Equal Opportunity and Diversity Management in the Global Context
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Learning objectives

After reading this chapter you will be able to:

- Understand the concepts of equal opportunity, diversity management and work–life balance
- Understand sources of discrimination and disadvantage in workplaces
- Critically evaluate the gaps between the aspirations of equal opportunity and diversity management and actual practices in workplaces
- Appreciate the global challenges to multinational corporations in developing and implementing equality and diversity management strategies

Chapter outline

This chapter provides an overview of the emergence of the concepts of equal opportunity, work–life balance (WLB) and diversity management. It describes how these concepts gain popularity as part of strategic human resource management in firms seeking competitive advantage. It critically analyses how different societal contexts may influence the way these notions are sensitized. It discusses how issues related to equality, diversity and work–life balance are dealt with in workplaces.

1 Introduction

Equal opportunity (EO) and diversity management (DM) have emerged as two important issues for academic research and corporate practice in the field of employment and human resource management. While differences exist in the foci and arguments of these two notions, a shared concern is the need to create a level playing field in an inclusive workplace so that employees with different backgrounds and attributes can exert their work efforts and seek self-development. This chapter provides an overview of the international context in which the ideas of equal opportunity, diversity management and work–life balance have emerged and been debated by some as part of strategic HRM and a potential source of competitive advantage. Different societal contexts may influence the way these ideas are understood and managed in workplaces. Informed by primary and secondary empirical data, the chapter presents examples from different countries to demonstrate the complexity of these issues and challenges that multinational corporations may encounter. The chapter also examines the extent to which firms have shifted from an EO (compliance) approach to a value-added (business case) approach to DM.

The chapter begins with a discussion of issues related to EO in employment legislation and policy at the national level, and employers’ strategy and practices at the
organizational level. This is followed by a section that provides an overview of the origin of, and growing interest in, DM in people management. We examine tensions and dilemmas that MNCs may face in managing a diverse workforce in their global operations. The third section of the chapter presents different perspectives and critiques on the current state of WLB research and practice. WLB is a topic that is closely related to, and often addressed as part of, DM. It is important to note that, although not widely recognized, EO and DM are an integral part of the corporate social responsibility in the form of ethical employment and HRM practices. Readers are therefore encouraged to read this chapter in conjunction with Chapter 15, in which we will discuss other key issues related to HRM and CSR, particularly employment ethics and international labour standards.

2 Equal opportunities

Labour laws and government policy intervention

The term ‘equal opportunities’ is associated with employment equity legislation related to discrimination arising from characteristics such as gender, age, ethnicity, religion, physical ability and sexual orientation. The elimination of inequality necessitates state intervention through legislation and affirmative action (AA) policies to provide at least a basic level of protection in principle. Many governments have issued EO legislation during the last 30 years, although what the term ‘equal opportunities’ means, and who are included in the category for protection, differs across countries. The introduction of EO legislation has often been accompanied by the introduction of AA programmes encouraged by the state. However, the focus of and pressure for establishing EO legislation and policy interventions are not the same across nations and their introduction is often a response to the changing political, socio-economic, labour market and employment relations environment (e.g. Casey et al., 2011; Tomlinson, 2011; Özbilgin et al., 2012).

For example, Casey et al.’s (2011: 627) comparative study of Norway and New Zealand on their respective approach to state intervention on gender equality showed that the Norwegian government adopted a ‘no nonsense, no-delay approach in enacting legislation to gain gender equality’, whereas the New Zealand government took a softer approach that persistently favours ‘voluntarism and normative equality persuasion’. To some extent, these different approaches reflect the nuances of the political traditions of the two nations that share much in common (also see below for examples of other countries).

Where international bodies, such as donors and non-governmental organizations, are involved in EO policies and actions in nation states, such efforts may be undermined due to a lack of local legitimacy. For example, Özbilgin et al.’s (2012) country case study of Turkey and Pakistan on gender equality employment policy interventions
found that transposing equal employment opportunities (EEO) initiatives from Western
countries to Muslim majority countries and across Muslim majority countries is fraught
with difficulties if they ignore due consideration of institutional and cultural condi-
tions, organizational processes and individual choices in each country. Özbilgin et al.’s
(2012: 364) study concluded that ‘employment practices are gendered in different
ways across national borders’, and that an ‘essentialist and deterministic’ approach to
gender, work and cross-national transfer of good practices does not work. This is
because ‘discourses of gender equality and the macro-national and cultural approaches
towards women’s status and roles’ in societies are distinctive, despite similar patterns
of gender disadvantages (Özbilgin et al., 2012: 364).

As mentioned above, gender equality constitutes a significant part of EO legisla-
tion, AA programmes and public debates. Unfortunately, despite the increasing
provisions of anti-discrimination legislation and espoused commitment from organiza-
tions to equality, gender inequality in various stages of the employment process
remains a salient feature in the labour market in most countries, and is more pro-
nounced in some than in others (e.g. Yukongdi and Benson, 2006; Davidson and

Numerous factors and reasons can contribute to the failure or only partial success
of legislative and policy interventions. Some national legal systems are impeded by
the complexity and multiplicity of employment-related laws, directive regulations and
administrative policies issued at different administrative levels. For example,
Forstenlechner et al.’s (2012) case study of a finance company in the UAE about the
success and failure of imposing a quota system to improve demographic diversity of
the workforce and employment equity found several main reasons that have led to the
normative failure of the quota system. These include competing ideologies and pri-
orities, as well as the lack of coordination and integration at various levels. Other
national legal systems lack clear enforcement channels and support through which
workers can seek to secure compliance with the law. In some cases, governments' deter-
nation to advance social equality is compromised by competing demands from
their economic agendas.

Table 14.1 provides an overview of gender equality laws and other administrative
mechanisms adopted by the governments of four Asian countries – Japan, the Republic
of Korea (hereafter Korea), China and India – and their limited effects.

In Japan, it was reported that despite the establishment of the Equal Employment
Opportunity Law (EEOL) in 1986, the country had a much lower proportion of women
managers in government organizations than it had in its corporations in the early
1990s (Steinhoff and Tanaka, 1993). The introduction of EEOL was controversial
among the legislators, employers and the state from the outset and ‘produced few
gains in employment opportunities for women’ (Gelb, 2000: 385). There is a wide-
spread consensus among scholars in Japan that the government passed EEOL more as
a response to international pressure than as an acknowledgement of changing social
values in Japan (Gelb, 2000). EEOL has been criticized for its ‘over-reliance on voluntary
### Table 14.1  Labour and EO laws in China, India, Japan and Korea

