RJSSER

Research Journal of Social Sciences & Economics Review

Human Resource Diversity Management – A Conceptual Analysis

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Abstract

The twenty first century has pushed people towards borderless interactions, which in turn have opened a vast variety of opportunities leading to workforce diversity. Human Resource Diversity Management is considered among the most imperative tools of human resource. Humans differ in multiple aspects but in order to maintain and excel in global diversity, we must understand and comprehend these differences so that they strengthen the company's goals as well as perceived objectives. This research was carried out to conceptualize and analyze the three variables, which are, Human Resource Diversity Management, International Compensations as well as Ethics and Social Responsibility which impact the workforce in an organization leading to its growth or downfall. Conceptual analysis shows that HR Diversity is the need of the hour for organizations and in order to get more value in the market, the organizations have to en-cash this strength through multiple methods.

Keywords: Human Resource Diversity Management, International Compensations Management, Ethics & Social Responsibility, and Multiculturalism

Introduction

We are living in exponential times where the organizations are faced with a growing challenge on diversity management. The world has become a global village and personnel from all over the world are incorporated into an organization's workforce to keep ahead of the international trends. For this purpose, it is particularly imperative to recognize the concept of human-resource diversity management. All around us we consistently see new faces and diverse workforce, which was not imagined before, and this trend is projected to resume at a fast pace as the years go by. We have seen the Human Resource departments of organizations rapidly exploring and testing a vast variety of approaches to more efficiently deal with ever-increasing workforce diversity. This article briefly reviews human resource diversity management and how it has increased in the years to enhance productivity and efficiency in a workplace with respect to ethics, morals and international compensation.

Human Resource

Based on the existing definition of Human Resources, it is elicited that Human Resources (HR) are employees, personnel or workforce of an organization (Heery & Noon, 2001). As far as the scope of Human Resource Management is concerned, it covers a vast array of activities and shows a huge range of variations across occupations, organizational levels, business units, firms, industries, and societies (Boxall, Purcell, & Wright). Furthermore, Human Resource is one of the most essential components of an organization as the HR is responsible for keeping all other functions in check.

Diversity Management

Managing Diversity (MD) is the concept of recognizing the wide variety of qualities possessed by people within an organization (Heery & Noon, 2001). And "Diversity" can be defined as a collective mixture characterized by differences and similarities that are applied in pursuit of organizational objectives. Diversity management is the process of planning for, organizing, directing, and supporting these collective mixtures in a way that adds a measurable difference to organizational performance (Hubbard, 2004).

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Human Resource Diversity Management

Human Resource Diversity Management depicts an essential functionality in the organization, which is its human capital. It stresses upon on the individuality of people and the significance of giving credit to everyone for their own distinctive blend of skills, expertise, competence, personality characteristics, attributes, etc. This concept can also be presented as the alternate to equal opportunity. HRDM incorporates cluster and singular identities of the organization's workforce (some of which are: sexual characteristics, race, origin, geographic background and status). It also comprises multiple factors, such as fluctuations in the labor market demographics.

Significance of Study

The aim of this study is to analyze Diversity Management in an attempt to understand its impacts on human resource management practices keeping our three variables in perspective.

The research tries to verify the presence of a constructive effect of DM practices on HRM. Evaluation of previous trends and research has been made for that purpose. We wish to decipher the increase in effective commitment of our diverse workforce towards the organization and ultimately retain them in the long run through the better understanding of diversity management, international compensation management as well as ethics and social responsibility.

Methodology

We applied trend analysis to give perspective to our research. The previous trends point us in the same direction that diversity and inclusion leads to a better functioning and prosperous set-up. The literature review also aids in supporting these points, we see that in 2000, diversity was introduced in UK museums to enhance their business models and bring about a culture of inclusiveness. (Sandell, 2000) Another article reviewed also tells us that diversity management is a very vital notion to grow and access more in the business world; it also explains what challenges can be brought about with diversity and how we can cope with them. (Mavin & Girling, 2000) In another article of year 2009, we see how diversity is present in the workplace but at the same, the challenges still remain as EEO (equal employment opportunity) is not yet prioritized by organizations and the balance is not present. (Chanda, Shen, D'Netto, & Monga, 2009)The author in 2010 speaks about surface level and deep level diversity and how we can characterize it as well as take notice of it in order to improve our functionality. (Acar, 2010)

