

# International Workforce Diversity Management: Worldwide Difficulties

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**Abstract**—Individuals from diverse backgrounds and belief systems are engaging with one another due to the growing phenomenon of globalization, which has recently become evident in the labor market. This reflects the enhanced integration of a global workforce comprising various multicultural nations. However, maintaining a positive work environment remains a key priority for businesses aiming to improve their favorable reputation. Although numerous articles have been published regarding diversity management, Studies on diversity management in the global workforce are conspicuously lacking.

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The majority of human resources departments in businesses strive to foster inclusion and diversity. The geographic location influences the target demographics for diversity initiatives. a majority of nations, notably those in North America and Europe, encourage the maintenance and progress of equality between men and women. The results obtained will not just aid researchers; administrators and potential investigators will also receive insights into the many facets involved in handling employee diversity on worldwide scale.

**Index Terms**—Global workforce; Diversity management; Gender equality.

## I. INTRODUCTION

The contemporary workplace necessitates a varied workforce due to the swift progress in science and technology, which are integral aspects of globalization. In other words, the diversity within the labor market can be linked to several factors that have been enhanced by globalization. These factors include changing demographics, a reduction in the labor force, an increased demand for labor within organizations, a rise in female employment, and a greater integration of immigrants and individuals with disabilities into the workforce.

In this case, businesses have started looking for a more contemporary behavioral model and have had to take an international perspective in order to thrive in the global market. As a result, companies have begun to recognize and value the international workforce made up of people from different racial, ethnic, and cultural origins.

Therefore, handling diversity as an executive approach highlights the workforce's variety in the workplace and shows how it affects group-level outcomes like team performance and social integration. Diversity management is a specialized area within human resources management that seeks to incorporate employees from different backgrounds, ethnicities, and religions into the organizational framework. As an outcome, organizations that use diversity management are more likely to think about a greater number of alternatives and develop up with more creative ideas

for starting new competitive strategies. As a result, they are better able to identify and seize possibilities for creating competitive activities, which in turn allows them to combine several short-term strategic benefits that result in better performance. Diversity management is currently employed by about 63.3% of companies, a 20.2% rise from just over two years ago.

The majority of managers strongly believe that when managed effectively, diversity provides a business with a competitive advantage. Consequently, actions pertaining to insider status, such as the exchange of information, involvement in decision-making, and the opportunity to express opinions, are reflected in inclusion metrics, which aim to enhance employees' perceptions of inclusion. among the more important advantages of competition, according to Gilbert et al., is building a positive reputation in the business sector. This attracts potential employees and makes it easier to acquire exceptional talent, gain deeper insights into customers, understand cultural differences, and consistently achieve more effective results through marketing strategies, creativity, innovation, and other means. At the same time, Keil.t.al. observed that improving an organization's cultural values can bolster its reputation, enhance its capacity to attract highly skilled individuals, and elevate the motivation and productivity of prospective employees. Fortunately, before they could eradicate all types of discrimination and inequality from the workplace, businesses had to put in place a number of rules and efforts to promote worker equality.

The purposes of this paper are to examine recent studies, evaluate diversity management literature, and provide readers a better grasp of the difficulties human resources management faces around the world, with a special emphasis on the Czech Republic.

The theoretical foundation for the idea of diversity management is established in this paper's second section. The third section discusses the paper's methodology. While highlighting the international context of diversity management, the fourth segment compares continents. The Czech Republic's diversity management approaches are then discussed in this section. The fifth section discusses and summarizes the main issues that the HRM industry is currently

facing. Lastly, an overview of the state of diversity management is provided in the conclusion.

## II. REVIEW OF THE LITERATURE

Mor Barak defines diversity management as "the voluntary organizational initiatives aimed at developing intentional policies and actions that improve the diversity of workers from different backgrounds inside both official and unofficial the organizational frameworks".

The term "diversity management" was notably popularized by the 1994 publication from Kandola and Fullerton. Since that time, it has emerged as the dominant terminology within the business sector, particularly in the United States, to describe the practices and policies that foster "equal opportunities". However, the roots of equality policies can be traced back in employment legislation; specifically, these policies have been in place since the introduction of the Race Relations Act (1976) and the Sex Discrimination Act (1975) by organizations, and they have been followed since the 1980s.

