Managing Diversity in Public Organizations

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Abstract

Purpose: This paper explores the managerial challenges posed by diversity in new requirements for effective performance in public organizations.

Design/methodology/approach: Designing and implementing the diversity management agenda requires a deliberate and methodical managerial strategy that starts with a diagnosis of how diversity affects organizational performance. To take first step towards this end it is necessary to organize the studied theme in more detail.

Findings :This paper has an initiative to apply supply chain framework in the context of diversity management in public services. Typically supply chain management (SCM) has been connected only with traditional or technical industries and in a less degree private or public services. This experiment shows that SCM seem to be suitable tool to study and consider diversity management themes in the context of public sector services.

Originality/value: Furthermore, this research focuses underlying dimensions, concepts and approaches of diversity management, such as changes in the demographic characteristics, changes in the makeup of the workforce through the inclusion of women and minorities as well as the effects of aging baby boomers, changes in attitudes toward affirmative action.

Keywords: Managing Diversity, Public Organizations, Affirmative Action, Organizational Change, Organizational Performance, Supply Chain Management

Paper type: Research Paper

Introduction and Methodology of the Article

The new century has been marked by a generalized sense that traditional work arrangements are inadequate to address the challenges organizations encounter today. The shifts from an industrial to an information-based society, and from a manufacturing to a service economy, compounded by the forces of globalization, have propelled revolutionary changes on work place arrangements (see, e.g. Karoly, 2004; Shoemaker et al., 2011). These trends have affected work not only in industrialized societies, but in all nations. Many assumptions about how to best organize tasks and people – as well as the solutions to organizational problems based on those assumptions – do not seem to make sense any more. A paradigmatic shift is taking place in how we think about contemporary organizations and their governance. Public organizations are not exempt from this reality. To effectively accomplish its mission in today's turbulent environment, it must engage in similar challenges as any other large corporation.

Large corporations intensively and systematically find out new solutions to achieve efficiency and customer loyalty and satisfaction. One means for this is a supply chain framework or supply chain management (SCM).

In this study we launch SCM concept in the context of public services and especially of the diversity management. In this study we also address the issue of similarities, differences and interdependencies between diversity management and affirmative action in public organizations. SCM is a customer-oriented approach to plan the production or service process in a way which satisfy the needs of the customers (Tracey et el., 2005). Hence, SCM has close connection with customer relationship management (CRM) (see, e.g. Hong et al., 2010). The most important contribution in this paper is a perception that many of these business management concepts and perspectives, such as customer orientation in the context of value co-creation or prosumer, CRM and especially SCM are useful means to analyze and develop public services and their diversity management. Simply stated, a democratic, racial and ethnic pluralistic country requires the proportional economic participation and inclusion of all groups in the public service process. In order to achieve efficient supply chain, the demographic structure of the public servants has to resemble the structure of the customers of public services. This is a must for societal well-being. Deliberately develop race-neutral, gender-neutral, and ethnic-neutral people processes for attracting, selecting and retaining a representative work force.

The methodology of this paper is based on conceptual study (cf. Seetharaman, 2001) in which the basic concepts of the analysis are diversity management, public services and supply chain management. These three concepts have been defined and introduced several ways. Furthermore, we have introduced scientific discussions associated with these concepts. As a result, these concepts have been considered at the same time. That is, one of the main contributions of this study is to construct a framework for the supply chain analysis of the management diversity in the public services. This research is theoretical qualitative analysis in which the case is management diversity in the public services. However, this study is not following any particular case study method, more like case study strategy (cf. Eriksson and Kovalainen, 2008).

This paper is organized as follows. Second section introduces the most relevant literature of diversity management especially in the context of public services. Third section considers typical perspectives to use SCM, CRM, value co-reation, prosumer concepts in the management practices and literature. Then we launch new standpoints to exploit these perspectives emphasizing SCM in the context of public services and especially in the diversity management. Finally there are conclusions.

