ORIGINAL RESEARCH PAPER

IMPACT OF CULTURAL COMPETENCIES IN AUTHENTIC LEADERSHIP TO ENHANCE DIVERSITY IN THE WORKPLACE

Management

Dr. Charu Mohla

ABSTRACT

It has been observed that companies were paying more attention towards maintaining cultural competency to improve organizational reputation and enhancing brand image and brand worth in the global context. Maintaining a culturally diversified workforce has become an important factor as it increased productivity of an organization to a great extent. Effective implementation of appropriate leadership styles has become essential for monitoring and regulating various organizational activities in a smooth way. Moreover, it might be mentioned without any doubt that several companies have been focusing on changing leadership styles in order to achieve organizational goals while maintaining a culturally diversified workforce.

INTRODUCTION

Cultural diversity in the workplace has emerged as an essential factor for the growth and development of the retail industry in the global context and leadership plays a vital role in maintaining a proper cultural competency. It may be stated that cultural competency has a direct impact on the performance of the workforce as it enhances the productivity of the employees to a great extent. In this report, a detailed discussion will be made on the different aspects of cultural diversity in the retail industry and the way in which different leadership styles become important in handling the changes in an effective way.

Discussion On Various Leadership Styles

The role of leadership has a direct impact on the growth and development of any industry and the retail sector is no exception to it where different leadership styles are applied to handle the fast-changing situations in an effective way. Autocratic leadership is one of the most widely used leadership styles in the retail industry as it helps in taking strict decisions and autocratic leaders are efficient in taking challenging decisions. It may be mentioned that autocratic leadership is best known for its ability to take individual control over decision making which becomes effective in managing the various business operations properly (Chukwusa, 2018).

Transformational leadership is known as the leadership style in which a leader encourages, motivates and influences employees or followers in achieving success for a given organization and may also help the subordinates grow in individual careers as well. In transformational leadership, leaders give employees a sufficient amount of freedom to be creative and also involve the employees in the decision-making process for the given company to obtain unique ideas for the growth of the organization. However, according to research, it may be argued that transformational leadership theory has little to no impact on the creativity level of an employee (Ma and Jiang, 2018).

Other than transformational leadership, transactional leadership style has become quite popular and widely known in the modern age and this style of leadership is used by many leaders for achieving organizational goals. In transactional leadership theory, a leader has adopted a give and take strategy to exempt the best possible outcomes from the employees by introducing a reward and punishment system that motivates and also forces the employees to work with full potential.

Research suggests that transactional leadership style has been proven to have a more positive correlation with the productivity and performance of employees in comparison to transformational leadership (Kalsoom et al., 2018).

Discussion On Importance Of Cultural Competency Of Modern Organizations

Cultural competency is the concept of communication with people who belong to various cultural groups by displaying positive behaviour and attitude and this practice also helps an individual gather knowledge about different cultures and values as well. In a workplace, it has become a necessity to include employees from several different cultural backgrounds, as the majority of businesses have decided to expand business globally. Therefore, it is required to recruit employees from all the countries the brand has decided to expand its business to, since a local employee may have more idea about the ways a business may operate in a particular area or country. According to research, many top-level executives of various giant companies are now grasping the concept that a diverse and heterogeneous workforce has a greater chance of showing more creative and better performance than a homogeneous workforce (Roberts and Mayo, 2019).

A more diverse workforce provides more creative and unique ideas that are brought to light as people from different cultural backgrounds may have an unique perspective on a given subject matter that will only help an organization to grow even more. A culturally diverse workplace helps the organization to see more creativity in the final outcome of the company's overall growth, since people from different cultures show different forms of creativity and uniqueness in their work. Considering research, diversity management in a workplace refers to the concept of bringing more people of colour, women and employees from backward classes into the organization to create an inclusive work culture (Shore et al., 2018). A diverse workforce allows the employees of the company to be more adaptive and work under various different circumstances with several people, which only helps an individual to grow in one's respective career in the future. Research suggests that cultural competency is considered to play a crucial role in the growth and overall productivity of an organization in the competitive world (Cherian et al., 2020).

