Managing Workforce Diversity and Inclusion: A Critical Review and Future Directions

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Abstract

Fundamental worldwide economic, socio-demographic, and regulatory shifts are largely responsible for the spike in interest in the topic of Diversity and Inclusion (D&I) in the workplace. Existing research indicates that the focus on workforce diversity and inclusion has attained worldwide currency among HR managers and organizational leaders. However, its enactment remains challenging, partly as its conceptual operationalization is plagued by national, cultural, institutional, and interpersonal barriers. Moreover, there appears to be a gap between the rhetoric of D&I and the idiosyncrasies of its implementation. This gap should be bridged to foster D&I and embed it in the organizational system. To achieve this, we argue that organizations are expected to foster the development of diverse communities of practice; these communities could reshape corporate policies and practices, promote meaningful interactions, serve to develop a shared identity that will challenge entrenched beliefs, and create new artifacts and working cultures. The latter could lead to a restructure of current organizational structures and a reformation of tokenistic joint missions and values. This critical review will assess and highlight recent advancements in the D&I management literature while presenting a broader perspective on the practices at the heart of the field. The conclusion of the study considers potential future avenues for D&I management research and practice.

Over the last fifty years, the topic of organizational Diversity and Inclusion (D&I) has developed as employees and managers have responded to changes in workforce composition, laws regarding fairness and discrimination, occupations, and work organizations (Oswick &
The literature review reveals that the topic of workforce D&I has gained worldwide currency among HR managers and organizational leaders, which is now complemented by relevant research. In 2020 and so far, numerous organizations have committed to enhancing their diversity recruiting procedures and providing D&I training. In general, the hiring of D&I specialists increased; more than seventy percent of S&P 500 companies have a Diversity, Equity, and Inclusion (DEI) officer (Fortune, 2022). Consequently, global proliferation of logic that supports D&I management corresponds with an increase in the participation of various groups in the workplace.

Changing values, shifting demography, and intense internal and external rivalry have an impact on organizations as complex dynamic systems. The regulatory, social, moral, and economic pressures exerted on modern organizations have prompted them to commit to diversity, equality, and inclusion concerns and assisted them in adapting to their internal and external environments (Gonzalez, 2010). Ideal policymaking necessitates the dynamic interplay of policy architects at cascading levels of the system, where competing values, interests, ideologies, and risks converge. Numerous studies have emphasized the potential advantages of having a diverse workforce, including findings of improved organizational efficiency, effectiveness, and productivity as previous marginalized employees bring new perspectives, fostering the creativity of work groups, and creating a dynamic that infuses a new breath of collegiality into the organization (Ely & Thomas, 2001).

Despite the fact that a plethora of information is provided on the strategies needed to build an environment that embraces and capitalizes on D&I, there is little evidence that these programs are successful in achieving their intended aims. It is becoming crucial to comprehend how, for instance, organizations are contextualizing their diversity management (DM) promises and their implications for practice.

These vital concerns are not often addressed in the DM literature (Kellough & Naff, 2004). This might be attributed to how challenging it is to confront the “dilemmas of difference” (Norwich, 1993) and craft a policy that addresses the requirements for additionality while ensuring commonality and taking into account the plurality of values that underpin these (Norwich, 2002, 2014). Another plausible explanation is that organizations lack the practical skills, resources, and capacity necessary to manage D&I in the workplace. To reconcile the shortfall, they emphasize tokenistic approaches, which are limited to communicating the organization’s message about the importance of valuing diversity.

Studies also suggest an implementation gap between what is formally required by policy and what is delivered by line managers (Purcell & Hutchinson, 2007). Ideal policymaking necessitates the dynamic interplay of policy architects at cascading levels of the system, where competing values, interests, ideologies, and risks converge (Soldan & Nankervis, 2014). There is a demand for a comprehensive and situated insight in order to adopt a chain approach to diversity and inclusion management in which each employee will form a vital, valued, and interrelated link. This ensures that no gaps can exist since continuity, flow, and evolution depend on it. In this case, this link is not a restraint but rather the path to the multiple-range growth of the organization, as well as to the freedom of expression, acceptance, and cohesion of its members.

