

Mind the Gap: Analyzing Discrepancies between Diversity Management Best Practices and Real-World Implementation

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ABSTRACT

Purpose: Diversity management plays a crucial role in the growth and success of organizations. This paper aims to explore the concept of diversity, its various types, associated benefits, relevant theories, and its implications worldwide. Additionally, it examines the existing gap between expectations and reality in implementing best practices for diversity management

Methodology: To provide a comprehensive understanding, this study conducts a thorough review of quantitative and qualitative research, as well as theoretical studies published in renowned journals. The researchers extensively analyze research articles, management books, newspaper articles, and constitutional documents from different countries, adhering to established search inclusion criteria.

Findings: The paper emphasizes the significance of effective diversity management and delves into the vast disparity between the conceptualization of diversity and its practical implementation. It also highlights that the theories surrounding diversity may not be fully realized when put into practice, potentially hindering the desired outcomes. Furthermore, the study uncovers numerous loopholes in the global understanding, examination, and implementation of diversity, even within constitutional frameworks.

This study contributes to the field of contemporary management by shedding light on the Diversity Management. It significantly enhances our knowledge of diversity and the factors that influence its effective management, offering valuable insights for organizations seeking to foster inclusivity and leverage the benefits of diverse workforces.

Key Words: Diversity, Management, Organizational performance, Inclusion, Change.

Introduction

Diversity refers to the identity based differences among and between two or more people that affect their lives as applicants, employees and customers (Bright et al., 2019.) These identity-

based differences not only define who we are but also shape the way we perceive and navigate the world around us. These identity-based differences include such things as race and ethnicity, gender, sexual orientation, and age. According

to Griffin, (2017) workforce diversity is the variety of differences and similarities that exist among employees in an organization. Workforce diversity means a workforce made up of people with different human qualities or who belong to the different cultural groups Daft, (2008). There could be many dimensions of workforce diversity. They can be grouped into primary dimensions and secondary dimensions. Primary dimensions are core elements through which people shape their self-image and world view. These dimensions include age, race, ethnicity, gender, mental or physical abilities, and sexual orientation. Secondary dimensions can be acquired or changed throughout one's lifetime. These dimensions tend to have less impact than those of the core but nevertheless affect a person's self-definition and world view and have an impact on how the person is viewed by others. These dimensions include marital status, education, religious beliefs, geographic location, income, work backgrounds and parental status.

If harnessed correctly, a diverse workforce can transform an organization into a competitive market stronghold. However, if mismanaged, dissatisfaction may set in, conflict can become a norm, and high turnover rates may deplete the organization's talent Young (2008). The ever increasing globalization of the world has given rise to an increase in factors which cause heterogeneity in the labor market and in organizations. Diversity management has therefore become the necessity which stems from social and economic trends Urbancova et. al. (2016). So diversity management is a key aspect for organizational performance. Seliverstova & Pierog (2021) mention that in modern days, the concept of diversity and diversity management have become trend that's growing rapidly and gaining more and more popularity in national and international companies. Diversity management is a critical aspect of contemporary organizational practices, aiming to create inclusive and equitable work environments that value and leverage the unique characteristics and perspectives of

individuals from diverse backgrounds. Diversity management can be defined as the planning and implementation of certain procedures in the organizations the main goal of which is achieving the diversity of employees in the workplace in a way that brings the benefits of diversity into an organization and reduces the weakness of the workforce Nweier & Dajonki (2002).

Managing diversity goes beyond simply acknowledging and celebrating differences; it involves creating an inclusive environment where everyone feels valued, respected, and empowered to contribute their unique talents and ideas. Diversity management is a process intended to create and maintain a positive work environment where the similarities and differences of individuals are valued, so that all can reach their potential and maximize their contributions to an organization's strategic goals and objectives Patrick & Kumar (2012). Diversity management in an organization has multiple benefits. Diversity management ensures that all employees have the opportunity to maximize their potential and enhance their self-development and their contribution to the organization. It recognizes that people from different backgrounds can bring fresh ideas and perceptions, which can make the way work is done more efficient and make products and services better. Managing diversity successfully will help organizations to nurture creativity and innovation and thereby to tap hidden capacity for growth and improved competitiveness Patrick & Kumar (2012). People from different backgrounds can bring fresh ideas and perception which can make the way is done more efficient and makes service better. So, there is a strong and positive correlation between successful diversity management and firm's performances. It is a better way to strengthen employee knowledge, ideas, innovation and re-engineering of organizational systems. Diverse employees are better suited for understanding globally changing political, legal, social, economic, corporate and cultural environments that's why organization can serve diverse external customers effectively. When diverse

people enter in organization; if they are managed properly organization can solve the complex task, increase the exposure of the business to different kinds of customers and increase organizational productivity, increase sales and revenue of the organizations by adopting creative, innovative ideas and concepts generated from diverse brains (Lamichhane, 2021).