Literature Review for Diversity Management in Public Services

Rice and her colleagues (2010) provide good historical information about the evolution of diversity policy in the United States and provide thoughtful discussion about why some of those diversity policies, such as affirmative action, have been coming under fire in re¬cent years. Harvey White and Mitchell Rice (2010) identify demographic changes as a significant challenge to public sector organizations, not only in managing an increasingly diverse workforce but also in providing public services to a diverse population. White and Rice point out that diversity in the workforce includes traditional ideas of diversity such as race, age, and gender but must also consider other issues such as socioeconomic status and cultural differences. Brenda Marina (2010) moves beyond diversity theory to strategic diversity management, a methodology organizations can adopt in order to "enhance decision-making about diversity" (p. 45). Marina defines several types of diver¬sity and argues that organizations that actively manage diversity issues can create better organizational effectiveness and efficiency. In addition, Marina asserts that simply hiring a diverse workforce is not enough; diversity tends to create conflicts and tension, and in order for organizations to capitalize on the benefits of a diverse workforce, those conflicts must be actively managed in a culturally sensitive manner. Berry-James (2010)

recounts the history and articulates policy differences between affirmative action and equal opportunity employment. She then places these two policies in contrast with court cases concerning diversity issues in the higher education admissions process. Berry-James asserts that affirmative action, equal opportunity employment policies, and diversity policies have recently come under fire because of differing com¬mitments to the value of social equity. Using the idea that different values tend to create conflict in diverse situations, she suggests a management approach that encourages "employee disclosure of perceptions regarding diversity" (p. 75) and creates procedures for problem solving by a diverse group of employees. Mario Rivera and James Ward, (2010) continues this focus on race and defines different types of institutional racism in the public sector and in public affairs graduate programs. Institutional racism is defined as "practices that directly or indirectly restrict the professional access and mobility of individuals or groups on the basis of race" (p. 82). Rivera and Ward point out that institutional racism often goes undetected because the practices are simply an expression of the status quo. Using public affairs graduate education programs as an example, Rivera and Ward provide spe¬cific institutional practices that may be considered legitimate but actually reduce the recruitment and upward mobility of minority faculty members. For example, hiring practices that give preference to graduates from the top-ranked public administration programs lead to a less diverse faculty, whereas widening the net to include less elite institutions will improve the chances of recruiting qualified minority faculty members. Institutional devaluation of research in areas such as di¬versity or gender studies is another example of practices that can hinder minority faculty members' careers. These examples support the authors' conclusion that simply managing individual attitudes and actions toward diversity is not enough; it must be addressed at an institutional level to identify and modify practices that unwittingly exclude or marginalize minority applicants and faculty members.

Mylon Winn and Leslie Taylor-Grover (2010) distinguish between managing diversity and valuing diversity. Valuing diversity entails seeing differences as a source of value and, in turn, changing the organizational culture through interactions with those differences. This can be seen as a bottom-up strategy compared to the top-down strategy of managing diversity. Managing diversity emphasizes changing the organizational culture first, through policies and procedures. Winn and Taylor-Grover emphasize the challenge of social equity in the delivery of services by administrators and call on the ASPA Code of Ethics to be updated to include adherence to values of diversity and social equity.

Margo Bailey, (2010) investigates the idea of representative bureaucracy and argues that representative bureaucracy consists of a continuum ranging from equal opportunity employment to affirmative action to managing diversity and finally to cultural competency. Bailey outlines a framework where the implementation of the first three parts of the continuum can lead to cultural competency in the organiza¬tion. Rice (2010) takes traditional administrative neutrality to task by arguing that cultural competency is considered illegitimate because it is, by definition, not neutral. This serves as a barrier to the creation of cultural competency and thus effective delivery of services. Rice provides several definitions of cultural competency, a framework of the culturally competent organization, and an example of an assessment of cultural competency in public agencies. Audrey Mathews (2010) uses results of Rice's cultural competency assessment to identify the cultural competency in public organizations .Mathews concludes that cultural competency is not valued in the public organizations surveyed. Mathews makes a case for workforce planning that includes diversity concerns in order to improve organizational effectiveness and efficiency. This planning should be strategic, comprehensive, and implemented "sfrom the top down and from the bottom up" (p. 293). Rice and White (2010) reiterate the importance of workplace diversity and the need for comprehensive change to achieve it through "changes in communication, leadership, power arrangements, structure, values and related behaviors" (p. 303). Public officials and managers must respond to competing demands as they

