Four Approaches to Accounting for Diversity in Global Organisations

Mustafa Özbilgin, Brunel University, UK

Ahu Tatli, Queen Mary University of London, UK *

Gulce Ipek, Queen Mary University of London, UK

Mohammad Sameer, University of Bedfordshire, UK

* Corresponding author:

Ahu Tatli

School of Business and Management
Queen Mary, University of London,
Mile End Road
E1 4NS, London, UK

Email: a.tatli@qmul.ac.uk

Accounting for Diversity in Global Organisations

Abstract: This paper examines four distinct approaches to accounting for diversity outcomes in global organisations: Shareholder, stakeholder, regulation and global value chain. Drawing on a study of 22 globally significant organisations, our analyses show that there is a need to move beyond narrow framing of benefits of diversity management based on shareholder and stakeholder perspectives. Our study demonstrates that regulation as well as global value chain are pertinent new perspectives that organisations need to move towards if they are to seriously account for diversity outcomes. Yet, our study shows that such a development is not likely to happen easily due to a number of significant challenges in accounting for diversity outcomes in global organisations.

Keywords: Accounting, Diversity Management, Shareholders, Stakeholders, Regulation, Global Value Chain

1. Introduction

Accounting for workforce diversity has become a central preoccupation among scholars who wish to explore the financial and non-financial impacts of diversity at a time when businesses have to make difficult strategic choices due to the economic, social and political turbulence that have come to characterise the early parts of the 21st century. Reportedly, collating evidence on impact of diversity management is the first step in securing organisational commitment to diversity (e.g. Cox, 1991; Dobbs, 1996).

There exists a well-developed literature focusing on the impact of diversity on basic organisational outcomes that affect shareholder value and stakeholder interests such as innovation (Carbonell & Rodriguez, 2006); team performance and effectiveness (Peters & Karren, 2009); decision making quality (Rico et al., 2007); strategic change (Naranjo-Gil et al., 2008); corporate reputation and financial performance (Brammer et al., 2009); sales performance (Joshi et al., 2006), and share prices (Arthur & Cook, 2009); conflict and cohesion in work groups (Cronin & Weingart, 2007) and cooperation and communication between diverse individuals and groups (Lau & Murnighan, 2005). Yet the results are inconclusive with research demonstrating conflicting diversity outcomes (Jayne & Dipboye, 2004; Joshi & Roh, 2009; Mannix & Neale, 2005). The impact of diversity is moderated by a number of contextual and environmental variables including the organisational diversity climate, growth orientation, organisational life-cycle, and competitive strategy (Stahl et al., 2010). Furthermore, the findings highlight mixed outcomes for diversity which can be associated with positive outcomes such as low turnover, higher levels of innovation and creativity and improved performance, as well as negative outcomes such as lower levels of harmony, higher levels of conflict and low morale (Özbilgin & Tatli, 2008).

In this paper, we examine four distinct approaches to accounting for diversity outcomes in global organisations: Shareholder, stakeholder, regulation and global value chain. Drawing on a study of 22 globally significant organisations, our analyses show that there is a need to move beyond narrow framing of benefits of diversity management based on shareholder and stakeholder perspectives. Our study demonstrates that coercive legal measures as well as global value chain are pertinent new perspectives that organisations need to move towards if they are to take

accounting for diversity outcomes seriously. Yet, our study shows that such a development is not likely to happen with ease due to a number of significant challenges to legitimacy, such as weak regulation and dominance of local practices, in accounting for diversity outcomes in global organisations.

2. Accounting for diversity impact: towards a broader perspective

It is important to distinguish between studies on workforce diversity and diversity management in accounting for their respective interplay with organisational performance. Studies on workforce diversity tend to link differences that exist in the workforce with organisational outcomes (Tatli & Özbilgin, 2012a). We need to make a distinction between having a diverse workforce and effective management of diversity. While the former can happen on its own due to demographic changes, the latter requires organisational investment. Therefore, accounting for diversity should focus on the outcomes of diversity management as well as the outcomes of workforce diversity.

The relationship between workplace diversity and organisational performance is relatively well studied. Studies have investigated the link between organisational outcomes and a number of demographic diversity categories including gender (Ali *et al.*, 2011; Konrad *et al.*, 2010; Gonzalez & Denisi, 2009; Peccei & Hyun-Jung, 2005), ethnicity and race (Singh *et al.*, 2013; Stainback & Irvin, 2012; Ragins *et al.*, 2012; Kaplan *et al.*, 2011), socio-economic class (Moore, 2009; Oikelome & Healy, 2007; Tatli & Özbilgin, 2012b); cultural and national diversity (Gong *et al.*, 2011; Stahl *et al.* 2010; Barinaga 2007), age (Galia & Zenou 2012; Rivas, 2012; Kunze *et al.*, 2011), and sexual orientation (Colgan *et al.*, 2009; Johnston & Malina, 2008; Day & Greene 2008). Additionally, the link between performance and job-related diversity

categories has also been subject to investigation in empirical studies. These include diversity in function and expertise (Cannella et al. 2008; Carbonell & Rodriguez 2006; Nakata, & Im 2010; Peters & Karren 2009) and education and tenure (Gilson *et al.*, 2013; Zimmerman, 2008; Foo et al. 2005; Tihanyi et al. 2000). Overall, these studies provide some interesting insights despite a number of limitations. First, they attempt to identify a causal and often simplistic relationship between workforce diversity and work outcomes paying particular attention to shareholder and stakeholder interests. Second, they often take a narrow view based on single strands of analysis of the data, rather than exploring the full complexity of diversity through intersectional analysis. Third, they often lack contextual assessment, ignoring the historical and geographic specificity of the insights that they make (See Tatli and Özbilgin 2012 for a review).

Empirical findings provide complex evidence on the relationship between workforce diversity and shareholder and stakeholder interests at three different levels: individual, team and organisational. The evidence reveals that each diversity type and performance relationship at the individual levels is complex, and is moderated by a number of internal and external organisational factors including the organisational diversity climate, growth orientation, and skill and talent shortages in the internal and external labour force. For instance, the evidence suggests that employees from backgrounds that are culturally and racially different to the majority of the population exhibit positive job attitudes, lower turnover intentions and higher productivity when the perceived diversity climate is positive (Gonzalez & Denisi, 2009). The positive diversity climate is mediated by a number of factors including fairness in management practices (Singh *et al.*, 2013); fulfilment of diversity promises (Buttner *et al.*, 2010); pay satisfaction levels (Kaplan *et al.*, 2011); and positive spill over

effect of community experience into the workplace (Ragins *et al.*, 2012). On the other hand, ethnic homogeneity is also sometimes seen to have positive organisational consequences. Employees with similar cultural heritage may bond more strongly and thus exhibit high job embeddedness and lower turnover intentions than in a culturally diverse workplace (Gong *et al.*, 2011).

