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# **Developing an empirical typology of diversity-oriented human resource management practices**

## **Introduction**

Demographic changes in the labour market have made workplaces more diverse than before. The contemporary workplaces are characterized by increasing workforce diversity in an infinite number of dimensions for e.g. gender, age, race/ethnicity, religion, sexual orientation, functional differences, educational differences, geographic regions, tenure, physical ability and cognitive ability, language, beliefs, cultural differences, economic category etc (Krishna et al., 2004; Rogelberg, 2006). Moreover, organizations are making conscious efforts towards inclusion of minorities and people from different backgrounds as they conceive diversity as strategic priority to gain competitive advantage.

### *Diversity Management and Human Resource Management*

The changing demographics and inclusion of diversity in the workforce as a business case has turned the researchers and practitioners to the organization systems / practices that can add real value of diverse workforce to the organizations. Within this framework, HRM has been viewed as capable of managing diversity effectively while contributing to the organization's overall performance. The rationale for this view is grounded in the conceptualization that workforce diversity has both benefits and challenges. Diversity brings in increase in the skills, abilities, information, experience and knowledge. Interaction among diverse individuals leads to positive outcomes. On the other hand, based on relevant features of diversity—race, gender, age and so on, individuals categorize others into —in (inclusive) and —out (outcast) groups. Such categorization, results in less favorable behaviour towards out-group members, less interaction and thus being detrimental to organization outcomes. This brings in the need for creating a condition where in the interactions among the individuals are

increased and social-categorization decreases. In an organization, such an environment can be created by HRM practices as they are capable of developing relationships and social ties among organization members (Ma Prieto & Perez Santana, 2013) and create social conditions that motivate employees to interact and share knowledge (Collins & Smith, 2006; Kase et al., 2009).

This view supports a growing body of research (e.g. Shen et al., 2009; McMahan et al., 1998; Richard & Johnson, 2001; Kochan et al., 2003; Kossek & Lobel, 1996; Roberge et al., 2011), which posits that workforce diversity is efficiently managed by redesigning HRM practices with diversity orientation. In addition, researchers have prescribed a range of HRM practices under each HRM function to manage diversity (e.g. Mc. Mahan, 1998; Shen et al., 2009).

The literature in this direction is developing rapidly, but there exist significant research needs. Of relevance to the study, Martin –Alcázar et al., (2013) noted that the efforts to develop diversity-oriented HR configurations remain unexplored. Despite the emphasis in literature on integrating a number of HRM practices together to manage diversity (e.g. Mc. Mahan, 1998; Kossek et al., 2005; Shen et al., 2009), there is lack of HRM typologies to understand different diversity management alternatives with the exception being the efforts of Martin –Alcázar et al., (2012), who proposed a typology based on generic HRM typology (control *and* commitment) by an empirical exploratory analysis. They argued that this traditional distinction does not fully explain the HR practices managing outcomes of diversity and called for further need for more specific typologies.

This gap is significant as such a typology would help to achieve a clear and parsimonious understanding of Diversity-oriented HRM practices configurations. This will assist in the designing of effective diversity management systems through HRM by identifying the

similarities and differences between various Diversity –oriented HRM practices and comparing the mechanism and outcomes of each type. In addition, conceptually it will provide clarity by simplification and shape development of nomenclature for ease of communication.

The purpose of this paper is to address the specific need identified by Martin –Alcázar et al., (2013). The study investigates and builds a typology of Diversity–oriented HR practices that has foundation in, and extends, the current HRM-Diversity literature rather than based on generic HRM typologies. The study is intended to develop a comprehensive classification of Diversity–oriented HR practices and highlights the similarities and differences between Diversity–oriented HR practices as well as their underlying dimensions. The paper begins this exploration firstly by discussing the concept of diversity-oriented HRM practices, followed by review of the relevant literature to identify various HRM practices to manage diversity and proposing configurations of HRM practices. The next section then outlines the method adopted to test the typology and highlights the results. Major implications and limitations are then discussed at the end.