design and implement programs that both increase flexibility and address the requirements for a more diverse workforce effectively (Berman et al, 2001). The functional requirement for diversity takes place in a climate that questions the traditional institution of civil service itself, as the appropriate way to regulate contemporary public employment. Two arguments of this debate are particularly relevant for a discussion of workplace diversity. First, traditional civil service systems, implemented to address issues of equity, transparency, accountability and rationality in public employment, are viewed by many as a source of inefficiency, and as an obstacle to attaining the very flexibility required for organizational adaptation. Second, some argue that many systems have fallen short of the expectation that they would address problems of social exclusion, political favoritism and lack of social representativeness in public service (Ospina, 1996a). While there is no consensus around these claims, there is a generalized call for reforming employment institutions to ensure they accomplish their role in a democratic society (Klinger and Lynn, 1997; Kettle et al, 1996; Van Wart, 1999). While public service systems can provide general guidelines to ensure diversity, the specifics of diversity management fall within the purview of each agency because every organization is unique. Thomas (1992) describes this goal in terms of "a comprehensive managerial approach aimed at creating an organizational environment that works naturally – without special effort, consideration, or programs – for all employees, regardless of how different they might be. This approach helps managers inspire employees to give their best to an organization" (p.94). Cox (1993) has developed a helpful typology to assess an organization's distance from achieving diversity success. His organizational types include "the monolithic organization", where most employees are similar in their primary and secondary characteristics, and the culture rewards only those who conform to the norms of the dominant group. In all monolithic and some plural organizations, informal communications, networks and key decision-making bodies are closed to non-dominant employees (Loden and Rosener, 1991). Today, most initiatives are based on a new approach, known as "diversity management". It directly links changes in work practices and the acceptance of different methods to accomplish organizational goals to workforce diversity (Thomas, 1991). Gilbert et al. (1999) define diversity management as a managerial principle used to make HR decisions and implement practices that create greater inclusion of all individuals into formal programs and informal social networks. This principle is rooted in the beliefs that inequality is embedded in our cultural patterns and therefore in organizational systems, and that existing systems can be redesigned by changing concrete practices that reflect biases (Meyerson and Fletcher, 1999). While respecting legal requirements, this approach to diversity is not implemented just for compliance or to avoid lawsuits (SHEM Home Page, 2000). Meyerson and Fletcher further describe this approach to diversity as a "persistent campaign of incremental changes that discover and destroy the deeply embedded roots of discrimination" (p.131).

Depending on the type of response to environmental pressures, organizational efforts to address diversity may be classified as episodic, freestanding or systemic (Dass and Parker, 1999). Baytos (1995) classifies organizations according to the degree of awareness and types of actions in their diversity initiatives. Thomas and Ely (1996) differentiate existing approaches to diversity according to the underlying philosophy of the managers involved. Because the diversity continuum suggests a developmental path (Cox, 1993, Baytos, 1995; Jackson and Hardiman, 1990; Ospina, 1996), episodic or random strategies will not help an organization move forward. Gilbert et al (1999) highlight the ethical underpinnings of diversity by reviewing three ethical principles that support successful diversity initiatives. The first principle is the Golden Rule: if you want to be treated fairly, treat others fairly. The second is the Disclosure Rule: you must be comfortable with decisions after asking whether you would mind if others became aware of them. The third is the Rights Approach, which assumes that people should have the ability to freely choose what they will do with their lives. A final consideration of particular relevance to

civil service systems is where diversity initiatives should be placed and who should administer them. There is no consensus in the literature (Baytos, 1995; Jackson and Schuller, 2000).

There are several demographic challenges in European Union, which have effects on the management of the organizations. One of the natural needs for diversity management in European public organizations is based on the jumped immigration. Table 1 shows this development between years 2003-2010 in some European countries.

