

CHALLENGES IN MANAGING EMPLOYEES WITH DIFFERENT CHARACTERISTICS Mimoza Serafimova¹, Drasko Atanasoski,² Ruzica Nikolova³

¹PhD, Faculty of Tourism and Business Logistics, Goce Delcev University, Stip, North Macedonia, mimoza.serafimova@ugd.edu.mk

²PhD, Faculty of Tourism and Business Logistics, Goce Delcev University, Stip, North Macedonia, drasko.atanasoski@ugd.edu.mk

³Student of Second cycle studies, Faculty of Tourism and Business Logistics, Goce Delcev University, Stip, North Macedonia, ruzica.217182@student.ugd.edu.mk

Abstract

Inclusive management of diversity in the work environment is essential to organizational success and productivity in today's globalized world. With employees who differ in terms of culture, generation, gender and socio-economic background, organizations face unique challenges as well as opportunities. The inclusion of all team members, regardless of their characteristics, not only improves team dynamics, but also increases innovation and employee engagement. Research shows that inclusive cultures have a significantly higher rate of employee satisfaction, which in turn leads to increased loyalty and a better reputation for the organization.

The role of inclusive leadership is crucial in creating a work environment where diversity is valued. Leaders with cultural intelligence and empathy contribute to the development of trust and cooperation in teams, which supports organizational growth and productivity. By using cultural competence training and introducing inclusive policies, companies create conditions in which employees can express their potential and feel valued.

In conclusion, inclusive management not only helps to overcome differences, but also lays the foundation for long-term success and positive organizational development.

Keywords: inclusive management, management challenges, cultural intelligence

1. Introduction

One of the main challenges in managing diversity is ensuring effective communication. Different cultures and generations have different ways of communicating and expectations, which can lead to misunderstandings and conflicts within teams. For example, collectivist cultures may place more importance on teamwork, while individualistic cultures focus more on personal achievement. (Livermore 2010). Gender differences and socio-economic characteristics can also reduce equity and inclusiveness if not carefully managed.

In addition to communication challenges, diversity can also lead to differences in work style and perception of performance. These differences require managers to develop inclusive policies and strategies that will meet the needs of all employees and ensure a positive and productive work environment. Adler's research indicates that companies that develop inclusive and flexible work environments have a higher rate of satisfaction and productivity (Adler 2008)

The aim of this paper is to explore how managers can successfully manage teams made up of people with different characteristics and backgrounds. Namely, different types of diversity and their impact on the dynamics of teamwork, as well as the key challenges arising from cultural, generational, gender and socioeconomic diversity will be considered.

Using a multidisciplinary approach and contemporary literature, strategies for effective diversity management will be analyzed and the role of inclusive leadership in creating a positive organizational culture will be explored.

During the research, a review will be given of best practices and examples of successful managers who have established inclusive and effective strategies for managing

diverse teams. The ultimate goal is to show that, although diversity management can be a challenge, it simultaneously brings great opportunities for the development and success of companies.

2. Types of differences in the work environment

Cultural diversity is an essential part of the global labor market and is often present in multinational organizations. Different cultures bring different values, perceptions and ways of communication, which significantly affects work dynamics and teamwork. According to Hofstede's research, cultural diversity affects the perception of authority, teamwork and work balance, which can cause challenges for managers managing multicultural teams. (Hofstede 2001)

For example, in collectivist cultures such as Japan and China, work ethic and loyalty to the organization are highly valued. In these cultures, teamwork and cooperation are emphasized, while in individualistic cultures such as the United States and Germany, personal success and independence are of primary importance. These cultural differences can lead to misunderstandings, especially when team members have different expectations about teamwork and attitudes toward authority.

To deal with these differences, managers can use the concept of "cultural intelligence" – the ability to understand and respect different cultural values and ways of communicating. According to Livermore, cultural intelligence is vital for leaders managing multicultural teams because it enables adaptation to the diverse needs of employees and fosters trust. (Livermore 2010)

Generational differences also have a significant impact on the work environment. Teams are often made up of different generations such as Baby Boomers, Generation X, Millennials and Generation Z, each with their own unique values and expectations. Generational differences are particularly pronounced in terms of the use of technology, loyalty to the organization and balancing work and private life.

