



## Effectively Managing Employees to Get Results in a Diverse Workplace such as American Express

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### Abstract

*Diversity in the modern workplace is not just a reality, but it is also necessary for competitive advantage. The purpose of this paper is to explore the concept of diversity in an organization and to outline the overall benefits of effectively managing employees to get results in a diverse workplace at American Express Corporation. This paper will elaborate on managing diverse strategies, managerial theories, structures and strategies, the consequences of ignoring diversity, diversity training, and recommendations.*

**Keywords:** Workplace Diversity, Managing Diversity, Management Theories, Management Practices, Employees.

### Introduction

In today's global environment, the workplace is a diverse melting pot of different cultures where one must learn to accept, understand and celebrate the differences of other people values, age, religious beliefs, gender, ethnicity, sexual orientation, educational background, and physical abilities. The subject of diversity requires one to examine one's own beliefs and values and to learn the skills of dealing with those whose beliefs and values which are different from our own. The subject of diversity can be overwhelming, emotional and powerful for most who deals with it directly or indirectly (Mujtaba, 2010).

Diversity issues in the workplace are now considered crucial and are likely to increase due to cultural differences. Therefore, organizations need to focus on diversity and to look for ways in which to become more flexible and work together in an inclusive environment. American Express places immense emphasis on diversity and values an inclusive work environment because the corporation fundamentally believes that by doing so the corporation will foster greater commercial success (American Express.com, 2015).

The twenty-first century managers know that managing diversity is a key fundamental strategy to effectively manage employees to get results. Therefore, for the twenty-first century organization, the true sustainable advantages and a long-term competitive edge comes from the success of each individual manager and employee within the organization (Mujtaba, 2014). As many informed managers have discovered, understanding the complexity of diversity issues is

not always a simple matter. Such regular assessments require strategy, data gathering, and application of the learning for continuous improvement (Knapp & Mujtaba, 2011). Managers must learn and appreciate how to handle the sensitivity of a diverse workplace environment and to take into consideration the advantages of all the contribution that a diverse group of employees can make to the organization without invoking biases and prejudices (Jones & George, 2015).

### **Overview of American Express**

American Express Corporation was founded in 1850 and has been in the service industry for 165 years. American Express Corporation headquarter is located in Manhattan, New York and has 63,500 employees worldwide. American Express Corporation is a multinational organization that does business globally across 130 countries and has a diverse workforce. The organization is a multinational world-class corporation that creates high-value products and offer outstanding customer service. American Express consistently earns superior profits annually – approximately \$31.6 billion in annual revenue because the company focuses on effective and competitive organizational strategies that stay true to the company’s core values: customer commitment, quality, integrity, teamwork, and respect for people (American Express.com, 2015).

American Express focuses on looking for ways to build their revenue in resources such as online and mobile payments and fee-based services. The company has many different products and services sold globally to a diverse group of customers, which includes consumers, small businesses, mid-size companies and corporations. American Express also offers brokerage services, mutual funds and many other investments products. American Express is the world’s largest travel agency, offering travel and related consulting services to consumers and corporation around the world, as well has the world’s largest charge card and traveler cheques issuer. Today, American Express Corporation is more competitive than ever because the company is a world-class leader that provides charge and revolving credit cards to consumers, small businesses, and corporations globally (American Express.com, 2015).

American Express in the early years was not a financial services company; its largest clients were banks. American Express was among the first successful delivery businesses, and later started creating and selling its own financial products. In 1958 American Express issued its first charge card and within five years, over 1 million of its charge cards were in use by over 85,000 companies within and outside of the United States. American Express issued their gold cards in 1966, the platinum cards in 1984, and in 1987 they issued the first credit card called the optima card. American Express also partnered up with Warner Communications and started popular television shows like MTV and Nickelodeon, which was later sold to Viacom in 1984 (American Express.com, 2015).