A lot of the writing about diversity comes from the United States. Even though these ideas are useful for talking about big concepts, it's important to remember that these discussions happened in different times, laws, societies, and economies, which might not match what's happening in Europe. For instance, in the US, policies were made to stop big problems like riots, and they focused more on fixing differences between races because there were more people from different ethnic backgrounds, along with a long history of slavery and segregation. Also, the immigration that the government encouraged after World War II played a big role in creating a society with many different races in Europe.

Managing diverse workforces made up of people from several nations is the second kind, known as cross-national diversity management. An example of this would be a Japanese company that has a branch in the Czech Republic and creates policies and training courses for all of its subsidiaries.

Each of these kinds faces unique difficulties and needs to take into account the social and legal standards of the nations in which they conduct business. According to Cox, the problem of diversity in this setting goes beyond its mere existence; it

entails establishing circumstances that minimize its potential to hinder performance while optimizing its potential to improve it. He goes on to say that successful diversity management can give businesses a competitive edge in areas like problem-solving, marketing, and resource acquisition. However, rather than taking a simplified or too sophisticated approach to the relationship between diversity management and organizational outcomes, it is crucial to take into account studies on the worldwide landscape of diversity management, which shows both positive and negative consequences.

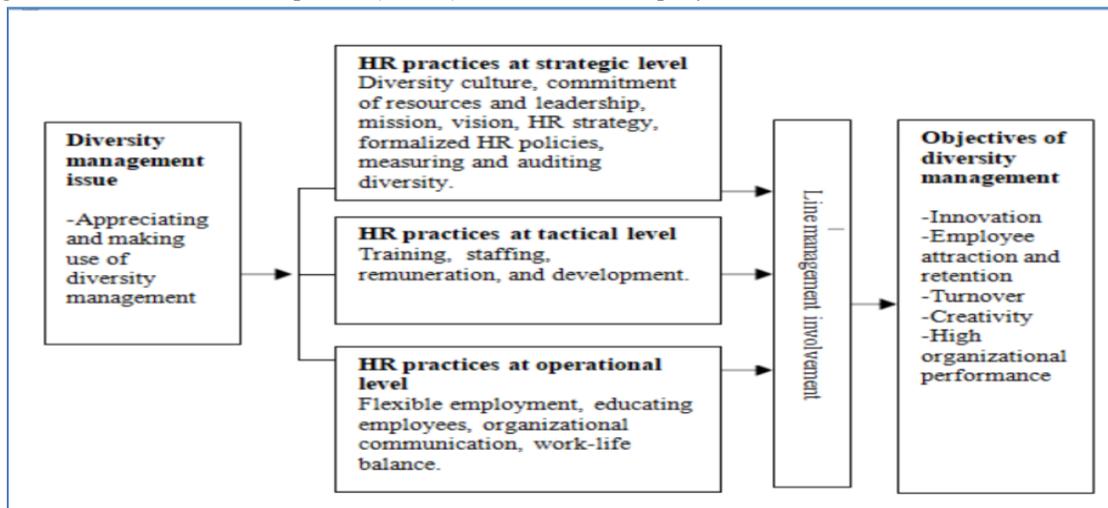
The benefits of workplace diversity include challenging preconceived notions and improving fair opportunity for all workers and members of society. A wider range of experiences, creative concepts, and approaches to problem-solving might result from individual variances. However, there is a chance that miscommunications, mistrust, and disputes will occur, which could result in low morale, staff turnover, or a decline in competitiveness. Language barriers can impede communication within organizations and cause dangers or disruptions due to cultural differences, in addition to difficulties with employees' social integration. Therefore, in order to ensure the company's success, CEOs must gain a deeper awareness of diversity and the importance of teamwork.

This necessitates a top-down strategy for managing diversity, which calls for a thorough overhaul of the company culture. When it comes to diversity management, multinational companies (MNCs) take

a worldwide approach. As a result, their management philosophy acknowledges that diversity is essential to the company's success. In other words, top management's commitment to diversity should be made explicit in its vision, mission, and business strategy in order to remove psychological and practical obstacles.

