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DIVERSITY MANAGEMENT AS A CHALLENGE FOR TODAY'S MANAGERS

With the challenges that modern organizations face (Mulgan, 2009), diversity management becoming a major issue for managers – from recognizing diversity (identifying it, making people aware of its importance) to planning an effective strategy to manage it. This also requires a deeper understanding of diversity and social inclusion. Many research studies (Gross-Gołacka, 2018; Kuldova, 2012) show that in the 21st century, the success of any organization – regardless of size or industry – will depend on how it manages diversity. Organizations that make diversity management part of their business strategy will be successful. So far, including in Poland, diversity management issues have not been the subject of many specific studies. Diversity management concepts are not implemented reliably in organizations due to a lack of knowledge, analysis, and conclusions. This article aims to identify possible gaps, and cognitive and empirical problems in assessing the preparedness or maturity in diversity management of employers in Poland.

Keywords: diversity, diversity management, analyzing diversity in organizations.

1. INTRODUCTION

The modern world has shrunk to the size of a 'global village' (Fukuyama, 1996): geographical distance keeps losing its importance, and national economies are merged into an integrated global system and as such become interdependent. As a result of economic integration, increased migration processes and the circulation of ideas, some cultural differences are being blurred and others accentuated, and this is becoming apparent between and within societies.

Many factors such as: demographic changes (population growth, increased social mobility geographically and professionally, ageing population, significant changes in the structure by age, negative birth rate); globalisation of markets or operation of companies in different countries; cultural evolution; technological development, information society, networking; as well as legal issues related to discrimination (equal opportunities policy, anti-discrimination law) are causing the work environment to become more and more diverse; a growing number of companies and institutions consider diversity management as

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one of the necessary elements of their HR policy and development strategy. Knowledge and competences in diversity management become indispensable, because as a result of globalisation processes management occurs in conditions of cultural diversity (Kostera, Śliwa, 2010). This article aims to identify possible gaps, and cognitive and empirical problems in assessing the preparedness (maturity) of employers in diversity management in Poland.

2. DIVERSITY MANAGEMENT AS A CHALLENGE FOR TODAY'S MANAGERS

With the challenges that modern organisations face [see Mulgan, (2009)], diversity management becomes a major challenge for managers – from recognising diversity (identifying it, making people aware of its importance) to planning an effective diversity management strategy. Nevertheless, this requires a deeper understanding of diversity and inclusion. Diversity management is a journey of continuous discovery of people and their contributions and the value they can give to an organisation and to society. Diversity should be seen as a reality, not a concern. Indeed, it is a multidimensional concept. Diversity is defined by the mix of many features – differences and similarities – that employees bring to an organisation. These features include age, gender, (in)disability, race, ethnicity, religion, but also education level, family structure, position, geographical location, style and values, so those visible features and those invisible. Diversity should be defined as the recognition, understanding, acceptance and appreciation of differences between people, both those that are features and those that result from experience. Diversity is all the differences people bring to an organisation or group. Such an approach to diversity – recognising the benefits of that diversity – will measure the quality of management. Maximising diversity and benefiting from it in an organisation is an essential issue for today's management quality (Gross-Gołacka, 2018).

Organisations use diversity to become more creative and open to change. Many research studies (Gross-Gołacka, 2018) show that in the 21st century, the success of any organisation – regardless of size or industry – will depend on how it manages this diversity. Organisations that make diversity management part of their business strategy will be successful.

The benefits of employing diverse employees are numerous: from better financial performance and more innovative ways of solving problems to effective employee retention (thus reducing staff shortages and turnover) or making your company, products, and services more attractive to customers and various external partners. But, again, diversity is also a challenge for organisations. Conflicts are inevitable, as are the costs that a company bears when introducing flexible forms of management, specialised training or integration undertakings. Diversity in the working environment affects the culture of an organisation and implies the need to adapt management methods to the requirements of cultural diversity, which in turn requires specific intercultural competences among modern managers[2].

To conclude, the answers to basic management questions are culturally determined (Sułkowski, 2002); moreover, they are related to institutional, legal and social conditions. Moreover, diversity management is a multidimensional and dynamic topic; it requires

[2] The ability to manage teams of diverse employees in terms of age, race, and gender, among others, is already becoming common practice in global companies (Pocztowski [scientific editor], 2015).

interdisciplinary competences: it draws on knowledge from economics, psychology, philosophy, and sociology, which should be given special attention in curricula for training contemporary managers sensitive to diversity.

