

Assessment Task 1 – Written Analytical Essay – Individual Assignment

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Introduction

At present, businesses mainly operate in highly dynamic as well as regularly changing business environments. Furthermore, the rapidity of change in customers' tastes and preferences has consequently resulted in enhancing the challenges faced by human resource management of every organization including both local and international organizations (Ahmad et al., 2021). According to HR Daily (2022), HR plays a very important role in various aspects of the organization as well as the external environment of business. One such crucial aspect is DEI i.e., diversity, equity, and inclusion. HR plays an important role in enhancing the social expectations of prioritizing DEI and delivering better performance or results. According to McMillon-Brown (2021), DEI mainly stands for diversity, equity, and inclusion which can be described as an umbrella term used for the programs, policies, strategies as well as practices which are implemented the company's mission for creating and sustaining the diverse, equitable as well as the inclusive environment which respects each employee in the workforce. The present essay aims to critically examine and evaluate the concept of DEI by considering various arguments. The first section of the essay shall focus on analyzing the concept of DEI and why it is necessary for leading HR experts. The second section of the essay shall focus on demonstrating what HR experts can do to ensure prioritizing DEI in strategies and lastly, the essay would discuss what are the potential benefits and challenges and recommendations for implementing DEI.

What is DEI i.e., Diversity, Equity, and Inclusion?

DEI is the acronym that mainly stands for diversity, equity, and inclusion. In the context of discipline, DEI can be described as the practice or policy which is mainly designed for making embrace individuals of different backgrounds and support their subjective perceptions, background, values, and culture in the workplace (Hagman, 2021). The concept of DEI mainly comprises three different concepts i.e., diversity, equity, and inclusion. Primarily, the term **diversity** here refers to the presence of differences within a given setting or environment. In the context of the workplace, these differences can be in the form of gender identity, race, ethnicity, sexual orientation, ethnicity, socioeconomic class, and others. Furthermore, the differences also include differences in terms of physical ability as well as the veteran status of an individual (Karakhan et al., 2021). Similarly, the term **equity** can be described as an act of ensuring that both the programs as well as the policies in a given setting are normally impartial, fair as well as even

for all are free from biasness and partiality (Shinners, 2021). Lastly, the term **inclusion** can be described as the practice of ensuring that all the individuals in the workplace mainly feel a sense of belongingness in any organization (Barnett, 2020). In other words, the term inclusion mainly means that each individual feels comfortable and supported in an organization especially when it comes to being an authentic self in the workplace. As a combination of these three key elements, the term DEI can be mainly described as an ethos that mainly identifies the values of diverse voices and mainly emphasizes inclusivity and the well-being of the employees as a central success fact of the customers. To bring these values to life, organizations are required to implement initiatives and programs that contribute to making the workplace more diverse, equitable as well as inclusive.

Why do leading HR experts consider DEI critical to an organization's human resource strategy, policies, and practices?

DEI has grabbed the attention of people and organizations significantly in the last decade. As individual factors, all three factors mainly have individual importance due to which the leading HR experts consider the concept of DEI critical to an organization's human resource strategy, policies as well as practices. Primarily, diversity is important in an organization because diversified backgrounds often result in presence of different perspectives or opinions which consequently results in better performance as well as outcomes (Campbell, 2020). Similarly, equity is considered important by HR leaders because it helps in ensuring equal situations and circumstances for all individuals which in turn assists the employees in growing. Likewise, inclusion is also considered important because inclusion significantly contributes to maintaining diversity (Bao et al., 2020). Furthermore, it also plays a major role in making the employees feel engaged and thereby contributes to ensuring employee retention. In this way, the concept of DEI altogether is important in the creation and maintenance of a successful workplace. In addition to this, various other factors reveal the importance of the concept of DEI in an organization (Ashley et al., 2022). Primarily, HR experts need to consider DEI critical in an organization's HR strategies, policies, and practices because it helps in creating **opportunities for eradicating prejudice**. In other words, one of the most crucial reasons behind ensuring the implementation of DEI is providing social benefit rather than economic one (Morgan et al., 2022). Furthermore, when organisations work towards the implementation of the inclusivity, it helps in ensuring justice at workplace together with the provision of equal opportunities for all.

Secondly, considering DEI crucial while formulating HR policies and strategies significantly **helps in enhancing the level of creativity as well as innovation**. The diversified teams often tackle the observed issues and problems from different perspectives as the team has different types of perspectives and opinions to approach an issue (Buchanan & O'Connor, 2020). The diversity in the team mainly helps the team members to interact with one another in such a way that they understand the opinion and perceptions of one another and accommodate the ideas of all which mainly justifies the term 'innovation and creativity'. Thirdly, diverse teams with equity and inclusion are more likely to **create a global impact** as well as global market awareness (Wilson et al., 2022). The key reason behind this is the fact that diverse teams often see the situations from different perspectives backed with personal experience which in turn helps in resolving the issues creatively.