If the current organizational culture does not support this duty, a major cultural shift may be required to foster an environment where each employee is respected by their peers. A variety of diversity policies should be developed at the tactical level to support this management strategy. Assessing employees' expectations and opinions of the current diversity management techniques may be crucial in order to support the growth of these policies. HR diversity policies are directly applied in the workplace at the operational level.

These policies primarily cover work-life balance support, flexible work schedules, identity-based networking groups, staff training, and communications targeted at different affinity group members. Grant and Schneider discovered that, particularly with regard to racial equality, line managers' perceptions of organizational policy may not align with employees' opinions of organizational practices. Therefore, it is essential to include line managers in the decision-making process for diversity management to be implemented successfully. Picture 1 shows how diversity management is integrated at every level of a company.



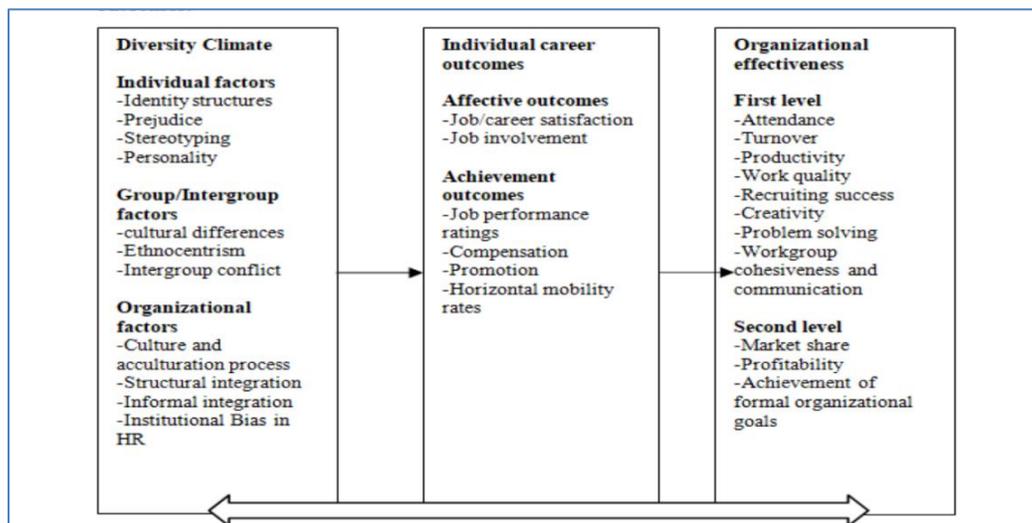
Picture: 1 Diversity management paradigm that is applied at every level of management. Source adapted from Shen.et.al. (2009, page 245).

However, the management of diversity by both local and foreign companies is insufficient in terms of their cross-national coordination and strategic decision-making. While local businesses are beginning to implement diversity management strategies, this is not the case for global diversity management. As a result, it is now widely acknowledged that an increasing number of international, multinational, and global organizations have departments specifically tasked with managing global diversity. On the other hand, the more conventional duties of the domestic diversity management function include developing national policies and supporting their successful execution in a particular nation.

One can mainly distinguish between the diversity management programs of local companies and those of multinational corporations (MNCs) in areas like North America and Europe, where diversity management methods have been acknowledged to have evolved.

On the other hand, as globalization keeps growing, managing cultural diversity is becoming part of human resource goals. The secret to maximizing

diversity's benefits while minimizing its drawbacks is to foster an atmosphere where workers from different sociocultural backgrounds work together and make their greatest contributions. HR managers must strike a balance between upholding the unique cultures of their employees and aligning with the goals of the company in order to accomplish this. For example, the relationship between workforce diversity management and employee outcomes is mediated by an individual's job fit. Experts concur that job performance and job satisfaction are positively connected with a person's job fit. Cox and Blake claim that good diversity management attracts top people while lowering absenteeism and turnover. Experts concur that job performance and job satisfaction are positively connected with a person's job fit. Effective diversity management, according to Cox and Blake, offers the advantage of attracting top personnel during labour market contractions while lowering absenteeism and attrition. Additionally, Cox has put out a conceptual framework (see Picture 2) that illustrates how variety affects individual and organizational outcomes.



Picture-2. An interconnected model of how diversity impacts organizational effectiveness and individual outcomes. Cox, updated (1994, page 32).