It is therefore worth being aware, it is worth knowing what influence the following can have on an organisation: the culture of its employees or business partners[3]; the institutional and legal solutions that form the background for the organisation's functioning; the political and economic situation in the country where the company's headquarters or market or business partners are located. This knowledge can often determine the success or failure of a company in business negotiations, setting the terms and conditions of cooperation when signing contracts.

3. FROM COMPENSATORY MEASURES TO DIVERSITY MANAGEMENT

The development of the diversity management concept was a response to demands expressed by movements fighting for their rights and equal opportunities in the mid-twentieth century in the United States. The idea of equality was simultaneous with real inequalities: which affected slaves, labourers, women, and different cultural groups – it was a response to these inequalities. Approaches to equality and diversity have evolved over the last 50–60 years: from compensatory measures (1960s and 1970s) to valuing differences (1980s) to diversity management and 'living' diversity (today). The term 'diversity management' was first used in the US in the 1980s, and not until the 1990s, the recognition of the demographic changes occurring and their consequences for economies caused organisations to address diversity issues for reasons of profit and innovation, rather than fear and the need to comply with laws or respect ethical values. On a larger scale, the concept of diversity management in organisations only emerged in the late 20th century – as a recognition of the economic benefits ofeffectively managing diversity among an increasingly diverse workforce (see Gross-Gołacka, 2018).

In the 1990s, the integration of diversity management into education, research and practice worldwide was also initiated. This issue has gained popularity as a new management approach in the USA and Europe. It began to spread to the rest of the world: Australia, Canada, New Zealand, European and Scandinavian countries. In Poland, changes toward diversity management are relatively slower. Organisations recognise the diversity of their human resources and the need to implement equality and diversity solutions, and the actions taken in some companies in Poland are not only the result of the need to adopt internal regulations to the provisions of the Polish Labour Code. Planning and applying solutions based on long-term thinking start to emerge, which makes it possible to see the benefits of a personnel policy that takes diversity management into account (Firma = = różnorodność [*Company = Diversity*], 2009).

Basically, diversity management is not about giving preference or just levelling the playing field for individual members of a group, but about more than that – it is about recognising that diversity in its broadest sense enhances the quality of the whole organisation. Diversity management always has a broader scope and is about improving

[3] American companies place the interests of shareholders (usually) highest in the hierarchy of their values; Japanese companies – the interests of their customers; Swedish companies – the interests of their employees. Therefore, the criterion for success in the first case will be the ability to pay high dividends to shareholders, in the second one – to consolidate market share, in the third one – to ensure permanent and secure employment for employees.

organisational culture. It is a more advanced holistic approach. It does not just focus on women and minorities, but addresses the needs of an entirely diverse workforce, aiming to create an environment that works naturally within that diversity.

An equal opportunities policy stems from outside the organisation – it is enforced by legislation, it focuses on discriminated employees; while diversity management comes from inside the organisation, as an initiative to fully integrate diversity into the company culture; it recognises the potential of human differences and can skilfully exploit them. Diversity management concerns all employees, not only *disadvantaged* groups. Equating diversity management with human resource management and differentiating a team based on one of the diversity dimensions (e.g. gender, age, (in)disability etc.) is wrong. Diversity management is a holistic and inclusive strategy for all employees regardless of their individual traits, positions held, competences etc. Diversity management is not only about counteracting discrimination in the workplace and creating a friendly working environment for all groups (regardless of age, gender, ability, race, religion, beliefs). Diversity management is the company's strategy and management of an organisation that is willing to have an open dialogue, to discuss with its employees their competences, aspirations, personal and professional goals and values with respect to the mission, objectives and needs of the organisation and their translation into expectations from the employee. Programmes and procedures introduced as part of a diversity management strategy should respond to real needs (problems), considering all employees' needs, not only those of disadvantaged groups. In addition, each time before introducing solutions, an analysis of their impact on the situation of different groups of employees should be carried out. This is important because poorly formulated objectives and tools for achieving them (programmes, procedures) may cause a lack of understanding among some employees or cause misunderstandings and conflicts. In light of these issues, it seems that no market player today can afford to overlook the diversity of its customers, suppliers, shareholders and employees – if it wants to achieve its goals successfully.