Calls for inclusivity from industrial executives, public sector personalities, and lobbying groups are now popular. When evaluating the terms and conditions under which such groups
experience D&I management, disparities in organizations and society become apparent, and a different picture begins to emerge (Greene & Kirton, 2010). Consequently, there is a compelling need to continue examining the extent to which D&I management rhetoric reflects reality and to identify mechanisms that facilitate the expression of voice for silenced minorities in today's increasingly diverse organizations (Bell et al., 2011; Rennstam & Sullivan, 2018; Theodorakopoulos & Budhwar, 2015).

**Diversity, Inclusion and Diversity Management: Working Definitions**

The term “diversity” refers to “differences among people that are likely to affect their acceptance, performance, satisfaction, or progress in an organization” (Hays-Thomas, 2022, p. 12). Consequently, diversity encompasses the most important differences in a given organizational context. Early diversity work focused on integrating individuals who were substantially different to existent employees into the workforce. However, practitioners and scholars began to see a pattern: women and ethnic minorities were recruited, but they seldom advanced in the organization, and some left within a very short period. Obviously, employing individuals from underrepresented groups is insufficient to sustain diversity. Organizations should likewise evaluate the procedures as well as the causes that contribute to the full acceptance, productivity, and rewards of individuals with differences (Hays-Thomas, 2022).

This condition is known as inclusion, and without it, newcomers, particularly those from underrepresented groups, may feel like “an outsider within the organization” (Collins, 1986). They may experience special stresses, resign prematurely, remain stagnant at entry-level positions, or even be terminated. Thus Inclusion can be defined as the extent to which an employee feels that they are a valued member of the work group by receiving treatment that meets their needs for belongingness and uniqueness (Shore et al., 2011). This description also emphasizes the need for group acceptance as well as the need for individual identity.

There are several definitions of the word "diversity management" (Kandola & Fullerton, 1994; Thomas & Ely, 1996), but two seem to capture the spirit of the notion particularly well (Armstrong et al., 2010). The first defines diversity management as an approach to workplace equality that focuses on equality via “difference” as opposed to ‘‘sameness” (Gagnon & Cornelius, 2002). The second asserts that managing diversity requires knowing that there are differences among people and that, if managed appropriately, these differences are an advantage that contributes to more efficient and successful job performance (Bartz et al., 1990).

Another distinction that must be highlighted is between D&I and terms like Equal Employment Opportunity (EEO) and Affirmative Action (AA). The concept of EEO emerged during the 1960s. Title VII of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, sex, religion, color, or ethnicity (U.S.E.E.O Commission, 1964). An employer who identifies as an EEO affirms that all eligible candidates will have an equal opportunity for employment without fear or discrimination. EEO ensures equal consideration, not preferential hiring. AA signifies that a business will engage in a variety of outreach efforts to identify and recruit eligible individuals from underrepresented groups. As with EEO, AA does not oblige employers to hire anyone, and definitely not unqualified candidates. EEO is a passive declaration stating that an employer will not engage in unfair discrimination. AA is a proactive declaration indicating the company would act positively or proactively to recruit talented
candidates from groups that have historically been subjected to unfair exclusion and discrimination. Although AA and EEO are connected to the concept of D&I, they have distinct meanings (Hays-Thomas, 2022).

**Dimensionality in the Field of Diversity and Inclusion Management**

It is vital to note, at least theoretically, that an unlimited number of aspects of diversity must be considered (Prasad & Mills, 1997). For instance, research and practice in the United States primarily focus on the "Big 8" (i.e. race, gender, ethnicity / nationality, organizational role / function, age, sexual orientation, mental / physical ability, and religion), (Plummer, 2003) whereas, in Germany, 4-6 major dimensions include gender, migratory background, age, family situation / work-life balance, and occasionally disability and sexual orientation (Krell, 2014).