### **Workplace Diversity**

The definition of diversity is more than race or ethnicity. Diversity is important in the workplace of any organization because organizations are embracing more of a diverse mix of people. Organizations are becoming more adaptable when dealing with people differences in terms of age, race, gender, ethnicity, and their sexual orientation. According to Robbins and Judge, “A diverse workforce, for instance, includes women, people of color, the physically disabled, senior citizens, and gays and lesbians. Managing this diversity has become a global concern,” (2009, p.18).

Diversity is the dissimilarities or differences among people due to age, gender, race, ethnicity, religion, sexual orientation, socioeconomic background, education, experience, physical appearance, capabilities/disabilities, and any other characteristic that is used to distinguish between people (Jones & George, 2016). “Diversity is a major local, national, and international challenge and an opportunity for every human being if we are to live in a peaceful and healthy world,” (Mujtaba, 2010, p.7).

Diversity within an organization can emphasize appreciation of differences in which everyone feels valued and accepted. The more diverse a corporation is the possibility of discrimination and stereotyping increase and when this occurs then managing diversity in a fair manner is very important and compulsory. Many organizations are increasingly recognizing that a diverse workforce that reflects social differences helps bring them closer to their customers (Schermerhorn, Hunt, & Osborn, 2008).

### **Managing Diversity**

American Express is fortunate to have an effective twenty-first century leader namely, Kenneth Chenault, as the company’s Chief Executive Officer (CEO). Kenneth Chenault values diversity and recognizes the importance of drawing on different perspectives to remain innovative and knows that a thriving diverse workplace will make American Express a stronger company (American Express.com, 2015). Employees at all levels across the globe and with all manner of disciplines have contributed to the corporation’s success in promoting diversity (American Express.com, 2015).

Managing diversity means planning and implementing organizational systems and practices to manage people where the advantages of diversity are increased and the disadvantages decreased. The quality of managerial decision making involves learning to appreciate and respond appropriately to the needs, attitudes, beliefs, and values that diverse people bring to an organization. Managing diversity involves correcting misconceptions about why and how different diverse groups differ from each other and finding the most effective way to use the skills and talents of diverse employees (Jones & George, 2016).

The value of a diversified working environment is learning to develop effective working relationships with many individuals from varied cultures and ethnicity. Diversity focuses on the similarities and differences of an inclusive array of traits rather than just race and gender. The role of diversity in the workplace should exemplify respect and gives importance to the unique differences and also the similarities of individuals and how one may interact with each other. Diversity recognizes that every individual has different characteristics and uniqueness and one should broaden one’s horizons with the understanding that each individual brings to the table a truly diversified background. Organizations are recognizing and valuing employees’ differences by working and accommodating employees’ with different family needs, and their life and work styles. When an organization manages diversity positively, the result does increase innovation and creatively from the employees. Whereas, if diversity is not managed properly then an organization will experience more turnover and more interpersonal conflicts will arise.

In today’s global environment, managers and leaders should be culturally competent and able to effectively manage a diverse workforce synergistically. They must learn how and remain morally competent and insist that one’s workplace is free of bigotry and that equal and fair opportunity is given to all individuals (Mujtaba, 2010). American Express managers know that they cannot evaluate or rate employees differently because of nationality, language, and gender. The managers and team leaders are obligated to treat each person fairly and expect high

standards from him or her regardless of their gender, ethnicity/nationality, primary language, age, experience, disability, and other non-job related variables (Mujtaba, 2010).

### **Consequences of Ignoring Diversity and Management Theories**

The consequence of ignoring diversity in the workplace can be crucial. Ignoring diversity in the workplace can cause friction between employees, obstruction in terms of communication which will affect productivity, misunderstanding and moral issues with employees. If diversity is not implemented, managed, controlled and regulated well then groups of bigotry will be formed and this can be difficult to control. Communication and trust among employees will be misleading or non-existence; therefore, managers and employees in a diverse workplace must understand the challenges and know how to effectively handle them. “Communication is the glue that holds organizations together. It is the way we share information, ideas, goals, directions, expectations, feelings, and emotions in the context of coordinated action,” (Schermerhorn et al. 2008. p. 320).

