very important for Apple that operates in a global virtual team where products are manufactured in different parts of the world Polzer et al. (2006). Once again the reward structure of Apple comes in an example of how it is able to break up faultlines to stimulate team cohesion.

**Intra-team communication**

Another major strategies which is employed by Apple to weaken the effect of diversity faultlines and to stimulate social integration and decision quality is the use of the intra group communication strategies (Lau and Murninghan,
According to Lau and Murninghan (2005) an intra-team communication that centres on the assigned task helps to weaken faultlines teams but over exposure of different subgroups to each other may also exacerbate the potential animosity that exist between these two groups. In essence in the case of Apple managers have been trained to understand that in instances where strong diversity faultlines exist they have to as much as possible reduce the face to face communication or confrontation between these groups of people (Gibson, et al, 2003). This is because face-to-face meetings have the potential to reveal and increase subgroup differences. Such meetings can elicit avoidable debates and emotional differences that go to affect the team cohesion in the long run. For this reason Apple managers try to minimise communication across the faultlines when they are determined to be strong unless this confrontation can be minimised by other attenuating factors. Such factors include having a common enemy or important integrative tasks, minimize the effects of the faultlines. Similarly, Polzer et al. (2006) found that strong faultlines are more likely to exist when subgroups are not co-located. As a measure to cure the communication gap which will be created by the non use of the face-to-face communication when the faultlines are strong Apple leaders rather prefer communication using the technology (Zellmer-Bruhn & Gibson, 2006). Sometimes it is better to have the meetings over the phone or over the skype and other mediums since these technologies reduces the potential negative expression which may be seen when the people come together during face-to-face interaction and meetings. Additionally the timing of communication is also an important issue that Apple managers have been trained about as a tool in reducing the effect of diversity faultlines in organisation cohesion (Flache and Mas, 2008). For example Apple manager tries to separate subgroups as early as possible when they become evident instead of waiting of them to develop and grow and become entrenched by making sure that they fish out the major issues on which all the team members agree and develop more strategies to develop their work pattern towards that direction (Flache and Mas, 2008)

Leadership style
According to Helmreich & Merritt (2001) leadership style is an important issue in the management of diversity faultlines towards ensuring that they become instrument for organisational harmony rather than organisational destruction. The nature of the operations of Apple which generally involves project team and task force makes it more susceptible to diversity effects as espoused by Gratton, et al (2007). For this reason Gratton, et al (2007) the choice of role of the leader or his style of leadership has a significant effect on the ability of the team to bridge the faultlines as much as possible and this is very much reflected in what Apple considers when they are choosing leaders for projects and teams. A typical scenario that helps Apple to address this situation can be seen in the case of team that is made up of subgroup of female marketing professionals and another subgroup made up of male technical engineers. By Apple strategy, the manager is expected to balance task and relations-oriented styles in order to reduce the faultlines (Forbes, et al, 2006). In this case faultlines can be more effectively bridged when the team leader uses task-oriented style at the initial stages where targets are setting targets and work are scheduled (Rico, et. al., 2007). This reason why this is the case is that most of the time during the initial or early stages of team formation, the members of the team learns about the competences and skills of one another which then decrease emphasis on their demographic differences or other basis for developing subgroups (Kozlowski & Bell, 2003). But remaining with a task oriented leadership throughout the duration of the program or project may be disastrous but rather the manager is taught how to switch from a task oriented leadership approach to a relations-oriented approach to leadership where the team culture and relationship among the people are rather emphasised (Gratton et al, 2007).

In the case of Apple such a switch occurs as the deep-level attributes such as personality attributes begins to emerge. But this can be
improved further by manager of Apple. Instead of simply learning how to manage different leadership styles at different times, they also need to be able to appropriate predict at what point in time a strong faultlines is merging in their team, its sources and the main architect behind this force. Gratton et al. (2007) provides a fur dimensions framework that guides managers to be able to do this and these are what has become known as the four surface level attribute and the deep level attribute. These four categories include the number of nationalities, the current educational level, age and gender of the members, the current business locations and the values and aspirations of each of the

Decision Making Norms
Decision making norms are very important in an organisation. In every organisations there should be clearly laid down rules that guides the process of decision making such that people do not unnecessarily influence the decision making process with their own subjective whims and caprices. According to Zhou & Shi (2011) the presence of subjective attributes in decision making becomes a source of faultlines. In the case of Apple, decision making is regulated by policies and practices designed from the top hierarchy through to the lower level units. Each unit has it process of making decisions. The people who should be involved and the steps that should be taken before arriving at a final decision (Warr, 1994). In the same way for functional and manager at the strategic level, there is a combination of people who must meet or make input in decision making, these people come from different background hence one person cannot impose his or her own style or ideology on the other people. This helps to eliminate the effect of these challenges as much as possible from the organisation

Openness to Change
Another strategy that is used to reduce the effect of diversity faultlines and task autonomy such that it positively influence decision quality and social integration is openness to change. In as much as teams are given some degree of autonomy in their work they are also expected to be open to change just as managers must also be open to change (Ely and Thomas, 2001). In an organisation where the minority view is always disregarded there is the tendency for faultlines entrenchment to be consolidated which will affect the stability of the entity. Thus the organisation should ensure that where practicable minority views are incorporated into organisation policies to bring in some diversity of ideas and techniques.

CONCLUSIONS
In this review the focus has been on the extent to which decision quality and social integration are influenced by diversity faultlines and the team task autonomy. Diversity faultlines have been identified as potential buttons that can divide a group or team into sub groups and these may be obvious or inherent (Kim, et al, 2009). On the other hand group task autonomy refers to the extent to which teams are given some freedom to make decision concerning their work and its processes. It has been established that while diversity faultlines have its own advantages, it can also be potential source of challenge and failure for organisation if it is not well managed. The same can be said of the effect of the team task autonomy to the extent that in an instance where the faultlines are strong, having strong team task autonomy can compromise on motivation and effectiveness of the performance (Nielsen, 2010).
For this reason business organisations have a responsibility to manage these two issues by ensuring a balance of diversity faultlines and team task autonomy. To support the observations made in the current literature, this report has taken a look at diversity faultlines in Apple, its challenges to the organisation and how Apple has been able to manage these challenges (Barkema & Shvyrkov, 2007). From the experiences of Apple it is possible to argue that while an organisation may not be able to completely deal with the challenge of diversity faultlines, it can mitigate the effect of it with the appropriate response strategies. Six of them have been highlighted and these are task autonomy, establishing superordinate (shared) team identity, intergroup teams, intra-team communication leadership style, decision making norms, openness to change.
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