The research in 2018 tells us how it is vital to understand employee centered and management centered diversity because they hit at a different level each and therefore, to tackle them on every level, we must first categorize them and then work towards their problem solving. As per the latest research we should be able to grasp diversity management principles on a much comfortable pace, as they are more of a need now. (Otaye-Ebede, 2018)

The trends in the literature review/analysis show and depict that in order to excel in diversity management one must be able to cater to diversity management itself along with international compensation, ethics and moral responsibility which all add up to a successful organization's standing in the market. The trends show us that diversity can be both positive and negative, it depends upon how one adjusts himself or herself in the organization, sensitivity towards diversity is important because then you would be able to understand what element requires work and which would suffice as is. One should be able to differentiate between surface and deep levels of diversity as well as other significant factors that lead to positive diversity management.

We have analyzed the articles taken in our literature review/analysis to understand the current diversity trends through categorizing them into three important variables, which we look into further ahead. Diversity management, international compensation, morals and ethical responsibility are our main factors of interest through which we have try to infer best practices in each to be able to better manage diversity on a large scale. Through applying proper trend analysis we will be able to better equip ourselves with the measure to take in our current and future scenarios to deal with diversity management in a more appropriate manner.

Analysis

We reviewed ten research papers in order to understand three variables in order to infer the best practices or methods, which can be used in the coming years to enhance diversity management and ease of evaluation of the variables.

Diversity was recognized in a museum, when they hired a diverse team in order to bring into effect a new culture and setting that would enhance workforce efficiency and effectiveness. It was

brought into light not only to explore the benefits of its implementation but also, to make diversity and inclusiveness a part of the museum models to enhance their business model. This paper looks into UK's museums that took part in implementation of this tactic in order to avail positive response from the business world. (Sandell, 2000)

The paper of Mavin and Girling shed light upon the new angles and heights that diversity has introduced, which has brought about more perspective and a different sense of business functionality. Business is not as it used to be back in the days, everything has changed immensely from morals, ethics, values, and culture to the processes that take business further ahead. In this article of "What is managing diversity and why does it matter". The authors provide a brief about what managing diversity means and how can you benefit from it, they all put emphasis on the challenges met by diversity and how we can cope with them. The paper also discusses the different styles of diversity management and how they can bring about equal opportunity in the UK markets. (Mavin & Girling, 2000)

Ethics & Social Responsibility

The model of diversity was initiated in the United States and remained widely accepted by the states of the Western region such as Canadian region, United Kingdom and Australian region. The notion is highly influenced by the demographics, socio-cultural and economics related realities in the United States and other Western perspectives. What we infer from this research is a relational framework that is brought into light to connect macro-national which is at a larger scale perhaps on national level, meso-organizational which is relatively smaller scale but still larger groups and institutions, and micro-individual levels, which is an individual or small amount of focus groups, analysis of these groups is to better comprehend real and context relevant diversity management, in turn which can overcome the complications of international transfers. (Syed & Ozbilgin, 2009)

This paper portrays the importance of diversity management by understanding and assessing the practices of HRDM in organizations. The authors evaluate discrimination and inequality at large while trying to fit in the concept of equal employment opportunity (EEO). The article focuses on how inequality and discrimination still pertains in the organizations today and how HR needs to focus on EEO concept as it is still new to them and remains a topic less read by majority of the HR. The authors wish to create and bring about a balance to promote EEO in the organizations in parallel with diversity. Equal opportunity should go hand in hand with diversity and actually aid in benefitting the organization as a whole. (Chanda, Shen, D'Netto, & Monga, 2009)