Organizations that treat people right and fairly will see fewer turnovers; these organizations invest in their employees and create positive work environment that recognizes employees’ full potential and talent. An organization that embraces diversity makes a commitment to appreciate its employee’s differences, promotes, and celebrates individualism and collective group achievement.

#### *Diversity Training:*

American Express is a leader in diversity in global marketplace because of the employees at all levels and across the globe who contribute to the company’s success by promoting diversity. American Express has a successful diversity training program that teaches employees how to understand and accept a diverse workplace environment. Senior leaders from across the company of American Express sets the overall diversity vision and policy, best practices are managed and the progress is monitored against other leading companies (American Express.com, 2015). American Express primary areas of focus for diversity training include development and environment, supplier diversity and selection and hiring (American Express.com, 2015).

American Express has 11 employee networks that support and provide training in diversity effort and are open to all employees that include: Asian Employee Network, Black Employee Network, Christians Employee Network, Disabilities Awareness Network, Employees Over 40 Network, Hispanic Employee Network, Jewish Employee Network, Muslim Employee Network, Native American Employee Network, Women’s Interest Network and Gay, Lesbian, Bisexual and Transgender Employee Network (American Express.com, 2015).

#### *Behavioral Management Theory:*

Behavioral management theory is “the study of how managers should behave to motivate employees and encourage them to perform at a high level and be committed to the achievement of organizational goals,” (Jones & George, 2016, p. 46). F.W. Taylor was known as the founding father of management thought – Scientific Management; Mary Parker Follett was known as the serving mother. Mary Parker Follett expanded on the teaching of behavioral managing in the 21<sup>st</sup> century where F.W, Taylor left off and she emphasized in depth the general theory of management by Henri Fayol (1841 – 1925), and bureaucracy theory of Max Weber (1864 -1920).

Mary Parker Follett believed that “Authority should go with knowledge...whether it is up the line or down,” (Jones & George, 2016, p.47). Mary Parker Follett (1863-1933) behavioral

managing theory views were ahead of her time although she lived in the era of the three men mentioned above. Follett believed that power is fluid and should flow to the person who can best help the organization achieve its goals. She took a horizontal view of power and authority. One of the key elements of Follett's contribution to behavioral management is her belief that organizational leadership is "situational." Follett's Law of the Situation was prophetic and she taught that there is no one best way to do anything, it all depends on the situation at hand (Mujtaba, 2014).

In others words, if employees have the knowledge rather than managers then they should be in control of how the work is processed, and that managers should act as coaches and not monitor or supervise them. Follett pointed out that managers often overlook the ways in which employees can contribute to the organization. She also believed in cross training managers in different areas of the business to aid in decision making.

#### *Scientific Management Theory:*

Scientific management is "systematic study of relationships between people and tasks for the purpose of redesigning the work process to increase efficiency," (Jones & George, 2016, p.37). The founder of this theory was Frederick W. Taylor (1856-1915); he was a manufacturing manager and later became a consultant who taught other managers how to apply the scientific management technique. Taylor developed four principles that would help increase efficiency in the workplace:

1. *Principle 1:* Study the way workers perform their tasks, gather all the informal job knowledge that workers possess, and experiment with ways of improving how tasks are performed.
2. *Principle 2:* Codify the new methods of performing tasks into written rules and standard operating procedures.
3. *Principle 3:* Carefully select workers who possess skills and abilities that match the needs of the task, and train them to perform the task according to the established rules and procedures.
4. *Principle 4:* Establish a fair or acceptable level of performance for a task, and then develop a pay system that rewards performance above the acceptable level.

#### *Maslow's Hierarchy of Needs:*

Maslow's hierarchy of needs is "an arrangement of five basic needs that, according to Maslow, motivate behavior. Maslow proposed that the lowest level of unmet needs is the prime motivator and that only one level of needs is motivated at a time," (Jones & George, 2016, p.389). This theory was created by Psychologist Abraham Maslow; according to him all people seek to satisfy five basic needs from lowest to highest; physiological needs, safety needs, belongingness needs, esteem needs and self-actualization needs. The lowest level of unsatisfied needs motivates your behavior, once that need is satisfied, they move to the next level.