### **Diversity –oriented Human Resource Management practices**

Diversity –oriented HRM (DHRM) practices can be understood as the traditional HRM practices aligned with Diversity Management goals. Broadly , Diversity Management goals are to enhance social justice by creating an organizational environment in which no one is privileged or disadvantaged due to characteristics such as race or gender ( Cox & Blake, 1991) and improve the relationships among their employees by encouraging acceptance and understanding of diversity ( Thomas , 1991). Diversity –oriented HRM practices becomes significant to managing diversity because alignment of management systems , which

represents incorporating Diversity Management efforts across all systems within an organization was identified as critical for managing diversity in the literature.

To align with the Diversity Management goals, diversity issues related to each traditional HRM practices is understood and redesigned to not only attract diverse people, but retain them. Diversity –oriented HRM practices can be understood as HRM practices aimed at attracting, acquiring and maintaining the diverse workforce to create an equitable workplace and positive attitude and behavior of individuals.

### **Literature Review – Identifying the HRM Practices to Manage Diversity**

The literature widely recognizes Human resource policies and practices for its potential to manage diversity and lead to positive performance outcomes. In this context, HR practices promoting fairness (Roberge et al., 2011), team building HR practices (Chi et al., 2009) and training practices (Roberge et al., 2011; Jehn & Bezrukova, 2004) are identified from literature which has potential to manage diversity. The section below discusses these practices-

#### *HR practices promoting fairness*

This emphasizes implementing various traditional HRM practices fairly to create an equitable environment (Roberge et al., 2011). Fair HR practices are represented by fairness of outcomes and procedures of these practices, fair communication, justifications and explanations of the results related to HR practices.

These practices are significant in diverse workforce as perception of justice is an aspect of social context (Ambrose et al., 1991) and requires a reference of another person (Adams, 1965; Leventhal, 1980). In a diverse organization, which is endangered to group formation due to social categorization, out-group makes an attractive option for comparison. Moreover,

injustice to one member of an in-group can spill over to the other members of in-group disrupting the coordination, increasing the bias and conflicts among in-group and out-group members. This situation renders the reaction of injustice from source of treatment transferred to out-group members (e.g. Yorges, 1999; Colquitt, 2001). Moreover, research has established the relation between perception of fairness and positive behavioral consequences and attitude such as cooperation in groups (e.g. Tyler & Blader, 2000) and attachment to group (e.g. Korsgaard et al., 1995) and exhibit higher trust (e.g. Deluga 1994). In addition, distributive justice, such as equal pay creates a situation of equal status among employees (Novak and Rogan, 2010). This highlights that perception of equality in HRM practices can mitigate the impact of social categorization in diverse workforce.

#### *Team building HR practices*

Team building HR practices such as group- based incentives and team based rewards increase outcome and goal interdependency (Novak& Rogan, 2010; Weldon & Weingart, 1993). This interdependency provides an opportunity to favorable intergroup contact (Novak& Rogan, 2010). Such favorable contacts foster trust (Collins and Smith, 2006) and increases cooperation (Wagner, 1995) among diverse groups.

#### *Training practices*

Training practices are a set of activities that intend to affect employee's behaviors, cognition, attitudes, values and emotions (Jehn & Bezrukova, 2004; Nemetz & Christensen, 1996). Such activities may reduce bias (Brewer & Brown, 1998), change employee's views (Nemetz & Christensen, 1996) and increase perception of similarity (Gartner, Rust, Bachman, Dovidio & Anastasio, 1994).

Social inference literature suggests that educating about differences can modify common errors of reasoning developed from reliance on past information derived from small unrepresentative samples i.e. diversity training can modify past experiences by increasing awareness (Pendry et al., 2007). Diversity training modifies past attitudes, stereotypes, negative emotions and behaviour by learning about other groups (Denson, 2009). It is also argued that by breaking down stereotypes it encourages empathy (Paluck & Green, 2009).