Rationale for the Study

The concept of diversity management has gained significant attention in recent years due to its potential to foster growth and success in organizations. This paper aims to delve into the multifaceted concept of diversity, its various types, associated benefits, and relevant theories. By exploring these aspects, the study seeks to contribute to a better understanding of the importance of diversity management in today's globalized and interconnected world.

Furthermore, the study examines the existing gap between expectations and reality in implementing best practices for diversity management. This focus on the practical application of diversity management theories and strategies is crucial for identifying potential challenges and opportunities in promoting diversity and inclusion in organizations. By bridging the gap between theory and practice, the study aims to provide valuable insights and recommendations for organizations seeking to enhance their diversity management efforts.

This study's rationale is to contribute to a more comprehensive understanding of diversity management, its benefits, and its practical implementation. By exploring these aspects, the study seeks to provide a solid foundation for organizations to build on in their pursuit of diversity and inclusion, ultimately leading to improved organizational performance and societal well-being.

Research Objective

To examine the existing gap between expectations and reality in implementing best practices for diversity management.

Methodology

To ensure a comprehensive understanding, this study undertakes a meticulous review of both quantitative and qualitative research, along with theoretical studies published in reputable journals. The researchers conduct an extensive analysis of research articles, management books, newspaper articles, and constitutional documents from various countries, adhering strictly to predefined search inclusion criteria. This approach aims to gather a diverse range of perspectives and insights to enrich the study's findings and contribute to a robust and well-rounded analysis of contents for finding the gaps and implications. The methodology for doing review based research is referred from review based research on other un related topics of social sciences such as Mishra and Aithal(2023), Mishra and Aithal(2022 a&b)

Conceptualization of Diversity in the Work Place

Diversity has very important role in the management of the workplace. Being one the contemporary issues, it provides a foundation for the understanding complexities and applying the inclusive strategies in different organizational settings. Before applying the diversity strategies, one should understand the background and underlying assumptions, facts about the diversity and what governs it. This means theories gives the insights and reasons of diversity, thus fosters the environment of understanding diversity and facilitates the inclusive environment that provides value to work and workplace with help of embracing the individual difference. Here we have analyzed different theories to provide insight into the complexities, dynamics of employees, employer and society.

Similar Attraction Theory

The similar attraction theory is based on "Law of Attraction" is a psychological concept that suggests individuals are attracted to those who are similar to themselves in various psychological aspects. This theory proposes that people tend to be attracted to and maintain relationships with others

who share similar attitudes, values, interests, backgrounds, and other characteristics.

Similarity-attraction theory highlights that as individuals are likely to be attracted toward those who possess similar attributes and attitudes, and in contrast, they feel challenging with others who have dissimilar attitudes, values and experiences (Byrne, 1971). Collectively, these theories offer the conceptual foundation of relational demography theory (Tsui et al., 1992), which proposes that demographic attributes within work units will highly influence an individual's behavior and attitudes.

According to the similarity attraction theory, people often seek validation and reinforcement of their own beliefs and values, and finding someone who shares those attributes can be comforting and affirming. Similarity can also lead to a sense of understanding and compatibility, making it easier for individuals to communicate and relate to each other. Thus, understanding of this theory helps managers in fostering communication, reducing uncertainty and other managerial problems related to human resources. In short, followings are the some of the managerial implication (Smith & Johnson, 2018) of this theory:

- **Team Composition:** Managers can use this theory to create effective and cohesive teams by considering individuals' similarities in terms of knowledge skills, experience, and values. These types of groups are likely to work well together and complement each other's strengths, thus lead to increased collaboration, better communication, and higher team performance.
- **Recruitment and Selection:** Managers can access this theory while recruiting the new employees who can fit in organizational culture. Hiring individuals who share similar values and beliefs with the existing employees can contribute to a positive work environment and reduce conflicts and also facilitate bonding and cooperation.