1. *Physiological needs-* Basic needs that must be met in order to people to survive, such as food, water and shelter.
2. *Safety needs-* Needs to a safe environment, security and stability.
3. *Belongingness needs-* Needs to friendship, social interaction, love and affection.
4. *Esteem needs-* The need to feel good about yourself, to be respected by others, and appreciated and recognized.
5. *Self-actualization needs-* The needs to realize your full potential as a human being.

## Structure and Strategies at American Express

An effective manager should plan, organize, lead, and control human and other resources to achieve organizational goals effectively and efficiently with few conflicts (Jones & George, 2016). American Express practice and promote the four functions of management: planning, organizing, leading, and controlling in every aspect. The organization goals are linked directly with our customer and employees satisfaction to ensure that our organization is successful. Planning, organizing, leading, and controlling are critical components for an organization to achieve its goals. Each one of these components needs the other to function well. Without these four functions, an organization cannot achieve success (**Table 1**).



Table 1: Four Task of Management (Jones & George, 2016, p. 7)

As we all should know, “Management is the process of working with people and resources to accomplish organizational goals. Good managers do those things both effectively and efficiently through planning, organizing, leading, and controlling of relevant resources,” (Bateman & Snell, 2009, p.19).

### *Planning*

American Express practices the four functions of management daily, and is one of the world’s leading service providers globally. In the planning stage, American Express embraces a value statement rather than a mission statement. Managers at American Express place emphasis on the company’s value statement to set goals and employees upheld these goals by executing customer commitment, quality, integrity, teamwork, respect for people, good citizenship, a will to win, and taking personal accountability. American Express strategic plan has clear objectives that align with the company’s value statements that are critical to the success of the business, and ensuring customer and employee satisfaction. “Planning activities include analyzing current

situations, anticipating the future, determining objectives, deciding in what types of activities the company will engage, choosing corporate and business strategies, and determining the resources needed to achieve the organization's goals," (Bateman & Snell, 2009, p.19).

### *Organizing*

At American Express, the managers are responsible for his or her individual departments and him or her need to ensure that the department he or she is responsible for has a diverse staff because this is crucial to the success of the company. The operational support center plays a vital role by ensuring that adequate staffing is available to cover shifts because the customer service division is global and operates in different time zones. When an organization is unorganized, employees may lose respect for his or her managers and the company. At American Express, effective managers create and organize teams within department to ensure that his or her employees have the resources and tools available to perform ones' job and this creates a 'win-win' for the employees and customers. "Organizing activities include attracting people to the organization, specifying job responsibilities, grouping jobs into work units, marshaling and allocating resources, and creating conditions so that people and things work together to achieve maximum success," (Bateman & Snell, 2009, p.20).

### *Leading*

American Express encourages managers to be good and effective leaders. Good leaders are coaches, mentors, and teachers because these leaders aim to bring out the best in his or her diverse people at every opportunity. American Express encourages the managers to be effective leaders by developing the leaders' skills because great leaders are made not born. Great leaders develop skill sets that are needed in a high-performance environment such as American Express and through the continuous process of training, education, mentoring, coaching, and experience. American Express leadership model focuses on the following methodology: developing, winning strategies, inspiring our people, and outstanding customer service. The organization invests in its people by training and developing leaders to build a stronger organization.

### *Controlling*

American Express focus on compliance and control within the billing and payment division that guarantee the organization is Six Sigma efficient and has the capability regarding procedures, process, and quality goals. The compliance and control process is monitored to secure and prevent fraud and identity theft as it pertains to the card members' information. Security and quality checks are in place to ensure that the card members' are not at risk and preventative measures are taken to detect deficiencies before they occur. American Express focuses on customer and employees' satisfaction, and the company main goal is geared toward quality measures that will secure and protect our customers.