Human Resource Diversity Management

The paper reflects group diversity and how it is manageable in a work place setting. It explains how a group's diversity means that it should have heterogeneity in terms of characteristics that the group possesses. A diverse group should not have too many similarities, as they would not be able to progress through with similar qualities and mindsets. The author relates to two types of group diversity, surface level diversity and deep level diversity. The first, surface related are more noticeable attributes such as age, gender, ethnicity whereas, deep level related are subtle attributes referring to emotional well being, culture, personalities and values. This helps us understand emotional and diverse conflicts across a time span in order to measure and solve them accordingly. (Acar, 2010)

Workforce diversity is referred to a "double edged sword", as it can cause immense harm and well as great fortune. It all depends upon how it is handled and dealt with. The advantages can include that we gain access to the global channel and borderless accessibility of knowledge, power and ultimately wisdom beyond borders, the negative can be conflicts arise due to ethnicity, discrimination and lawlessness, which increases the necessary training costs and conflict resolution. Attention is necessary to find out the issues involved and ensure that the diversity we are preaching at our workplace gives us maximum utility as well as growth for the employees and teams. (Shen, D'Netto, & Tang, 2010)

From a stakeholder managements' perspective, it is vital to improve diversity practices now more than ever due to the wide accessibility of news and CSR that takes people around the globe. One wrong move and the company takes a big hit, which takes months and sometimes years to recover from. There is a huge impact of external supplier diversity which the authors speak of in this paper, and they conclude that supplier diversity should be included as well as equality management systems on large scales to enhance, monitor and facilitate in diversity management. The authors seeks diversity in context of a more amalgamated structure of the organizations' supply chain, they wish to

bring about supplier diversity to enhance the current working systems and provide more opportunity and growth to not only the firms but also the suppliers. (Richard, Su, Peng, & Miller, 2015)

Organizations must work on building an impartial and efficient inclusive workplace, which can evaluate how an employee should be assessed and how the diversity management practices should be perceived within the organization. The authors believe that mentoring and assessing the management alone is not fairly sufficient to progress forward in diverse environment, it is vital to understand the difference between management centered practices and employee centered practices. An employee's perspective has to help us understand diversity and inclusion at their level and how it can reach its maximum potential. The diversity, whether it is on a large scale or small scale cannot be overlooked, it must be catered to with regard and understanding on maximum if not all relevant perspectives, here we must look into the management and the employee related approaches and structures. (Otaye-Ebede, 2018)

International Compensation

In this paper, the author taps in the concept of reward, for every diverse workforce, one must include a certain compensation that is inclusive of a reliable and applicable reward based system. The diverse employees tend to compare packages, measure their compensation and understand how valued they are from time to time in order to switch or to stay loyal; here we need to factor in compensation that wholly satisfies the employee and the market competitive rates so that we can retain our diverse workforce. We need to understand and relate to major international compensation packages to ensure the one we provide is indeed the best in the market based on our research and forecasting. (Tornikoski, 2011)

Compensation structures and packages are often politicized to achieve certain objectives, however, the author states that in order to compete globally, one must be aware of the market rates, the future possibilities and be socially sensitive to know when to alter or change the structures. Being stagnant in compensation is a major loss for HR and they must always keep up with the market and laws. When it comes to globalization, one must be able to compete with the global market on the same level if not higher. (Matt Bloom, George T. Milkovich , & Atul Mitra , 2000). The framework introduced in this revolves around 3 main points, disparity, formalization and frequency. The author mentions multiple levels of disparity heterogeneity, distinction, or variation in understanding exactly how the appropriate context related factor is expressed or exhibited in the context of a local host. In formalization, we measure the extent to which the contextual elements are classified into a law or regulatory imperative and are enforced by third-party group, and bear enforceable, strict sanctions or penalties for any sort of breach. All these factored in can bring about a fair compensation package for the employee to stay loyal to the firm.

Conceptual Analysis

Upon reflecting on the analysis above, we are able to build a conceptual analysis here. First, we need to understand diversity, which comprehends different cultures, ethnicities, and values, then moving towards respecting those differences and using them to grow and flourish in any organization or in any setting. Diversity management as explained in the beginning is the ability to understand and acknowledge diverse workforce to implement laws, policies and norms and even strategic planning to facilitate and retain them. Human resource diversity management refers to managing diversity with respect to HR laws, policies, and compensations, ethical and social responsibilities.