- **Employee Engagement:** This theory helps managers in understanding and recognizing the importance of similarities among colleagues. Thus, it helps in making strategies of providing opportunities for team-building exercises, social events, or shared projects. Thus employees' engagement helps in organizational development fostering a sense of belonging and strengthens relationships among employees. Hence, enhance employee engagement, job satisfaction, and overall productivity.
- **Conflict Management:** Managers can manage conflicts by highlighting similarities and finding areas of agreement among conflicting parties. This can facilitate conflict resolution and maintain a harmonious work environment

Thus, reminds and encourage the mangers to promote diversity and inclusion by valuing and leveraging differences, encouraging open dialogue, and creating an inclusive culture that appreciates and respects individual uniqueness. This is crucial for innovation and creativity to sustain and promote growth in this 21st century.

Social Cognitive Theory

Social Cognitive Theory is a psychological framework developed by Albert Bandura that emphasizes the importance of observational learning, self-efficacy, and the reciprocal interaction between individuals and their environment. social cognitive theory argues that people actively influence their learning by interpreting the outcomes of their action, which, in turn, affects their environments and personal factors, informing and altering subsequent behavior (Schunk, 2012).

According to Social Cognitive Theory, learning occurs through the observation of others' behaviors, as well as through the consequences of those behaviors. Bandura (1977) argued that individuals can acquire new knowledge,

skills, and attitudes by observing others and imitating their behavior. This process is known as observational learning or modeling.

Key Concepts in Social Cognitive Theory include

- **Observational Learning:** Individuals can learn by observing others and imitating their behaviors. Thus, fosters attention, retention, reproduction and motivation to imitate (Bandura, 1961).
- **Self-Efficacy:** Self-efficacy refers to an individual's belief in their ability to successfully perform a specific task or behavior. According to Bandura, people are more likely to engage in behaviors they believe they can successfully execute.
- **Reciprocal Determinism:** This concept highlights the dynamic interaction between individuals and their environment. It suggests that individuals are not passive recipients of environmental influences but actively shape their environment through their behaviors. At the same time, the environment provides feedback and reinforcement that can influence an individual's behavior and cognitive processes.
- **Behavioral Modeling:** Social Cognitive Theory emphasizes the role of models in influencing behavior. Observing models who are rewarded for certain behaviors or who possess desirable qualities can increase the likelihood of imitating those behaviors (Newman & P.R., 2007).
- **Self-Regulation:** Social Cognitive Theory emphasizes the importance of self-regulation, which involves setting goals, monitoring one's progress, and using self-reinforcement and self-punishment to regulate behavior.

Social cognitive theory offers valuable insights for managers seeking to understand and influence individual and collective behaviors in the workplace. By applying these implications, managers can create a supportive environment,

foster learning and development, and enhance performance and productivity within their organizations. Thus, followings are the managerial implication of social cognitive theory (Bandura & Woods, 1989):

- **Employee Training and Development:** Managers can apply this theory to enhance employee training and development programs. By providing opportunities for employees to observe and model desired behaviors, managers can facilitate learning and skill acquisition. Additionally, managers can build employees' self-efficacy by providing constructive feedback, setting realistic goals, and offering support and resources for skill development.
- **Performance Management:** Managers can utilize this theory to design effective performance management systems. By providing employees with challenging yet attainable goals and ensuring they have the necessary resources and support, managers can enhance employees' self-efficacy and boost their performance. Recognizing and rewarding employees for their achievements reinforce their self-efficacy beliefs. Thus, inducing individual and organizational work effectiveness.
- **Leadership Development:** Managers can apply this theory to develop effective leaders by providing opportunities for aspiring leaders to observe and learn from experienced leaders through apprenticeship and management training.
- **Change Management:** Managers can utilize this theory to facilitate successful change adaptation by creating a supportive and collaborative work environment, where employees feel confident in their ability to adapt to change, can foster a positive change culture.
- **Team Building and Collaboration:** Managers can apply this theory to promote team building and collaboration within their

organizations. This can be done by fostering a culture that encourages knowledge sharing, cooperation, and open communication.

- **Decision Making and Problem Solving:** Managers can use this theory by promoting systematic thinking, providing decision-making frameworks, and facilitating learning from past experiences, managers can enhance employees' cognitive abilities and decision-making skills.

