HR DIVERSITY MANAGEMENT: THE RHETORIC AND REALITY IN THE CR

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Abstract

Secondary sources about diversity management provide the number of arguments for benefits stemming from the use of HR diversity management. It is evident a gap between theoretical HR studies regarding the link between HR diversity management and organizational performance, and measurement of the effectiveness of HR diversity. Practitioners ask for explanations that support the connection between HR policies and individual, group and organizational performance. The further step in researching this field may include to monitor and evaluate the management of diverse workforce in the national cultures. HR diversity management aims to recruit, motivate and retain human resources regardless of their origin, nationalities and other personal traits. Employers sometimes believe that HR diversity creates preconditions for sustainable competitiveness. Today, HR diversity management becomes one of HR priorities in the labor market. Due to the limited research among line managers, HR managers and employees in the CR about diversity management, the paper focuses on its rhetoric and the reality in the private sector, i.e., how managers and staff perceive diversity management and which HR practices they prefer in favor of the improvement of performance.

Key words: Human resources, diversity management, HR practices

JEL Code: J11, M12

Introduction

Human resource management (HRM) strategies and decisions may have a considerable influence on organizational performance. Becker and Gerhart (1996) make several suggestions for the research on the link between HRM and individual, group and organizational performance so that gradually to interconnect theory and practice in this area. Today, one of the main challenges for HRM in modern organizations becomes development and implementation effective HR diversity management.

The paper aims firstly, at summarizing empirical findings of diversity management programs, and secondly at testing a model of HR diversity management in the conditions of the Czech Republic using data collected by semi-structured interviews with line managers, HR managers and employees. The author believes that findings can contribute to the discussion between academics and practitioners which diversity management activities should be adopted and when to achieve benefits from diversity as Kulik (2014) characterizes in her interesting paper about the research-practice gap.

1 Theoretical grounds and empirical findings

Academics accept the institutional theory as a theoretical ground for explaining HR diversity and designing diversity management programs. The institutional theory argues that external pressure for innovation reinforces internal advocacy and points to functional need as a driver of innovation (Dobbin, Kim & Kalev, 2011). Benschop (2001) indicates that an organization`s strategy for managing diversity influences both the process of meaning, i.e., how to define approaches to diversity and its effects, and the perception of performance effects, incl. relations which are between diversity management and HRM policies. It is evident that firms with workforce diversity intend to more extent than others to develop diversity programs (Dobbin, Kim & Kalev, 2011). The decisive factor behind this tendency becomes a pro-diversity industry and corporate culture that promotes designing and implementing diversity programs (Ibid.). The review of secondary sources show that inequality and discrimination still widely exist and HRM mainly focuses on compliance with equal employment opportunity and affirmative action legislation (Shen et al., 2009, Legnerova, 2016). In the cases, that corporations implement work-life HR practices, then in several years it is associated with the increase in the percentage of women held senior management positions (Dreher, 2003).

Thomas and Ely (1996) describe the reality in managing HR diversity that diversity efforts in the workplace have been undertaken with considerable goodwill, however, ironically, they often end up fueling tensions. The activities aimed at overcoming negative sides of employment of diverse human resources are not still able to achieve intended effectiveness. The discrimination-and-fairness paradigm accepts that discrimination is wrong. Based on it, the monitoring focuses on how well the company makes its recruitment and retention goals. This model looks at assimilation and color- and gender-blind conformism through the pink glasses. The access-and-legitimation paradigm, on the other hand, celebrates

differences.   Organizations seek access to a more diverse clientele, matching their demographics to targeted consumers. But that model can leave employees of different identity-group affiliations feeling marginalizes or exploited (Ibid.). When Ely and Thomas (2001) analyze three culturally diverse organizations, they identify three distinct perspectives on workforce diversity: the integration-and-learning perspective, the access-and-legitimacy perspective, and the discrimination-and-fairness perspective. They conclude that all three perspectives on diversity are successful in motivating managers to diversify their staffs, but only the integration-and-learning perspective provides the rationale and guidance needed to achieve sustained benefits from diversity.