<table>
<thead>
<tr>
<th>Country</th>
<th>Labour and equal opportunity laws</th>
<th>Purpose</th>
<th>Impact</th>
</tr>
</thead>
</table>
Labour Insurance Regulations of the People’s Republic of China (1953)  
Announcement on Female Workers’ Production Leave by the State Council (1955)  
Female Employees Labour Protection Regulations (1988)  
Regulations of Prohibited Types of Occupational Posts for Female Employees (1990)  
Employment Promotion Law (2008) | To ensure equal rights in employment between men and women  
To protect married women from being discriminated due to their maternity status | Ineffective enforcement, little, if any, punishment to non-compliant employers |
| India   | Constitution (1950)  
The Employees State Insurance Act (1948)  
The Factories Act (1948)  
The Maternity Benefits Act (1961)  
Equal Remuneration Act (1976) | To guarantee women’s equal rights | Ineffective enforcement due to lack of uniform civil code  
Complex and restrictive laws deter employers from creating jobs in the formal sector |
| Japan   | Constitution (1946)  
Over-reliance on voluntary compliance with little government enforcement power  
Limited impact on increasing women’s employment but has led to increased awareness of gender inequality among women |
| Korea   | Gender Equality in Employment Act of 1987  
Guidelines to Eliminate Sexual Discrimination in Employment (1991)  
Labour Standards Law (1998) | To guarantee equality between men and women in employment  
To protect women’s job security on their marital status, pregnancy, and childbirth  
To allow employers to lay off workers | Ineffective enforcement  
Informalization of employment with declined employment terms and conditions |
compliance’ with ‘little government enforcement power’, although it is recognized that ‘it has led to renewed efforts at litigation, increased consciousness and activism among women, and amendments to the law, passed in 1997’ (Gelb, 2000: 385). More than two decades after the introduction of EEOL, women’s managerial career paths with domestic employers ‘remain blocked by traditional and institutional practices’ in Japan (Bozkurt, 2012: 225).

In Korea, the Gender Equality in Employment Act of 1987 ‘stipulates that employers can be imprisoned for up to two years if they pay different wages for work of equal value in the same business; but few, if any, employers have actually gone to jail’ (van der Meulen Rodgers, 1998: 746). By condoning employers’ discriminative practices, the state is actually ‘perpetuating gender norms and stereotypes that disadvantage women’ (Seguino, 2000: 34). To-date, few of the top Korean firms have women in their senior executive team (Kim, 2005), and with the exception of the catering and hotel industry, over half of the Korean industries do not have any female managers (Cho and Kwon, 2010).

For both Japan and Korea, affirmative action programmes have been adopted only in the 2000s on a voluntary basis with little enforcement power. Private sector employers have autonomy to decide whether they wish to adopt the AA programme or not, and evidence suggests that there is little incentive for them to do so (Benson et al., 2007).

In China, state intervention as part of its socialist campaign of gender equality during its state planned economy period (1949–1978) had led to significant advances in pay and social equity for female workers. As a result, China has achieved possibly greater gender equality than industrial capitalist societies (Stockman et al., 1995). This is in spite of persistent inequalities in recruitment and promotion, particularly in government organizations. However, the achievement of gender equality has been eroded by ensuing efforts towards marketization and integration with the global economy, partly as a result of the loosening control of the state on business affairs (Cooke and Xiao, 2014).

Similarly, although the Constitution of India ‘allows affirmative action through reservations in education and employment’ (Venkata Ratnam and Chandra, 1996: 85), the enforcement of the constitutional rights of Indian women is uneven due to ‘the lack of a uniform civil code in India’ (Ghosh and Roy, 1997: 904). Nevertheless, the Indian courts have been considered to be playing an important role in defending women’s rights ‘in a context where government, employers and unions largely remained either indifferent and unconcerned, or reluctant and ineffective in addressing the issues of gender equality’ (Venkata Ratnam and Jain, 2002: 281). This is in spite of the criticism that the Indian courts suffer from a number of weaknesses including alleged corruption.

Legislation that is intended to provide an enhanced level of equality may actually prove to be counter-productive, especially when effective enforcement remains problematic. For example, India’s labour regulations are considered to be ‘among the most
restrictive and complex in the world’ and ‘have constrained the growth of the formal manufacturing sector where these laws have their widest application’ (World Bank, 2006: 3). This discourages employers from creating employment with a better job quality in the formal sector and forces millions to continue to be trapped in poor quality jobs in the informal sector. Banning women from night shifts in India has also led to a reduced scope of employment for women, ‘even though there is great potential for employment in information technology-related areas involving tele-work in call centres, where round-the-clock work is the norm’ (Venkata Ratnam and Jain, 2002: 279). Mandatory maternity leave and the requirement of breast-feeding breaks and crèches at workplaces where the majority of workers are women are often perceived by employers as liabilities and discourage them from employing women (Venkata Ratnam and Jain, 2002).

The effective implementation of employment equity legislation may yield positive psychological and employment outcomes to those who were previously disadvantaged. For example, in South Africa, the Constitution of South Africa (1996) and the Employment Equity Act (1998) were introduced, through AA at workplace level, to promote the constitutional right of equality, eliminate unfair discrimination in employment and achieve a diverse workforce broadly representative of its people. These regulations are said to have led to positive outcomes for some employees. However, this positive effect may simultaneously be accompanied by a higher level of turnover or intention to quit of incumbents as a result of their improved labour market position (e.g. Wöcke and Sutherland, 2008). Therefore, where employers’ efforts to build workforce relationships are undermined by labour market conditions, as is the case where employment laws are not effectively enforced, employers may have less incentive to observe regulations and adopt EO policies that develop the psychological contract with employees.

**Employer strategy and discrimination**

As we can see from the above discussion, employers play an important role in influencing the level of gender (in)equality. Where firms are facing shortages of labour and talent, they may introduce a proactive HR policy to attract and retain women workers. Where the labour market is slack and the pressure of business competition is heightened, employers often adopt a labour cost reduction strategy and women tend to be more vulnerable than men. For example, in Korea, a large proportion of Korean (married) women have inferior employment status mainly due to discrimination based on their marital status (Kang and Rowley, 2005). Women are more likely to be laid off by their employer than men because of the enduring cultural norm and (mis)perception that women are less productive than men (Patterson et al., 2013). In Japan, new opportunities created for women by the EO laws in the late 1980s and early 1990s became eroded when Japan’s economic growth ‘bubble’ burst after 1992 (Gelb, 2000). It was ‘the marginal nature of Japanese women’s employment’ used as a deliberate strategy
by employers that reinforced the core employment system privileging men ‘during a period of heightened international competition, reduced growth rate, a rapidly aging workforce and the inflexible hiring and firing system’ (Kucera, 1998: 28). Similarly, women workers in China had been selected disproportionately and laid off or forced into early retirement during the radical downsizing that took place in the state sector during the mid-1990s and early 2000s (Cooke, 2010).

**Example 14.1 Female discrimination at Japanese, Korean and Chinese workplaces**

Employers in Japan and Korea are reported to exert pressure, albeit now more implicitly following the introduction of EO laws in the late 1980s, persuading women to resign when they get married and become pregnant. Age limits are also used in recruitment and selection to screen out women (Gelb, 2000). Although the ‘marriage bar’ is far less common in China, employers in private and foreign-funded factories are known to impose an age limit on female workers. In some ways, if the marriage bar for Japanese and Korean women aims primarily at protecting men’s jobs and earnings, then age discrimination in China is intended to increase labour productivity (Cooke, 2010). Since the full implementation of the Two-Child policy in 2016, recruitment discrimination against young women, notably female university graduates, has been worsened because employers are unwilling to bear the additional cost associated with maternity and childcare (e.g., leave of absence during pregnancy, maternity leave, maternity wage and benefits) (Cooke, 2017).