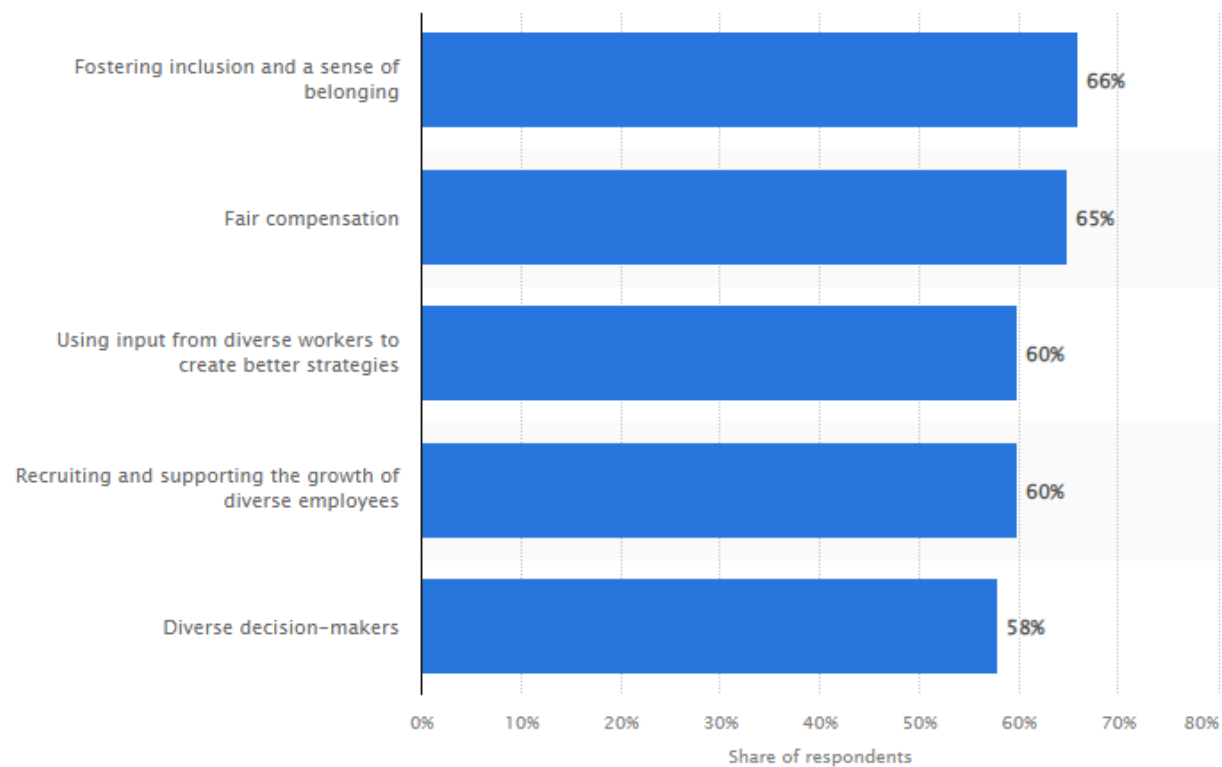


Figure 1: Outcomes of Diversity, Equity, and Inclusion (DEI) programs (Source: Statista Research Department, 2021)

In addition to this, according to a research report by McKinsey & Company, the companies or organizations which mainly promote diversity, equity, and inclusion are more likely to attain better organizational performance by 48% and the overall profitability likely to be increased by 36%

(McKinsey & Company, 2022). Furthermore, as shown in figure 1 above, there are various other benefits of considering the concept of DEI while the formulation of HR strategies and policies such as **ensuring fair compensation to the employees, creating better strategies, ensuring diverse decision-making, fostering the sense of belongingness among the employees, recruiting better workforce and ensuring their growth** (Byker Shanks et al., 2022). As a whole, it can be said that the DEI plays a major role in ensuring the availability of positive work culture to employees which significantly assists in ensuring better productivity as well as revenue generation by the company. Therefore, leading HR experts consider DEI critical to an organization's human resource strategy, policies, and practices.

What HR practitioners can do to ensure DEI is prioritized in how they are designed and practiced within the organization?