### **The Mission System at American Express**

American Express organizational mission brings to life the value of good corporate citizenship by supporting diverse communities in ways that build the company's reputation with employees, customers, business partners, and other stakeholders (American Express.com, 2015). American Express has three operating principles which are: 1. Offer superior value propositions to all of our customers – We aim to provide products, services, benefits and rewards that deliver more value than any competitor. 2. Operate with best-in-class economics – We focus on managing our business as efficiently as possible to continually improve the quality of our service

and invest in growth. 3. Support the American Express brand – American Express has one of the world’s most trusted brands. We strive to always provide the world-class service and personal recognition that our customers expect from us (American Express.com, 2015).

American Express globally sustains the same core mission principles of the company since it was founded in 1850, which include customer commitment, quality, integrity, teamwork and respect for people, good citizenship, a will to win, and personal accountability.

#### *Customer Commitment*

American Express develops relationships that make a positive difference in our customers’ lives by building customer commitment (American Express.com, 2015). There are three different forms of commitment: instrumental, relational, and values-based. Instrumental commitment occurs when customers are convinced that no other offer or company can do a better job at meeting their need of being unbeatably satisfied (Buttle, 2008). Relational commitment occurs when customer become highly attached to a company’s people. The customers can become attached to an organization as a whole, believing its people to be better than their competitors (Buttle, 2008). Values-based commitment occurs when customers become committed when their values are aligned with those of the company (Buttle, 2008).

#### *Quality*

We provide outstanding products and unsurpassed service that, together, deliver premium value to our customers (American Express.com, 2015). Providing high-quality products creates a brand-name reputation for an organization’s products; customer perceived this as being superior to those found in competing products (Jones & George, 2016).

#### *Integrity*

We uphold the highest standards of integrity in all our actions (American Express.com, 2015). Corporations understand that true integrity comes from the individual upholding the greatest depth of character within the workforce. Integrity is doing the right thing and being consistent in words and actions, regardless of the rule.

#### *Teamwork*

We work together, across boundaries, to meet the needs of our customers and to help the company win (American Express.com, 2015). Within the workplace teamwork is effective when individuals can find ways to understand ones’ self and knowing that everyone is different. When an individual understand and knows one’s value to the team, an individual tend to contribute more and is in a better position to work well with diversity of people.

#### *Respect for People*

We value our people, encourage their development and reward their performance. To reinforce this value, senior leadership is evaluated using a 360-degree performance management process on eight leadership competencies. Four of the competences focus on quantitative business results and the other four focus on effectively leading people (American Express.com, 2015).

#### *Good Citizenship*



We are good citizens in the communities in which we live and work. American Express provides a safe work environment and protects the environment by volunteering and providing financial support to worthy causes and charities (American Express.com, 2015).

#### *A Will to Win*

We exhibit a strong will to win in the marketplace and in every aspect of our business. Employees are given the SMART tools and processes to pursue excellence and urge to reach one's full potential in the workplace and in one's personal lives (American Express.com, 2015).

#### *Personal Accountability*

We are personally accountable for delivering on our commitments (American Express.com, 2015). Social responsibility creates and builds a good reputation for an organization. By adopting a culture of ethical and social responsibility, organizations can gain financial performance; consequently, generating consumer confidence and brand awareness to maintain a competitive advantage.

### **Environment Forces in the Workplace**

The task environment has forces that have a direct or immediate influence on managers because of ongoing problems managers' faces in the organization. Two direct forces that have an impact on modern companies and American Express are customers and competitors (**Table 2**).