Kalev, Dobbin, and Kelly (2006) analyze three broad approaches used by employers to promote diversity. They find that some programs are designed to establish organizational responsibility for diversity, others to moderate managerial bias through training and feedback, and still, others to reduce the social isolation of women and minority workers. They argue that efforts establish responsibility for diversity lead to the broadest increases in managerial diversity. Furthermore, organizations that develop trust see better effects from diversity training and evaluations, networking, and mentoring. Jehn, Northcraft, and Neale (1999) contribute to the discussion about managing diverse workforce because they explore the influence of three types of workgroup diversity (social category diversity, value diversity and information diversity) and two moderators (task type and task interdependence) on workgroup outcomes. They believe that information diversity has a positive influence on group performance, social category diversity positively influences group member morale, and finally, value diversity decreased satisfaction, intent to remain, and commitment to the team.

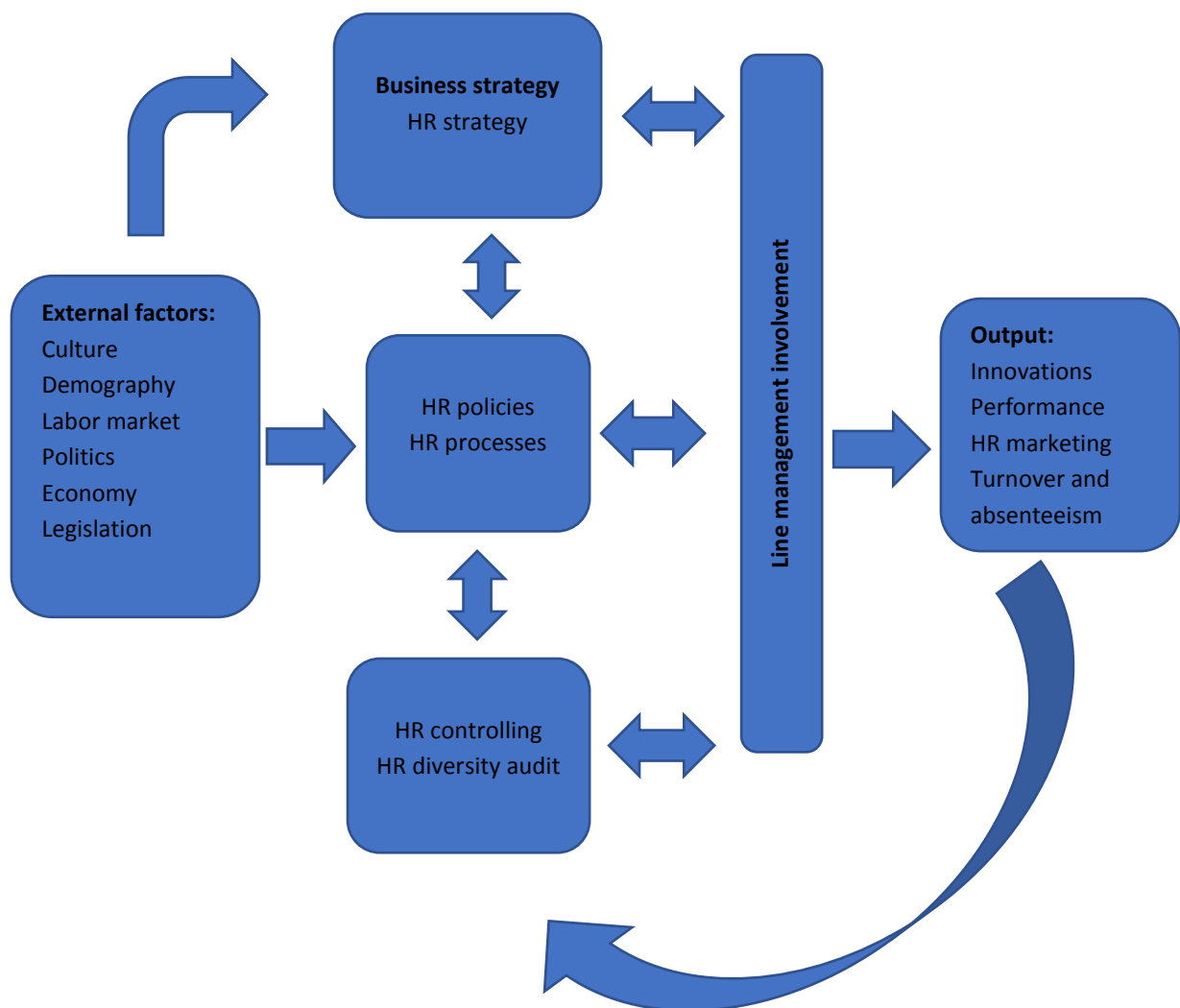## 2   Research about HR diversity management