The majority of dimensions considered in the United Kingdom are based on the Equality Act, which came into force in 2010; its aim was to protect the rights of individuals in the workplace and wider society and establish clear regulations that prevent discrimination and criminalize unlawful treatment on the basis of certain protected characteristics (Equality Act, 2010). Despite its reported failure to meet the government's intrinsic and extrinsic objectives (Blackham, 2016), it still serves as a guide for the consideration of equality and equity; the dimensions drawn are thus relevant to political and social activists' agendas and are used herein to explore current perspectives on the matter.

Diversity might encompass any dimension with which persons identify or differ with respect to a particular expression of that dimension (Köllen, 2021). This is significant because different characteristics may be vital in different contexts for inclusion, exclusion, and hierarchization processes (Shore et al., 2011).

In a globalized world of borderless and virtual organizations, it is essential to reexamine the traditional ideas of diversity and develop new paradigms. Consequently, multiple dimensions of diversity are used to evaluate the current state of the research and to formulate proposals for the future. To assess how this literature has evolved, we examine six dimensions of diversity (race and ethnicity, culture, gender, age, disability, and sexual orientation).

Although diversity embodies a wide range of socially construed or biological traits, characteristics, and beliefs that serve to support the inclusion of individuals and populations, the commonalities shared among humans, and the differences upon which they distinguish are endless and cannot be accounted for within the scope of a study. The dimensions examined below could therefore be considered limited and limiting. Nonetheless, they still aim to highlight the repression and inequalities that individuals and groups of employees have faced in their professional and personal spheres of engagement within communities and highlight matters related to emancipation in the workplace that remain largely unaddressed.

**Race and Ethnicity Diversity**

Earlier research (1960s–1980s), prompted by the introduction of the Civil Rights Act in the United States, investigated whether discrimination and prejudice existed in selection, training, performance assessments, promotions, and other crucial human resource tasks (Shore et al., 2011). In terms of job satisfaction, engagement, motivation, leadership, and performance, much research has been conducted on variations across ethnic and racial groups (Denson & Chang,
By the 1990s, diversity research focused on work teams and the business rationale for a diverse workforce (Jackson et al., 2003; Mannix & Neale, 2005). Contrary to popular belief, the evidence on the influence of ethnic/racial diversity on work development and performance has been inconclusive. According to a number of studies, ethnically diverse teams make better decisions than homogenous ones (McLeod et al., 1996; Watson et al., 1993), but others find non-significant or negative effects (Jehn & Bezrukova, 2004; Kirkman et al., 2004; Riordan, 2000). More research is needed to evaluate organizational policies, management practices, and their diversity-related results. Diversity may be viewed differently and have varying performance effects depending on group tenure, task characteristics, and ethnicity. Furthermore, research could investigate the function of leadership in fostering an inclusive environment to mitigate disadvantages and improve performance.

**Cultural Diversity**

Cultural diversity is connected to ethnic and racial diversity. The implications of cultural diversity on organizational results are debatable (Barinaga, 2007; Gelfand et al., 2007). Both positive and negative logics are supported by theoretical predictions about cultural diversity in organizations (Mannix & Neale, 2005), while previous research has revealed that the influence of cultural homogeneity or heterogeneity on individual effectiveness and group performance is inconsistent and inconclusive (Earley & Mosakowski, 2000; Maznevski & Chudoba, 2000; Milliken & Martins, 1996; Watson et al., 1993).

Cultural variety may benefit individuals, groups, and organizations in terms of information processing, acquiring knowledge, and problem-solving (Cox et al., 1991; Ely & Thomas, 2001). Negative stereotyping and social categorization (Dahlin et al., 2005) imply that cultural differences might challenge inclusiveness and efficient operation of the organization. For this reason, it is possible that various communication strategies would be required, which would be facilitated by strong leadership (Ayoko et al., 2002). Ambiguity in research in culturally diverse teams is mirrored in inter-professional team structure and functioning. It has been noted that a diverse work structure is both a factor in poor performance and a contributor to the occurrence of conflict (Mitchell et al., 2011). While cultural variations affect organizational performance, there is considerable disagreement as to whether these differences have a negative or positive impact. More research is needed to determine what characteristics encourage or hinder inter-professional teamwork (Currie & Suhomlinova, 2006).