We understand that a diverse team is indeed a manifestation of an ever-changing world and marketplace, which being the world we live in is rapidly changing and moving at a fast pace. Diverse work force brings in increased value to organizations. Giving regards to individual differences is bound to do well to the workplace by creating a competitive edge and increasing work productivity, which also tends to test employee's emotional intelligence. It is clear how diversity management benefits associates by creating a fair and safe environment where everyone has access to opportunities and challenges by inclusiveness. Management tools in a diverse workforce should be used time and again to educate everyone about diversity and its issues, including laws and regulations. Most workplaces are made up of diverse cultures, so organizations need to learn how to adapt into those to be successful.

This research also emphasizes on the implications that human resource should be mindful in order to build a healthy working environment within the circles of workplace diversity. More so, the research suggests that human resource has a more positive and proper perception regarding the

implementation of workplace diversity; they must include the frameworks necessary to encourage diversity. Companies constantly devise plans to effectively manage diverse employees therefore, it is also essential to understand and comprehend ethics and social responsibilities. We need to be aware of the conflict of interest, conflict of loyalty, sexual harassment and other elements that add to ethics of managing a diverse workforce, keeping all those in check we can proceed forward.

When the employees do not have to worry about diversity and it becomes part of the firm naturally, then it takes a positive toll on employee motivation, engagement, and retention and turnover rates. The result of our research ultimately explains how to foster a company's culture with ethics responsibility, fair compensation and alignment with diversity principles ensuring that every voice is welcomed heard and respected.

We reviewed articles that comprehend how it is vital to understand diversity and predict the changes in the environment whenever necessary, to facilitate in updated and informed decisions about international compensation packages, ethics and moral responsibility as well as diversity and inclusion. Under the umbrella of diversity management, we have many elements to look into but in this research, we have closely looked into diversity management with contrast to international compensation, ethics and moral responsibility. If international compensation were up to the mark provided benefits and perks, inclusion of relevant packages such as holidays and other benefits for the international employee, they would not be lurking elsewhere for better opportunity. As for ethics and social responsibility, every firm must look into the well being on their employees, specially the diverse work force, ensure that they are not mistreated or discriminated, we must be sensitive towards their needs, culture and ethnicity and we must provide equal employment opportunity to make the most of diversity.

As per (Mavin & Girling, 2000), provided the new world order and openness to diversity, we must adapt to the change and welcome it. It is important to understand and deal with diversity in a manner that best fits our organization's well being as well as our workforce. Everything changes once we introduce diversity into our workforce, we must be able to plan, process and execute according to new standard when we introduce a new element or approach into our organization. By data collection of 60 human resource professionals, the study provided with questions to understand and comprehend why diversity exists, why it matters and what should be our concern of it.

Syed and Ozbilgin break down diversity into 3 components at macro-level, meso-level and micro level. At macro level, we look at diversity with respect to the societies at large as a bigger group and component; we are to find natural cultural characteristics here. At meso level, we look into policy frameworks and how to run with what principles to provide the best experience for relatively large groups and institutions. At micro level, we are looking into an individual's diversity needs; we classify an individual or a small group and set our perspective accordingly. The authors of (Syed & Ozbilgin, 2009) brought the relational framework to understand and comprehend diversity.

It is vital to understand where the conflict arises when we are to address one therefore, the concept of surface intensity of diversity and deep intensity of diversity, which was introduced by Acar (Acar, 2010) to be able to better equip ourselves with conflict resolution in diversity management. The authors of the article "Employee's Perception of Diversity Management Practices" differentiated between two practices, management centered practices and employee centered practices, the emphasis was on understanding both the practices and their implications before providing a wholesome solution to proceed forward in diversity, it is important to differentiate between the two and empower each on their own level. (Otaye-Ebede, 2018)

In another article, we are reminded of the benefits of diversity, few of which are large global reach, infinite amount of knowledge, bigger perspective, better resources and more opportunity. (Shen, D'Netto, & Tang, 2010) At stakeholder's viewpoint, diversity should also be ignited as it could lead to a very wholesome approach and bring about a good outlook and portfolio for the company to prosper and grow. (Richard, Su, Peng, & Miller, 2015)