In addition to gender and race, age is another main source of labour market discrimination. However, by comparison, age discrimination has received far less research, policy and corporate attention than gender and race (e.g. Billett et al., 2011; Fuertes et al., 2013). In spite of population ageing in many developed and some developing economies and the growing pressure of staff shortage and recruitment difficulties, older workers, commonly defined as those aged 45 or above, often encounter institutionalized discrimination in selection for training and development, promotion and displacement (e.g. Li et al., 2011; Cooke, 2012; Kunze et al., 2013; Lazazzara et al., 2013). Drawing on experience from Australia, Billett et al. (2011: 1248) argued that research and policy focusing on age discrimination needs to de-emphasize ‘the term “older workers” and reconsider how human resource
management and government policies, as well as practices by workers themselves, might pursue longer and more productive working lives for employees aged over 45. It is important to note that age discrimination is not restricted to older workers, but also applies to young workers with little work experience and less human capital. For example, specifying the age limit and minimum years of prior work experience is a widespread practice in recruitment advertisements in China (Cooke, 2012).

While earlier studies on age discrimination tackle the issue mainly from a legal compliance and equality perspective, a number of academic studies have now emerged that explore the links between the age diversity of the workforce and firm performance which may be mitigated by a number of contextual factors (also see the next section on DM more generally). In other words, they examine the issue from a resource-based view and strategic perspective to identify what organizational interventions may be possible to improve productivity.

**Example 14.2 Age diversity and productivity in Germany**

A study by Kunze et al. (2013: 434) of 147 firms in Germany found that top managers, especially their stereotypes with regard to older workers, are a significant contextual factor that explains ‘if age diversity is inciting social-categorization processes that lead to higher levels of a perceived negative age-discrimination climate’. Kunze et al. (2013: 433) also found that in organizations which carry out diversity-related HR efforts, age diversity does not appear to ‘relate to heightened levels of age discrimination climate and reduced levels of performance’. Backes-Gellner and Veen’s (2013) study of age diversity and firm productivity in Germany revealed that the benefit of age diversity outweighs the cost of managing age diversity only in firms with innovative tasks, but not in work environments with highly standardized routines. This is because the latter have limited opportunities to apply new knowledge gained by the workers through interactions with colleagues in other age groups.

Similarly, Li et al.’s (2011) study in the Chinese context showed that a firm’s level of market diversification influences the relationship between age diversity and firm performance. Their study further revealed that there is a significant relationship and positive effect between age diversity and firm profitability for firms from Western societies but not for firms from East Asian societies.
Stop and reflect

Retaining the workforce by changing their age profile?

A call centre company in India that provides outsourcing services to its corporate clients in the UK and US is confronted with staff turnover problems. The company employs over 1000 staff, most of whom are young university graduates aged between 22 and 28. According to the HR manager of the call centre, these young workers want to change their jobs every one to two years in order to gain promotion and experience working in different environments before they settle. What is the prospect of advising the company to improve staff retention by changing its workforce age profile? Think of a plan and discuss. Can the same idea be transferred to other countries if the same challenge occurs?

3 Diversity management

Diversity management as a strategic HRM initiative

Since the 1990s, a complementary, or what some would call a competing, concept to EO has emerged in the HRM literature – diversity management. The concept of managing diversity has its origin in the US and emerged as an HR intervention in the mid-1980s. It is primarily a response to the demographic changes (e.g. more immigrants and women) in the workplace as well as the customer base (Agocs and Burr, 1996). It is also a response to the corporate discontent with AA approaches imposed by the US government. Organizations are searching for an alternative to broaden the perceived narrow scope of AA legislation that focuses primarily on recruitment. DM is seen as a way to address retention, integration and career development issues (Agocs and Burr, 1996). The growing demands from the ethnic minority, women, older, disabled, gay and lesbian groups for equal rights and the consequent human rights legislation in the 1990s and 2000s give further impetus to the need for recognizing, accepting and valuing individual differences at workplaces and in society more generally (Mor Barak, 2005).

The concept of DM began to be advanced in countries outside of North America during the late 1990s. For example, Süß and Kleiner (2007) observed a sharp increase in the use of the concept of DM in Germany since the late 1990s. In the UK, the concept of managing diversity has undoubtedly become more influential since the mid/late 1990s in part due to the demographic change of the workforce, but more so
because DM is seen as a more comprehensive and sophisticated approach to EO management that adds value to business. The Chartered Institute of Personnel and Development (CIPD) defines diversity as ‘valuing everyone as an individual – valuing people as employees, customers and clients’ (CIPD, 2006: 2).

It is suggested that the objective of DM is for organizations to increase awareness of cultural differences, develop the ability to recognize, accept and value diversity, minimize patterns of inequality experienced by those not in the mainstream, and modify organizational culture and leadership practices (Cox, 1993; Soni, 2000). DM is regarded as a better approach than EO because it adopts an inclusive approach that ‘focuses on valuing people as unique individuals rather than on group-related issues covered by legislation’ (CIPD, 2007: 6). More recent DM literature advocates an inclusive approach to managing diversity that goes beyond organizational and national boundaries (e.g. Mor Barak, 2005).

Stop and reflect

What is an inclusive workplace?

According to Mor Barak (2005: 8), an inclusive workplace model includes the following features:

- values and utilizes individual and intergroup differences within its workforce
- cooperates with, and contributes to, its surrounding community
- alleviates the needs of disadvantaged groups in its wider environment
- collaborates with individuals, groups and organizations across national and cultural boundaries.

Imagine you are the HR director of a German-owned automotive manufacturing firm with subsidiaries and joint ventures in 57 countries in Europe, North and South America, Asia and Africa. How would the above features help you formulate a corporate inclusive strategy that will be meaningful to the local subsidiaries?

The transition from a focus on EO to managing diversity signals a move away from an emphasis on procedural justice to a utilitarian approach that views DM as a means to an end which should be managed strategically. In other words, it is a shift away from a negative perspective emphasizing disadvantaged and discriminated staff to a
positive and liberal perspective of celebrating and valuing the differences among all employees and utilizing them in a creative way to benefit both the organization and individuals (Maxwell et al., 2001). This has been advocated as being a strategic approach to HRM informed by the resource-based view (Richard et al., 2013). At the policy level, Özbilgin and Tatli (2011: 1247) have also observed that there is a discernible trend where key actors in the EO and DM field are turning away from ‘regulation- and collectivism-oriented approaches’; instead, ‘voluntaristic and individualistic discourses’ are increasingly adopted and ‘dominate the public debates on workplace equality and diversity’ (also see Kramar, 2012).

Foster and Harris (2005) identified a number of key differences between managing EO and DM (see Table 14.2).