4. IDENTIFYING 'WHITE GAPS' IN DIVERSITY MANAGEMENT CONSIDERATIONS, ANALYSIS AND RESEARCH

For the last 40 years or so, there has been an increasing number of publications worldwide on diversity management and its impact on the success of organisations and how to implement it. However, research on this topic appears to be insufficient and unsystematic. Even large studies fail to clearly identify appropriate measurements and metrics (Gross--Gołacka, 2018; Stahl at al, 2009). Diversity management has been present in Polish science for only a few years. Elwira Gross-Gołacka (2018) analysing the development of diversity management policies in Poland (and abroad) identified a significant gap in the area of consideration, analysis and research on this issue.

Diversity management issues have (so far) not been the subject of specific and numerous studies (also in Poland). Diversity management concepts are not implemented reliably in organisations due to a lack of knowledge, analysis and conclusions. Conclusions from partial studies are 'scattered' across publications or information materials where, with too little promotion of the issue among managers and employees, they are used to a limited extent (see Gross-Gołacka, 2018). Admittedly, research and analysis are being conducted, and more is happening on the subject, if only considering all the initiatives related to the

promotion of good practice examples[4], but the subject is burdened with numerous methodological and cognitive problems. For example, diversity management is only one of the many factors that contribute to improving organisational performance (e.g. higher productivity may result from better-motivated employees; it may be the result of changes in work organisation or new technologies, or it may be the implementation of solutions that consider the needs of a diverse workforce; or it may not be possible to see clear changes/benefits regardless of the changes made, because the company is strongly influenced by factors such as prices of raw materials, level of customer demand, global changes beyond the company's control, etc.). – this raises the question of how to measure the benefits of implementing diversity management, how to monitor and analyse diversity in an organisation? In addition, the amount of 'hard data' is poor and the sensitivity of commercial data often prevents the publication of some company studies or restricts access to data necessary for analysis. These are just some of the dilemmas of measuring diversity in an organisation. Therefore, the completion of such research makes a great contribution to filling the existing knowledge gap in the field of diversity management in Poland and to the development of reliable and accurate analysis tools.

The research available in the reference literature suggests that preparing employees to operate in a multicultural environment is not one of human resource management priorities. This is evidenced by the low percentage of companies with formal procedures in this respect. In a way, this is a pointer and a challenge for training programmes, among others for future managers. Competences related to understanding diversity and multiculturalism, ethical commitment, understanding cultures and customs of other countries concerning discrimination and diversity management in organisations should be central in the training of future managers.

The domestic empirical research can be reduced to a few basic conclusions:

- The state of diversity management implementation in Polish companies is quite low, but respondents recognise the need for it (Lisowska, Sznajder, 2014; Lisowska, Sznajder, 2013). They also recognise the benefits of introducing diversity management, but are aware of the insufficient knowledge and practice of implementing, monitoring and analysing diversity in the organisation. Management staff often associate diversity management strategy and equal opportunities policies with each other or use them interchangeably. In contrast, diversity management strategy is a broader concept than equal opportunities policy. Diversity management is not just a political category (equal opportunities/affirmative action policies have been like that – they have been enforced by law); in fact, it is a strategically important resource. Nevertheless, it is still sometimes associated with equal treatment or anti-discrimination. But this is a simplistic connotation. The existing differences between diversity management and affirmative action/equal opportunity policies are debated in the academic literature. The two approaches are related but quite different. They show progress in the development of equality in organisations: from affirmative action (equalisation) through equal opportunity policies to diversity management.

[4] For example, the Diversity Index Project implemented by PKPP Lewiatan together with the preparation of a self-assessment tool of the company (Diversity Index): https://odpowiedzialnybiznes.pl/karta-roznorodnosci/aktualnosci-karta/barometr-roznorodnosci-i-wskaznik-diversity-index/ and www.diversityindex.konfederacjalewiatan.pl.