Similarly, the impact of gender diversity varies with organisational setting. Peccei and Hyun-Jung (2005) found that gender diversity is found to have a favourable impact on the job satisfaction of women. Yet, organisational factors such as gendered structures and practices in departments, regulation of equality and diversity in the society along with personal factors facing women are critical antecedents affecting their careers (Elg & Jonnergard, 2010). Structural inequalities at work, particularly work site segregation, can complicate the relationship between gender diversity and performance, as structural inequalities hinder positive performance-related attitudes in terms of individual employee commitment and loyalty which may in turn create turnover intentions among ethnic minorities and females (Dickerson *et al.*, 2010). In addition, tokenism is found to lead to negative perceptions of organisational climate (i.e. inequitable workplace), which eventually leads to low job satisfaction, decreased affective commitment and higher turnover intentions and job stress among women (King *et al.*, 2010).

The literature on the links between diversity and performance highlights the significance of context in which the relationship takes place. The relationship between diversity and individual performance outcomes is moderated by institutional, sectoral and national factors. Among the major external influences that mediate the diversity-performance relationship are labour market characteristics, history and culture of discrimination, sectoral and national bodies that regulate labour markets and equality

of opportunity (Özbilgin & Tatli, 2011). As a result of the multiplicity of moderating influences that are internal and external to the organisation, there is a lack of consistent evidence on whether diversity relates favourably or unfavourably with individual outcomes (Gonzalez & Denisi, 2009; Perriton, 2009; Leonard & Levine, 2006).

Similar to individual level outcomes, team level outcomes of diversity are also mixed. The relationship between team diversity and performance is characterised with complexities and moderated by a number of factors such as task motivation, team learning, and pro-diversity beliefs (Ely *et al.*, 2012; Meyer & Schermuly, 2012; Winkler & Bouncken, 2011). A recent meta-analysis conducted by Stahl *et al.* (2010) shows that cultural diversity in teams may lead to mixed outcomes. Positive organisational support may enhance the positive experience of diverse members within teams and can in turn improve team creativity, communication effectiveness, satisfaction and other performance outcomes. Conversely, cultural diversity in teams can lead to process losses in teams through increased task conflict, which reduces social integration and can lead to low levels of team creativity and innovation. As Stahl *et al.*'s (2010) analysis shows the setting is important in accounting for the direction as well as the nature of the relationship between team level diversity and performance outcomes.

In research on the organisational level outcomes of diversity, gender diversity is a popular field of inquiry. The evidence reveals a positive impact of gender diversity on financial outcomes. For example, gender diversity is found to enhance a firm's likelihood to introduce innovation (Ostergaard *et al.*, 2011). Similarly, age and gender board diversity does influence product, organisational and marketing innovation (Galia & Zenou, 2012). However, the nature of the organisational diversity

and performance may not be unidirectional. It was identified that firms that are of lower risk, with large executive boards and high growth orientation have a higher proportion of female board members (de Cabo *et al.*, 2012). Therefore, simplistic causal assumptions should be avoided. Geographical context also plays an important role in shaping the link between gender diversity on boards and performance (Mahadeo *et al.*, 2012; Lee & James 2007). A study across 38 countries finds culture and legal regulation to be the most important antecedents of female representation in corporate boards (Grosvold & Brammer, 2011). The link between diversity and organisational performance is contingent on both internal and external factors. Internal factors such as organisational strategy are seen to be a critical component (Talke *et al.*, 2011; Auh & Menguc, 2006; Ali *et al.* 2011). External factors including competitive and institutional factors also moderate the diversity – performance relationship. External environment, both national and industrial, can shape the outcomes between top management team diversity and performance at the organisational level (Qian *et al.*, 2013; Cannella *et al.*, 2008). Existence of internal and external pressures suggests that the business case arguments for diversity management cannot be limited to internal considerations alone.

Overall, the literature suggests a complex picture of diversity outcomes rather than a simple linear relationship. Research as outlined above suggests that workplace diversity can lead to both positive (e.g. increased levels of innovation, greater levels of employee satisfaction and well-being), and negative outcomes, (e.g. communication problems, task conflict, decreased quality of decision making), and many moderating factors may impact on the nature of this relationship. These studies frame diversity outcomes in relation to the impact of workforce diversity on the interests of shareholders (e.g. profitability, share prices) and stakeholders (e.g.

customer satisfaction, employee well-being, corporate reputation). A broader knowledge of diversity impact is important to understand how difference at work is socially constructed and to design feasible and effective diversity strategies responding to the local circumstances (Lauring, 2013; Tatli, 2011; Greene et al., 2005). On the basis of a qualitative study of 22 globally significant organisations, we demonstrate in this paper that the pursuit of a simple link between workforce diversity and organisational performance is often futile. As we discuss later, wider considerations related to regulation and global value chain are key to understanding and accounting for the impact of workforce diversity.

3. Method

This paper is informed by semi-structured interviews with heads of diversity or finance and accounting leaders in 22 globally significant organisations. In selecting organisations for inclusion in the research, we took the sector, size, country of origin and diversity sophistication level into account. The funding bodies, Association of Chartered Certified Accountants (ACCA) and Economic and Social Research Council (ESRC), provided us with the names of a number of organisations that they prioritised in terms of being included in the study. Through the interviews, we generated evidence on diverse and complex experiences of accounting for diversity outcomes. In the selected organisations, we interviewed either a senior diversity practitioner or a senior accounting and finance leader. The interview schedule is designed to elicit comprehensive evidence on how organisations account for diversity outcomes. The interview schedule was informed by the literature review and was revised in line with the feedback we received from the ACCA and ESRC representatives. The final schedule consisted of 26 open-ended questions under five headings: you and your

organisation; diversity management in your organisation; organisational involvement in diversity management; monitoring the business case for diversity management; and the future of diversity management in your organisation.

We contacted potential participants in February 2013 and sent out invitations to 74 organisations. We developed our sampling procedures in consultation with ACCA and ESRC, and through individual contacts of research team members. Access to interviewees was difficult as we aimed to interview senior managers who have busy schedules. We conducted 22 interviews with diversity managers or finance leaders from public, private, and voluntary organisations. Seven out of 22 interviews were conducted face-to-face with senior managers working in UK branches. We conducted 15 telephone interviews with senior managers working in several countries outside the UK. The duration of the majority of the interviews was between 45 minutes to 1 hour. With the permission of the respondents, all interviews were tape-recorded. We used professional transcribing services and all interviews were transcribed verbatim. We have thematically analysed the interview data using three stages of coding. While we adopted Strauss and Corbin's (1990) coding procedures of open coding, axial coding and selective coding, we were cognizant of the necessity to have flexibility in using these procedures (Walker, and Myrick, 2006). In that sense, we particularly mobilised Glaser's (2005) more open-ended approach in generating the codes and identifying the relationship between the codes throughout the iterative process of data analysis (see also Kan and Parry, 2004).