### *Proposed configurations*

Richard and Johnson (2001) proposed that all the major HR functions should have diversity orientation to foster management of diversity. Further, other researchers (Mc. Mahan, et al, 1998; Benschop, 2010; Richard & Johnson, 1999; Bamberger & Meshoulam, 2000; Kossek & Lobel, 1996; Kreitz, 2007) have emphasized the need to integrate all functions for effective management of workforce diversity as no single approach would bring positive approach. Therefore, the study takes an integrated approach and considers the following functional areas –Recruitment, Selection, Performance Evaluation, Compensation and Training. Literature related to these functional areas was reviewed to identify the prescribed practices relevant to promoting fairness, team building and training. **Table 1** lists the 31 practices covering all the major HR functions identified from the literature and categorizes them under respective categories to develop three configurations which are together referred as Diversity-oriented Human Resource Management (DHRM) practices in this research study.

**(Insert Table 1 here)**

### **Method**

The study employs factor analysis approach for developing typology. It is recommended that factor analysis can be a tool for developing empirical typology by grouping interdependent

variables into descriptive categories (Rummel, 1988 p.p.30). Moreover , factor analysis has been employed as an approach to classify in the HRM literature (e.g. Lee and Chee, 1996; Huselid, 1995; Martin –Alcázar et al., 2012) and also other literature in the areas of General Management, Health , Criminology and Media ( e.g. Buijzen & Valkenburg , 2004 ; Jones & Harris , 1999 ; Pearce et al., 2013 ; Venkaiah e al., 2013)

*Sample:* The study analyzed data from 603 software engineers working in IT companies (n= 137). These companies considered diversity issues. Multistage purposive sampling was followed for arriving at the sample. In the absence of appropriate sampling frame, a list of 137 companies was made, which are considering diversity issues after studying the websites of the IT companies from seven major IT hubs of India - Bangalore, Hyderabad, Mumbai, New Delhi-NCR, Pune, Chennai and Kolkata. Data was collected between November 2014 and July 2015.

In terms of demographics, 72.63% of the total respondents were male and the remaining (27.36%) were females. 33.33% (n= 201) of respondents were in the age group of 20-30 years, with an equal number (33.16%, n= 200) in the 30-40 years age group. 29.86% of respondents (n= 179) had 2-3 years of work experience, 28.36% (n= 171) had 3-4 years, 21.35% (n= 128) had 4-5 years and 20.78 % (n= 125) had more than 5 years of work experience. 46.76 % (n= 282) respondents were from Indian based MNCs and the remaining 52.23 % (n= 321) respondents were from foreign based MNCs. Overall, the respondents represented 21 states out of 29 states of India.

*Procedure:* Based on the 31 items (list of diversity- oriented HR practices) identified from the literature review, a questionnaire was developed to collect data from the respondents. The data was collected by sending the questionnaire through emails, as most of the respondents who were contacted were more candid in e-mail than in person. The respondents rated each



practice on a 4-point Likert scale (1- strongly agree, 4 – strongly disagree). Drawing on the data obtained from the sample, empirically diversity – oriented HR patterns were extracted and analyzed.

An exploratory factor analysis was conducted with SPSS 20.0, to explore the component structure of the different diversity-oriented HR practices; an iterative procedure was conducted on 31 items identified from literature to classify different types of diversity – oriented HR practices through factor analysis. Principal axis factoring (PAF) and oblique rotation were used to derive factors. Kaiser criterion, namely Eigen value of  $> 1.0$  and scree plot was employed for the choice of the number of factors to be retained in factor analysis. The assessment of factor loadings was done by deleting items with factor loading less than 0.50 and cross loading greater than 0.4. The factors thus extracted, were evaluated through Cronbach's alpha internal consistency to verify the reliability. The Cronbach's alpha values are presented in **Table 3**.

## **Results**

In the first iteration, the number of factors was restricted to three to find out if the different types i.e. fair HR practices, team building HR practices and training practices are the only types represented by the 31 practices listed from literature. However, Kaiser-1 rule indicated that seven factors could be extracted against the proposed three types. With seven factors extracted, communalities of all 31 items were above 0.4, indicating that these items were explained satisfactorily by the factor solutions, with the exceptions of HR1, HP10 and HC1. Further, these three items with another item HC2 did not load on any of the factors significantly. These items were dropped after they were examined for their factor loadings. Four items (HR1, HP10, HC1, HC2) did not meet the established criteria of factor loading of

more than 0.4 on any of the factors and were deleted. At the end of this revision, 29 items were retained.