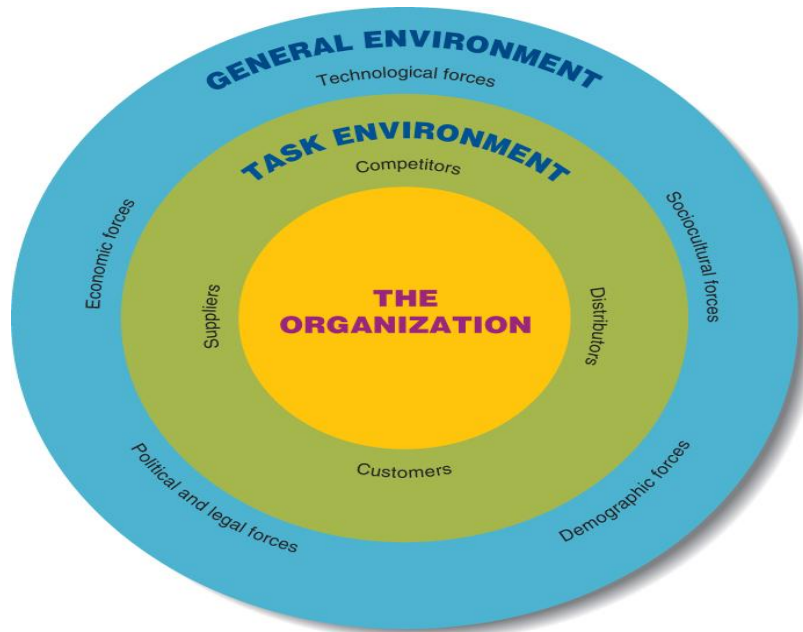


Table 2: Forces in the Global Environment (Jones & George, 2016, p. 159)

#### *Customers:*

Customers are people that buy the goods or services in an organization. Customers are important because they contribute to the company bottom-line of making a profit or loss. American Express recognizes and is committed to provide outstanding customer service to our customers and competitors. One of American Express core value is customer commitment.

American Express knows that without loyal and committed customers the company would not be profitable and the company would not be able to survive or have a competitive edge over its rivals: Visa, MasterCard, and Discover. Customers are important to any organizations, large or small because apart from the money that customer provide to the company for goods and services rendered; customers can demand that a company offer lower prices and better services. According to Bateman & Snell, “customers can demand lower prices, higher quality, unique product specifications, or better service. They also can play competitors against one another,” (2009, p. 66).

#### *Competitors:*

Competitors are one of the most important forces in a task environment. A competitor produces goods and services similar or comparable to another organization within the same industry. “Competitors are organizations that are trying to attract the same customers,” (Jones & Georges, 2016, p. 163). American Express competitors include Visa, MasterCard and Discover. One of the most threatening forces in the task environment is rivalry between competitors. Rivalry produces price competition and can be a major threat to profitability.

One of American Express rivals is Visa Inc. which operates the world’s largest consumer payment system. Visa Inc licensed their name to many institutions and offer debit cards, internet payment systems, travelers check and smart cards. Another rival of American Express is MasterCard. MasterCard Inc is the second largest payment system in the United States. Unlike Visa Inc, MasterCard does not license their namesake to institutions; however, the company markets its MasterCard brand, provides transaction authorization and collects fees from members. Discover Financial Services are most known to issuing Discover brand credit cards and the company repays cardholders a percentage of the purchase price each time customer uses their cards (Hoovers.com, 2015).

The general environment is affected by various indirect forces as well, and managers must analyze the general environment and uses strategic management process to minimize or eliminate threats and increase opportunities. There are at least two indirect forces that influence the general environment of American Express which include Technological and Demographic forces (Table 2).

#### *Technological Forces:*

An organization that wants to increase its competitiveness must invest in new technology. Technology is a combination of machines, tools, computers, skills, information, and knowledge that managers within an organization will use to design, produce and distribute goods and services (Jones & Georges, 2016). Rapidly changing technology can caused employees’ skills to become obsolete. Therefore, it is the responsibility of HR to ensure that management and employees are trained and know how to access and use the technology of the company, data found on spreadsheets, and the company’s software. With the increased changes in technology, organizations must change the way they communicate with management, employees, suppliers, and customers.

Managers are ‘change agents’ and are responsible for the flow through the phases to the completion of the change process by using surveys to identify target audience and competitors. On-the-job trainings and educational information to the projected changes include mentorships, orientation, and feedback. Technology enhances team building without boundaries through e-mails and teleconferences. The manager uses the Failure Mode and Effectives Analysis (FMEA) to measure the current process and evaluate the potential impact of change on the organization.