**Gender Diversity**

The impact of gender diversity on outcomes at various levels is a central theme in the research in this field. A variety of antecedents, including attitudes toward diversity, group effectiveness and performance, the company's commitment to diversity, a pro-diversity culture, interpersonal deviance (Liao et al., 2004), supervisor-focused impression management behaviors (Barsness et al., 2005), and union attachment (Bacharach & Bamberger, 2004) and the proportion of women corporate directors, have been studied (Berkowitz & Fekula, 1999; Bilimoria, 2006; Ely, 2004; Karakowsky et al., 2004; Mannix & Neale, 2005; Mavin et al., 2014; Rau & Hyland, 2003; Singh & Point, 2006).

In addition, several non-significant findings on outcomes such as group performance, task conflict, relationship conflict, turnover, cohesiveness, attachment in teams, team experiences,
comfort with diversity, structural gaps, and organizational attractiveness have been reported (Balkundi et al., 2007; Ely, 2004; Hobman & Bordia, 2006; Leonard et al., 2004; Martins & Parsons, 2007). Past analyses of gender diversity literature have shown inconsistent results on gender and performance (Jackson et al., 2003; Mulcahy & Linehan, 2014). Pay discrimination and inequality are also key topics in gender diversity literature while the gender wage gap is shrinking (Blau & Kahn, 2006), yet it is still significant. Not as much is known about other underprivileged groups or workers who fall into various vulnerable categories (Brynin & Güveli, 2012).

The effects of orientation training on gender socialization are little understood. Gender differences in labor market attachment, work-life conflict, and workplace values may moderate employee orientation, work satisfaction, and job outcomes (Lange, 2008; Lefkowitz, 1994). Despite several studies on gender issues and company performance, the advantages of women directors in corporate governance remain obscure (Dobbin & Jung, 2011). Women on corporate boards and gender as a component of diversity might benefit from a deeper understanding of the relationships between social actors and structures. Additionally, research should investigate the successful leadership of mixed-gender groups and the contextual elements that prevent stereotyping in such settings.

**Age Diversity**

Age diversity is endorsed by the social categorization, social identity, and similarity attraction theories, which assert that age variety has an inconsistent impact on organizational results. However, an overview of the research on age and work reveals that the predominant theoretical focus is on negative forecasts. The conclusion drawn from these studies is that older employees are more likely to be subjected to age discrimination or, at the very least, unfair treatment. Specifically, the assumption seems to hold that younger employees are given preference when it comes to making decisions such as performance ratings, hiring, and salary decisions over those who are older (Shore et al., 2009).

Furthermore, the majority of stereotypes about older workers have been negative, including the belief that they are less adaptable, innovative, and productive, harder to train, and more resistant to change (Burke et al., 2013; Kulik et al., 2000; Ringenbach & Jacobs, 1995) and less comfortable with technology.