Relationship Between Cultural Competency And Authentic Leadership

It may be stated that an exemplary leader will always attempt to create an inclusive workplace, since a good leader knows that an inclusive and culturally competent workplace may only boost the collective productivity of the team members. An authentic leader always tries to focus on the things that may bring significant results for an organization and in order to gain competitive advantage in today's age a diverse workforce is the most common necessity. Authentic leaders are aware of the fact that a culturally competent work culture will only help in boosting productivity of the team members as working with people from different cultures may create an atmosphere of healthy competition inside the workplace. Other than that, creating a culturally diverse workforce may provide a myriad of different and unique ideas that will only

help an organization to make the best decision possible for the collective good of an organization. According to research, there are many components that are responsible for the success of a team's performance and amongst all those components one is cultural diversity that has a significant contribution on the performance of a team in an organization (Vilanova*et al.,* 2017).

In addition to that, authentic leaders are known for enhancing the creativity and productivity of employees, that in turn helps an organization to achieve its desired outcomes efficiently and creating a culturally diverse workplace will only contribute to that. It may be stated that working with people who come from different cultural backgrounds may be helpful in obtaining a different perspective about a given matter and will provide new insights or solutions to a specific problem. Moreover, a culturally diverse workplace also helps a business when a company or organization decides to expand business operations internationally and hence, an authentic leader always prefers a diverse workforce to succeed in the company's global business strategies. It may be stated that, as per research, cultural diversity has proven to have become an integral and crucial part for any business that wants to obtain success and growth through its business operations (Yugendhar and Kumar, 2017). Creating a culturally diverse workplace will help the people of marginalised classes to gain an opportunity to face the work culture of a corporate world and also gain similar privileges as people from other classes. This action would help them to become progressive and obtain the opportunities to overcome any difficulties that the individuals may have faced in terms of finding a job for belonging to a backward class.

It needs to be mentioned that, as per research, the majority of leaders consider cultural diversity and inclusive workplace an extremely imperative topic and gives extreme priority to the subject matter (Brown, 2019). Therefore, an authentic leader always tries to bring the marginalized people to the forefront, since those individuals do not get as many chances to make a livelihood as other people from a more advanced class of the society. Lastly, it may be stated that authentic leaders are the pioneers of building a diverse and inclusive workplace and do that efficiently to achieve the organizational goals seamlessly.

Impact Of Authentic Leadership On Diversity In Workplace
Authentic leaders always believe in building or creating a work environment that is inclusive and culturally diverse to introduce various different ideas to gain better prospects on the decision- making process for a company. A diverse workplace may only help the leaders to make the most suitable decision as a diverse workforce comprises employees from different cultures and backgrounds of the world and hence, every individual may contribute with a unique perspective on a given matter. Authentic leadership helps to create a diverse workplace that helps the organizations and its employees to procure maximum amount of productivity by working with individuals from different aspects of lives. A diverse workplace helps the employees to become more adaptive to any situation and that helps individuals in respective career fields as well and faces any circumstances inside the workplace efficiently. However, according to research, mismanagement of diversity in a workplace has a negative impact on an organization's performance and thus, proper diversity management training is needed to enhance the effectiveness of having an inclusive workplace (Gojinetchi, 2020).

Cultural diversity also helps employees to develop good manners and display polite attitude towards others, since communicating with a person from a different culture, it is imperative to have a positive attitude. This practice helps the employees to develop a humble characteristic and that oftentimes allows an organization to avoid the occurrence of

any internal conflicts inside the workplace as a diverse workplace allows an individual to become empathetic. Research suggests that internal conflicts in a workplace have become a daily matter, however any interaction or conflict takes place amongst individuals from different cultural backgrounds, three is a possibility that misunderstandings may occur and the situation may become intense (Nyree, 2018). However, many times a diverse workforce may create a barrier in communication in a workplace, since not every individual is able to understand the language or work ethics of a person belonging to a different cultural background. Hence, the leaders are required to various training programmes that may help all individuals to adapt to a new work culture that is culturally diverse and communicate with others from different cultural backgrounds effectively. Communication is one of the most crucial aspects of any area, however, barriers in communication may occur in any given situation and in an organization as well, which is extremely unfortunate and disrupts the business operations of an organization (Kapur, 2018).

Authentic leaders also try to introduce a diverse work culture for expanding a business internationally and by recruiting employees from different cultural backgrounds the organization is able to create a name for the brand in the international market as well. In addition to that, the role of communication within a culturally diversified workplace is extremely effective as the communication is the main component of the management of a workplace which help to give a different point of view to the employees who help to achieving the valuable performance of the employees (Bucăța and Rizescu, 2017). Authentic leaders use the communication way to understand the thought process of the employees which helps the leaders to motivate the employees and give them a different point of view. Furthermore, an authentic leader tries to bring the motivated employees to the forefront to share the progressive point of view to the other employees as sometimes the employees do not feel comfortable to share their issues.