This approach (Figure 2) allows for the study of an individual's connections on three levels: individual, group, and organizational. These levels include gender, race, and age. The company's diversity environment is ultimately determined by these levels.

This environment affects how productive or successful people and organizations are. As a result, organizational factors like output and work quality are affected by these findings. The methodology, a summary of the global foundation for diversity

management, and a continental comparison are the three main subjects of the second half of this essay. This section then goes into detail regarding diversity management in the Czech Republic.

### III. METHODOLOGY

Using pertinent keywords, a thorough analysis of the literature on diversity management was conducted. Certain criteria were followed by terms like managing diversity, diversity management, and global workforce diversity. The author mostly used databases like WoS, Scopus, and SAGE to find the pertinent publications. This document identifies papers that meet the search parameters and offers a comprehensive assessment of theoretical, quantitative, and qualitative research that has been published in journals. It focusses on managing diversity globally and makes the necessary regional comparisons. The findings of an Oxford Economics study that Forbes Insights commissioned, which provide a distinctive ranking of staff diversity across 50 global economies, 14 industrial sectors, and 9 occupations, will be the primary source of information.

### IV. RESULTS

#### International Diversity Management

##### EUROPE

Compared to respondents from Asia and North America, 37% of Europeans strongly favor diversity, indicating that Europeans are more active in promoting inclusiveness and variation. In addition, compared to other regions, the debate over equal opportunity laws provides a strong business case for diversity programs in Europe. 50% of respondents in Europe believe that legal compliance is the primary business motive, compared to 33% of respondents in Asia and 37% of respondents in North America.

One of the biggest economic shifts in modern European history is the large number of women entering the workforce. This rise has happened quickly in developed nations. At the moment, Norway (71%), Denmark (75%), and Iceland (78%) have the greatest percentages of working women. However, the gender gap is closing in other G8 countries.

The lowest labour force participation rates are found among elderly workers in Europe. Out of the fifty countries in the index, the worst twenty are all located in Europe. Iceland, which comes in third place with 35% of all economic activity for people over 65, is the only exception. Among the bottom five are Hungary, Belgium, Slovakia, France, and Luxembourg. These figures might alter, though, if more European nations enact legislation mandating older workers to participate in the workforce.

Because of this, European businesses are unable to adequately integrate ethnic minorities into their workforces. Only 49% of Europeans, according to an Oxford Economics survey, think that people from ethnic minorities make up the workforce.

##### NORTH AMERICA

In the diversity and inclusion index (D&I), the United States holds the ninth position and performs relatively well across most diversity metrics. Companies in North America are increasingly acknowledging the importance of strong diversity initiatives. Although many multinational corporations operating within the United States have established comprehensive workforce diversity management strategies, they are only beginning to consider the implementation of similar initiatives in their international affiliates and subsidiaries.

Nonetheless, there are notable differences in the diversity of workers in the US across different sectors and occupations. For example, women make up more than 70% of the human resource professionals, and Africa Americans and Hispanics are disproportionately represented. In this regard, women's labour force participation in the US has increased to 59%, although it is still lower than that of top European nations like Denmark and Iceland.

Furthermore, the diversity of the workforce decreases in terms of gender and race as one moves up the American occupational ladder. Ten percent of the 1.5 million top executives in the US are members of racial or ethnic minorities, while just twenty-five percent are women. According to this figure, CEO positions are comparable to those of farmers and military personnel, two of the least diversified vocations on the other hand, managers in North American organizations have a more optimistic view of the necessity of diversity at the highest levels. Compared to Asia (36%), Europe (32%), and North

America (28%), North American businesses exhibit a widespread disregard for diversity in high management. Rather, North American companies are generally more tolerant of the presence of racial and ethnic minorities.

#### ASIA

Large emerging economies with a robust domestic labor force, such as China and Indonesia, rank among the lowest in terms of diversity and inclusion. For instance, the conditions for disabled workers are significantly poorer than in other regions. In contrast to 56% in the Europe and 52% in the North America, nearly 64% of respondents from Asia believe that disabled individuals are not adequately represented in their organizations. Japan (0.9%) and Korea (1%) have the lowest percentages of women in the workforce. It is odd to see Japan so low on these rankings while having a highly developed economy; the country's culture tends to be hostile to diversity in corporate leadership, with few women or non-Japanese people holding the bulk of roles.