Table 14.2  Key differences between managing EO and managing diversity

<table>
<thead>
<tr>
<th>Equal opportunities</th>
<th>Managing diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addresses inequality through rights</td>
<td>Promotes diversity for organizational benefits</td>
</tr>
<tr>
<td>Neutralizes individual differences</td>
<td>Recognizes individual differences</td>
</tr>
<tr>
<td>Treats people the same</td>
<td>Treats people differently</td>
</tr>
<tr>
<td>A narrow view of difference</td>
<td>An inclusive view of difference</td>
</tr>
<tr>
<td>A focus on HR processes</td>
<td>Concerns all functions of the organization</td>
</tr>
<tr>
<td>Promote assimilation</td>
<td>Promote variety</td>
</tr>
<tr>
<td>An emphasis on procedures and regulation</td>
<td>An emphasis on organizational objectives</td>
</tr>
</tbody>
</table>

Source: Foster and Harris (2005: 124)

However, the distinction between EO and DM may be far less clear in practice than Table 14.2 implies (Foster and Harris, 2005). Organizations may find it awkward to promote EO policies that tend to emphasize sameness and underplay differences on the one hand, and promote diversity that aims to address individual differences on the other. Conceptual ambiguity and confused organizational practices may create indifference to EO and DM initiatives, resulting in managers and employees believing that the latter is simply the former given a different name (Foster and Harris, 2005; Özbilgin and Tatli, 2011).

According to the CIPD’s (2007) survey of 285 DM managers/officers in a wide range of organizations based in the UK, only 17 per cent of survey respondents believed that the business case was the most important driver stimulating their organization to adopt DM initiatives. There was a general feeling of lack of senior management support among respondents and very few of the organizations participating in the survey undertook activities to mainstream diversity. Not surprisingly, there is ‘little evidence of organizations mainstreaming diversity into operational practices
such as marketing, product development and customer services – which is where significant gains could be made in improving business performance’ (CIPD, 2007: 8). In fact, despite the active promotion by Western HR consulting firms and HR associations of the moral and strategic importance of DM, legal compliance remains the top reason for organizations implementing DM initiatives (CIPD, 2007).

A large-scale survey of global Fortune 500 companies and other global organizations revealed similar attitudes – while all respondent firms agreed on the importance of global diversity, ‘only 50 per cent of firms surveyed reported considering global stakeholders when determining their diversity strategies, only 39 per cent provide extensive multicultural training for all employees, and only 27 per cent routinely evaluate progress towards diversity goals’ (Dunavant and Heiss, 2005, cited in Nishii and Özbilgin, 2007: 1883).

In Australia, Kramar (2012) observed that there is no common approach to DM and that, in spite of the rhetoric of the business case in the private sector, legal compliance appears to be the main motive for DM. Kramar (2012) further noted that gender equality has been the main focus of DM and that there is a decline of actions in both the public and private sector that promote changes to embrace the diversity discourse.

### Diversity management and organizational performance

In ways analogous to the arguments made for CSR, advocates of DM believe that there are three important reasons for managing diversity (e.g. Cox and Blake, 1991; Agocs and Burr, 1996; CIPD, 2006):

- **Effective people management** – DM creates an open, inclusive workplace culture where everyone feels valued, which then helps to recruit, retain and motivate good people. Diversity can create teams that are more innovative and flexible which may increase their productivity and ultimately organizational performance. DM helps to promote awareness of individual difference and empathy for those who are different, and encourages attitude change.

- **Market competition** – A diverse workforce can help the organization to understand diverse customer needs, open up new market opportunities, improve market share and broaden its customer base.

- **Corporate reputation** – Adopting an effective DM policy enables organizations to demonstrate their commitment to CSR through engagement with local communities.

Existing studies have provided evidence to support the assumption that strategic DM can lead to enhanced HR outcomes. For example, Ng and Burke’s (2005) survey study of 113 MBA job seekers showed that women and ethnic minorities considered DM to be important when accepting job offers. In addition, ‘high achievers and new immigrants rated organizations with diversity management as more attractive as
potential employers’ (Ng and Burke, 2005: 1195). Scott et al.’s (2011) review of DM practices of best companies suggests that organizations that emphasize inclusion and integrate DM into all of their policies and practices may benefit more than companies that deal with DM as a stand-alone practice. Similarly, Houkamau and Boxall’s (2011: 440) survey study of 500 New Zealand workers’ perceptions of, and responses to, DM activities found a ‘widespread use of family-friendly employment practices and a general perception of a good climate for diversity’. The study also found that employees who reported a higher level of family-friendly and proactive EO practices appeared to show a high level of trust and commitment to their organization, as well as enjoying a higher level of job satisfaction.

According to the CIPD (2007: 12), there is a wide range of measures that organizations may use to monitor the impact of DM. These include:

- employee attitude surveys
- number of complaints and grievances
- labour turnover
- employee performance appraisals
- absenteeism
- ability to recruit
- number of tribunal cases
- impact assessment
- level of customer satisfaction
- employee commitment surveys
- business performance
- balanced scorecard
- diversification of customer base
- improvements to problem solving and decision making
- psychological contract issues.

We cannot assume that a positive relationship invariably holds between diversity and productivity improvement (also see the previous section on age diversity). Academic studies on diversity–performance relationships have so far yielded non-conclusive results. While some researchers argue that diversity leads to better group and ultimately organizational performance (e.g. Cox et al., 1991), others contend that diversity leads to a negative organizational performance outcome in part due to intra- and inter-group conflicts and communication deadlock derived from differences (e.g. Tsui et al., 1992; Lau and Murnighan, 1998). Moreover, there can be tensions between a collective approach to managing diverse employee groups and a more individualized approach focusing on individual needs and abilities which may actually increase, rather than decrease, inequalities (e.g. Agocs and Burr, 1996; Liff, 1996). Jones et al. (2013: 55) observed that the existing literature on diversity training has yielded ‘little evidence of their overall effectiveness’. They argued that diversity training informed by
an ethical perspective, instead of the business case approach, may be more effective because the ethical perspective aligns the values of the organization and the employees and sends a signal to the employees that ‘the organization cares about their wellbeing’ (Jones et al., 2013: 55).

Other studies have revealed that the benefits of DM rhetoric can be overstated (e.g. Williams and O’Reilly, 1998; Wise and Tsehirhart, 2000), that DM initiatives may actually undermine efforts in EO programmes (e.g. Subeliani and Tsogas, 2005), and that DM might be adopted as a new disguise to mask exploitation (Taylor et al., 1997). Affirmative actions associated with DM are also found to meet with disapproval from the workforce as those recruited or promoted under AA are perceived to be less competent or qualified, thus violating the principle of merit (Ng and Burke, 2005). Studies by Kochan et al. (2003) revealed that participation in a diversity education programme does not foster a positive relationship between racial and gender diversity and performance. Richard et al. (2004) offered a reconciling ‘third way’ perspective which suggests that contextual factors (e.g. entrepreneurial orientation) play an important moderating role for diversity to enhance organizational performance.