Social Identity Theory

Social Identity Theory is a psychological framework developed by Henri Tajfel and John Turner in the 1970s. It seeks to understand how individuals' sense of self is influenced by their membership in social groups and how this impacts their attitudes, behaviors, and intergroup relations. Tajfel and Turner (1979) developed a sophisticated model of how individual identity-related motivations predict individual-level motivations to discriminate between groups, and both individual and collective responses to societal-level group status, subsequently dubbed SIT (Tajfel & Turner, 1986).

According to Social Identity Theory, Grouping is based on demographic characteristics such as age, sex, and race (Tajfel, 1978; Tajfel & Turner, 1986; Turner, 1985, 1987). People strive for a positive social identity by categorizing themselves into various social groups, such as nationality, ethnicity, religion, gender, occupation, or even sports teams (Brewer & Gardner, 1996). Identification with group means membership is important to individual's self-concept, and group's interests are of concern above and beyond personal self-interest (Brewer, 1991; 1993). When individuals identify with a particular group, they derive a sense of belonging and self-esteem from that affiliation. Their self-concept becomes linked to the group's identity, leading to a psychological attachment to the group.

This theory depicts that people tend to positively evaluate their own group (in-group) and may display a bias attitude towards favoring

their group over out-groups, creating a place to intergroup conflicts and discrimination (Turner, Hogg, oakes, Reicher & Wetherevs, 1987). In extreme cases, this can lead to intergroup hostility, prejudice, and discrimination.

The theory has several managerial implications (Ashforth & Mael, 1989), which are discussed below:

- **Team Building and Collaboration:** Managers can use this theory in fostering a positive group identity within teams by promoting a shared vision, establishing common goals, and encouraging cooperation.
- **Leadership and Role Modeling:** Managers can apply this theory to foster the values and behaviors they want to promote within their teams.
- **Conflict Resolution:** Managers use this theory to manage and resolve conflicts effectively by fostering a sense of a collective identity, reducing intergroup conflicts and promoting cooperation.
- **Employee Motivation and Engagement:** Managers can motivate employees by creating a work environment that aligns with employees' values and fosters a sense of pride and belonging.
- **Organizational Culture and Communication:** Managers can shape organizational culture by promoting values that align with the desired group identity.

Thus, managers should be aware of the diverse social identities present in their workforce and strive to create an inclusive environment where individuals from different groups feel valued and respected. By acknowledging and appreciating various identities, managers can reduce intergroup biases and promote equal opportunities.

Schema Theory

A schema refers to a structured collection of knowledge pertaining to a particular subject or

event. It is constructed based on past experiences and is accessed to guide present comprehension and behavior. The theory of schemas, which falls under the umbrella of cognitive science, explores how the human brain organizes and processes information. Originally introduced by Jean Piaget, a cognitive psychologist, during the 1920s, the concept has since been further developed and expanded upon by researchers like Frederic Bartlett and Richard C. Anderson.

Schemas play a crucial role in cognitive processes such as perception, attention, memory, and problem-solving (Bartlett, 1932). They enable individuals to make sense of the world by providing a framework for interpreting and organizing incoming information. When we encounter new information, we often try to fit it into existing schemas, filling in gaps or making adjustments as needed. This process is known as assimilation.

However, if new information does not fit existing schemas, we may need to modify our schemas to accommodate the new information. This process is called accommodation (Piaget, 1896-1980). Individuals acquire new knowledge and experiences, their schemas can become more complex and refined, allowing for more accurate interpretation and understanding of the world.

Schema theory provides valuable insights into how individuals process and interpret information, make decisions, and interact with others (Anderson, 1983). By understanding and applying these underlying cognitive processes, managers can formulate their strategies in order to improve communication, enhance decision making skill, inducing learning culture through effective leadership skills.

Equity Theory

Equity theory is a psychological concept developed by J. Stacy Adams in the 1960s that aims to explain how individuals perceive and evaluate fairness in social relationships. The theory suggests that people are motivated to

maintain a sense of fairness or equity in their interactions with others.

According to equity theory, individuals compare the ratio of their inputs (e.g., effort, time, skills) to outcomes (e.g., rewards, benefits) in a given situation with the ratios of others. Inputs can include anything that a person contributes to a relationship or situation, while outcomes refer to the rewards or benefits; they receive in return (Homes, 1961). The theory proposes that people strive for equity or fairness in inputs and Payments (Adams, 1963, pp.422-436).

In response to perceived inequities, individuals may take actions to restore a sense of fairness. These actions can include changing their inputs, changing their outcomes, altering perceptions of inputs or outcomes, or even choosing to leave the relationship altogether.