2.1 Research methodology

The methodology uses for gaining and collecting data by several methods: publication research, semi-structured interviews, and author`s observations. The reasoning for using these methods is that the investigation focuses on social phenomena - culture, values, behaviors – whose evaluation influences personal understanding and prejudices. Therefore, data collect, select and analyze an interpretative group of methods that disclose the meaning-making practices of human subjects, show a scope of their applications - that provide a basis for generating observable outcomes - and may develop reasonable recommendations. The

research uses in-depth analysis of data obtained from semi-structured interviews with line managers, HR managers, HR specialists, and employees aimed at policies and practices in HR diversity management in the Czech environment as a business case.

2.2 Model of HR diversity management

The rhetoric about HR diversity management characterizes a model based on the author`s experience (Fig. 1).

Fig. 1: A model of HR diversity management

Source: Author`s own.

The first draft of the model was developed in 2016 as a result of the research on the HR diversity management in the context of demographic trends in the CR. The second version mentioned above is modified with the account to the CEEIRT project solved in the CR in years 2015 – 2016 and findings of work motivation identified by Nemeckova (2017). The model accepts that HR diversity management is a part of HRM and some HR policies and practices can stress the specifics of the diverse workforce. The model demonstrates an interconnection between a business strategy and HR strategy that represents the second rank and devolves from the business strategy. Based on this relation, HR policies and processes/practices are developed. Outcomes of utilizing HR practices are monitored, evaluated and provided feedback for changes in HR strategy, HR policies, and processes. The decisive role in implementing HR policies and HR processes plays line management - their commitment and engagement in managing people and HR diversity activities. The model assumes that an employer develops and implements the number of activities with the objective to integrate the diverse group of employees into the corporate culture and to achieve higher effectiveness and sustainable performance. Specific HR activities focused on diverse workforce include the following:

- Develop HR diversity management.
- Review HR diversity policies and processes.
- Collect and analyze organizational data about diversity.
- Set up HR diversity strategy and priority areas with the focus on line management to achieve their support, awareness, and commitment.
- Design or re-design HR diversity practices.
- Provide sensitivity training to line management and then to entire workforce.
- Visualize and communicate HR diversity initiatives.
- Support inclusive organizational culture by training and internal communication.
- Promote attractiveness of diversity management by informal internal communication.

2.3 Research findings

Semi-structured interviews with HR managers and HR specialists, line managers and employees verify the model of HR diversity management. Results are analyzed and synthesized so that to generalize findings of the Czech reality in HR diversity management. The interviews were with 30 respondents employed with local subsidiaries of multinational enterprises in March and April 2017. Segments of their economic activities cover banks,

consultancy, FMCG, and logistics. Respondents work for local subsidiaries of multinational corporations in Prague and Central Bohemia. Their structure characterizes the following:

- 23 women and seven men,
- Respondents aged 24 to 30: 21, respondents aged 31 to 40: five, and aged 41 to 50: four,
- All respondents have university degrees,
- Five respondents work as line managers, ten respondents as HR managers or HR specialists, and 15 employees.