Kochan et al. (2003: 17) further observed that practitioners paid little attention to analysing their organizational environment for managing diversity and that few companies ‘are equipped to assess the impact of their diversity efforts on their performance’. Kochan et al. (2003) questioned whether the business case rhetoric of managing diversity has run its course. Nevertheless, they contended that while we may be sceptical about the positive impact of DM on organizational performance, diversity is a labour market imperative as well as a societal value and expectation. Therefore, ‘managers should do their best to translate diversity into positive organizational, group and individual outcomes’ (Kochan et al., 2003: 18).

It is apparent that DM is a poorly understood, increasingly slippery and controversial concept that is used ‘in an all-embracing fashion to include not just the social categories of AA such as race and sex but a wide range of personal characteristics’ (Ferner et al., 2005: 309). Consequently, the concept and moral soundness of DM remains a contentious issue (see Lorbiecki and Jack, 2000, for an overview of the conceptual premises and critique of DM; also see van Dijk et al., 2012, for a conceptual debate on the virtue ethics perspective versus business case perspective of DM). In addition, the utility of this concept originating from the US for other societal contexts has been questioned by many researchers and resisted on the ground when DM policy and practice were transplanted across national and organizational context (e.g. Agocs and Burr, 1996; Ferner et al., 2005; Healy and Oikelome, 2007; Nishii and Özbilgin, 2007). For example, Hennekam et al.’s (2017: 459) study that examined ‘the clash between diversity policies as designed in the West and the challenges in implementing these in MNCs in the Middle East and North Africa region’ revealed that the HR managers’ understanding of the complexity of the DM contexts and strategy is vital. The same study accentuates the importance of adopting a sensitive approach that takes into account local context in transplanting the DM policy and strategy from the
West to the African subsidiaries. Similarly, Jonsen et al. (2011) argue that existing knowledge of DM has been dominated by US-centric research studies and that future research should look beyond North America and include more diversity themes and forms of intervention specific to societal contexts. In the next section, we examine the tensions and dynamics of societal patterns of diversity in different countries.

Diversity management in the global context

A number of country-specific studies have revealed unique societal contexts in which diversity issues are embedded (see Tatli and Özbilgin, 2012, for a discussion of conceptual approaches to researching DM that emphasize intersectionality and multi-level analysis). For example, Jones et al.’s (2000) study showed that the language used to describe diversity and the perception of diversity issues in New Zealand are markedly different from those manifested in the dominant discourse of DM imbued with US cultural assumptions. In African countries, politics assumes supreme importance in DM and ethnicity dominates ‘most national debates on diversity’ as the central issue (Healy and Oikelome, 2007: 1923). This is because some disadvantaged ethnic groups historically have been oppressed and there are now increasing calls for radical remedial action to address racial grievances. By contrast, ethnic groups in Japan and Korea are relatively homogenous and as a result, gender, women’s marital status and their related employment status are key sources of workforce diversity (Cooke, 2010).

In the US and UK, workforce diversity may include: gender, race, ethnicity, religion, age, disability, immigration status, social class, political association, marital status, parental status, sexual orientation, ex-offenders, and so on. Many of these differences are accepted by Western societies, protected by law and acknowledged in company policies. However, some of these characteristics may not be acceptable socially or legally in oriental countries like China and India (Cooke and Saini, 2012). Furthermore, significant differences may exist even within oriental countries.

Example 14.3 Different sources of diversity in India and China

For example, caste, ethnicity, religion and gender are the main sources of diversity in India, whereas age, gender, disability and place of origin (e.g. rural versus urban) are the main causes of social inequality in China. India is the largest democratic country in the world, albeit a fragile one compared to some, where the talk of empowerment to the socially disadvantaged groups is often used as a powerful weapon to connect political parties with their constituencies. By contrast, China is
a socialist regime with centralized control by the communist party. Elimination of social inequality is intended to be achieved by introducing government policies and regulations through a top-down interventionist approach (Cooke and Saini, 2012). Cooke and Saini’s (2012) comparative study of DM in China and India revealed that as a strategic HRM concept, DM featured little in management discussions and presentations, particularly in China where the concept was largely unheard of. In addition, management’s indifferent attitude to DM may well be linked to the low level of bargaining power possessed by the disadvantaged groups in these countries.

In many less developed countries, employment insecurity is relatively high and the provision of social security benefits is extended to few. Large groups of poor people are fighting for the very right to a basic living through low paid employment with long working hours and poor conditions. The fact that they are treated unfairly is much less of a concern for some and inequality in the workplace and in society generally is often accepted, internalized and unchallenged due to historically deep-rooted discrimination and the evident absence of remedial prospects.

It is perhaps not surprising then that studies on DM in MNCs have found that attempts to roll out US domestic diversity programmes globally often fail to achieve their objectives and/or meet with strong resistance in the host country operations (e.g. Ferner et al., 2005; Nishii and Özbilgin, 2007). This is mainly because these US-specific programmes fail to reflect the specific demographic profile and the legal, historical, political and cultural contexts of equality in the host countries. Many US-owned MNCs studied in fact made little attempt to adapt their US-designed diversity programmes to capture local characteristics (Nishii and Özbilgin, 2007). As a result, MNCs may encounter ‘regulatory, normative and cognitive challenges’ when designing and implementing their global DM initiatives (Sippola and Smale, 2007: 1895). While the philosophy of diversity might be acceptable globally within the corporation, a more multi-domestic approach to implementing diversity programmes has been found to be necessary, as was revealed in Sippola and Smale’s (2007) study.

Company-based case studies of DM in various countries have further revealed the distance between reality and the inspiration projected in DM rhetoric. For instance, Dameron and Joffre’s (2007: 2053) study of the integration team created to manage the post-merger integration of France Telecom Mobile and Orange UK found that the co-existence of the French and English cultures was ‘never seen as an opportunity, a differentiation and a source of creativity’. Rather, ‘cultural diversity was always experienced by the members of the integration team as a difficulty to overcome’ (Dameron and Joffre, 2007: 2053). Subeliani and Tsoga’s (2005) study of managing diversity in a large bank in the Netherlands showed that the diversity initiative was designed and
implemented in large cities where a large ethnic market existed from which the bank could benefit. Employees with immigrant backgrounds were mostly recruited for lower positions, where they could be visible to customers, but promotion for them was very difficult, if not impossible. They were trapped at the lower end of the organizational hierarchy, with little freedom to express their cultural and religious views. In this case of DM programme adoption, it is clear that business motives took precedence over moral concerns.

Extant studies in various national and industrial contexts suggest that commitment from organizational leaders is vital in the adoption of EO and DM policy and practice. For instance, Ali and Konrad’s (2017: 440) study of 248 medium- to large-sized organizations in the North American context found that ‘a gender-diverse top management team is positively associated’ with diversity and equality management systems. By contrast, Kirton et al.’s (2016) study of a UK-based multinational IT company showed that despite the implementation of numerous DM initiatives, most managers have little exposure to gender diversity in this white, male-dominant industry. They are indifferent to DM policy and hold an ‘identity-blind reasoning about managing teams’ (Kirton et al., 2016: 334). Kirton et al. (2016) argued that managerial autonomy (e.g. team selection) at the line management level typical of the team-based structure of the IT industry prevents messages of DM commitment from the top leadership getting through to the lower level, and sustains rather than bridges gender equality gaps. Given the highly globalized nature of the IT industry and the growing offshore outsourcing of the IT businesses from developed to less developed countries which boast a relatively developed IT business process outsourcing industry, such as India and Philippines, how may the IT outsourcing client firms exercise influence to improve EO and DM in the business process outsourcing supplier firms, if the former are under pressure from international regulatory bodies to do so as part of the global supply chain governance?