4. Findings and Analysis

Our interviews revealed that organisations accounted for diversity outcomes in narrow or broad ways. Organisational framing of diversity outcomes included a wide

range of positive performance outcomes such as improved profitability, better compliance with law, fairness at work, increased innovation and creativity, higher levels of employee well-being, improved employee engagement, improved customer satisfaction, better market reach, compliance with international standards, capturing the spirit of globalisation, increased competitiveness, and enhanced corporate reputation. In the analysis sections that follow, we examine four distinct approaches that global organisations adopt in accounting for diversity:

- a) Shareholder impact: profitability, return on investment
- b) Stakeholder impact: profits, people, planet
- c) Regulatory context: self-regulation, legal regulation, economic regulation
- d) Global value chain: transnational fairness

Organisations that participated in our study differed in terms of their approaches to management of diversity as well as their circumstances. Yet, our analysis which is reported below proposes ideal types of common approaches that were expressed in the interviews. Some of these approaches, such as stakeholder value and shareholder value, have been traditionally more popular among participating organisations while others, such as the regulatory context and global value chain, emerged as novel approaches that address the potential future pressures that face diversity management.

4.1. Shareholder approach to accounting for diversity impact

At the most basic level, accounting for diversity outcomes focuses on shareholder impact: the impact of workforce diversity on the shareholder value and the single bottom line, i.e. profits and measures of return on investment. In organisations which use this approach, professionals are hard-pressed to use a narrow band of profitability metrics to show the business case for diversity management. Furthermore, there is

expansion of diversity categories to include instrumental strands such as functional diversity in teams and the role of functional diversity in access to jobs and positions in favour of historically significant equality and diversity categories such as gender, ethnicity, sexual orientation, disability, which have the legacy of civil rights movements.

Profitability and return on investment are two immediate considerations that practitioners reflect on when they try to achieve buy-in for diversity management in their organisations. One participant explains the kind of pressure that the board puts on the diversity officer to demonstrate a closer financial link between diversity and return on investment:

[From] the board level view, the people said look, we don't want to know that diversity is a journey, because that means we just throw money at it endlessly and we never seem to get any results... They said we need to see clear, direct, visible results from our diversity investment, set in context of our business goals. So they need to know how it affects the bottom line basically.

Shareholder impact is often connected to the other competitive and strategic aspects of business, such as performance management and talent acquisition, as the example below illustrates:

It's a lot to do with the widest talent pool. So if you're immediately putting up barriers to, say, people with disability, you're losing a great chunk of your high potentials.

It is also important to consider the negative consequences of the lack of diversity on the organisation. One participant explained how the lack of diversity in the financial services sector is manifested as risk.

And we've seen some of the rather dramatic changes that have taken place with major financial institutions in the course of say the last 5 years, which have been a revolution of transformation. When you look under the skin at what was the clarity of the diversity portfolio of those companies, it's substantially lacking. If the decision makers at executive and non-executive level in the banks were genuinely diverse. So had there been as many women as men. As many people from different cultures as there were from the majority. Then the risk related decision making portfolio would have been radically different because the decision making processes are very much affected by the kind of people who sit to make those decisions.

However, accounting for workforce diversity outcomes is not simple. One participant explains the return on investment for diversity is not easy to illustrate.

Right now for instance, while I'm trying to build the case for our diversity strategy and I'm trying to build up a case and of course I'm using different measures... As you might imagine, that I'm having a really hard time...

When it comes to then building a business case as to why we should do it, only becomes very tough because it requires quite some long term thinking and convincing to do in order to get the buy in for launching a project like this. Now when it comes to measuring the results, the beneficial results of for instance having a 50/50 ratio of men and women in management, well I guess our return investment will tell the tale. But it would be once again difficult to prove that a positive return would have been brought by merely increasing the number of women.

Furthermore, simplistic formulations of diversity outcomes are not always viable as they do not stand up to scrutiny. Many of the statistical examinations that seek to relate workforce diversity to organisational performance fail as there are too many other factors that account for and impact performance of organisations beyond workforce diversity. One participant explains how their attempt at showing shareholder impact backfired:

one slide showed that the women running accounts grew faster and were more profitable than the male accounts. Now all that said, after an initial flurry of excitement, the statisticians pulled it to pieces and just said you know what, it depends on the account, they're in a more profitable sector. It depends on so many different things because it's stats. And so this global analysis team took it and it was May 2010 I think, and they are still analysing it. And it's probably at the bottom of the list and it's proved to be very complicated because of all the different bits, but I don't know - I think it is very difficult to do.

Overall, our study shows that it is unwise to account for diversity simply around hard measures of profitability and return on investment. In fact, a wider range of financial as well as non-financial measures and broader definitions of diversity outcomes are mobilised by practitioners.

4.2. Stakeholder approach to accounting for diversity impact

It is possible to account for diversity outcomes by focusing on a wider range of interests than shareholder value and profitability. Organisations pursuing broader approaches often gather evidence to explore the impact of workforce diversity on stakeholders and the triple bottom line, which includes people, profits and the planet.

In this approach, organisations seek to understand the impact of workforce diversity on their people (e.g. their current and future employees), consumers, suppliers, and in some cases the general public; their profitability (e.g. shareholder value and return on investment); and the planet (e.g. environmental impact and ecological considerations). Some organisations see the benefits of managing diversity across a number of stakeholders and partners in their industry:

They do see the justification of us having these things is that we will be a better place to work and to study. They do see it that way, which is good because some organisations, they just simply want to get the legislation part done so they don't get into compliance issues and that's it. But we do see it as a strength; and it's a benefit, and we want to make sure different groups get along with each other.

Another participant presents a different stakeholder approach:

I think it's just to get, more of a broad view of the environment you live in and the community you serve. That's a message, it's like we should be very much integrated with the communities we serve.

Stakeholder impact is a widespread consideration among diversity officers who are trying to develop business case arguments. Desire to develop a positive reputation, to become the employer of choice, and to be considered an ethical employer are some of the drivers that shape the business case from a perspective of stakeholder impact.

I'm naturally a little bit cynical but I think the work that I do has two obvious positive impacts. First of all, the way that the firm is perceived outside the organisation on this topic has improved, and that's good because that's around people who might want to work here. It's about our clients. It's about general people, the media, society, that's a positive

thing. And in the last 5 years, there's certainly been an acceptance that we are trying to make a difference. I also think that the senior leadership of the organisation is much more aware of the issues and challenges and topics around a lot of this. And they see it as important and they want me there with them to help them through some of these issues.