### *Demographic Forces:*

Demographic forces are outcome of changes or changes in the attitudes toward the characteristics of a population, such as gender, ethnic origin, age, race, social class and sexual orientation, (Jones & Georges, 2016). Demographic forces present managers with opportunities and threats and can also present major ramifications for the organizations. American Express demographic focuses on people who are most likely to buy and uses goods or services. American Express targets the younger generation and high spending customers who pays their bill in full.

### **Value-Driven Management**

Value Driven Management (VDM) provides a decision making framework that is used in a variety of situations with a diverse workforce and is based upon the value theory of managing employees to get effective results. The VDM concept takes into account how the decision making process will be made and how it can be done in a manner that will lead to maximization of value over time (Mujtaba, 2014). The VDM concept implies that what a person values is likely to have great influence over one's feelings, thinking ability, and behavior. In other words, the value theory implies that what people value drives their actions and behaviors (Mujtaba, 2014).

Value Driven Management is based on value creation and is an integrated philosophical approach about managing and leading. The balancing act of making VDM work in an organization is managing commitment, employee empowerment, tying compensation to value creation, restructure as needed to create value, selecting compatible employees, and create value by lifelong education and learning (Mujtaba, 2014). VDM decision-making framework makes use of many existing theories, concepts and tools in a synergistic way.

Using the VDM concept to manage diverse employees leads to superior decision-making which are adaptable in the American Express culture. Effective managers and employees must consider the impact of how one's actions or decisions will have on the value of the company over time. There are eight value drivers that create long term value within an organization which includes: external cultural, organization, employee, customer, supplier, third party, competitor and owner values (**Table 3**).

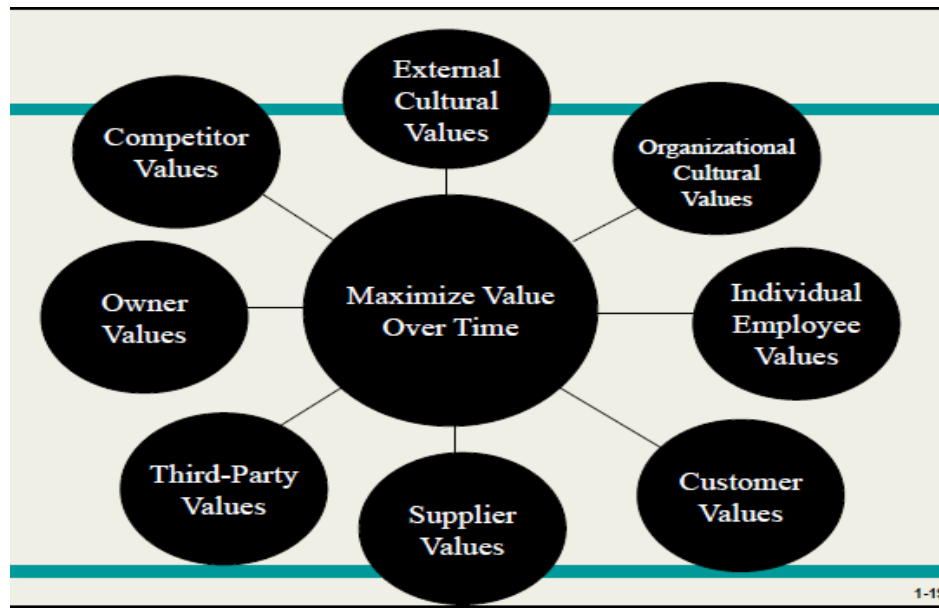


Table 3: Eight Value Drivers (Mujtaba, 2014, p. 68)

There are three value drivers that will impact the direct and indirect forces of American Express which are organizational culture, competitors and customer values. At American Express a strong organizational culture is important to the long-term success and sustainability of the organization. Every organization has its unique culture, and it is the culture of the organization that drives the success of the company. Organizational culture is defined by the work environment that management creates and the primary responsibility of management is to communicate, define and share what culture of their organization by their mission statement, rules, symbols and organizational structure, etc.