For example, millennials and Generation Z have a strong preference for using digital tools and expect flexibility in work schedules. In contrast, Baby Boomers and Gen Xers are often attached to traditional work patterns and have different views on professional stability. (Twenge 2009)

According to Eversole and his colleagues, managers who understand generational differences have a greater ability to motivate and retain talented staff, creating effective strategies for including different generations in teams. (Eversole 2012)

Gender differences are often the cause of different approaches to management, especially in traditionally male-dominated industries. Research shows that although women participate significantly in many sectors, they often face barriers that limit their advancement. These barriers, also known as the "glass ceiling", often lead to discrimination and reduce the chances of professional development for women. (Eagly 2007)

Companies that actively promote gender equality have greater success in attracting and retaining talent. It is important for managers to develop gender equality policies that will ensure equal opportunities for all employees, regardless of gender. Policies such as flexible working hours and support for parents contribute to a more inclusive and positive work atmosphere. (Adler 2008)

Socioeconomic and educational differences can also play an important role in the work environment. Employees with different levels of education and socioeconomic backgrounds have different approaches to work and different expectations from management. For example, employees with higher education often want to actively participate in decision-making, while employees with less education may feel that they do not have enough support for their ideas. (Page 2007)

According to Adler's research, managers who understand the significance of socioeconomic differences and are aware of their impact can create an inclusive work environment that supports all employees, regardless of their background. (Adler 2008)

2. Basic challenges in diversity management

One of the biggest challenges in managing multicultural teams is ensuring effective communication. Cultural differences can lead to different communication styles and perceptions of some important elements such as feedback and directness. For example, in cultures such as those in Asia, direct criticism is considered inappropriate, while in Western countries, directness is seen as beneficial for improving performance (Hofstede 2001). As a result, employees from different cultural backgrounds may perceive criticism and feedback in different ways, leading to possible misunderstandings and conflicts.

In these situations, managers need to develop "communication flexibility," which involves adapting communication styles to suit the different cultural backgrounds of employees. According to Livermore, successful managers adopt and combine different communication strategies to reduce the possibility of cultural conflicts. (Livermore 2010)

Managers should create a culture of trust and open communication, where each employee will have the opportunity to express their ideas and feelings without fear of rejection.

One of the most significant obstacles in managing diverse employees is adapting to different work styles. Each employee has their own individual approach to tasks and different levels of engagement, and these differences are often more pronounced between different generations. For example, Millennials and Generation Z are more focused on flexible work schedules and the ability to work from home, while older generations such as Baby Boomers and Generations X are more attached to the traditional eight-hour workday. (Twenge 2009)

According to research by Eversole et al., conflicts often arise when employees have different perceptions of what is the "right" way to work. These differences can cause tensions and reduce productivity if managers do not take a proactive approach to resolving these misunderstandings. (Eversole 2012) and should create adaptable working conditions that will respond to different generational expectations and encourage individual engagement.

The generation gap is another significant challenge, especially in companies with a mix of different generations. Each generational segment has its own priorities and expectations for work balance, time management and communication style. For example, millennials value more flexibility and quick access to digital tools, while older generations show a greater attachment to stable and traditional structures. These differences can lead to misunderstandings and conflicts, especially in multigenerational teams. (Twenge 2009)

For managers, understanding and dealing with generational differences is key to creating a friendly and productive work atmosphere. Managers should adopt hybrid management strategies and create a space where every team member feels valued. According to research by Westerman et al., organizations that focus on combining different generational strengths have greater success in handling innovation and adapting to a fast-growing market. (Westerman 2014)

The challenges of managing diversity are many and complex, but by applying the right strategies and inclusive policies, managers can create an environment that encourages diversity and fosters employee development.

Understanding cultural, generational and gender differences is key to avoiding conflict and promoting effective communication and collaboration within teams. The ability of managers to embrace and value these diversities will not only help overcome challenges, but also support the organization's goals of achieving innovation and productivity.

3. The importance of inclusive leadership

In multicultural and diverse teams, the role of inclusive leadership is vital to successfully dealing with the diverse needs, attitudes and values of employees. Inclusive

leadership means creating a culture where every employee, regardless of their background, feels valued and included. Research shows that leaders who promote inclusiveness contribute to better team dynamics, increased employee satisfaction and reduced conflict. (Page 2008) Leaders who understand diversity and strive for inclusiveness create an environment that allows for the free exchange of ideas, which in turn leads to increased productivity and innovation.

Empathy is the basis for inclusive leadership and plays a key role in creating mutual trust between leaders and employees. Leaders who demonstrate empathy can better understand the needs and attitudes of their teams, allowing them to make decisions that focus on employee well-being. According to research by Eagly and Carli, "leaders who adopt inclusive leadership reduce communication barriers and create a sense of belonging and security in teams" (Eagly 2007).

This helps develop strong and cohesive teams, which is especially important in multicultural work environments.

Cultural intelligence (CQ) is a key skill that helps in managing diversity and accepting different cultural values. Leaders with a high level of CQ can recognize and adapt to different cultural and personal communication and work styles. According to Livermore, cultural intelligence not only facilitates the management of multicultural teams, but also helps leaders build trust and respect for different values and work styles. (Livermore 2010)

Trust and understanding are fundamental components of any successful team, and inclusive leaders play a key role in creating these values. By encouraging open communication and supporting diversity, leaders can reduce stress and encourage employees to express themselves without fear. According to Kotter's research, "employees who trust their leaders and feel valued as individuals show greater engagement and productivity" (Kotter 2012).