The shareholder and stakeholder approaches to workforce diversity remain rather naïve when we consider that these approaches do not challenge structures of power, privilege and inequality in the workplace. In both approaches, labour market conditions and regulatory context are considered fixed and taken for granted. As such, organisations adopting this approach seek to remain within the constraints of the labour market. This is a very limited approach considering that organisations can impact labour market conditions as well as the regulatory context. One participant explains why they do little about disability in their organisation, and suggests that lack of access to education accounts for the absence of workers with disabilities:

And in terms of people with disabilities, in our workforce here, we really don't have anybody that has any noted disabilities. Again a little bit of social demographics in *[country name withheld]* is that, it's not that the country doesn't have people with disabilities, it's just very difficult for people with disabilities to get into colleges and universities just because of economic opportunities. And as a result of that, we don't see many people in the workforce with any notable disability.

The stakeholder approach offers a broader focus than just the interests of the shareholders. The stakeholder approach is similar to the shareholder approach in the sense that workforce diversity is considered as a means to an end, reflecting on a wider range of interests, and it assumes that organisations can freely and voluntarily

take action to manage workforce diversity. Listening to different stakeholder interests does not mean that all interests will be integrated in practice in the workplace and work process designs. Instead, the powerful actors and stakeholders have a better chance of being heard in the stakeholder approach. As a result, a stakeholder approach, in its simple form, may give a sense of workplace democracy and humanisation, while entrenching power struggles and disparities at work by rendering them less visible. It is not surprising then that stakeholder considerations alone have not been sufficient to tackle entrenched forms of inequality, unfairness and discrimination that plague labour market practices. Across all strands of diversity, progress towards elimination of bias and inequality has been remarkably slow as a result of the dominant voluntarist approach.

4.3. Regulatory approach to accounting for diversity impact

The relationship between workforce diversity and organisational outcomes is governed by a large number of rules and resources. Regulation, i.e. the rules for allocating resources and framing actions, can take many forms, including industry regulation, market regulation, social regulation, legal regulation, all of which may include a mixture of voluntary as well as coercive measures. The shareholder and stakeholder approaches are often underpinned by market regulation, which mainly uses voluntary measures. Voluntary measures are widely criticised for being ineffectual. Therefore, some practitioners do not solely consider the voluntarism in shareholder and stakeholder approaches, but also reflect on a wider range of regulatory measures. In formulating a regulatory approach to workforce diversity, practitioners consider both voluntary and coercive measures and operate at multiple

levels including the organisation, the sector, the country and supra and international contexts. One participant explained why voluntary measures do not work:

The voluntary route is meaningless, we all know that. And even in Davis's report, the trajectory is that if you follow the pure basis of current voluntary growth, it's going to take 70 years to achieve a 30% boundary line. And yet 30% is not 50%, which would be a fair basis of positioning of women. And that's just women, we're not talking about anybody of any other background.

In particular, complex and difficult issues, such as gender pay discrimination, remain unchallenged when making claims that have a cumbersome process and organisational practices advocate voluntarism in the way wages are competitively negotiated:

if you're going to give this guy £10k more, not because of his performance but simply because he threatens to leave, then you should give the woman doing the same job in the department £10k more as well, it's not fair. But I think we still have a long way to go for that, but that's an issue.

Another participant notes how class diversity, which is not supported by coercive regulation in the UK, remains a significant challenge in the organisation, in the absence of coercive measures:

I would say that diversity we're achieving ... still has a strong class bias. So you can be any skin colour, any nationality, any sexual orientation, but there's still a particular type of person who tends to get on in this organisation. And they tend to be quietly confident, articulate, and able to present and influence in a particular way. And that skills set tends to be more predominantly found within Anglo Saxon middle class people.

And interestingly, as a result, when you then look in the UK on certain areas of diversity, so ethnicity being one of those, there is a strong correlation between social background and ethnicity. So we have a really big Asian population within this organisation, and that's both South East Asian and also Indian. The number of people I can think of who are Afro-Caribbean or black African I can count on one hand... And I suspect globally, it plays out in the same way in different ways.

In the absence of a legal case, organisations often limit themselves to shareholder and stakeholder arguments, as understood by their leadership. As such, diversity leadership becomes important in contexts wherever there is a regulatory vacuum. In these situations, diversity managers can draw on the example of leaders and promote their activities often with leadership support and encouragement. However, leadership often lacks diversity in terms of gender, ethnicity and disability in many organisations (Bebbington and Özbilgin, 2013).

Regulation can come in many forms such as self-regulation, coercive legal regulation, social regulation and economic regulation. There are numerous regulatory pressures introduced by diversity networks, national agencies and national and international regulators, which can be mobilised to support the business case for diversity. One participant explains how the industry regulations help them account for diversity impact:

You have three levels. You have bronze, silver and gold so we've got the bronze and now they want to go for the silver. But actually, ... people are saying that they're not going to give ... money to people that don't have this award as well. So in a sense, they are creating compulsion to look at

this issue ... So even organisations that probably weren't going to look at it, simply maybe because of funding they will be forced to look at it.

While the shareholder and stakeholder approaches to accounting for diversity outcomes focus on the organisational aspirations to accrue benefits of workforce diversity based on an instrumental logic, the regulatory approach brings back notions of fairness, legitimacy and compliance into diversity accounting. In the regulatory approach, organisations do not simply take labour market conditions as static but engage with voluntary, social and economic regulation in order to shape labour market conditions to make better use of workforce diversity. One participant explains how accounting for diversity outcomes remains weak in motivating organisations towards action whenever it does not have a compelling legal argument. However, the limitation of the legal requirement is that it is often based on a national context. The participant also highlights the inconsistencies that this approach yields across countries:

If one of the countries has a legal case then you need to hire. I think in Malaysia they had a Malay requirement.... So the business case will probably be a lot easier to sell than the moral case ... if we just tell them OK this is morally right, it will be difficult to sell because people would – just because it's a different culture, there is a different definition of right or wrong. So it's probably more challenging. If we have a legal case and say OK the Government tells you that you need to have a certain ratio, then of course people listen because no one wants to break the regulation... There are so many different regulations, if you're telling the Germans something, you probably would tell something very different to the French. It's really hard to just build one ... case and to talk it to everyone.

Our study demonstrated that in the absence of strong legal regulations, many practitioners find it hard to achieve buy-in for diversity interventions. Legal regulation can encourage them to broaden the focus on multiple diversity outcomes. Some organisations consider legal regulation as an important aspect of their diversity accounting. One participant explained why the regulatory context is important:

most businesses are going to be staying ... within an acceptable legal framework... In most cases around the world, governments set quite distinct criteria for acceptability, which usually include information on policies on human rights, on diversity, on inclusion, the position of women. So governments are asking these questions in order to contract services out. Companies want to be able to get access to those services because they tend to have a greater... sustainability to them than necessarily just going with straight market operations.