Table 1: Immigration in some European countries in 2003 and 2010 (Source: Eurostat, 2010; Institut der Deutschen Wirtschaft Köln, 2004; via Koeppel et al., 2007)

	2003		2010		Change 2003-2010	
	1000s	% of total population	1000s	% of total population	1000s	% of total population
Austria	764.3	9.4	876.4	10.5	112.1	1.1
Belgium	846.7	8.2	…	…	…	…
Denmark	266.7	5	329.8	6	63.1	1
Estonia	…	…	212.7	15.9	…	…
Finland	98.6	1.9	154.6	2.9	56	1
France	3263.2	5.6	3769	5.8	505.8	0.2
Germany	7318.6	8.9	7130.9	8.7	-187.7	-0.2
Greece	762.2	7	954.8	8.4	192.6	1.4
Italy	1362.6	2.4	4235.1	7	2872.5	4.6
Ireland	151.4	3.9	385.7	8.6	234.3	4.7
Luxemburg	166.7	37.5	215.7	43	49	5.5
Netherlands	690.4	4.3	652.2	3.9	-38.2	-0.4
Portugal	223.6	2.2	457.3	4.3	233.7	2.1
Romania	…	…	31.4	0.1	…	…
Slovenia	…	…	82.2	4	…	…
Sweden	476	5.3	590.5	6.3	114.5	1
United Kingdom	2587	4.4	4367.6	7	1780.6	2.6

Especially large rise in drains of immigration have been in Italy (increase 2.9 million between 2003-2010), France (0.5 million) and United Kingdom (1.8 million). In Germany there have been invariably over 7 million immigrants during recent years. Immigrants have the highest share of total population in Luxemburg (43%) and Estonia (15.9%). The enlargement of European Union is only one reason for this large scale immigration. Namely most of the immigrants (20.1 million and 58.3 % of total immigration) are coming outside of EU27 countries (Eurostat, 2010).

In business sector diversity of customers and employees have brought forth several aims in the field of diversity management: according to Koeppel and her colleagues (2007) diversity management is based not only social or moral obligations like providing equal opportunities for men and women, but also increasingly as a management tool to take advantage of the resource "diversity". They found that the most important diversity dimensions in business sector are gender, then age, cultural affiliation and disability. At least in Europe, religion and sexual orientation have only minor importance. They noticed in their questionnaire that most important benefit dimensions of cultural management diversity are, in this particular order: Cooperation and international success, Customer orientation and market access, Conflict reduction and satisfaction, Demographic constraints (Koeppel et al., 2007).

Supply Chain Management in Business Studies

Supply chain is a systematic way to organize and plan the production or service process. According to definon of Cooper and colleagues (1997) and Mentzer and her colleagues (2001, 7) Supply Chain Management (SCM) is a set of beliefs that each firm in the supply chain directly and indirectly affects the performance of all the other supply chain members, as well as ultimate, overall supply chain performance. Furthermore, Menzter and her colleagues (2001) emphasised the importance of supply chain antecedents, such as trust, commitment, interdependence, organizational compatibility, vision, leader and top management support. In the case of successful SCM, the consequences realize in the forms of lower costs, improved customer value and satisfaction and competitive advantage (Mentzer et al., 2001). One of the essential aims of supply chain management is to avoid oversupply or lack of products. Associated with this aim is an effort to avoid bullwhip effect along the different parts of supply chain, that is, the tendency of orders to increase in viability as one moves up a supply chain (Croson and Donohue, 2006).Traditionally supply chain has been divided into three parts: upstream, midstream and downstream parts. Typical upstream activities of supply chain are such as purchasing (or producing) raw materials, semi-products or other factors of production; midstream activities are R&D and production; and downstream activities are sales, marketing, distribution and services (Walley, 2007). Indirectly supply chain management framework contains an assumption of cooperation between several firms involved in the same supply chain. Supply chain management starts as a premise that there is vertical relationship between actors or firms of the same supply chain (Mentzer et al., 2000). Horizontal relationship and cooperation is also important feature in supply chain management, at least there is no evidence to the contrary. However, because of competition legislation, there are restrictions for horizontal cooperation. Horizontal cooperation is actually the same as cooperation between competing firms, that is, coopetition (Luo, 2004). Hence, for instance Bengtsson and Kock (2003) when defining coopetition narrowly as a dyadic relationship, they implicitly assumed that competition occurs especially in downstream (or output) activities and cooperation in upstream (or input) activities. SCM is a central concept in the management discipline. Therefore, it has several connections with other important concepts of management such as value co-creation, prosumer, Customer Relationship Management (CRM), Total Quality Management (TQM), Value chain, Lean thinking and agility management (see, e.g. Hong et al., 2010). Although in the contemporary studies of services SCM and these other concepts are in common use, for instance in the branch of tourism there are several possibilities to develop the exploitation of SCM framework (see, e.g. Rusko et al., 2009). In this section we introduced shortly the most important features of SCM. Because SCM is so famous concept there is no need to consider the characteristics of SCM in more detail way. However, we want to emphasize the important connection between efficiency of production or services and SCM. We will consider in next section this connection especially in the context public services and diversity management.