Equity theory has been widely applied in various fields, including organizational behavior, interpersonal relationships, team work and collaboration (Robbins, Coulter & DeCenzo, 2017). It helps researchers and practitioners to make decisions (Greenberg Barron, 2008), understand and explain motivation, job satisfaction, relationship dynamics, and the impact of perceived fairness on individual behavior and well-being.

Cultural Dimension Theory

Hofstede's Cultural Dimensions is a conceptual framework created by Geert Hofstede, a Dutch social psychologist, with the aim of comprehending and contrasting diverse cultures by utilizing key dimensions. Hofstede's research on cultural dimensions, first introduced in 1984 and further expanded upon in 2001, has served as a prominent research paradigm in the realms of intercultural communication, cross-cultural psychology, and international management.

Hofstede during 1970s and 1980s, surveying employees of IBM in various countries, identified six cultural dimensions that help describe and compare different societies:

- **Power Distance Index (PDI):** (Chen & Starosta, 2005) This dimension measures the extent to which less powerful members of a society accept and expect power to be distributed unequally. High PDI indicates a hierarchical society where power is concentrated at the top, while low PDI suggests a more egalitarian society with a smaller power gap.
- **Individualism vs. Collectivism (IDV):** This dimension reflects the degree to which individuals prioritize personal interests and independence over group interests. Individualistic societies emphasize personal freedom, individual achievement, and self-reliance, while collectivist societies value cooperation, harmony, and loyalty to the group.
- **Masculinity vs. Femininity (MAS):** This dimension represents the extent to which a society values traditional masculine traits like assertiveness, competition, and achievement, versus feminine traits such as nurturing, quality of life, and cooperation. Masculine cultures prioritize material success, while feminine cultures emphasize quality of life and interpersonal relationships.
- **Uncertainty Avoidance Index (UAI):** This dimension measures a society's tolerance for ambiguity, uncertainty, and risk. High UAI societies have a strong need for rules, regulations, and security, while low UAI societies are more open to change, risk-taking, and ambiguity.
- **Long-Term Orientation vs. Short-Term Orientation (LTO):** This dimension explores a society's time orientation and its focus on long-term traditions and values versus short-term gratification and adaptability. Long-term oriented cultures value persistence, thrift, and perseverance, while short-term oriented cultures focus on immediate outcomes and gratification.
- **Indulgence Vs. Restraint (IND):** This dimension reflects the extent to which a society allows its members to enjoy their desires and impulses. Indulgent cultures tend to have a relaxed attitude towards gratification and enjoyment, while restrained cultures have stricter norms and regulations regarding self-indulgence.

These dimensions provide a framework for understanding how cultures differ across various aspects and how a manager can adapt management approaches in these diverse cultural settings (Agodzo, 2015). It is important to note that these dimensions are generalizations and should not be applied rigidly to individuals within a culture. Moreover, cultures are complex and dynamic, and other factors such as religion, history, and socioeconomic status also play significant roles in shaping cultural values and behaviors

Theories and Real World Settings

However, research conducted in actual organizations does not consistently support the notion of diversity having clearly positive effects. 'The Diversity Research Network' (an association of researchers) conducted a study analyzing the impact of racial and gender diversity on the performance of teams, workgroups, and business units in four different firms (cf. Kochan et al, 2003). These firms were chosen because they already had a commitment to managing diversity. The research provided valuable insights into the challenges of studying diversity effects in real-world organizations, which partly explains why such research is rarely conducted.

To recruit companies for the study, over twenty large Fortune 500 companies, all of which expressed interest in the topic, were contacted and engaged in discussions over a two-year period. However, all except four companies declined to participate. Reasons for their refusal included a lack of influence from diversity advocates within the company, a reluctance to examine the effects of policies that already had sufficient support without requiring additional proof, objections

from legal counsels, and resistance from managers who were unwilling to provide data.

By utilizing a combination of quantitative and qualitative data on diversity and creating measures for team performance based on performance appraisal ratings, goal achievement ratings, bonus systems, and average sales, the overall results of the four studies demonstrated that the relationship between diversity and team outcomes was not simple and consistent. Neither racial nor gender diversity had a consistently positive or negative impact. In cases where negative effects of racial diversity were observed, they were alleviated through training. Gender diversity sometimes had no effects and sometimes had positive effects on group processes. The authors emphasize that the impact of diversity is rarely direct and that context plays a crucial role in determining its effects on performance. For instance, in a highly competitive environment, negative effects of racial diversity were exacerbated. However, in an environment that encourages learning from diversity; racial diversity could enhance performance (cf. Kochan et al, 2003).