In its traditional form, coercive legislation is not considered as part of the diversity impact. However, our study shows that among professionals there is a turn in discussions on accounting for diversity. In our study, diversity practitioners draw on voluntary and coercive aspects of diversity regulations when they account for organisational outcomes of diversity. One of the most debated forms of coercive regulation in the field of diversity management is the diversity quota. This takes multiple forms such as gender quotas for membership of executive boards of publicly traded companies across some European countries, and nationality quotas in the Emirates and Malaysia. Use of quotas remains one of the most contentious regulatory measures for diversity. Often quotas are considered as a challenge to diversity accounting. Nevertheless, there is growing evidence to show that diversity quotas can be applied in order to promote meritocracy and a culture of high performance at work

(see Tatli et al. 2013 for a review). One participant explained why it is important to consider coercive measures as part of the repertoire of arguments that can strengthen the relationship between workforce diversity and performance and innovation:

the inertia is very evident.... Here we are in 2013 in the case of the US, or North America generally speaking, 17% of the composition of boards are women. In the case of Europe we're looking at 14%, there's been this 1% improvement from 13-14 in the course of the last 2 years. This enormous review that took place under the guidance of the CBI and Institute of Directors, the Lord Davies review, which talked about there ought to be a 30% target. In my view, totally missing the opportunity for imposed quotas because this attitude that says that quotas equals imposition of the wrong people at the wrong time. I completely reject that. What quotas genuinely represent is forcing decision makers to look at deserving candidates that they would otherwise not view.

Recent approaches to diversity management now embrace a wider range of regulatory measures than voluntarism alone. The reason for this change has been the internationalisation of the discourse of workplace diversity. Evidence from cross-national studies suggests that coercive regulation can be an effective device for improving the link between workforce diversity and performance outcomes (e.g. Seierstad and Healy, 2012; Tatli et al., 2013).

4.4. Global value chain approach to accounting for diversity impact

Expansion of the accounting repertoire for diversity's impact to include voluntary and coercive regulation has opened up possibilities for discussing speed and effectiveness of diversity interventions. However, the regulatory approach does little to redress

cross-national inequalities and differences in the treatment of workforce diversity, as regulation often remains limited to a single national context. In our study, all organisations were globally significant, with important international dimensions. Therefore, some of the organisations were considering the connection between workforce diversity and organisational performance beyond the limits of a nation state. As such the global value chain approach does not simply focus on national regulation but also seeks to redress disparities of power across organisations' national practices and adopt a transnational perspective. In this perspective, organisations develop a global vision, which is not limited to a single national context of regulation but captures the intricate relations of power inherent in the global economic, social and political systems. One participant recounted significant global concerns that shape the way their business considers diversity:

These are the conversations that are now happening with business schools around the world. And business schools are accepting that previously if you went for an MBA, or you went for a specific qualification in economics or accounting, or you went for a specific qualification in business administration, then you kind of came out of it with a one dimensional traditional market route. Whereas in today's world, that is not enough. You not only need a kind of globalisation paradigm, you need to understand shifts and differences, you need to understand the impact of ownerships and cultures and where resources realistically lie. And here in the UK we've increasingly watched the power of Indian purchase businesses taking some of the UK's biggest well-known brands. The front page of the newspapers in the last two days here being full of the role that the UAE and its sovereign funds may well play in investments and

infrastructure in the UK, or even acquisitions of certain well-known financial brands in the UK.... So we're seeing the ownership shift. We're used - in Europe and North America - to being the owners who own abroad. We're getting used now to being owned from abroad and owned by people of very different backgrounds and cultures, different faith perspectives, different ethnicities and different approaches to cultural prioritisation, different focuses on the value of markets... So you have to take the traditional learning of the professional and widen it to meet today's market needs. The failure to do that is what is going to cripple our businesses in the long term.

Accounting considerations need to be specific to diversity strands rather than just measure it in general terms. Often, organisations tend to focus on one or two aspects of diversity in each local setting. The local context shapes the rationale, priorities and choice of diversity management activities. One participant notes how this works:

We have two [areas of focus on diversity]. So one is around gender. So one is to retain and promote a greater proportion of women within our business. And in some ways that's a non-negotiable, that's not something that actually is ever argued about, it's a given within the organisation. We haven't set ourselves targets, it's not something that we've decided to do to date, but there's a clear push. The other is probably broader and less clear and it's around inclusion and recruiting and retaining people from the widest possible talent pool. And obviously what that looks like in each country is different and in a lot of countries, it doesn't really get any focus at all. If they're doing anything, it will be on gender. It's only really in the UK and the US where there's been some thought about what that really

means. And it tends to focus on ethnicity. Elsewhere, if I picked up the phone to my colleagues in Germany, and asked them, tell me about diversity, they will talk about gender.

The case of Bangladesh illustrates how business case arguments developed in the industrialised countries in terms of gender, ethnic and religious diversity may not succeed:

We have roughly about 12% of my workforce is female, which is, again from what you find in general in the workforce on the professional side, that's quite reflective of what's in the market [in Bangladesh]...

Bangladesh is quite homogeneous, there aren't very many other nationalities in the country. The main diversity that you would see is in male and female and on religious beliefs. The demographics of our group kind of follow what we see on the religious side. I mentioned Bangladesh is 90% Muslim so you find in my workforce here, I would say is reflective of the 90% of the population, the balance being made up of Hindu and Christian.

Not all branches of a global organisation have the same priorities. In fact, certain forms of diversity are very local and specific to one location alone. One participant explains this with the example of faith diversity at work:

The only place we really do anything on faith is here in London. We have a number of faith networks, they do different things during the year with our clients and internally. Our most active network is probably our Jewish network, we have quite a big Jewish population, both here and in the US. And they do a variety of things involving clients, involving internal pieces as well, so that's good. Our Muslim network, this London network is quite

small, but very active amongst that population. And we have a Christian and Hindu networks as well.

Despite demands placed by the local context, a principled approach may still be possible. Local demands are not always considered uncritically in organisations. One organisation chose to assert universal standards and values, even when these may conflict with the espoused beliefs of the local branch:

We have female managers in our Saudi practice. We were the first of the big Four to do that. I think if I remember right at the moment, we have three, which is three more than anybody else. We've actively promoted public conferences in Saudi which have both men and women on the platform together. Everybody knows that when you're dealing with xxx as a global entity, you're dealing with an organisation that comprehensively believes in open transparent human rights for all, irrespective of gender and irrespective of geography. We don't take a discriminatory line on those things whatsoever. Now if there were a client that suggested that, we may well find ourselves in a non-client relationship.