Supply Chain Management and Management Diversity in Public Services

Typically the activities along supply chains are divided in three categories: upstream, midstream and downstream. Upstream activities have similarities with inbound logistics of the system and downstream activities with outbound logistics (See, e.g. Ernst and Kamrad, 2000). Upstream activities are based on the procurement of factors of production, such as labour, raw materials, machinery and other purchased services. Near the end-user are downstream activities such as sales, marketing, delivery and provided services. Midstream activities are based on production of goods, services and semi-products. (See, e.g. Walley, 2007). Although there are in the branch of public services several scientific studies basing on supply chain management (see, e.g. Erridge and McIlroy, 2002) the analysis with the distinction between these three phases is difficult to

find from these studies. In this article we launch SCM concept with these three phases of system into public services and especially in the branch of diversity management (Table 2).

In the case of services there are two alternative ways to consider supply chain:
1) The perspective of customer
2) The perspective of producer

Apart from supply chain of industrial products, the customers notice and participate in the production process of services (see, e.g. Rusko et al., 2009). Services have a strong service-dominant logic involved in the production process (Vargo and Lunch, 2008). Hence, actually these two perspectives are not separate in the case of supply chain of services. In private services the most important aim of the supply chain is to make profits in a way, which satisfies the needs of the stakeholders of the firm and supply chain (e.g. owners, customers, managers and employees, public sector).

In public services the roles of the stakeholders differs from the roles compared to private services. The owners of the public services are actually indirectly the taxpayers whom are mainly also the customers of these services. This fact has been mentioned among the contemporary public management tendencies, such as Public Value Management (PVM), New Governance, New Public Administration and New Public Service (Kelly et al., 2002; Bogason and Musso, 2006; Denhard and Denhard, 2000).

According to these tendencies, if the cultural diversity exits among the taxpayers and citizens, there are also needs for diversity management in the public services.

Table 2: SCM in the context of business activities, public services and public services with diversity management

	Upstream Activities	Midstream Activities	Downstream Activities
Supply chain management in business	Purchasing factors of production (labour, machinery, raw materials, semi-products)	Production of products and semi-products. Research and development.	Sales and marketing, distribution, services.
SCM in public services - perspective of producer	Purchasing factors of services (labour, machinery, raw materials, semi-products, other services)	Ordinary service process (mainly with customer) or combining service packages (several public (and private) producers)	Aftercare services (registers, information, actions) or service packages after the ordinary service process are directed to customers as a role of citizen.
SCM in public services - perspective of customer	Information before ordinary service process. Arriving by the service.	Ordinary service process (mainly with provider of public service), such as a visit in a public unit (office, hospital…) or education.	Leaving the service. Changed (possibly improved) situation after the service, advices for aftercare. More information and knowledge than initially.

Diversity management and SCM in public services: special features - perspective of producer	Preparing to produce services for the needs of cultural diversity: language capabilities (translation), readiness to receive customers from the diversified cultural backgrounds (preparatory schooling for attitudes, knowledge and other cultural capabilities). Organizational arrangement and readiness for diversity management.	Suitable service processes (mainly with customer) and packages for the customers with different cultural backgrounds.	Suitable aftercare services (registers, information, actions) or service packages after the ordinary service process in spite of the specific cultural background of the customer and/or citizen.