Diversity – Performance Linkage in Real World

European Commission (2005), while diversity management advocates and many companies implementing diversity policies believe in the inherent benefits of diversity, the empirical evidence supporting the notion that diversity enhances organizational performance, efficiency, and outcomes is not definitive. One type of data that suggests positive outcomes of diversity and diversity management is surveys and qualitative data reflecting companies' experiences and opinions regarding diversity policies and their associated benefits.

In a survey conducted among member companies of the European Business Test Panel, out of the 505 companies that responded to the question of whether diversity initiatives have a positive impact on their business, 83% answered

affirmatively (European Commission, 2005, pp.53). The two primary categories of benefits reported by participating companies were access to a new labor pool and the attraction of high-quality staff (cited by 43% of companies) and benefits related to reputation, corporate image, or good community relations (38%). Approximately 26% of companies rated innovation and creativity as a benefit of a diverse workforce.

Among around 120 companies with active diversity policies in four EU countries, when asked to assess the importance of various potential benefits of those policies, the majority considered strengthening cultural values within the organization, enhancing corporate reputation, attracting and retaining highly talented individuals, improving motivation and efficiency of existing staff, fostering innovation and creativity, enhancing service levels and customer satisfaction, and overcoming labor shortages as "important" or "very important." Additionally, between one-fourth and one-half of the companies regarded reduced labor turnover, lowered absenteeism rates, improved access to new market segments, avoidance of litigation costs, and enhanced global management capacity as important or very important benefits. Apart from surveys highlighting positive impacts of diversity and diversity management, compilations of good practice examples and qualitative data from case studies also indicate similar positive results. (European Commission, 2005; Schawarz-Wolz & Maad, 2004; Centre for Strategy & Evaluation Services, 2003).

However, it's important to note that opinions provided by companies or their representatives in surveys or interviews can be questionable when evaluating the effects of diversity and diversity management. On one hand, the respondents filling out surveys or giving interviews are often individuals responsible for and committed to diversity and diversity management, which may introduce bias into their answers. Furthermore, when reports about a company are not anonymous,

there is a strong incentive for representatives to present a positive image of the company and its policies. On the other hand, experiences shared by companies or their representatives often lack actual measurement. There is a lack of systematic monitoring and evaluation of the progress and benefits of diversity (European Commission, 2005), limited quantitative assessment of costs or benefits associated with diversity policies, and a scarcity of systematic measurement of costs, benefits, and intermediate outcomes (European Commission, 2003).

Best Practices around the World

The inclusion of diversity varies among different countries. It is affected and influenced by the range of factors, which may include historical, political and socioeconomic contexts. The International Personnel Management Association (IPMA) has undertaken a human resource benchmarking project with the National Association of State Personnel Executives (NASPE). IPMA is an organization representing over 1,700 organizations and 2,500 individuals involved in public sector human resource management. The Association's mission is to optimize organizational and individual performance in the public service by providing human resource leadership, professional development, information and services. IPMA has established an International Human Resource Advisory Board to facilitate the exchange of information on international human resource developments. The International Human Resource Advisory Board has 37 members from 35 countries and international organizations.

Diversity was selected as a best practice area since changing demographics make it more important to select, retain and manage a diversified workforce. According to the IPMA/NASPE Benchmarking Committee, "diversity efforts in the workplace facilitate the exchange of new perspectives, improve problem solving by inviting different ideas, and create a respectful, accepting work environment, all of which make good business sense." In the book

Beyond Race and Gender, R. Roosevelt Thomas defined managing diversity as "a comprehensive managerial process for developing an environment that works for all employees." The key for employers is to make diversity an asset within the organization. Diversity management has been described as looking at

1. The mind set of an organization
2. The climate of an organization; and
3. The different perspectives people bring to an organization due to race, workplace styles, disabilities, and other differences.