Interview questions are the same as they were asked a year ago so that to compare findings. They map personal attitudes to HR diversity and diversity management at work, i.e.:

1. Has your company the mission statement with value on diversity?
2. If your employer has the mission statement with value on diversity, how is line management prepared to be effective with this diversity value/initiative?
3. What do you see as the most challenging aspect of a diverse working environment? What steps have you taken to meet this challenge?
4. What kinds of experiences have you had working with others with the different background than your own?
5. Tell me about time you had to alter your work style to meet a diversity need?
6. What does it mean to have a commitment to diversity and how would you develop and apply your commitment to this company?
7. What was/is the diversity value at your current/former employer? What impact did you make of this value?
8. What efforts have you made, or been involved with, to foster diversity competence and understanding?
9. What have you done to further your knowledge about diversity? Have you included diversity in your professional development? How have you demonstrated what you have learned?
10. What kind of leadership efforts would you make to ensure a commitment to the diversity initiative or value?
11. What strategies have you used to address diversity challenges? What were the positives and negatives?

Respondents cannot confirm that their employer has the mission statement with value on diversity, but they believe this may regulate compliance programs. HR departments have

responsibility for a compliance policy and its programs. Line managers received information and training about the company`s compliance program and HR managers control outcomes. Most respondents see as the primary challenge a systematic support to line managers whose workgroups are diverse. They welcome a guidance provided by top management and support by HR business partners or HR specialists, reliable internal communication from top-down, and acceptations feedback from bottom-up regarding diversity workgroups. In the case, to describe positive aspects of the diverse workforce, respondents agree with the well-known benefits: diversity gives the motivation to create innovations, it modifies attitudes to different people and their culture, generates networking and information exchange, and leads to unusual solutions. Negative sides stem from prejudices, management bias, language barriers, a brief period of adaptation at work and integration into the company culture, which in the context of the current situation in the Czech labor market causes quick employees` responses to leave and change job. A small number of respondents see the training and development of line management in diversity values, mentoring and coaching in diversity management as perspective HR practices for the improvement of turnover and absenteeism of blue-collar jobs and shop-floor positions.

Conclusion

HR diversity management has gained attention among professionals as well as academics because of the growing pressures on business, long-term negative demographic trends in the Czech labor market, changing the workforce composition, and the accepted role of HRM in sustainable competitiveness. This study uses the same methodology for research about HR diversity management in the Czech Republic in 2016 and 2017. Based on the approved methodology, the model of HR diversity management is a basis for identification of the Czech reality. It gives opportunities to continue the research and compare the development of this phenomenon. Empirical studies in Central and Eastern Europe in this area are at the beginning, and future findings will contribute to close the research-practice gap in the context different national culture.

The analysis is small in the scope. However, the qualitative method of research allows identifying the reality of HR diversity management. Employers start to deal with issues stemming from the diverse workforce. External factors influencing this change include the shortage of labor force in the CR, and the lack of skilled workers (mainly, in technical specializations). HR marketing attracts the whole spectrum of the workforce due to the low

unemployment rate and the growth of the economy. Employers search for blue-collar jobs even among ethnic minorities, women at maternity leaves, long-term unemployed people, prisoners, and migrants. They recruit almost anybody who is competent to master job requirements and willing to work.

Findings from interviews done in 2017 and 2016 show more similarities than differences in attitudes among respondents to the topic. Employers may have the mission statement to eliminate discrimination and promote integration, but no respondents identify an existence of an HR diversity policy. It prevails pragmatic approaches to managing the diverse workforce. It depends on a personal value of line managers how they motivate and use HR practices in day-to-day matters. A positive trend is that some companies monitor and measure the effectiveness of HR policies and HR practices, which cover indicators of gender and minority audit, as well.

In general, HR practices try to implement fairness and reduce the discrimination. Employers provide no diversity training, and it is rare to find training programs that consider value diversity and culture diversity. HR practices used in managing diversity focus predominantly on recruitment and selection, less on training and development, compensation and benefits. Companies rarely use HR controlling, and an idea of HR diversity audit seems to become a future challenge. Line managers need training in communication and interpersonal relations in diverse workgroups.

Acknowledgment

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