In practice, inclusive leaders should regularly involve employees in decision-making processes, as well as encourage team activities that will support a sense of togetherness. This approach allows leaders to create a work environment where all employees feel safe and valued.

Many well-known companies and leaders have developed successful strategies to promote diversity, inclusion and cultural intelligence. For example, the company *Google* is known for its inclusive practices and programs to support diversity. Through its programs to support gender equality and cultural diversity, *Google* manages to attract and retain talent from diverse backgrounds, while fostering an innovative and dynamic workplace culture. By developing inclusive policies, companies like *Google* create opportunities for all employees to express their potential and actively contribute to organizational success. (Page 2007)

Another example of a successful inclusive leader is Satya Nadella, the CEO of *Microsoft*. Under his leadership, *Microsoft* adopted a "growth mindset," which encourages flexibility, collaboration, and continuous learning throughout the company. Nadella focuses on inclusion, which has led to increased employee engagement and satisfaction, as and to creating an environment where innovation is encouraged through collaboration between different teams. (Westerman 2014) This approach has shown how inclusive leadership can lead to higher results and greater company success globally.

A focus on continuous learning and a growth mindset is another important aspect of inclusive leadership. According to Dweck, leaders who adopt a growth mindset are more open to new ideas and challenges, which allows for greater flexibility and adaptation to the needs of diverse teams and .(Dweck 2006) Combined with inclusive policies and cultural intelligence, these strategies create a strong foundation for inclusive leadership that contributes to workplace productivity and satisfaction.

4. Strategies for effective diversity management

One of the most important strategies for managing diversity is cultural competency training, which enables employees and leaders to develop an understanding of and respect

for different cultures and work styles. This training not only increases knowledge of cultural differences, but also develops skills for effective communication and handling conflicts that may arise from different attitudes. According to Livermore research, "cultural competence is the basis for successfully managing multicultural teams and increases the likelihood of creating a cohesive and productive work environment". (Livermore 2010)

Through cultural competence training, employees learn how to recognize and respect cultural differences, which significantly reduces misunderstandings and increases team cohesion. In practice, these trainings can include interactive exercises, simulations and case studies that help employees understand the challenges and benefits of multicultural collaboration. Research shows that companies that invest in diversity training are more likely to develop an inclusive work culture and increase employee satisfaction. (Page 2007)

Inclusive equality policies are the foundation of successful diversity management. The introduction of such policies allows companies to ensure equality and inclusiveness, regardless of the cultural, gender or socioeconomic background of employees. These policies include recruitment guidelines, support systems for all employee groups, and equal access to opportunities for advancement and skill development.

Inclusion policies also include measures to support parents and provide flexible working conditions, which are particularly important for employees with family responsibilities. According to research by Eagly and Carli, companies that develop inclusive policies and equality show higher levels of employee satisfaction and talent retention. (Eagly 2007) Aquatic companies are better prepared to deal with challenges and have a greater chance of success in the global market.

Team dynamics and open communication are important aspects of an inclusive work environment, as they support the exchange of ideas and allow the free expression of opinions of all employees. Companies that actively support teamwork and internal communication are less likely to have conflicts and better deal with the challenges of diversity. According to research by Westerman and colleagues, "companies that promote a culture of open communication show higher levels of productivity and engagement among employees" (Westerman 2014).

One of the effective strategies for improving team dynamics is the introduction of regular team meetings and the team building activities. Such activities allow employees from different backgrounds to connect and develop trust, which is especially important for creating an inclusive work atmosphere. In the modern multicultural context, companies often also use digital communication tools that enable the exchange of ideas and opinions in real time, regardless of geographical distance.

Companies that introduce flexible policies, such as working from home and flexible working hours, are more likely to retain talent and improve their satisfaction. For example, large companies like *IBM* and *Salesforce* have already introduced work-from-home policies that allow employees to choose the best way to work according to their needs. (Adler 2008)

In addition to flexible working conditions, companies should support employees with continuous learning and professional development programs. These programs help employees master the new skills and technologies necessary for their success in a dynamic work environment. Continuous learning is especially important in times of rapid technological change, as it helps employees from different generations and cultural backgrounds stay competitive and ready for new challenges.

According to Dweck, organizations that support a "growth mindset" create a positive learning culture where employees are encouraged to learn and develop. (Dweck 2006) Professional development programs can include leadership training, technical training, workshops for communication skills and diversity and inclusion courses. Such programs not only increase the level of competence of employees, but also contribute to increased self-confidence and engagement.