- Diversity management is part of the search for new, more effective tools for dealing with the uncertainty of the environment and the speed of change, but effective use of diversity management requires more skills from managers (at different levels in the organisational structure) than before; involvement of all employees (regardless of their position in the organisational structure) – as an inclusive strategy, it includes not only the internal environment of the company, but also the external environment; a strategy that covers the whole organisation, not just selected aspects (e.g. recruitment and selection). For diversity management to be implemented successfully, all levels of management in an organisation must be sensitised and involved in diversity issues, which is not always a straightforward process. The decision to implement a diversity management policy as part of the organisation's day-to-day management is the responsibility of senior management. These are the decision-makers responsible for the strategic development of the organisation. Middle management is responsible for implementing diversity management as part of its direct management of employees/workers. Management staff needs to be adequately prepared for implementing diversity management policies. This preparation of middle management in implementing diversity management (conviction of the concept, examples of good practice) is often lacking.

In Poland, diversity management is still rare. Polish companies (more often the larger ones or those with foreign capital) undertake numerous activities aimed at levelling opportunities, increasing competitiveness, skilful talent management, better-achieving goals, but only a few have decided to implement the concept of diversity management (*Zarządzanie różnorodnością…*, 2022; *Sygnatariusze Karty*, 2023).

5. EVALUATION OF ACTIONS TAKEN

Another important issue related to the implementation of diversity management (as any other project or initiative) in an organisation is the process of analysis and monitoring of activities. This is about possible, available tools for evaluation of activities implemented so far. Measuring diversity and diversity management practices is perceived as the first step to effective diversity management, which is treated as a tool for assessing an organisation's starting point (Gross-Gołacka, 2018).

For most companies, analytics in HR is still new. Analytical data are of low quality and incomplete (often reduced to figures on the socio-demographic structure of employees without qualitative analysis of these data), and shortage of qualified persons to carry out such analyses. Evaluation performed by management is not objective and does not provide full knowledge of events and relationships occurring at different levels of the organisational structure. There are many different ways to collect data, e.g. on seniority structures, exit interview mechanisms, staff turnover rates, incidents of discrimination, number of training and other initiatives to improve staff competences and others. Despite the plethora of possible data to be analysed, the issues of monitoring data on diversity policies in organisations in Poland still belong to the exceptions and are not systematic and regular in nature. The ability to analyse and monitor HR is a big gap in organisations and at the same time a big future, because it is a skill set for human resources management, operations and leadership. This knowledge will enable the company to build a competitive advantage through a better understanding of all aspects of the workforce and to exploit the potential inherent in diversity.

For example, job satisfaction should be considered as a psychosociological category. It is composed of many material and non-material factors. The feeling of satisfaction determines a certain attitude of the employee towards the job, the entrusted duties, or the workplace (specific company). Employee satisfaction surveys are an excellent tool for finding out what the staff think about different aspects of the company. They can be conducted cyclically, providing systematic monitoring of employees' needs and on a one-off basis – collecting information needed, for example, to introduce important changes in the company or to learn about the employees' opinions after their implementation. Crucial is to obtain the answers to the evaluation questions and their statistical presentation and analyse these answers according to the socio-demographic characteristics of the people employed (gender, age, (in)disability, family situation, sexual orientation, other characteristics). Besides, if the collection of data on employees is to be followed up with real action.

There are different areas and tools for internal analysis of the level of diversity in an organisation. For example, regular monitoring of the situation in terms of the structure of the employed staff, will show in an objective way how the employment is shaping considering the criterion of gender, age, (in)disability and possibly other demographic and social features and positions, to be able to recruit employees properly, implement development programmes addressed to specific groups. The analysis of the employment structure allows the company to determine the demographic profile of its organisation; to monitor the career paths of its current employees; to monitor newly recruited employees, dismissed employees, redundant employees, employees approaching retirement age. Monitoring of salaries and promotions is also potential as an assessment tool, providing information on how salaries are shaped at different levels and positions in the organisation. Other actions which the company can initiate: appointment of an ethics officer, training of managers in intercultural competences in a broad sense; additional technological solutions, additional development training for marginalised groups; support for internal events, especially those of a bottom-up nature, etc. When an organisation has a strategic approach to diversity management, it attaches great importance to monitoring, evaluating, and assessing the activities or solutions implemented.

In conclusion, this article contains more questions than ready-made solutions. But that is precisely its purpose: to identify gaps and cognitive and empirical problems in assessing employers' preparedness (maturity) in diversity management.

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