Although globally an organisation may be promising to manage a large number of differences at work, the local practice suggests focus on a limited number of categories of diversity in terms of monitoring and management. It is a truism to state that diversity is always practiced at a local level. However, taking this fact at face value presents problems of principle. If an organisation allows all diversity policies to be locally determined, there can be wide discrepancies and disparities between local settings across which the organisation operates. As a result, a more principled approach is sometimes adopted by organisations. Even in a principled approach, the

organisation needs to negotiate central demands with local conditions for effective crafting and implementation of a diversity policy.

The global value chain approach, although a very progressive one, is not yet widely practised among the organisations that participated in our study. However, transnational asymmetries are induced by localising approaches in accounting for diversity's impact. Furthermore, transnational asymmetries are at the heart of corporate scandals that damage workers, communities and corporations. Differential conditions of work, pay, rights and freedoms at work across national borders and regions of the world need to be considered in accounting for the impact of diversity.

5. Discussion and conclusions

This paper identified four distinct approaches to accounting for diversity's impact and argued that there is a need to move from narrow framing of diversity's impact based around shareholder and stakeholder considerations towards a broader framing, which includes coercive regulation and global value chain. However, the academic literature and practices in global organisations that we have studied suggest that shareholder and stakeholder approaches continue to dominate the discourse and practices of accounting for diversity's impact. In fact, there is often a misconception that diversity outcomes refer only to single bottom-line (profits) delivered through voluntary measures (Özbilgin and Tatli, 2011). Conversely, the significant role that coercive regulation plays in generating diversity's impact is often overlooked. Finally, the literature remains relatively silent in accounting for global value chain, which is imbued with transnational asymmetries of power across diversity categories. Yet, there are calls to broaden the frameworks of how we account for diversity outcomes in order to strengthen the diversity management practices nationally and

internationally (Jonsen et al., 2013; Holvino & Kamp, 2009). This paper responded to these calls by introducing and exploring two approaches that have been previously overlooked. Our research findings suggest that the coercive legal measures, although they appear to be less favoured than voluntary measures, engender a strong impact on diversity. Similarly, the relative silence of organisations in accounting for transnational asymmetries of power in global value chains has recently been broken by a few practitioners who suggest that such a perspective on accounting for diversity will become more important for global organisations.

We demonstrated that it is possible to identify four distinct approaches to accounting for diversity as depicted in Figure 1. The first approach focuses on the impact of workforce diversity on shareholder value through a single bottom line, i.e. profits and returns on investment. The second approach emphasises the impact on a wider range of stakeholders, such as the employees, communities, consumers, the environment, i.e. the triple bottom line (see also Tatli et al., 2012; Healy, Kirton & Noon, 2010). The triple bottom line approach considers not only simple profitability measures but also diversity's impact on people and the planet. The third approach to accounting for workforce diversity involves a consideration of compliance with coercive regulation as well as advocacy of progressive forms of self- and industry-based regulation (Özbilgin and Tatli 2011; Klarsfeld et al., 2012). Finally, there is an emergent approach to accounting for diversity which adopts a transnational and global approach, offering to leverage global diversity for the common good (Jonsen et al. 2013; Brabet 2011).

Figure 1: Four approaches to accounting for diversity outcomes: from narrow to broad focus

Source: Adapted from Brabet (2011)

Figure 1 illustrates how approaches in the outer layers include approaches in the inner layers and the level of sophistication develops as an organisation moves from shareholder value to a global value chain approach. Therefore, in the case of global value chain approaches, organisations do not abandon pursuit of profitability or return on investment but build more sophisticated reasons to leverage workforce diversity. Taken together, the four approaches represent a more comprehensive understanding of accounting for diversity to include varied short-term and long-term, direct and indirect, and broad and narrow conceptions of the interplay between diversity management and organisational performance. These four approaches are not mutually exclusive and organisations will draw on one or more of these accounting approaches, depending on the category of diversity and the aspect of diversity management intervention that they deal with at the time. In this context, each

approach to accounting for diversity presents a unique set of chances and challenges. Our data revealed that despite promise of progress, the challenges of implementation may lead to mixed outcomes in driving diversity management interventions.

Our study shows that social, cultural, political and economic context has a crucial influence on how organisations account for the impact of workforce diversity. The current political context that is characterised by voluntarism, individualism and over-financialisation is not supportive of the consideration of a wide range of approaches to accounting for diversity. As a result, organisations predominantly focus on shareholder and stakeholder interests in framing their diversity impact. Furthermore, accounting for diversity's impact in global firms is often firmly localised, with little transnational dialogue and equity. In that sense, accounting for diversity's impact is over-contextualised. At times, local context and cultural norms are used as excuses for inaction and complacency with regards to accounting for diversity outcomes, leading to a growing disparity between the local subsidiaries and office branches in terms of investment in and commitment to diversity management.

Our findings have important implications for policy and practice. Diversity in one region or branch network should not come at the cost of inequality in another region or part of the branch network. International corporate scandals illustrate the emerging significance of going beyond simple and localised considerations towards recognising diversity as a key concern in the organisational value chain. With this impetus, we are likely to see changes in policy and practice that may capture the complexity of diversity in the context of creating value in global organisations. This emergent approach requires a transnational dialogue and trans-functional partnership in accounting for diversity management. Transnational dialogue can be developed by organisational engagement with international labour standards and principles of

responsible governance. Trans-functional partnership, on the other hand, requires linking workforce diversity to strategic objectives of different departments in organisations, as well as situating diversity management alongside other key value-creating functions such as accounting, marketing and sales, corporate social responsibility, human resource management, and operations management.

In accounting for diversity management, we recognise that global organisations have different starting points and trajectories of development in terms of their approaches. Although progress from narrow to broad perspectives is often assumed, these assumptions need to be further examined. While some organisations make small incremental changes towards their chosen perspective, others will be more radical in their diversity initiatives. Therefore, diversity professionals should craft their strategies of demonstrating the value of diversity management to the tempo and maturity of their own organisations. They also need to reflect upon the global, regional and national context of political economy in order to assess the challenges and opportunities.

Future research may explore the challenges that face diversity officers in using the business case in negotiating their diversity plans and interventions. Studies may also trace how a specific approach to accounting for the value of diversity management adopted by an organisation evolves over time. Such research may help identify the crucial junctures and factors that impact the development of organisational diversity approaches.

6. References

Ali, M., Kulik, C. T., and Metz, I. (2011). The gender diversity–performance relationship in services and manufacturing organizations. *The International Journal of Human Resource Management*, 22(07), 1464-1485.