Emerging studies have pointed out the need for a more nuanced approach that differentiates intra-group specificities in DM research and practice, which could have even more complicated implications for a corporate DM strategy in an MNC context, in part due to different national legal provisions and cultural norms. For example, Köllen’s (2016: 1967) study of ‘the interrelation between sexual orientation diversity management and the perceived organizational climate for gay and lesbian employees’ in the German context revealed that ‘companies including ”sexual orientation” in their diversity programs’ appear to have a ‘more supportive organizational climate for gay men and lesbians’. The same study also found that ‘those organizational practices that lessen the difference between homosexuality and heterosexuality within the organization are more strongly related to positive psychological climates than those practices that accentuate the difference’ (Köllen, 2016: 1967). Ozturk and Tatli’s (2016: 781) study of ‘workplace experiences of transgender individuals in the UK employment context’ revealed a range of workplace challenges experienced by this category of employees, particularly the lack of organizational support to accommodate their
needs. Ozturk and Tatli (2016) argued for the need to conceptually expand on how diversity and DM should be (re)framed to provide a more sophisticated approach to DM research and organizational strategy. In a similar vein, Mahadevan and Kilian-Yasin (2017) challenged the narrow, stereotypical conceptualization of Muslim as the inferior Muslim others in the international HRM literature and called for a more constructive reflexive approach to examining issues related to managing migrant Muslim talents in their own individual rights instead of being a collective group.

It is clear that EO and DM challenges and potential solutions are specific to societal, industrial, organizational and individual contexts. While few studies have researched on these matters from a cross-country comparative angle, existing research from specific country and MNC contexts has shed light on the complexity at the conceptual, institutional and organizational level which calls for a more critical and differentiated approach to examining these issues and formulating effective practical interventions.

4 Work–life balance: Practices and discourses

Since the mid-1990s, work–life conflict (WLC) has become a major issue in different parts of the world for different reasons. In Western economies, work–life issues emerged primarily as a result of demographic changes (e.g. declining labour force and an ageing population) and work intensification due to globalized competitive pressure. In particular, the participation of women with childcare/elderly care responsibility in part-time and increasingly full-time employment has been a major focus of the WLC debates and policy orientation (e.g. Fleetwood, 2007; Greenhaus, 2008; Gregory and Milner, 2009; Özbilgin et al., 2012). Many governments are made aware of the gap between the growing presence of WLC and the deficiency of institutional supports and cultural change to reduce the negative impacts. As Pocock (2005: 202) pointed out, ‘the political case for work–life balance is increasingly evident in industrialized countries that are more and more dependent upon the paid work contributions of women and workers with dependants’.

Policy initiatives have been promoted by various governments to address the issue of WLC, often as part of the EO and DM programmes, in order to enhance the well-being of those in employment and their families. Organizations, particularly those in the public sector and large MNCs, have also introduced a range of HR practices, such as flexible work arrangements, partly in response to these policy initiatives (e.g. Brough et al., 2008; Burgess and Connell, 2008; Abendroth and den Dulk, 2011). It is argued that organizations play a central role in providing quality jobs that will not only raise the standard of material life of the employees and their families, but also the intrinsic rewards and psychological well-being of the workforce (Burgess and Connell, 2008).

Existing studies on work–life balance point to the fact that the adoption of WLB initiatives does have a positive impact. For instance, Abendroth and den Dulk’s (2011) survey study of 7867 service-sector workers in eight European countries found that
organizational support for employee WLB satisfaction has a direct and moderating effect, and that emotional support and instrumental support at the workplace have a complementary relationship. Similarly, Avgar et al.’s (2011) study of WLB practices and organizational support in 172 hospitals in the UK and their direct and indirect effects on three key stakeholders found that the greater use of WLB practices enhances outcomes for hospitals, their employees and the patients they serve. In addition, the effective adoption of WLB practices is often associated with the adoption of good HR practices. For example, Wang and Verma’s (2012) analysis of the Workplace and Employee Survey of 3043 workplaces in Canada revealed that firms with a product leadership business strategy are more likely to have WLB programmes in place than those with a cost leadership strategy. In addition, firms that adopt WLB programmes also adopt high performance work practices such as investment in training, employee involvement, and so forth.

Despite the strong political, social and economic case for WLB legislative intervention and policy/HR initiatives, a common finding of the growing body of empirical studies conducted in different societal contexts is that WLB policies and practices in general have been less than effective, for various reasons (e.g. Pas et al., 2011; Xiao and Cooke, 2012; Chou and Cheung, 2013).

Fundamental differences also exist between Western and Eastern countries in their political ideologies, demographic and labour market characteristics, work–family values and the resultant positions held by the government and employers towards WLC. Typically, a laissez faire approach has been adopted in the East with no or little government policy. The existence of WLB practices relies largely on employers’ discretion, and the ability of individuals to demand the placement of work–life policy and practice in the workplace. For example, according to Chou and Cheung (2013: 9), in Hong Kong family-friendly policy as part of employment policy is predominantly voluntary and implemented in only a few private sector organizations. Despite much policy effort to promote family-friendly work and family values, the government adopts ‘a minimalist market-based employer approach’ in which employers are given freedom to design and implement their family-friendly measures based on the needs of the employees and the feasibility and affordability of the firm. As a result, few employers have a family-friendly policy in place. Where WLB initiatives exist in workplaces, they convey strong characteristics of Eastern societal values. For instance, Chandra’s (2012) study comparing Eastern and Western perspectives on WLB revealed that American MNCs focus on flexible working practices, whereas Indian companies focus on employee welfare programmes such as cultural, recreational, health and educational programmes (also see Xiao and Cooke, 2012, for practices in China). In addition, sources of WLC are very different between those employed in sweatshop and informal employment and the professional/managerial categories – the former need to work long hours for a living wage, the latter to gain promotion and remain in the elite middle class. Therefore, WLB initiatives may not be well received by employees (Xiao and Cooke, 2012).

Academically, the WLB discourse and associated flexibility practices that have emerged from the European and North American politico-socio-economic contexts
have attracted much critique (e.g. Abendroth and den Dulk, 2011; Özbilgin et al., 2012). For example, based on a critical review of the work–life literature through the lens of diversity, Tatli and Özbilgin (2012: 187) pointed out that work–life studies should go beyond the narrow analytical framework of domestic and economic life to incorporate a wide range of demands ‘placed on an individual’s temporal, spatial, and relational commitments in the domestic and non-domestic spheres’. They cogently argued that issues related to life, diversity and power need to be addressed by taking into account ‘the intersectionality of social and historical factors in their relational complexity in order to reveal the dynamics of power, disadvantage and privilege as they relate to the work–life interface’ (Tatli and Özbilgin, 2012: 191).