Ensuring diversity is one of the key responsibilities of HR practitioners in any organization. Furthermore, to ensure a culture of diversity, equity, and inclusion in any organization, it is very crucial for human resource management to primarily educate the workplace about the true meaning and significance of DEI (Pourret et al., 2021). Furthermore, to eliminate the systematic biasness and discriminative practices and ensure diversity, equity, and inclusion at the workplace, making changes and effective planning of different human resource functions and practices can help in the following manner.

Recruitment and Selection

Recruitment and selection are one of the most important human resource functions that can play a major role in contributing to ensuring a culture of diversity, equity, and inclusion. **Primarily**, as a key strategy of the recruitment and selection process, HR practitioners can actively work towards facilitating a ***hiring process that is mainly centered on equity*** (Allen, 2019). In other words, HR practitioners should focus on ensuring the inclusive hiring process mainly centered on equity. To do this, the focus should be made on creating an approach that focuses on quality and excludes it while holding everyone accountable (Forbes, 2023). Furthermore, HR practitioners can also focus on considering the decision makers for this by asking questions like is the firm is focused upon inclusion, and whether does team reflects the presence of diversity in the workforce. **Secondly**, during the recruitment and selection process, the focus of the HR practitioners should be on

choosing the best job candidate (O'Connor et al., 2019). In other words, HR practitioners should choose the best candidate regardless of religion, race, gender, and other factors.

For this purpose, HR practitioners must consider the impact of ***Social Identity Theory*** on the recruitment process. According to the social identity theory, when we first come across or in contact with others, we often categorize them as a part of a specific group or class i.e., in-group or out-group which in turn creates a sense of biasness and discrimination in the selection and recruitment of the candidates (Perry et al., 2022). Furthermore, it also creates issues of stereotypes as well as favoritism. Therefore, to select the best candidate and ensure diversity, equity, and inclusion in the workplace, social identity mustn't lead to a negative impact on the recruitment process. **Thirdly**, as a part of the selection process, HR practitioners should focus on **diversifying the selection panel of the candidate**. It means the focus should be made upon including more than one interviewer that comes from a diverse group (Sewell et al., 2021). This would result in demonstrating authenticity and enhancing the likelihood of being selected from diverse backgrounds. This diverse hiring would also help in promoting a sense of equity as well as belongingness efforts in the minds of the existing employees.

Flagging biasness in the screening process

Another important HR function that can help in ensuring diversity, equity, and inclusion in any organization is the process of screening candidates. In other words, HR practitioners should focus on flagging biasness in the screening process of the candidates. In other words, HR Practitioners should focus on having standardized processes and scoreboards for every candidate (Blount-Hill et al., 2021). The flag should be mainly raised against the biasness towards the underrepresented groups and only moving forward with the hiring of the candidate who successfully demonstrates proficiency in the interview processes. For this purpose, it is very essential to consider and mitigate the adverse impact of **the justification-suppression model**. According to justification-suppression model mainly explains the situation in which prejudiced people are more likely to act based on their prejudices (Lankester & Alexopoulos, 2019). The theory further suggests that all people mainly have prejudices and that people act according to them. Therefore, in the screening process, HR practitioners should make sure no candidate is selected or rejected due to prejudice.

Scheduling of the pre-interview meeting with the hiring team

To ensure diversity, equity, and inclusion in the workplace, the focus is required to be made upon incorporating intentional DEI practices in each aspect of the recruitment and hiring process. For instance, the hiring managers responsible for selecting the candidates should be imparted an essential meeting to make them aware of the "**pre-interview EEO analysis**" and '**affirmative action**' (Lukacik et al., 2022). The term EEO here means 'equal employment opportunity'. Implementing the concept of EEO mainly plays a major role in eliminating discrimination in the workplace (Forbes, 2023). It means imparting prior training to the employees in terms of how to provide a fair chance to all the applicants for succeeding in the interview through the avoidance of discrimination based and other subjective factors such as race, sex, religion, nationality, age, and others.

Fostering a safe space for authentic cultural expression and appointing a DEI council for measuring the efforts of the organization

As a part of the human resource function, HR practitioners can also ensure DEI in the organization by fostering a safe space for the authentic expression of the culture. According to research studies, it has been found that employees often possess schemas about other employees which is mainly related to the implementation of the "**schema theory**". According to the schema theory, employees often develop schemas about other co-workers based upon their race, gender, religion, and other diversity traits which in turn results in cultural as well as physical discrimination as well as harassment among the employees (Neumann, K. L., & Kopcha, 2018). Furthermore, employees also form schemas about their organizational leadership, policies, and other work climates. For example, as shown in figure 2 below, Amazon has been recently criticized for being biased against women employees in terms of penalties mainly implemented as a result of its biased and sexist AI tools (Lopez et al., 2022). Therefore, HR practitioners need to ensure a healthy work environment where each employee is an equal opportunity and free from biasness and favoritism. Also, to evaluate the successful formation and continuation of such an environment, the organizations should focus on appointing a DEI council. This DEI council would assist in ensuring DEI in the workplace through the identification of the shortcomings as well as through the creation of measurable goals to overcome these shortcomings.