- Arthur, M. M., and Cook, A. (2009). Shareholder Returns for a Catalyst Award. *Group and Organization Management*, 34(4), 432-448.
- Auh, S., and Menguc, B. (2006). Diversity at the executive suite: A resource-based approach to the customer orientation-organizational performance relationship. *Journal of Business Research*, 59(5), 564-572.
- Barinaga, E. (2007). Cultural diversity' at work: 'National culture' as a discourse organizing an international project group. *Human Relations*, 60, 315-340.
- Bebbington, D., & Özbilgin, M. (2013). The paradox of diversity in leadership and leadership for diversity. *Management International*, 17, 14-24.
- Brabet, J. (2011). Corporate Social Responsibility and its models in a contested field. *Revue Organisation Responsable/ Responsible Organization Review*, 6(2): 38-50.
- Brammer, S., Millington, A., and Pavelin, S. (2009). Corporate Reputation and Women on the Board. *British Journal of Management*, 20(1), 17-29.
- Buttner, E., Lowe, K., and Billings-Harris, L. (2010). The Impact of Diversity Promise Fulfillment on Professionals of Color Outcomes in the USA. *Journal of Business Ethics*, 91(4), 501-518.
- Cannella Jr, A. A., Park, J.-H., and Lee, H.-U. (2008). Top management team functional background diversity and firm performance: examining the roles of team member co-location and environmental uncertainty. *Academy of Management Journal*, 51(4), 768-784.
- Carbonell, P., and Rodriguez, A. I. (2006). Designing teams for speedy product development: The moderating effect of technological complexity. *Journal of Business Research*, 59(2), 225-232.
- Colgan, F., et al. (2009). Equality and diversity in the public services: moving forward on lesbian, gay and bisexual equality?. *Human Resource Management Journal*, 19(3), 280-301.
- Cox, T.H. (1991). The multicultural organisation. *Academy of Management Executive* 5(2): 34-47.
- Cronin, M. A., and Weingart, L. R. (2007). Representational gaps, information processing, and conflict in functionally diverse teams. *Academy of Management Review*, 32(3), 761-773.
- Day, N. E., and Greene, P. G. (2008). A case for sexual orientation diversity in small and large organizations. *Human Resource Management*, 47(3), 637-654.
- de Cabo, R. M., Gimeno, R., and Nieto, M. J. (2012). Gender Diversity on European Banks' Boards of Directors. *Journal of Business Ethics*, 109(2), 145-162.
- Dickerson, N., Lisa, S., Douglas, K., and Joseph, B. (2010). Worksite Segregation and Performance-Related Attitudes. *Work and Occupations*, 37, 45-72
- Dobbs, M.F. (1996). Managing diversity: lessons from the private sector. *Public Personnel Management*, 25(3): 351-367.
- Elg, U. and Jonnergård, K. (2010). Included or excluded? The dual influences of the organizational field and organizational practices on new female academics. *Gender and Education*, 22 (2), 209-225.

- Ely, R. J., Padavic, I., and Thomas, D. A. (2012). Racial Diversity, Racial Asymmetries, and Team Learning Environment: Effects on Performance. *Organization Studies*, 33(3), 341-362.
- Foo, M.-D., Sin, H.-P., and Yiong, L.-P. (2006). Effects of team inputs and intrateam processes on perceptions of team viability and member satisfaction in nascent ventures. *Strategic Management Journal*, 27(4), 389-399.
- Galia, F. and Zenou, E. (2012). Board composition and forms of innovation: does diversity make a difference? *European Journal of International Management*, 6(6), 630-650.
- Gilson, L. L., Lim, H. S., Luciano, M. M., and Choi, J. N. (2013). Unpacking the cross-level effects of tenure diversity, explicit knowledge, and knowledge sharing on individual creativity. *Journal of Occupational and Organizational Psychology*, 86(2), 203-222.
- Glaser, B. G. (2005). *The grounded theory perspective III: Theoretical coding*. Mill Valley, CA: Sociology Press.
- Gong, Y., Chow, I. H. S., and Ahlstrom, D. (2011). Cultural diversity in China: Dialect, job embeddedness, and turnover. *Asia Pacific Journal of Management*, 28(2): 221-238.
- Gonzalez, J. A., and DeNisi, A. S. (2009). Cross-level effects of demography and diversity climate on organizational attachment and firm effectiveness. *Journal of Organizational Behavior*, 30(1), 21-40.
- Greene, A.-M., Kirton, G., and Wrench, J. (2005). Trade union perspectives on diversity management: A comparison of the UK and Denmark. *European Journal of Industrial Relations*, 11(2), 179-196.
- Grosvold, J. and Brammer, S. (2011). National institutional systems as antecedents of female board representation: An empirical study. *Corporate Governance-an International Review*, 19(2), 116-135.
- Healy, G., Kirton, G. and Noon, M. (eds) (2010) *Equality, Inequalities and Diversity*. Basingstoke, Palgrave.
- Holvino, E. and A. Kamp (2009). Diversity management: Are we moving in the right direction? Reflections from both sides of the North Atlantic. *Scandinavian Journal of Management*, 25(4): 395-403.
- Jayne, M.E.A. and Dipboye, R.L. (2004). Leveraging diversity to improve business performance: research findings and recommendations for organizations. *Human Resource Management*, 43(4), 409-424.
- Johnston, D., and Malina, M. A. (2008). Managing sexual orientation diversity: The impact on firm value. *Group and Organization Management*, 33(5), 602-625.
- Jonsen, K., Tatli, A., Özbilgin, M. F., and Bell, M. P. (2013). The tragedy of the commons: Reframing workforce diversity. *Human Relations*, 66(2), 271-294.
- Joshi, A., and Roh, H. (2009). The role of context in work team diversity research: a meta-analytic review. *Academy of Management Journal*, 52(3), 599-627.
- Joshi, A., Hui, L., and Jackson, S. E. (2006). Cross-level effects of workplace diversity on sales performance and pay. *Academy of Management Journal*, 49(3), 459-481.