Competitor’s values are often overlooked and what a company competitor value is critically important. American Express understands the values of our competitor because this leads American Express to formulate its competitive strategy of how to compete with one’s competitor to include the size of the market share, profitability, company image, and what drives the competitors’ strategies, actions, and tactics. Effective leaders within organizations should have a vast knowledge about the value structure of their competitor (Pohlman, 1997).

Customer values are critical to the success of American Express. American Express earned seven straight J.D Power awards for the highest customer satisfaction in the credit card industry. American Express solicits customer feedback from surveyed customers. The direct feedback provided shows that American Express customers would recommend the company services and products to their families. The company provides world-class service with continued growth and this is reflected in the company’s annual profits.

The three relevant forces that are value adders for American Express are organizational culture, competitor and customer values. Customer values are a value adder because of exceptional customer service that American Express provides to their customers. Competitor values are a value adder because American Express has strategic knowledge of how to compete to gain profitability in the market place. While organizational culture values are a value adder at American Express because the company knows that their employees are important to the long-term success and sustainability of the organization.

American Express is successful in the credit card industry because “combined with our leading-edge marketing, information management and rewards capabilities – enable us to offer

an array of valuable services that enrich lives, build business success, encourage financial responsibility, and create communities of people with common interests,” (American Express.com, 2015, para.4). This is what makes American Express a uniquely powerful service company and the above mention forces are value adders in the long-term for the company and not value destroyers.

**Market-Based Management**

Market-Based Management (MBM) is a management system that incorporates the elements of a free society and market economy to improve management practice into corporate culture successfully. Market-Based Management application places emphasis on empowerment and decentralization in the workplace (Gable & Ellig, 1993). At American Express the concept of market-based management is a philosophy of management that recognizes the reality that anticipating, discovering, and communicating customer desires to everyone in the firm will add to the value of the organization over time because of consistency and long term use (Gardiner & Pohlman, 2012).

The Market-Based Management application focuses on encouraging organizations to accomplish its mission by providing organizational structures, responsibilities, values, and incentives that will motivate employees to accomplish their personal goals which will advance a company’s mission (Gable & Ellig, 1993). Market-Based Management has six guided elements, which include: division of labor, property rights, rules of just conduct, the price system, free flow of ideas, and market incentives. However, in a MBM corporate culture, these six elements are comparable to include: mission system, roles and responsibilities, value and culture, internal markets, open communication, and compensation and motivation (**Table 4**).

When the six comparable elements are implemented and functioning correctly, the corporation and society will experience economic prosperity over time (Mujtaba, 2014).

<b>Market Economy</b>	<b>Organization</b>
Division of Labor	Mission System
Property Rights	Roles and Responsibilities
Rules of Just Conduct	Values And Culture
Price System	Internal Markets
Free Flow of Ideas	Open Communication
Market Incentives	Compensation and Motivation

Table 4: Six Key Systems (Gable & Ellig, 1993, p. 10)

**Recommendation**

In today’s global environment, managers and leaders should be culturally competent and able to effectively manage a diverse workforce synergistically. They must learn how and remain morally competent and insist that one’s workplace is free of bigotry and that equal and fair opportunity is given to all individuals (Mujtaba, 2010). Diversity should be the best strategy that companies adapt if they wish to embrace the new trends for future population growth. Within the workplace employees from different cultures are affected and have to deal with racial discrimination on diversity issues such as religious belief, age, race, language, and gender on a daily basis.

Companies should implement programs that concentrate on diversity within the workplace, in order for all employees to share and focus on one common goal which is to work together in an environment where each individual is valued and appreciated for one's differences, similarities, and or ethnicity. "An organization that uses fair procedures and treats employees with sensitivity send a powerful message to all employees that it values them as important members of the community," (Nelson & Trevino 2006, p. 68).

Communication and trust among employees will be misleading or non-existence; therefore, managers and employees in a diverse workplace must understand the challenges and know how to effectively handle them. "Communication is the glue that holds organizations together. It is the way we share information, ideas, goals, directions, expectations, feelings, and emotions in the context of coordinated action," (Schermerhorn et al. 2008. p. 320).

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