While age is not generally associated with lower performance ratings, there is evidence that employees who are older than the age norm for their career stage or older than their work group or direct supervisor experience poorer performance evaluations, less possibilities for training and career progression, and worse performance ratings. Employees who are older than their direct supervisor may experience less opportunities for training and career progression and worse performance ratings. While age is not typically associated with lower performance ratings, there is evidence that older employees experience poorer opportunities for promotion and training (Cleveland & Shore, 1992; Maurer & Rafuse, 2001). In general, studies on age diversity are significantly less established than research on other aspects of diversity and have been undertaken mostly in Western environments (Joshi & Roh, 2007), indicating the need for alternative insights when evaluating age diversity in a range of work contexts (Theodorakopoulos & Budhwar, 2015).
Disability Diversity
According to the World Health Organization, about 15% of the global population lives with some form of disability, of whom 2-4% face considerable difficulties in functioning (WHO, 2022). Despite the significance of this diversity dimension, disability status is under-researched in D&I management (Colella & Bruyère, 2011). Although there are variances across kinds of disability, prejudice, stereotyping, discrimination, and stigma, literature tends to reflect on disability from a deficit viewpoint (Malo & Pagán, 2012; Schur et al., 2009). Positively, it has been stated that organizations are gradually recognizing the significance of attracting and integrating a diverse workforce (Ball et al., 2005), while diversity culture was found to be the strongest and most constant predictor of workplace discrimination against persons with disabilities (Gagnon & Cornelius, 2002). A deeper knowledge of the conditions, which, in some cases, transform impairment into disability, allows for the successful inclusion of people with disabilities and better use of their skills. Such employees have special requirements that can be met through workplace changes or flexible schedules (Wooten, 2008). Prior research shows that organizational flexibility is key to successfully including workers with disabilities (Kulkarni & Lengnick-Hall, 2011). Corporate leadership and culture encourage or discourage disability-inclusive attitudes and behaviors (Schur et al., 2005). Understanding disparities in disability employee satisfaction can lead to policies and practices that increase their satisfaction. Identifying possible boundary constraints that reduce job satisfaction variations might affect effectiveness and workplace success.

Sexual Orientation Diversity
In the organizational behavior literature, theories related to sexual orientation involve relational demography, stereotyping, and stigma (Shore et al., 2009). Although these approaches presume that the sexual orientation of workers is prevalent, some homosexual or bisexual individuals may hide their sexual orientation (Ozturk & Rumens, 2014; Ragins & Wiethoff, 2005). The body of work about diversity on Lesbian, Gay, Bisexual, and Transsexual (LGBT) persons in organizations has been formed primarily by a concentration on heterosexism and discriminatory behaviors. Greater levels of stress among this disadvantaged group of workers (Waldo, 1999), fewer prospects for job progression (Ragins & Cornwell, 2001), and reduced remuneration for homosexual men (Berg & Lien, 2002; Blandford, 2003) are consequences of heterosexism.

Occupational concentration has been proposed as a possible cause for sexual orientation salary disparities (Blandford, 2003; Ellis & Riggle, 1996; Klawitter & Flatt, 1998). Lesbians and gay men may choose to work in lower-paying industries or jobs if they are permitted to reveal their sexual orientation in the workplace. In other words, they would sacrifice higher-paying careers in professions where sexual orientation must be concealed. The organizational demography concept has also been utilized to explore the effect of intersectionality and multiple group affiliations on sexual orientation discrimination and disclosure at work (Ragins & Wiethoff, 2005).

However, there is still more to be done to improve the situation of women and people from LGBT community (ILGA- Europe, 2017; International Labour Office, 2016), and more work focusing on sexual orientation from an inclusivity standpoint is required. Despite the introduction of Anti-discrimination legislation/Equality Acts in several nations and evidence of a favorable correlation between the implementation of LGBT-friendly human resource
practices and organizational performance (Wang & Schwarz, 2010), the prevalence of such practices is not ubiquitous. There is a paucity of empirical research about the factors influencing organizational choices to implement LGBT-friendly policies. A future study might provide additional insight into the role of institutional processes in the adoption of LGBT-friendly policies by organizations in various circumstances (Theodorakopoulos & Budhwar, 2015).

**The Business Case for Diversity and Inclusion**

As the discipline progressed, practitioners and researchers realized that in order for diversity programs to succeed in work organizations, a persuasive business justification would be required to justify the allocation of resources and administrative support for this activity. This led to the creation of the D&I business case, which asserts that effective diversity management increases firm profitability (Hays-Thomas, 2022).

Cox (1997) developed conceptual arguments for diversity management initiatives based on organizational profitability. He presented a number of characteristics that result in improved profit for an organization that effectively manages diversity. It should be noted that these are not only arguments in favor of diversity; they also make a case for effective diversity management.

1. **Marketing strategy.** Companies that are internally diverse will be more able to comprehend their increasingly varied customer/client base and will likely commit fewer public relations missteps connected to ethnicity. A public relations benefit is the perception that a corporation "does diversity well."