Amazon scrapped 'sexist AI' tool

🕒 10 October 2018



| The algorithm repeated bias towards men, reflected in the technology industry

An algorithm that was being tested as a recruitment tool by online giant Amazon was sexist and had to be scrapped, according to a Reuters report.

Figure 2: Screenshot of BBC News article reflecting the gender discrimination issue in Amazon (Source: BBC News, 2018)

Benefits of implementing these DEI recommendations

There are various benefits of including the above suggested DEI recommendations in the HR practices and strategies. **Primarily**, the implementation of these strategies would significantly help in **effectively attaining the financial goals**. According to Forbes (2023), diverse, equity-based, and inclusive companies are 120% more likely to hit their financial goals. In this way, there are various strong business reasons or benefits of implementing the above recommendations. **Secondly**, DEI assists an organization significantly in attaining excellence by making the **employees feel safe, encourages, and belong to the organization**. The implementation of the

concept of DEI in any organization significantly helps in making the employees feel connected, encouraged, and motivated (Ramos et al., 2021). This, in turn, helps in improving the morale of the employees thereby contributing to **eliminating the risk of employee turnover**. For example, a large number of employees have left Amazon due to its discriminatory workplace practices, abusive culture as well as lack of safety and encouragement toward the employees (Boulware et al., 2021). Therefore, DEI is important to ensure employee retention to ensure overall organizational success. **Thirdly**, the implementation of the above recommendations and promotion of healthy and positive workplace culture in any organization backed with DEI would significantly help in **improving the overall business outcomes** and facilitating innovation, creativity, employee belongingness, and overall engagement of the employees in the workplace (Taylor et al., 2019). **Fourthly**, the diverse culture and recruitment of the employees eliminating the biasness would significantly help in reaching the wider audience which would consequently help in the attainment of a competitive advantage in the market. **Lastly**, in legal terms, one of the important advantages of including DEI in the organizational culture significantly is the development of a better public image legally in the eyes of government and stakeholders which would significantly help the organizations in eliminating the risk of penalties and loss of public image due to unethical and unlawful practices.

Challenges of implementing the recommendations

As every coin has two sides, together with benefits comes the challenges of including the DEI concept in the workplace. Various challenges are commonly faced by HR practitioners while implementing DEI-based strategies. **Primarily**, the first challenge that HR practitioners are likely to face is the '**limitation of budget**' (Jones et al., 2018). This limited budget mainly creates problems in terms of appointing the DEI council to evaluate the effectiveness of the DEI. **Secondly**, another difficulty is often faced in terms of **identifying the right metrics** for calculating the DEI and its effectiveness. In other words, measuring the effectiveness of diversity, equity, and inclusion. **Thirdly**, another measure challenge is faced in terms of **identifying the impact of recommendations** on the employees and their perception of the implemented strategies and practices (Clason & McKnight, 2018). However, this challenge can be successfully resolved by using techniques like surveys conducted at regular intervals. **Fourthly**, another major challenge is faced in the form of **employee resistance**. The employees are likely to resist the fair practices of

equity, especially in the case where unethical practices of employees are beneficial for them. Lastly, in terms of a legal perspective, one of the major challenges to implementing DEI is legal actions in case of non-compliance to DEI (Kahn et al., 2022). The major challenge is that the non-implementation of DEI can result in **legal actions and penalties** as it is no longer an add-on to HR practices but it is mandatory. Therefore, failure to consider the importance of DEI can result in legal actions against the business or organization.

Conclusion

Human resource management plays a major role in ensuring healthy work culture in an organization. This essay aimed to critically examine and evaluate the concept of DEI by considering various arguments. The essay initially focused on describing the meaning of DEI. Followed by this, the essay has identified the importance and reasons why HR practitioners consider DEI important in an organization. These benefits mainly include providing an opportunity for eradicating prejudice, helping in enhancing the level of creativity as well as innovation, creation of global impact, ensuring fair compensation to the employees, creating better strategies, ensuring diverse decision-making, fostering a sense of belongingness among the employees, recruiting better workforce and ensuring their growth. The essay has also highlighted the HR functions which can contribute successfully to ensuring effective DEI in any organization. Lastly, the benefits of recommendation in the form of attaining the financial goals effectively, employees feeling safe, encouraged, and belonging to the organisation, eliminating the risk of employee turnover, and improving the overall outcome and challenges have been provided.

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