- Kan, M.M., and Parry, K.W. (2004) 'Identifying paradox: A grounded theory of leadership in overcoming resistance to change', *The Leadership Quarterly*, 15, 467-491.
- Kaplan, D. M., Wiley, J. W., and Maertz, C. P. (2011). The role of calculative attachment in the relationship between diversity climate and retention. *Human Resource Management*, 50(2), 271-287.
- King, E. B., Hebl, M. R., George, J. M., and Matusik, S. F. (2010). Understanding tokenism: Antecedents and consequences of a psychological climate of gender inequity. *Journal of Management*, 36(2), 482-510.
- Klarsfeld, A., Ng, E., and Tatli, A. (2012). Social regulation and diversity management: A comparative study of France, Canada and the UK. *European Journal of Industrial Relations*, 18(4), 309-327.
- Konrad, A. M., Cannings, K., and Goldberg, C. B. (2010). Asymmetrical demography effects on psychological climate for gender diversity: Differential effects of leader gender and work unit gender composition among Swedish doctors. *Human Relations*, 63(11), 1661-1685.
- Kunze, F., Böhm, S. A., and Bruch, H. (2011). Age diversity, age discrimination climate and performance consequences-a cross organizational study. *Journal of Organizational Behavior*, 32(2), 264-290.
- Lau, D. C., and Murnighan, J. K. (2005). Interactions within groups and subgroups: the effects of demographic faultlines. *Academy of Management Journal*, 48(4), 645-659.
- Lauring, J. (2013), International Diversity Management: Global Ideals and Local Responses. *British Journal of Management*, 24: 211–224. Lee and James 2007;
- Lee, P. M., and James, E. H. (2007). She'-e-os: gender effects and investor reactions to the announcements of top executive appointments. *Strategic Management Journal*, 28(3), 227- 241.
- Leonard, J., and Levine, D. (2006). The effect of diversity on turnover: a large case study. *Industrial and Labor Relations Review*, 59(4), 547-572.
- Mahadeo, J. D., Soobaroyen T. and Hanuman, V.O. (2012). Board composition and financial performance: uncovering the effects of diversity in an emerging economy. *Journal of Business Ethics* 105: 375-388.
- Mannix, E. and Neale, M.A. (2005). What differences make a difference? *Psychological Science in the Public Interest* 6(2), 31-55.
- Meyer, B. and Schermuly, C.C. (2012). When beliefs are not enough: Examining the interaction of diversity faultlines, task motivation, and diversity beliefs on team performance. *European Journal of Work and Organizational Psychology*, 21(3), 456-487.
- Moore, S. (2009). 'No matter what I did I would still end up in the same position'. *Work, Employment and Society*, 23(4), 655-671.
- Nakata, C., and Im, S. (2010). Spurring cross-functional integration for higher new product performance: A group effectiveness perspective. *Journal of Product Innovation Management*, 27(4), 554-571.

- Naranjo-Gil, D., Hartmann, F., and Maas, V. S. (2008). Top management team heterogeneity, strategic change and operational performance. *British Journal of Management*, 19(3), 222- 234.
- Oikelome, F. and Healy, G. (2007), Second-class doctors? The impact of a professional career structure on the employment conditions of overseas- and UK-qualified doctors. *Human Resource Management Journal*, 17: 134–154.
- Østergaard, C. R., Timmermans, B., and Kristinsson, K. (2011). Does a different view create something new? The effect of employee diversity on innovation. *Research Policy*, 40(3), 500-509.
- Özbilgin, M. and Tatli, A. (2008) *Global Diversity Management: An Evidence-Based Approach*. London and New York: Palgrave.
- Özbilgin, M., and Tatli, A. (2011). Mapping out the field of equality and diversity: Rise of individualism and voluntarism. *Human Relations*, 64(9), 1229-1253.
- Peccei, R., and Hyun-Jung, L. (2005). The impact of gender similarity on employee satisfaction at work: A review and re-evaluation. *Journal of Management Studies*, 42(8), 1571-1592.
- Perriton, L. (2009). We don't want complaining women! A critical analysis of the business case for diversity. *Management Communication Quarterly*, 23(2), 218-243.
- Peters, L. and Karren, R.J. (2009). An examination of the roles of trust and functional diversity on virtual team performance ratings. *Group and Organization Management*, 34(4), 479-504.
- Qian, C., Cao, Q., and Takeuchi, R (2013). Top management team functional diversity and organizational innovation in China: The moderating effects of environment. *Strategic Management Journal*, 34(1), 110-120.
- Ragins, B. R., Gonzalez, J. A., Ehrhardt, K., and Singh, R. (2012). Crossing the threshold: The spillover of community racial diversity and diversity climate to the workplace. *Personnel Psychology*, 65(4), 755-787.
- Rico, R., Molleman, E., Sanchez-Manzanares, M., and Vegt, G. S. V. d. (2007). The Effects of Diversity Faultlines and Team Task Autonomy on Decision Quality and Social Integration. *Journal of Management*, 33(1), 111-132.
- Rivas, J.L. (2012). Diversity and internationalization: The case of boards and TMT's. *International Business Review*, 21, 1-12.
- Seierstad, C., and Healy, G. (2012). Women's equality in the Scandinavian academy: a distant dream?. *Work, Employment and Society*, 26(2), 296-313.
- Singh, B., Winkel, D. E., and Selvarajan, T. T. (2013). Managing diversity at work: Does psychological safety hold the key to racial differences in employee performance? *Journal of Occupational and Organizational Psychology*, 86(2), 242-263.
- Stahl, G. K., Mäkelä, K., Zander, L., and Maznevski, M. L. (2010). A look at the bright side of multicultural team diversity. *Scandinavian Journal of Management*, 26(4), 439-447.

- Stainback, K., and Irvin, M. (2012). Workplace racial composition, perceived discrimination and organizational attachment. *Social Science Research*, 41(3), 657-670.
- Strauss A.L. and Corbin, J. (1990), *Basics of Qualitative Research*, London: Sage.
- Talke, K., Salomo, S., and Kock, A. (2011). Top management Team diversity and strategic innovation orientation: The relationship and consequences for innovativeness and performance. *Journal of Product Innovation Management*, 28(6), 819-832.
- Tatli, A. (2011). A Multi-layered Exploration of the Diversity Management Field: Diversity Discourses, Practices and Practitioners in the UK. *British Journal of Management*, 22(2), 238-253.
- Tatli, A., and Özbilgin, M. (2012a). An emic approach to intersectional study of diversity at work: a Bourdieuan framing. *International Journal of Management Reviews*, 14(2), 180-200.
- Tatli, A., and Özbilgin, M. (2012b). Surprising intersectionalities of inequality and privilege: the case of the arts and cultural sector. *Equality, Diversity and Inclusion: An International Journal*, 31(3), 249-265.
- Tatli, A., Vassilopoulou, J., and Özbilgin, M. (2013). An unrequited affinity between talent shortages and untapped female potential: The relevance of gender quotas for talent management in high growth potential economies of the Asia Pacific region. *International Business Review*, 22: 539-553.
- Tatli, A., Vassilopoulou, J., Al Ariss, A., and Özbilgin, M. (2012). The role of regulatory and temporal context in the construction of diversity discourses: The case of the UK, France and Germany. *European Journal of Industrial Relations*, 18(4), 293-308.
- Tihanyi, L., Ellstrand, A. E., Daily, C. M., and Dalton, D. R. (2000). Composition of the top management team and firm international diversification. *Journal of Management*, 26(6), 1157-1177.
- Walker, D., and Myrick, F. (2006) 'Grounded theory: An exploration of process and procedure', *Qualitative Health Research*, 16(4): 547-559.
- Winkler, V. A. and Bouncken, R.B. (2011). How Does Cultural Diversity in Global Innovation Teams Affect the Innovation Process? *Engineering Management Journal*, 23(4): 24-35.
- Zimmerman, M. A. (2008). The influence of top management team heterogeneity on the capital raised through an initial public offering. *Entrepreneurship Theory and Practice*, 32(3), 391-414.