Diversity best Practice Organizations

The States of Oklahoma, Washington, Wisconsin and the City of St. Petersburg, Florida were selected as best practice organizations in the area of diversity. Best practice organizations value people where cultural awareness, sensitivity, fairness and integrity prosper. All employees believe that they can progress if they are qualified, motivated and work hard. The Benchmarking Committee found that these organizations shared some common practices that made them best practice organizations. These practices included:

- The development of a formal process that is contained in laws, rules or procedures. Both human and financial time and resources are devoted to the program. In best practice organizations, diversity is a process that is an integrated, ongoing and measurable strategy.
- In best practice organizations diversity training is provided to the workforce. The training is not limited to managers, but is extended throughout the workforce. Successful organizations incorporate diversity into mentoring efforts, leadership training and management-by-results programs.
- Best practice organizations have established a review committee that is responsible for establishing policies, providing technical assistance, reviewing/approving plans, and

monitoring progress toward the achievement of goals.

- Effective diversity programs also link recruitment, development and retention strategies to organizational performance. They integrate employee development processes and map career paths to see what critical skills are necessary to advance; then communicate these skills to employees and provide training.
- Accountability for the results of diversity programs is another attribute of best practice organizations. Accountability is determined through the use of metrics, surveys, focus groups, customer surveys, management and employee evaluations, and training and education evaluations. Diversity competencies may be incorporated into management systems. In this way organizations can determine how employees deal with people of different cultures and styles, support workplace diversity, include diverse people in work teams, and understand the impact of diversity on business relationships. While valuing and integrating diversity are lofty goals, to be effective, organizations must use more measurable criteria to evaluate success in managing diversity.

State of Washington

The State of Washington was selected as a best practice organization in recognition of its efforts, which have resulted during the past 14 years in the increase of diversity among the State's workforce by more than 40%. The primary factors contributing to the success are:

- **Executive Leadership:** The Governor establishes a personal contract with each member of his cabinet regarding diversity programs and goals.
- **Inclusiveness:** More than 70 percent of the state's employees belong to at least one of the affected groups that are included in the State's affirmative action program. The

State monitors and assists persons who are vulnerable to employment discrimination, especially racial and ethnic minorities, persons with disabilities, and persons over 40 years of age (the age at which individuals become covered by the Age Discrimination in Employment Act). This broad based approach results in far-reaching support and counters common perceptions that affirmative action is only a program for minorities.

- **Centralized Guidance/ Decentralized execution:** Each state agency and institution of higher education develops its own goals and implementation strategies. Guidelines are established centrally. The State has developed a program that automates the complex, multi-factor analysis process.

City of St. Petersburg, Florida

The City of St. Petersburg, Florida has decentralized its affirmative action efforts, with each agency responsible for developing and implementing a plan within standards established by a central agency. Affirmative action/diversity goals are set city-wide and in individual agencies. Under-utilization analysis is conducted on a quarterly basis, using statistical data reported in the Civilian Labor Force and the city's workforce. The analysis is done both city-wide and by department. This results in the establishment of goals based on the analysis. The analysis also highlights those areas needing special attention. When under-utilization is documented, and the city is below its goal in a particular job category, the affirmative action plans requires enforcement of the city's "1-for-1" policy. The policy requires that at least one member of the protected class must be hired or promoted for every hiring or promotion of a non-protected class member.

All of the top managers in the city are required to attend an eight week seminar on diversity. In addition, a diversity training and awareness program is being implemented throughout the city. Diversity training is part of the city's regular training curriculum, although

training is conducted in targeted departments when it is identified as necessary. In its most recent Affirmative Action Annual Report, it was noted that the overall percentage of minority group members employed by the city has increased from 26.4% in 1990 to 28.6% in 2000. Over this period, the percentage of minority males decreased slightly from 20.8% in 1990 to 20.3% in 2000, while the percentage of minority female employees increased from 5.6% to 8.3% and the percentage of white female employees increased from 18.1% to 19.5%. The city believes that the reduction in the minority male representation rate can be attributed in part to the reduction in the job category of skilled crafts, where minority male representation is high relative to other categories. Minority male representation in this category remains considerably above the goal.

These practices among various organizations have proved that Organizations can be strengthened by leveraging differences that mirror the diversity of its citizens. Surveys have demonstrated a positive impact on high performance where senior management teams include a diversity of ages, ethnicity, and gender. A diverse workforce also can improve organizational productivity and creativity. Managing a diverse workforce can be a challenge. When people from different backgrounds come together in the workplace, there is potential for great accomplishment, but also for great conflict. This paper has attempted to highlight the diversity efforts of those organizations that are leaders in diversity management.