Özbilgin et al.’s (2012) argument is echoed by Pocock et al. (2012: 391), who critiqued that the literature on work–life and work–family is mostly ‘under-conceptualized’, focuses primarily on professional and managerial workers, and largely neglects the wider ‘terrain of work, family and community’. Pocock et al. (2012: 391) argue:

It is vital to unpack the ‘black box’ of ‘work’ in a multi-layered way, to give appropriate weight to various sources of power, and to avoid an individualistic approach to the reconciliation of work, home and community life by locating analysis in a larger social and political context.

Drawing on Bronfenbrenner’s (1979) and Voydanoff’s (2007) theses, Pocock et al. (2012: 405) propose a ‘socio-ecological systems’ model of work, home and community that is attentive to four key concepts: ‘power, time, space and life stage’. According to Pocock et al. (2012), these concepts are crucial to improve our understanding of work, family and community outcomes, because they open up a broader macro-system within which to examine how work, home and community exist, and interact with and impact on each other.

**Stop and reflect**

**Breaking the boundaries of work, home and community**

Pocock et al.’s (2012) analytical framework that examines issues related to work, home and community and their interactions through the lens of power, time, space

*(Continued)*
and life stage carries profound analytical power. An implicit assumption of this model, however, is that work, home and community of an individual worker, albeit now examined in a broader terrain, are situated in relatively stable locales. This may not always be the case for workers whose working site changes frequently, such as consultants and auditors. Not only may these professional workers’ working site change daily or weekly due to the need to perform tasks on the client’s site, but also their rest place after work may be transient if the client’s site is far away from home. For example, a management consultant working for a global firm based in Europe may have to travel weekly to a different country in the continent to provide services. This exposes the consultant to different work environments and living cultures to which he/she has to adapt. It may also create a sense of isolation and displacement from the community due to frequent changes in dwelling as a result of living in hotels and rental accommodation (also see Xiao and Cooke, 2012, on the implications of external auditing work for female auditors in China). What can the firm do to alleviate the potential negative impacts on their employees who are required to make short trips frequently?

5 Summary and conclusions

This chapter has provided an overview of the conceptual debates concerning EO, DM and WLB as key issues in HRM. We have examined legislation and policy initiatives of nation states in various parts of the world to highlight the diverse societal contexts within which these terms are to be understood and employment practices are shaped. By comparison, gender and ethnicity have featured more prominently than other forms of discrimination in academic research and practical publications. The compound effect of gender, race, age or other demographic characteristics may be more pronounced, as some studies have shown. In tracing the origin and the growing research and policy attention on issues related to EO, DM and WLB, we can see a discernible trend that the argument has been steadily shifting from an emphasis on legal compliance and moral obligation towards a business case discourse that emphasizes the benefits of EO, DM and WLB on organizational performance. This may be a dangerous shift, as discrimination of various forms and disguise still widely exist, especially where law enforcement capacity is low and the labour market is slack. While a key concern of employers is to maintain productivity and competitiveness,
this goal needs to be achieved with employment ethics and corporate social responsibility in mind. It is to these issues that we will turn in the next chapter.

Discussion questions

1. It is argued that there is tension between implementing EO legislation that is informed by the notion of ‘sameness treatment’ and adopting DM programmes that focus on individual and group characteristics. How do you think this tension can be reconciled?

2. A US-owned software development MNC has been facing serious talent retention problems in its subsidiary in India. The MNC has a successful DM programme in its US operations and is intending to adopt a similar programme in its Indian operations in an attempt to improve talent recruitment and retention. Do you think this idea will work? If so, how would you design and implement the initiative in order to make it effective?

3. The rapid increase of Muslim immigrants in European countries has led to heightened racial tensions in various Western European countries. You are the HR Director of a commercial bank in Germany. What DM policy would you adopt to provide an inclusive workplace climate for its stakeholders (e.g., different categories of employees and customers)?

CASE STUDY

Managing diversity in a Chinese-owned multinational IT firm

Company background

Established in 1988 in Beijing, Lenovo Group Limited (formerly known as ‘Legend Group Limited’) is the largest IT enterprise in China. Lenovo employs some 25,000 staff in all its operations in nearly 70 countries, but with the majority of employees working in China. In 1984, with an initial capital of RMB 200,000 funded by the Chinese Academy of Sciences, a government-funded institution, 11 researchers formed the parent company of Lenovo. It was the first company to introduce the concept of the home computer in China. Lenovo’s main business activities are in

(Continued)
the sale and manufacturing of desktop computers, notebook computers, mobile handsets, servers and printers. Lenovo is a stock-listed company, with the Chinese government holding over a quarter of its shares.

In April 2003, the group adopted a new logo and the English brand name ‘Lenovo’, replacing the original English brand name ‘Legend’ in order to appeal to the international market. The English company name was also officially changed to ‘Lenovo Group Limited’ a year later. In December 2004, Lenovo spent US$1.25 billion to acquire IBM’s PC business. This was the largest cross-border acquisition in China’s IT industry (China Business, 13 December 2004). The acquisition process was completed in May 2005. The marriage of IBM and Lenovo created one of the world’s largest PC powerhouses. IBM possessed strong competitive advantage in the higher end of the customer market in its distribution channel, high quality customer resources, which complemented that of Lenovo. The two companies have maintained a long-term cooperative strategy since the acquisition, with Lenovo having access to some of IBM’s key resources, such as technology, sales force, PartnerWorld, Global Finance and IBM Credit.

The continuing expansion and globalization of Lenovo has brought a number of challenges to its HRM function, including the alignment of corporate HR strategy and DM after the acquisition of IBM’s PC business. Below are some of the issues that illustrate the challenges.

Managing foreign employees in China

Lenovo’s growing global presence in the IT sector has in recent years attracted an increasing number of non-Chinese citizens who wish to work in its operations in China. This is in part because they want to spend time in China to gain wider work experience and a deeper understanding of the country. These foreign citizens are employed by Lenovo under the same employment conditions as those offered to Chinese citizens. Free working meals and company-subsidized accommodation are some of the benefits that Lenovo offers its employees. These are traditional and typical workplace welfare provisions of Chinese firms. Under the housing scheme, newly recruited single employees are provided dormitory accommodation. Since housing is expensive in Beijing, this often takes the form of one bedroom shared by a few employees of the same gender. This arrangement is normal and acceptable to Chinese employees – Chinese students also share their dormitories in schools and universities, and in sweatshop manufacturing plants the situation is far worse where ten or more rural migrant workers are crowded in a room with poor
facilities. However, foreign employees, though only very small in number compared with the Chinese employees, find it difficult to get used to this idea because of the lack of privacy. Lenovo (China) has no special policy to accommodate their needs. Different management style is another source of cultural shock to foreign employees. According to an HR manager, foreign employees all emphasize their cultural shock when they come to China. However, Lenovo (China) has not developed a formal policy to manage these cultural shocks. This has led to the turnover of a few of the foreign employees and the company has made no effort to retain them.