2. **Resource acquisition.** Talented minority applicants, as well as others, may be more willing to accept work with a firm with a favorable reputation for diversity. High-ability employees from various backgrounds may be interested in underrepresented group perks and processes.

3. **Better problem solving.** The varied expertise and knowledge of diverse employees ought to result in a broader range of information and options as well as improved critical assessments. In order for this to occur, group dynamics must be precisely handled.

4. **More creativity and innovation.** This should also result from a broader range of information and experience, but only if group procedures are controlled so that creative ideas may compete for adoption.

5. **Greater system flexibility** (Cox & Blake, 1991). An organization with greater internal diversity should be better equipped to adapt to changing external situations, such as competition, economic or labor market shifts, or new laws and regulations.

Well-managed organizational diversity may cut costs and boost profitability, according to Cox (1997). If managed correctly, diversity should reduce minority retreat behaviors and thus reduce absenteeism and turnover. Well-managed diversified organizations should have less sexism and racism and greater opportunities for underrepresented groups to contribute. Good diversity management should prevent losses due to language, communication style, and feedback openness and provide more effective communication. Lost productivity, absenteeism, turnover, and conflict are costly. Costs should be reduced if intergroup interactions are cordial and harassment is rare. Fair and open treatment of employees should save expenses with fewer discrimination lawsuits.

It has been demonstrated that diversity within work groups and teams has its own benefits, including a good return on investment from human capital (Gardenswartz & Rowe, 1998).
Specifically, European Commission study (2005), and others have reported that the main business benefits of focusing on diversity are the ability to recruit from a larger pool of candidates and retain better employees for longer (Iles, 1995; McKay et al., 2007; Ross & Schneider, 1992), broader market intelligence and internationalization (Cox & Blake, 1991), and greater creativity and innovation (Gardenswartz & Rowe, 1998; Iles, 1995; Wilson, 1996), diverse perspectives on business issues with an emphasis on enhanced problem-solving and decision-making (Flood et al., 2001), improved marketing (Metcalf & Forth, 2000), increased community connections as well as an improved image for the firm (Nykiel, 1997), decreased costs associated with turnover and absenteeism (Armstrong et al., 2010; Kandola, 1995; Ross & Schneider, 1992).

Notably, some researchers question the logical integrity of the business case as well as how the notion of diversity is utilized (Metcalfe & Woodhams, 2012; Noon, 2007). Others dispute the extent to which diversity policies are implemented when they exist (Hoque & Noon, 2004) and the degree to which the change from equal opportunities to diversity management is accompanied by a shift in practice (Tatlı, 2010). More compelling evidence from a range of settings influenced by a wide variety of conditions, as well as a more comprehensive interpretation of techniques relevant to D&I management, are required to better understand the causes, consequences, and approaches to D&I management.

**The Shape of Diversity Management Practices**

Two separate, but linked, difficulties or questions are addressed by diversity management methods. When diversity is viewed as a desirable condition in and of itself, diversity management must take methods that increase the variety of an organization's workforce. On the other hand, diversity management must consider how to make the workplace as inclusive and feasible for the current diversity. The issue of sustaining the diversity of an organization incorporates both issues. Recruiting-related diversity management techniques are most closely associated with the level of workforce diversity. To support the recruitment of diverse personnel, these strategies may include targeted diversity recruiting, campaigns to reach potential applicants from the desired recruitment pool (McKay & Avery, 2005, 2006), or the provision of incentives for the recruiter to promote the recruitment of a diverse workforce (Tipper, 2004).

The implementation of recruitment procedures that promote diversity is applicable across a range of organizations that operate within national contexts and set quotas to meet legislative requirements. The diversity image and reputation associated with institutions has been claimed to constitute a significant criterion in the selection of employment posts by prospective employees from ethnic minorities. Therefore, the diversity image projected by organizations could serve to increase the percentage of applications from underrepresented groups and, in the long term, result in their successful employment and effective retention (Edwards & Kelan, 2011; McKay & Avery, 2006). If, however, this image is also the product of a positive and encouraging diversity atmosphere within the business, then employer-branding initiatives are closely tied to those activities that aim to make the organization inclusive of the diversity that already exists within it.