#### CENTRAL EAST

The Middle East is where nationality diversity is most noticeable. The goal is to replace foreign workers with more locals, especially in oil-rich Arab countries. For example, the United Arab Emirates is by far the nation with the greatest number of migrant workers. It is crucial to remember that the United Arab Emirates is not like other nations. Emirati nationals make up just 19% of the UAE's overall population, compared to neighboring Middle Eastern nations like Bahrain and Oman, where their residents make up 62% and 80% of the population, respectively.

Due to the UAE's quick completion of large-scale projects, there has been a significant migration of workers from Pakistan and India, most of whom work in the construction sector.

#### REPUBLIC OF THE CZECHS

Urban Cova et al. found that 57.4% of Czech organizations do not embrace the idea of diversity management. Of those that do, 67.5% work in the tertiary sector. Additionally, a different study conducted by Safran Kova & Sikyr showed that small and medium-sized businesses (SMEs) may successfully fight gender and age discrimination

against workers in the Czech Republic. They must, however, concentrate more on developing and preserving employment opportunities and working environments that recognize people's innate diversity. This study also demonstrated that diversity management policies and practices in SMEs should prioritize the hiring, assessment, remuneration, and training of a diverse staff.

As a result, these actions might make it possible for SMEs to draw in, hire, and develop a workforce that is diverse in terms of both gender and age. Notably, the Czech Republic was one of eight nations that opposed a 2012 European Commission proposal for an EU rule requiring a 40% proportion for female in administrative structures of specific businesses.

### V. DELIBERATION

As multicultural businesses expand internationally, HR managers are becoming more aware of the difficulties presented by the workforce's varied cultural backgrounds. To allay these worries, Doctor, Tung, and von Glinow advise theorists to create models that faithfully capture these phenomena. Thus, new and systematic conceptual frameworks, as well as creative training and educational initiatives, are required to manage global diversity efficiently. Implementing successful global diversity strategies and practices is still difficult, despite the development of numerous models for global diversity management. The management of multicultural organizations is a challenging task because managers must overcome significant obstacles to create a multicultural workplace that really supports diversity. These difficulties result from the possibility that certain members of the organization do not value diversity. Diversity can affect comfort levels since people tend to feel more at ease around people from similar backgrounds.

Furthermore, managing European diversity is seriously jeopardized by the integration of migrants, which is one of the main issues facing the EU's member states. Although national governments are still ultimately in charge of integrating migrants, EU policies are essential for fostering integration, allowing knowledge sharing, and monitoring integration tactics. EU treaties state that employment is essential for migrant involvement and that

integrating migrants is a crucial strategy for optimizing the potential advantages and contributions that migration may make to EU growth. Equal opportunity is emphasized and a robust anti-discrimination framework is established under European Union legislation.

Ageing populations provide governments with similar issues that impact immigration, commerce, economic growth, and the strain they place on social services like pension systems. The United States, the United Kingdom, and Germany are among the nations that have announced intentions to raise the eligibility age for age-related benefits. Longer employee work hours have two clear economic benefits: they increase productivity and shorten the time it takes to make pension payments.

## VI. CONCLUSION

The importance of diversity and inclusion is becoming more widely seen as a crucial corporate issue. This acknowledgement is due to a variety of factors, including ethical requirements and possible financial gains. As a result, many companies worldwide are working to advance diversity and inclusivity. While target demographics for diversity programs vary by area, attracting, maintaining, and progressing women is a major focus in North America and Europe. However, some tactics appear to be generally applicable. These tactics include promoting organizational culture, giving minority groups opportunities, and holding frequent training sessions to improve communication between staff members from various backgrounds. However, disputes resulting from cultural differences are expected to arise as the workforce grows more varied.

People's vitality can be severely depleted by cultural disputes, particularly in minority workforces where employees may feel especially overpowered by these differences. As the demographics of their workforce change, organizations face both possibilities and problems. All employees will be empowered to reach their full potential and the genuine value of diversity will be fully recognized if the organization meets the requirements for being multicultural. In the end, these results suggest that more fieldwork on the idea of diversity management in the Czech Republic is necessary. Future research could start by examining

the consequences of diversity administration in Czech businesses, how these practices are implemented, and how they affect company performance.

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