Limitations Of Lack Of Authentic Leadership In Culturally Diversified Workplace
In recent days authentic leadership has become a specific interest in the workplace and the authentic leadership may have effects on the wellbeing of the employee of a workplace. An authentic leader helps to create a healthy work environment which is culturally diverse for introducing the updated ideas to enhance the decision- making process of the employees. Moreover, a healthy workplace may help the leaders to make good decisions to control the employees who come from different backgrounds and the different cultures. Specifically, the lack of authentic leadership in a culturally diversified workplace may create a barrier to achieve the organizational goal as without effective leadership the employees may never be able to get a different perspective over the cultural issue. Sometimes it becomes extremely difficult to work with the people who are not in the same background or the same culture, therefore, in that situation the employees may not be able to do any team work.

Only an authentic leader helps the employees by providing a totally different perspective over the cultural issue by effective communication or a motivational lecture which helps the employee to think in a different way. Furthermore, the effect of communication may train the employees mentally, by using the path, the authentic leaders may easily understand the thinking of the employees (Jagodi and Košir, 2017). One of the most disadvantages of a workplace is the lack of authentic leadership as lack of effective leadership may cause workplace conflicts for which the company may never sustain in the global market. Moreover, without authentic leadership, employees may never be able to become adoptive and never respect the co-workers who are not on the same page, therefore, the dissatisfaction level

between the employees may increase in a devastating way.

More specifically, without an authentic leadership, it may become difficult for the employees of an organization to be exposed to a diverse workplace, which helps an individual to become accustomed with various different cultures and values. Moreover, working with people from different backgrounds helps to broaden an individual's horizon that may lead to the employee gaining a different perspective towards the work and discovering unique solutions to solve a subject matter. Therefore, the necessity of authentic leadership is extremely imperative, since the vision of a leader helps to strengthen the leader's potential to provide guidance to an organization along with the employees working in the same (Ndalamba *et al.,* 2018).

Benefits Of Cultural Diversity In Multicultural Workplace

There are many benefits of having a diverse multicultural workplace and it may be argued that more often than ever a diverse and inclusive workplace helps a brand to create a positive reputation and brand image. A diverse and multicultural workplace helps the employees to become more creative as people from different cultural backgrounds contribute to a matter with unique creative perspectives. It needs to be mentioned that the creativity of employees has a direct and positive correlation with the success of an organization and also helps a company to gain competitive advantage (Kim *et al.,* 2020).Furthermore, a multicultural and diverse workforce also helps to improve the engagement of employees since people prefer to interact with other people from a different cultural background and simultaneously engage in the given work profoundly. Other than that, an inclusive workplace makes the employees belonging to a different cultural background to feel included and appreciated and that helps the subordinates to engage in the workplace more. Considering research, an employee who is engaged in the workplace is known to work with the co-workers in order to provide significant benefits to the organization through enhanced performance (Goswami and Goswami, 2018).

Additionally, a diverse workplace also helps an organization to build a positive reputation and thereafter, has a positive impact on the company's business operations as well, since more people prefer to be associated with a brand that is inclusive. Besides that, as mentioned before, an inclusive brand creates a positive impact about themselves in the consumer's mind and that creates a healthy bond with the customers, resulting in building a loyal consumer base. It may be stated that organizations are becoming more inclusive in order to avoid exclusion, since exclusion may have severe negative effects on the physical and psychological well being of an individual. It needs to be mentioned that with the rapid increase in diversity in a workforce, the majority of the organizations have realized the need to build a workforce that is significantly inclusive of all race, gender and colour (Brimhall *et al.,* 2017). An inclusive workplace may also give opportunities to several ethic groups and backward classes to have a chance to work and earn for them and simultaneously represent the individual's culture in a global space as well.

Conclusion

Inclusive and diverse work culture helps an organization to exempt several kinds of benefits from having employees that belong and come from several different paths of lives and may share one's unique ideas to help an organization grow. An inclusive work culture may also help a brand to gain more revenue through procuring different perspectives and ideas from a plethora of individuals, who belong to different cultural backgrounds, as these employees may provide unique ideas to a solution.

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