Diversity training is another prevalent technique in this second set of approaches to diversity management. This training, which can take a variety of forms, attempts to increase managers'
and employees' understanding of stereotype-based diversity-related prejudices and, as a result, to facilitate intergroup relations in the workplace (Alhejji et al., 2016). As a foundation of their diversity management strategies, several firms worldwide have developed mentorship programs for women, minority personnel, and other disadvantaged groups. It is considered that members of more privileged groups have easier access to resources such as internal knowledge and networks (Clutterbuck & Ragins, 2002). These programs intend to provide these groups with access to the same resources.

The diversity management practice of forming employee network affinity groups is motivated by the same reasoning. The establishment of minority networks, specifically serving underrepresented communities in the workforce, has been considered critical in workplace coaching and mentoring practices; the former has been reported to provide support strategies for these populations and equip them with the necessary skills and resources to enable them to navigate organizational contexts. Equally, such voluntary networks could enhance representation, bring the voices of minority employees to the fore, and engage in the management of diversity-related tasks. Diverse representation could, in turn, attract a wider customer base based on the organization’s capacity to reflect and address the requirements and differentiated needs of individuals and customer groups. Although not strictly connected to diversity challenges, firms typically include programs aimed at assisting their workers in managing work-life integration more successfully into their diversity strategies. These programs frequently aim to enable the reconciliation of care obligations and employment. Flexible working hours, job-sharing, and childcare options are the most prevalent practices of this kind (Chung & Van der Lippe, 2020; Doherty, 2004).

Gitzi and Köllen (2006) classified seven categories of diversity management practices that are most important. These include a balance between work and personal life; the establishment of networks representing diverse communities; tailored-made coaching and mentoring that addresses the needs and rights of underrepresented groups; the establishment of robust organizational policies tackling inequality; the formulation of cultures that promote diversity through empowerment and training, and the provision of working benefits which encourage integration and inclusion (Gitzi & Köllen, 2006). Despite the fact that the methods may be similar, there are variations in how diversity is contextualized in different national settings. Different regulatory frameworks in various nations may lead to corporate diversity management plans emphasizing certain aspects of workforce diversity while neglecting others (Köllen, 2021).

**Challenges and Future Directions of Diversity and Inclusion Management**

Most diversity researchers agree that diversity management is a "socially just and morally desirable" management approach (Lorbiecki & Jack, 2000, p. 21). The moral value of this strategy is founded on the same grounds that supported the moral value of affirmative action and equal opportunity approaches, namely their contribution to attaining relative equality. The current condition of inequality is characterized principally by unequal representations of members of the specific manifestations of the numerous characteristics of diversity at the various organizational hierarchy levels. The efforts of businesses to increase their profit or maximize shareholder value, together with the anticipated economic value of diversity
management, provide adequate legitimization for said management. Nonetheless, the intrinsic moral importance of diversity management strengthens and broadens this legitimacy’s foundation, building the ethically commendable pillar alongside the profitable one. Complexity in diversity management will continue due to its multifaceted character. This tendency is reinforced by continuous changes at the social level such as ongoing migratory movements and related needs of inclusion, including challenges arising from the shrinking workforce, resulting from the declining birth rate and the aging population (Köllen, 2021).

As studies about workforce heterogeneity confirm, diversity is complex and multidimensional, and an in-depth analysis of the concept is needed. Employees can vary across a broad range of demographic characteristics (age, gender, and ethnicity), and the projected impacts of each kind of diversity are not necessarily the same (Jackson et al., 2003). Before creating a set of HR practices for managing diversity, it is essential to examine and precisely define the types of differences the business must manage (Alcázar et al., 2013).