From the perspective of customer in the case of diversity management the service should show up similar to the case "SCM in public services -perspective of customer" in table 2. Although the diversity management requires a lot of specific capabilities and knowledge of public servants, the result of service product from the perspectives of customer should be fluent. In order to get this result, public sector needs a lot of work and resources: language capabilities (translation), readiness to receive customers from the diversified cultural backgrounds (preparatory schooling for attitudes, knowledge and other cultural capabilities). In this case, successful supply chain needs also organizational arrangement and readiness for diversity management.

Hence, diversity management of public services has two sides: the perspective of culturally diverse customer and provider of the culturally diverse services. Actually, in small municipalities or in small units of public sector there are not necessarily specified public servants for culturally diverse customers. In this case, general schooling of public servants including necessary capabilities to meet culturally diverse customers has to be enough. Nevertheless, it is possible to depict together these two sides of the supply chain (Figure 1).
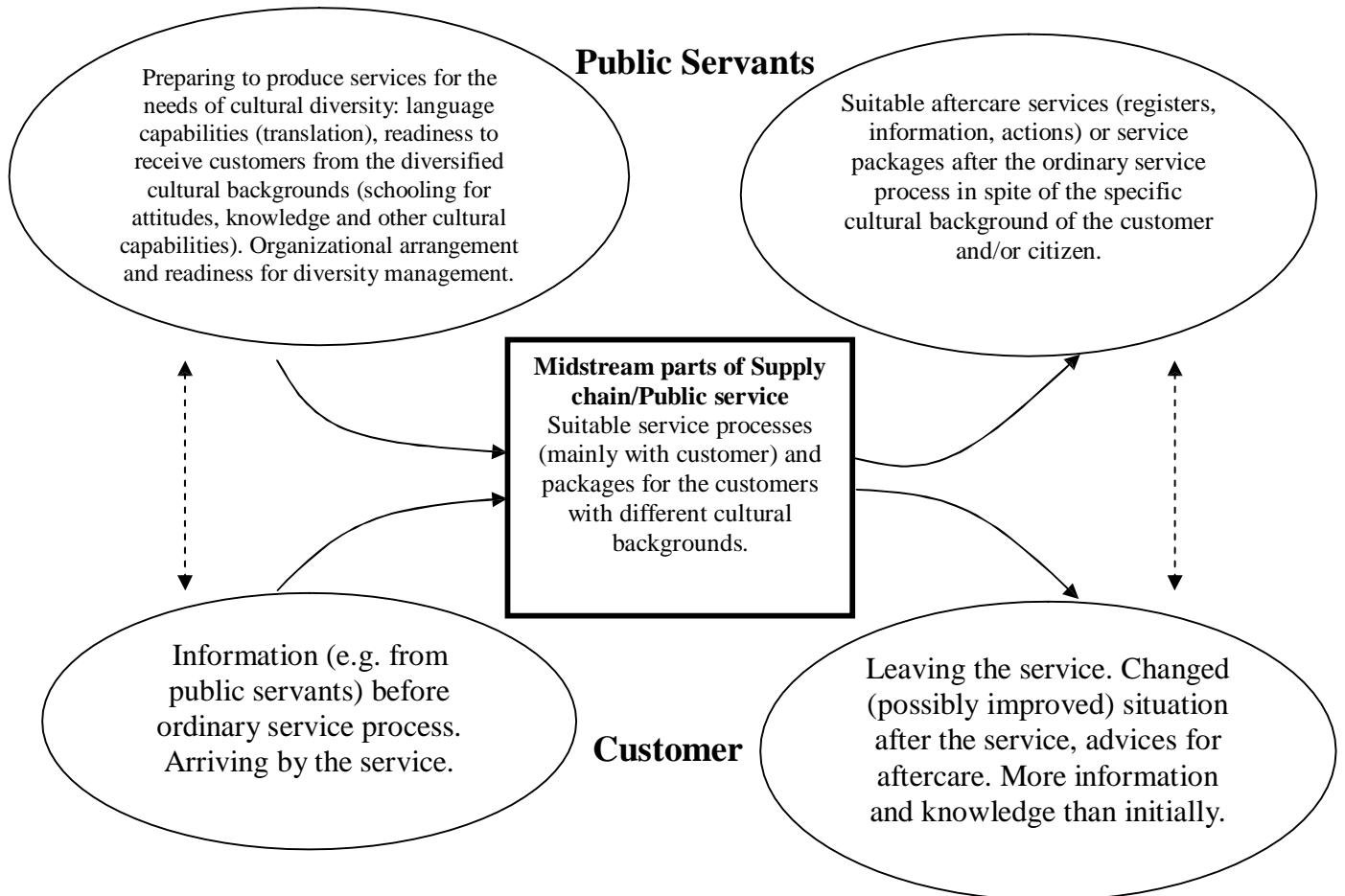
Upstream parts of supply chain	Midstream parts of supply chain	Downstream parts of supply chain