When working on diversity, we need to have a very wholesome approach because we are looking at the bigger picture that seeks more sensitivity in all aspects, such as compensation as explained by Tornikoski in his article, the human resource and management must have knowledge of international compensation packages to ensure that the right package is offered to the employee in order to retain the workforce and avoid any competitive firm to lock a deal with our workforce. He highlights the need of rewards based system as per the discretion of the management and human

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resource, it is important to have a proper reward system in place so that the valuable employees can be rewarded and commended in return for their loyalty and hard work. (Tornikoski, 2011)

We need to be mindful of our behavior and policies when working in a diverse workforce. The HR teams needs to consistently check and reform whenever necessary, to update the policies and procedures for the teams. In order to retain a loyal diverse team, we must cater to their needs as well as bring them on board to fulfill the needs to the company. The compliance must be there but not as a strict law but rather as basic understand between the employees and the company itself. A diverse team is difficult to hire, maintain, retain and then keep hold of, therefore, it is utmost responsibility of the HR to carefully and categorically look into diversity management programs, international compensation structures, ethic as well as moral responsibilities so that the organization may be able to retain loyal diverse force that would actually work with dedication and commitment.

Discussion & Conclusion

We understand that a diverse workforce is indeed evidence of an increasingly rapid change in world and business market on the whole. A team which is different in many terms brings about more value and input to the workplace, which in turn grows beyond boundaries. Upon carefully reviewing of all the mentioned papers related to human resource diversity management, we come to conclude that diversity brings about a culture of change, which flourishes within the organization and makes it bigger and better with a much wider perspective. Diversity must be accommodated while keeping human resource in check with all the necessary measures, which include compensation management as well as morals and ethics, related to a diverse workforce.

In a borderless world, diversity is the only way forward. We have seen big companies succeed in implementing diversity but at the same they have also had to bear loss in terms of control and management on a large scale. Looking into the case of Apple, we see how diverse it's supply chain is but in the previous years, apart from the major gains, the reputation of Apple has immensely gone down due to failure to comply by international labor laws and practices. (China Labor Watch CLW, 2019) Therefore, it is vital to understand how to manage diversity to not be at risk of being defamed by it. Realizing that there is perplexity in diversity but that comes with ignorance, which we must avoid and bring to light this concept and its benefits far and wide. Therefore, considering the three elements of study in this research, we are able to better grasp our understanding of diversity and how to succeed in implementing it properly in our organizations for the longer run. To achieve cultural diversity and inclusion at large, it must be intentionally and purposefully achieved by a change in participation, practices and procedures of the HR and management, as well as a shift in mind-set to diversity thinking. We see that diversity is presently a global competitive advantage; it is bound to become a necessity in the business world.

Recommendation

An inclusive culture and even cultural mentoring is a prerequisite for the diversity of ideas, perspectives, and solutions to ensure the success of an organization's business objectives, which is eventually to prosper and succeed. Enhance external supplier diversity to encourage more opportunity and fair competition across borders. Human Resource should work towards building an impartial and efficient workplace that assesses individual employee's diversity perception and is able to aid in any conflict. Human Resource should be flexible enough to change or amend a law/policy that conflicts with a diverse employee's interests or well-being. They should be able to nourish an equal opportunity ground for all employees.

The compensation package must cater to the needs of the employee as per the components involved in international compensation to ensure our diverse workforce stays intact and loyal for which we must look into internal and external variables influencing international compensation strategies. (Ashwathappa & Dash, 2008) The rules and regulations must be made in context with our diverse team and the background that they come from; they should not offend any individual or their culture. Our work policies should be aligned with our corporate social responsibilities and how it reflects upon the employees' attitude and performance at work should be closely looked into. (Godkin & Valentine, 2015) Diversity training should be provided to the employees so that they also learn how to act within a diverse team. Foster diverse thinking and embrace the differences. We must create an atmosphere where everyone feels relevant and part of a shared mission.

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