India: Best Policies and Practices

The constitution of India, 1950 in its preamble itself incubated the image of an inclusive society. Various provisions of the constitution of India including articles 14 (Equality before law), 15 (Prohibition of discrimination on grounds of religion, race, caste, gender or place of birth), 16 (Equal opportunity to all),¹⁹ (Protection of certain rights regarding freedom of speech, etc.), and 21 (Protection of life and personal liberty) solidify the notion of diversity and inclusion as

a fundamental need for nation building process based on human values and mutual respect.

- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Law”)
- The Rights of Persons with Disabilities Act, 2016 (“PWD Law”)
- The Supreme Court of India on Lesbian, gay, bisexual, transgender and intersex (LGBTI)
- The Apprentices Act (to include new intern or apprentice in the workforce)

Nepal: Policies to Manage Diversity

The practice of diversity in Nepal encompasses various aspects, including cultural, linguistic, religious, and regional diversity. The Constitution of Nepal, adopted in 2015, recognizes the multicultural and diverse nature of the country. It guarantees the rights of all Nepali citizens, irrespective of their ethnicity, language, religion, or gender. It prohibits discrimination based on these factors and promotes equality and social justice.

The government of Nepal has implemented various inclusive policies (Constitution of Nepal, 2015) to ensure representation and participation of diverse communities. These policies aim to address historical marginalization and promote social inclusion through affirmative action programs, reservation quotas, and representation in political and administrative structures.

Multinational Company and Diversity Management

In their 2019 study, Goxe and Pires explored L'Oréal, the world's largest cosmetics company, and its significant role in promoting diversity management among French multinational corporations. L'Oréal views diversity as the recognition, acceptance, valuation, and leveraging of differences to drive the company's growth. To institutionalize diversity and multiculturalism, L'Oréal has implemented several corporate initiatives, including the following notable highlights:

- **Adoption of an Ethics Charter:** In 2000, L'Oréal introduced an internal "Constitution" known as the Ethics Charter. This charter outlines a code of good conduct that applies to all employees, subsidiaries, and locations, guiding their actions ("Code of business ethics, a guide for action," n.d.).
- **Commitment to the United Nations' Global Compact:** L'Oréal embraced the United Nations' Global Compact in 2003, aligning its operations with fundamental responsibilities in areas such as human rights, labor, the environment, and anti-corruption ("The power of principles," n.d. and "L'Oréal supports the UN global compact," n.d.).
- **Establishment of Diversity Observatories:** L'Oréal created the "Diversity Observatories" in 2006 with the aim of fostering respect for diversity, non-discrimination, and real-time promotion of equal opportunities.
- **Implementation of Parent-Friendly Charter and Employment of Seniors:** L'Oréal introduced the Parent-Friendly Charter in 2008 and focused on employing seniors in 2009 as part of its diversity management initiatives.
- **L'Oréal's Approach to Managing Diversity Revolves around Three Strategic areas:** human resources, marketing and communication, and purchasing. The company prioritizes gender, disabilities, as well as social and ethnic backgrounds within these areas.

Conclusion

In conclusion, diversity and diversity management are essential for the growth and development of organizations. Embracing diversity in the workplace allows organizations to tap into a diverse talent pool and attract top professionals from different backgrounds. This diversity of thought and expertise fosters creativity, innovation, and opens up new market opportunities. It enables organizations to adapt and thrive in an ever-changing global landscape.

Diversity management is closely intertwined with employee engagement and productivity. When employees feel respected, valued, and included, they become more motivated and committed to their work. Organizations that prioritize diversity and inclusion create an environment where all employees can contribute their best and realize their full potential. This, in turn, leads to higher productivity, improved teamwork, and increased job satisfaction.

Understanding diversity theories and applying their managerial implications can help organizations establish inclusive cultures, leverage the benefits of diversity, and succeed in a diverse and globalized world. Embracing diversity as a strategic advantage can result in enhanced performance, innovation, and long-term success. Diversity practices around the globe are gaining recognition and importance as organizations strive to create inclusive and equitable workplaces. These practices vary across different regions and countries due to cultural, social, and legal contexts. However, they share a common objective of promoting diversity, equity, and inclusion. While progress has been made in global diversity practices, it is crucial to acknowledge that challenges and disparities still exist. Systemic biases, discrimination, and unequal access to opportunities hinder full inclusivity in many parts of the world. Organizations must remain vigilant and committed to addressing these challenges and creating a more inclusive society. By actively working towards inclusivity, organizations can contribute to dismantling barriers and fostering a more equitable and diverse world.

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