Public Servants

Preparing to produce services for the needs of cultural diversity: language capabilities (translation), readiness to receive customers from the diversified cultural backgrounds (schooling for attitudes, knowledge and other cultural capabilities). Organizational arrangement and readiness for diversity management.

Suitable aftercare services (registers, information, actions) or service packages after the ordinary service process in spite of the specific cultural background of the customer and/or citizen.

Midstream parts of Supply chain/Public service
Suitable service processes (mainly with customer) and packages for the customers with different cultural backgrounds.

Information (e.g. from public servants) before ordinary service process. Arriving by the service.

Customer

Leaving the service. Changed (possibly improved) situation after the service, advices for aftercare. More information and knowledge than initially.
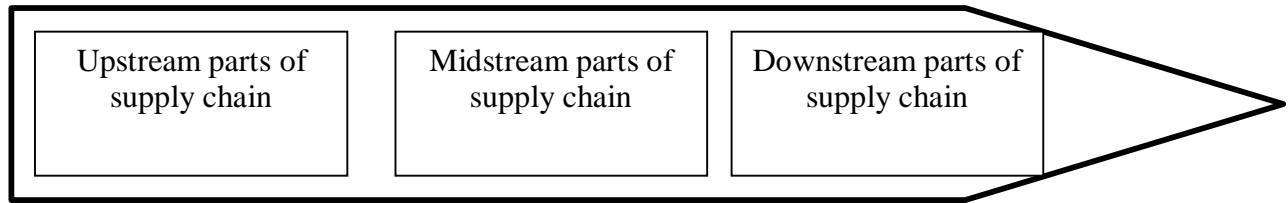
Figure 1: Diversity management of public services: perspectives of public servants and customers

Figure 1 takes into account that also public services and their diversity management are possible to consider by using supply chain framework. When developing the whole process depicted in figure 1 then it is the case of "supply chain management". Figure 1 enlarges the typical perspectives diversity management of public services by considering at the same time two sides supply chain of the public service: provider's and customer's viewpoints. All of these five phases of the supply chain have their own large and multifaceted entireties.

1) Upstream activities of public servants,
2) Upstream activities of customer
3) Midstream parts of supply chain (public service)
4) Downstream parts of public servants
5) Downstream parts of customer

As a literature part of this article shows, the discussions of diversity management in public services are mainly focused on upstream activities of public servants and only partly on the midstream activities of public servants. However, in order to manage the whole supply chain, all of these five parts are necessary to take into the account. This large perspective provides also interesting field for further studies.

Discussions

We have noticed in this article the importance and multidimensionality of the diversity management generally and especially in the public sector. In order to structuralize the perspective of diversity management in public services we launched the supply chain management concept in these discussions. We see that this combination provides important possibilities to understand systematically the process of public services in the case of culturally diverse customers and workers. In this section we show and justify why it is so important managing diversity.

For managers who choose excellence, leaving the situation unchanged or the issues unresolved are not options – the organizational climate will only deteriorate, employee energy will deviate away from performance towards issues of organizational justice, attitudes and behaviors will negatively affect the organizational climate and, where possible, legal liabilities might ensue. How these situations are resolved depends greatly on factors such as:

- The capacity of the civil service system to change structural and cultural patterns of exclusion;
- The willingness of the affected employees to voice their concern and how they do so;
- The degree of sensitivity of the managers involved and leadership that rewards functional and social diversity;
- The presence or absence of an articulated diversity approach in the system and in the agencies it regulates; and
- The extent to which personnel and program managers work together to address the issues as they surface.