Effective diversity management requires the application of a multidimensional approach that supports inclusiveness and equity in every aspect of the organization. Through cultural competency training, developing inclusive policies, promoting open communication and flexible working conditions, companies can create a productive and positive work atmosphere. Examples from companies such as *Google* and *Microsoft* show that inclusive management and support of diversity lead to higher levels of employee engagement and satisfaction, which is key to organizational success in the global marketplace.

5. Measuring success in inclusive management

Measuring success in inclusive management is key to understanding the impact that diversity strategies have on employees and the organization. One of the primary indicators is employee satisfaction, which can be measured through satisfaction surveys and employee feedback. According to research, employee satisfaction is closely related to their sense of belonging and inclusion. (Westerman 2014) Organizations that invest in inclusive leadership and diversity management tend to show higher levels of employee satisfaction.

Employee engagement is another important indicator, as it represents their desire to be part of the organization and their interest in career advancement. According to Gallup research, high engagement is associated with productivity and innovation, which is especially significant in multicultural and multigenerational teams. (Gallup 2017) Engagement is measured by assessing employees' interest in additional activities, their initiative and propensity for long-term loyalty to the company.

Productivity is a measurable indicator that indicates the effectiveness of teams and their ability to collaborate in diverse and inclusive settings. One of the ways to measure productivity is through the analysis of individual and team performance and achieved goals. According to Livermore's research, "teams that are managed by inclusive leaders show higher results because diversity leads to creative solutions and innovations" (Livermore 2010). Diversity allows for a wider range of ideas, which in turn affects teams' ability to make innovative decisions.

6. Case studies: Successful examples of inclusive management

Many companies are showing positive results through their inclusive practices. For example, *Salesforce* is known for its inclusive policies, which focus on providing equal opportunities for all employees and supporting diversity. *Salesforce* introduced programs for leadership development, flexible working hours and support for parents, which led to increased engagement and satisfaction of employees. (Eversole 2012) These policies contributed to improving creativity and productivity of teams, and the company became recognized for its positive brand of the labor market.

A similar example is the *IBM company*, which develops inclusive strategies and actively promotes diversity through various programs and initiatives. *IBM* encourages employees to participate in diversity training and leadership development, and additionally offers work-from-home opportunities and flexible work schedules. (Adler 2008) As a result, the company manages to retain talent and attract new employees from different cultural and socioeconomic backgrounds, leading to increased innovation and competitiveness.

To ensure that inclusive measures have a positive impact on business results, organizations should regularly monitor progress through clearly defined goals and indicators of success. These indicators include employee retention rates, increased productivity and engagement, as well as financial results. According to Gallup research, "companies that invest in inclusiveness have higher customer loyalty and employee satisfaction, which is a key factor in financial growth" (Gallup 2017).

Performance measurement in inclusive management is a complex process that requires an integrated approach to monitor employee satisfaction, engagement, productivity and financial results. Companies like *Salesforce* and *IBM* show that inclusive management not only contributes to a better work culture, but also to long-term success. Indicators such as employee retention, team cohesion and market success are key to assessing the impact of inclusiveness on organizational success.

Conclusion

This paper elaborated on the challenges and benefits of managing diversity in the work environment. With the integration of cultural, generational, gender and socio-economic differences, modern workplaces are becoming more diverse, but also more complex to manage.

The analysis showed that diversity significantly affects the dynamics of teamwork and organizational culture, which creates a need for inclusive leadership and a strategic approach to management. Inclusive practices, such as cultural competency training and the development of inclusive policies, have been shown to be key to creating a positive work environment that supports employee productivity and satisfaction. (Page 2007)

According to Gallup research, "companies that manage to create an inclusive organizational culture have higher productivity and a lower turnover rate" (Gallup 2017) These companies show higher employee loyalty and greater attraction to new talent, which is key to long-term organizational success.

With the development of technology and globalization, the need for inclusive management will continue to grow. Organizations should work to develop strategies that support diversity and ensure equality of opportunity for all employees. One of the ways to achieve this is continuous education and training on diversity and cultural competence, which will prepare leaders for successful management of multicultural teams. In today's work environment, embracing a "growth mindset" is essential to promoting a culture of learning and continuous improvement. (Dweck 2006)

In addition to developing leadership skills, companies should also invest in technology and digital tools that will make it easier to manage diverse teams, especially hybrid and remote teams. Digital communication and progress tracking tools allow employees to stay connected and collaborate, regardless of their geographic distance or work style. Such innovations contribute to the creation of flexible and adaptable working conditions that meet the needs of different generations and cultures. (Westerman 2014)

In conclusion, inclusive management not only enables the successful management of diversity, but also creates opportunities for organizational development. Organizations that are willing to embrace and implement inclusive practices in their culture and structures are more likely to achieve long-term success and prosperity in today's complex and dynamic world. By applying cultural intelligence, empathy and innovative technologies, leaders can create workplaces where diversity is a driver of progress and positive change.

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