Managing Chinese graduate returnees from overseas

Since the early 2000s, an increasing number of Chinese who went abroad for their higher education have been returning to China to seek employment and career development. The majority of Chinese overseas graduate returnees (known as haigui in China) are keen to work for multinational firms, and are often the favourite candidates. Lenovo is among the top employers of choice for which haiguis want to work. These repatriated Western educated and trained graduates bring with them different life styles, perspectives and (often unrealistic) expectations that may depart from Chinese norms. Some of them are said to be complacent and consider themselves superior to other graduate employees who have not been abroad for education or training. They expect high salaries up front, fast promotion, flexibility and autonomy in their work. Turnover is common among haiguis when expectations are unmet or better offers are available elsewhere. How to recruit and manage overseas graduate returnees effectively is an important issue for MNCs operating in China. Companies are now reportedly more cautious in recruiting and managing these returnees because they are seen as ‘demanding’ employees who are difficult to retain. Lenovo shares some of these issues. Although turnover has not been a major problem, how to harmonize the relationship between haiguis and home-grown graduate employees is sometimes a challenge for line managers.

Gender equalities

Prior to Lenovo’s acquisition of the IBM PC business unit, Lenovo had more women at the senior management level. The proportion of women in senior management has actually declined since the acquisition because it is now part of a bigger international operation. Two main reasons are attributed to this change. One is that there is a lower proportion of women at senior management level in the acquired
business unit of IBM than in the Chinese operation. Another reason is that Lenovo has been through successive rounds of senior management restructuring after the acquisition, partly to do with the post-acquisition integration and partly to do with the poaching of senior managers among IT firms in China. Cultural clashes triggered by the post-acquisition integration have led to the departure of a number of senior managers. When new managers are recruited, they tend to bring their own people and HR initiatives with them, which will later be displaced by their successors when those managers depart. As an HR director observed, ‘It is organizational politics, rather than equal opportunities, that we consider in the recruitment of senior managers. You need to be competent as well as well connected to get the senior management’s job, and men tend to be better connected than women in the IT sector in general.’

Developing a global diversity management strategy

According to informants from Lenovo (China), diversity is not a key issue in the workforce in China. Therefore, it is not a priority of the company. The major task is post-acquisition integration to align the organizational cultures and become a truly international company. Nevertheless, Lenovo (China) does emphasize the need for employees to respect other employees’ rights and privacy. Aggressive or discriminatory behaviours are forbidden, even as jokes. These expectations are written in the business conduct guidelines for employees. However, Lenovo (China) does not have any specific equal opportunities or diversity management programmes to enforce these clauses. The acquired business unit of IBM has good HR practices, for example, WLB and DM. These have not yet been transferred to the Chinese operation due to staff shortages. There was a corporate initiative (stimulated from the US side) about grouping women at international level together to have a global forum to discuss diversity issues in 2006. Unfortunately, budget constraints meant that the plan was set to one side.

The HR directors from Lenovo (US) are well aware of the challenge they face in transferring their US-developed diversity management programme to other branches across different countries and cultures. The US HR team are the people who are familiar with the concept and responsible for promoting its global diffusion, and they are approaching the task with extreme caution. This is in part, as they admitted, due to their unfamiliarity with the local environments in different parts of the world, although they are planning to visit Lenovo (China) for the first time. How to accommodate the diversity of the global
workforce and leverage it to enhance the performance of the firm on the one hand, and how to develop a strong corporate culture that all employees will identify with on the other hand is their main HR concern, and a solution has yet to be found.

According to all managerial informants, the corporate priority is talent management. A new scheme called ‘Mobility Plan’ has been implemented at the international level. The purpose of the plan is to give managers an opportunity to work overseas to gain international experience to be able to lead at a global level. It is not aimed at Chinese managers in principle, but in reality has mainly involved sending Chinese managers to the US for development.


Case study questions
1. What are the key issues of diversity management in this case study and how are they manifested?
2. How would you design a global cross-cultural management policy for Lenovo, taking into account its increasingly diverse workforce?
3. Chinese firms generally suffer from a poor image of low product quality, poor CSR and HRM; how would you help Lenovo to attract non-Chinese talent to work for the Company in its global operations, particularly outside China?
Applying Habermas’ discourse ethics framework and using the concept ‘ideal speech situation’, this article critically examines how equity and diversity discourses in Canada have been produced that shape the opportunities to emancipate communicative actions in the public sphere. It demonstrates important trade-offs in who is protected and promoted through the contrasting discourses, and in the types of actors legitimizing these discourses, which ultimately shape the institutional environments of organizations that inform their DM policy and practice.

This article provides a comprehensive review of the DM literature and critiques its predominantly etic nature. The authors propose an emic approach to researching diversity at work, which helps identify emergent and situated categories of diversity as embedded in a specific time and place. Drawing on Bourdieu’s theory of capitals, they explain that relations and processes of power manifest themselves in the struggle for and accumulation of different forms of capitals. An emphasis on intersectionality is central to the authors’ argument and they offer a five-step research guide.

This article studies the relevance of different types of support for satisfaction with work–life balance, using Esping-Andersen’s welfare regime typology as a benchmark. It focuses particularly on the relevance of state, instrumental and emotional workplace and family support based on a survey of 7867 service-sector workers in eight European countries. The study examines the impact of the different support sources and found that emotional support and instrumental support in the workplace have a complementary relationship.

**Internet resources**

**Online study tool**
Visit this book’s website for direct links to the web resources listed below:
https://study.sagepub.com/IHRM5e > Student Resources > Chapter 14 > Useful weblinks
• **www.shrm.org.** The Society for Human Resource Management (SHRM) is the world’s largest professional association devoted to HRM. Its webpages contain up-to-date research reports, case studies, professional advice and latest publications on a wide range of topics in HRM, including EO, DM, WLB and CSR.

• **http://www.undp.org/content/undp/en/home.html.** The United Nations Development Programmes (UNDP) coordinates global and national efforts to integrate gender equality and women’s empowerment into poverty reduction, democratic governance, crisis prevention and recovery, and environment and sustainable development. The website contains statistical information on gender progress in nation states as well as gender development initiatives, programmes and stories.

### Self-assessment questions

1. What issues may arise if Lenovo (China) started to provide single-occupancy housing arrangements for its foreign employees to accommodate their needs for privacy while continuing to provide shared dormitories for its Chinese employees?

2. Which of the issues of diversity management in Lenovo are concerned with individual diversity and which are the collective-oriented diversity issues?

3. If you are a project manager of Lenovo and have to manage two groups of graduate employees, *haiguis* and home-grown graduates, and some of the former are being demanding and causing friction in the project team, how are you going to manage this situation?

4. Is the pattern of organizational politics displayed in the power struggle at the senior management level in Lenovo in which women are likely to be displaced or disadvantaged unique to Lenovo?

5. How would you advise the HR team of Lenovo (US) to develop a global diversity management programme for talent management?

### Online study tool

Visit this book’s website for indicative answers to these self-assessment questions:

https://study.sagepub.com/IHRM5e > Student Resources > Chapter 14 > Self-assessment questions
References