The multicultural organization best represents the vision of diversity success described above. This is the vision managers want to strive for, rather than being a reality in today's society. A monolithic organization is by nature discriminatory, while the organization striving to be multicultural will introduce mechanisms to interrupt discrimination or any form of exclusion path (Cox, 1993, Baytos, 1995; Jackson and Hardiman, 1990; Ospina, 1996) Just as each organization must determine the overall strategy to accomplish its mission, each organization must also determine and tailor its diversity agenda accordingly. Key questions to consider in this path are:

- How can managers help move the agency to higher levels of diversity and how can learning and efficiency paradigm inform their strategies? And
- How can managers make sure that their efforts are proactive, systemic and strategic enough to generate the desired impact?

Locating diversity efforts in the human resource department creates the risks of marginalizing them or alienating program managers from them. But if diversity initiatives and programs are not centrally organized, they will get lost within the demands of production and service delivery.

Conclusions and Implications

Diversity management in public service, as managing diversity in any other organizational context, is a complex and multidimensional challenge that requires permanent and focused

managerial attention. Hence, we have launched the concept of supply chain management in the field of diversity management of public services. If strategies must be adapted to the degree of diversity of any given organization, in the context of public service, strategies and approaches may also vary according to system features and the societal forces that affect it. Therefore, we found that provided systematic way to structuralize public service process enables the developed diversity management. We simply took into the account three phases of typical supply chains: upstream, midstream and downstream and applied it into public service process in the context of diversity management. Furthermore, we noticed that it is important to separate supply chains of service provider and of customer. However, in the case of actual service event (in the midstream part of supply chain) these two forms of supply chains will meet each other for a moment. In additions to that, this article shows the general importance to manage diversity in public services. In the former, managers can design features to avoid the contradictions that plague more traditional civil services, thus trying to make the system more sensitive to diversity issues from the very start. In the latter, diversity approaches would have to work simultaneously on re-dressing equity problems and maximizing the potential of the existing work force by creating more flexibility in the system. In the same way, the challenges may vary between developing societies. Some have established civil services that do not function while in others the system is functional but has produced exclusionary practices and outcomes. More over, in most developing societies, diversity issues may complicate the managerial requirements to balance the contradictory pressures for employee protection and stability (required for professionalizing public employment) and the new demands for accountability and transparency to make public service more efficient. In the context of civil service, a thorough diagnosis to assess work force diversity problems includes an analysis of the system as a whole, as well as audits of each agency the system regulates. The analysis focuses on the linkages between the agencies and the system. Relevant questions to keep in mind include:

- To what extent does the civil service system promote both effectiveness and multiculturalism?
- How diverse is the workforce in the entire jurisdiction and how diverse are the agencies that constitute the jurisdiction?
- Is diversity equally distributed across agencies or are there differences across them?
- What are the trade-offs associated with introducing system-wide strategies to promote multiculturalism versus introducing incremental changes to address specific diversity problems at the agency level?

The positive impact of managing diversity instruments on the annual change in ethnic minority representation is only found for commercial services organizations. For industrial and public sector organizations this impact is not found. The developmental and contingent nature of diversity suggest that the decision about institutional location depends on criteria such as the degree of diversity of the overall workforce in public service, the level of each agency's attainment of diversity to date, and the extent to which other HR functions are decentralized. Depending on these criteria, diversity initiatives may be organized in a separate function when much remains to be done and become more integrated as managers become more sophisticated and sensitive to diversity, and as the organization advances toward the multicultural stage. Be that as it may, the agenda of moving toward maximizing diversity and to multicultural organizations is too relevant to be faced alone by either those responsible for formal personnel policies or by those addressing the organization's mission. Diversity management represents the state of the art in the theory and practice of workforce diversity. But there is a great difference between espoused theories and current work practices. To conclude, more than in the private sector, in public sector organizations policies designed to improve the influx of ethnic minorities are emphasized. Managing diversity policies, however, appear to be the only policy type that

positively affects the annual change in ethnic minority representation. Managing diversity policies probably not only attract new employees, but also succeed in managing the diversity that is already there. It appears that public sector organizations relatively speaking put emphasis on policies that are relatively less effective, possibly for symbolic reasons.

Acknowledgement

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