Consequently, more research is required to evaluate the contextual factors outside and inside the organization that may affect the impact of diversity. Such studies should define some external aspects of context including the national culture, occupation, industry, and legal context, while each of these context factors may have distinct consequences with wide or limited implications for people, communities, and organizations. Similarly, internal organizational contextual impacts of organizational culture, strategy, and human resource practices should be examined together with the role of leadership in fostering an inclusive environment in order to mitigate disadvantage and encourage positive outcomes and performance at all levels. The contradictory findings about the impacts of diversity may be due to the large number of contextual variables that influence organizations and employees (Jackson et al., 2003; Kochan et al., 2003; Webber & Donahue, 2001), and an integrated approach is important to unlock the black box” of the effects of diversity’s effects.

There’s widespread agreement on the need to foster an environment that values and celebrates diversity. However, keeping word on assurances and fulfilling commitments made is not always simple. An integrated strategy that can help overcome constraints and explain how D&I can be managed is one of the main challenges for HRM in modern organizations. Reshaped strategies are required to transform D&I into an enhanced employee experience and a strategic advantage for the organization. It is time to adopt a new approach where D&I should be an integral part of the formulation and implementation of company strategy and embedded in the continuous operations of the organization.

Organizational structures are dynamic organisms that shape and are shaped by the individuals that compose communities and sub-communities of practice; the implications of these notions could be used to effect changes and induce learning processes within an organizational context (Wenger, 1999, 2011). Communities of practice are not ahistorical nor neutral: they subsume values and beliefs that are contextualized in operational paradigms. These values have been institutionalized in organizational procedures and, in some cases, could serve to perpetuate rather than tackle inequalities.

The governance of communities of practice is not subjected to the traditional vertical hierarchies that align with traditional models of leadership in organizations but foster horizontal accountability. The latter fosters distributed leadership patterns, a strong sense of belonging and
interdependence, and commitment to collective productivity through the development of roles and identities which are complementary yet distinct and valued within their own right.

If productivity and effective performance are viewed as an interplay between individuals and structures which is co-constructed within landscapes of practice, then the competences of organizational communities should be challenged by diversity and forced to reconsider traditional means of viewing individual and team skills and abilities. The knowledge and new insights created within diverse and inclusive communities have the scope to develop new competencies that are reflective of the globalization of working practices, the advancement of technological innovations, and new modes of working and belonging.

Although communities are distinguished by virtue of their boundaries and social identities and could thus be exclusive, the development of diverse and heterogeneous communities could offer new insights into organizational diversity if supported with relevant policies, practices, and corresponding infrastructures. These efforts should not be limited to tokenistic approaches that aim to demonstrate compliance with legislation but infiltrate the ethos and modus operandi of institutions and organizations. Therefore, institutional and organizational policies, procedures, and practices should be reviewed and reformulated to effect cultural and organizational restructuring. Inclusion and diversity are not concepts that pertain to a change of just one operational aspect within a system—they should entail a reconsideration of the whole system (Nilholm, 2021; Nilholm & Göransson, 2017).

The notions of D&I in the workplace, despite their theoretically unlimited rhetoric (Hansen, 2012, are plagued by institutional and organizational barriers which limit and restrict their potency. These affect the experiences of employees and their capacity to reach professional fulfillment and contribute to the productivity and advancement of organizations. The institutionalization of outdated practices, which in some cases have become part of the historicity of organizations and are often viewed as social constants (Berger & Luckman, 1971), have to be challenged to affect a culture of change. In practice, this would involve the deconstruction of institutionalized practices and the reconstruction of new organizational protocols and structures which are not simply aligned to legislative frameworks but expand to encompass different multicultural notions of performance and productivity, flexible patterns, and innovative modes of working. These new structures should not merely be catering to the needs and specific requirements of employees but should aim to reduce barriers, enhance participatory means of engagement, and redefine performance and productivity in collaboration with employees as well as external organizations and internal networks which represent the rights of minorities and bring their voices to the fore. The production of new working protocols, artifacts, and notions of competencies and performance, which are composed by diverse individuals and communities, who ascribe to different belief and value systems, could promote policies and procedures which transcend localized and restrictive community boundaries and cultivate effective intercommunal and interprofessional communication and collaboration.
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