After the first revision, the remaining items were resubmitted to another round of factor analysis. Five factors emerged with Kaiser-1 criteria, all with Eigen value  $> 1.0$ . However, this factor structure was difficult to interpret theoretically. The Scree criterion was applied which indicated seven factors. A third round of factor analysis with a restriction of seven components was conducted. The seven-factor solution, however, provided a better factor structure (i.e., fewer cross-loading items). The same evaluation criterion was applied to factor loadings. The procedure resulted in further deletion of three additional items. The three items (HS7, HP9 and HT1) had a cross-loading above 0.4 on more than one factor. With the remaining 26 items a fourth round of factor analysis was conducted.

With 26 items remaining, six factors had Eigen values greater than 1. Because the seventh factor had an Eigen value of 0.992, which is close to 1, as a seven-factor solution was significant theoretically. The final seven factors accounted for 71.877 % of the total variance. The result from the final iteration is shown in **Table 2**

**(Insert Table 2 here)**

The findings show that most of the diversity –oriented HR practices cluster together into higher order categories of Diversity –oriented Human Resource Management (DHRM) practices. However, instead of the proposed three categories, the study yielded seven categories of diversity –oriented HR practices.

**Table 3** presents summary of final typology of Diversity –oriented Human Resource Management practices.

**(Insert Table 3 here)**

## Discussion

The purpose of the study was to develop and test a typology of Diversity –oriented HR practices. The study also focused on how HR practices could be combined to provide alternative configuration for managing diversity .Using factor –analytic procedure, an empirically derived typology of seven types of Diversity –oriented HRM practices were obtained. Based on the convergence of description and basic understanding of the causal processes, the seven types that were arrived at included *Fairness-oriented selection practices*, *Fairness-oriented performance evaluation practices*, *Fairness-oriented compensation practices*, *Training- oriented practices*, *Team –oriented practices*, *Control-oriented practices* and *Identity- free practices*.

The study concludes that the set of Diversity –oriented HRM practices in each type leads to a change in the attitude of employees which is either a cognitive or affective change. This change acts as a mechanism to induce a behavioral outcome which is favorable for a diverse group of employees. The seven types of Diversity –oriented Human Resource Management practices that emerged in the study varied primarily in the HRM functions related to them, the underlying mechanism (i.e. cognitive and affective attitude change) and the behavioral outcome of it. **Fig 1** presents the similarities and differences in the types of diversity –oriented Human Resource Management practices, highlighting the underlying mechanism and behavioral outcomes of each.

**(Insert Fig 1 here)**

The study found out that although the practices which loaded on first five type’s i.e. Fairness-oriented selection practices, Fairness-oriented performance evaluation practices, Fairness-oriented compensation practices, Identity-free practices and Control-oriented practices varied in the HR functions they covered; however resulted in a common behavioral

outcome to manage diversity. All these practices promote equal behaviour towards both out-group members and in-group members. However, the former four increases the perception of justice (affective outcome) to promote such behaviour and the latter increases the perception of control, which in turn leads to perception of justice. A detailed discussion of these five types and others is presented below.

#### *Type 1- Fairness-oriented Selection Practices*

These are the selection practices designed by conditions of procedural justice (consistency in administration, equal opportunity to perform), informational justice (providing feedback with honesty) and interpersonal justice (interpersonal effectiveness of interviewer and opportunity for two- way communication). These practices gain significance as selection process is the first source of information acquisition to evaluate values and norms of an organization. The experiences during the selection process would leave initial impressions in the mind of individuals which are often resistant to change. Negative experiences resulting from unfair selection practices will have an impact on the behaviour of an individual when he/she joins the organization. The perceived differences and related uncertain feelings would make employees sensitive to issues related to fairness.

#### *Type 2- Fairness-oriented performance evaluation practices*

These are performance evaluation practices designed by the condition of procedural justice. They emphasize implementing fair evaluation procedures involving clarity, reliability, consistency of appraisal criteria's and regularity of evaluation feedback to induce the perception of equal norms in diverse individuals. Procedural justice is judged by the consistency of decision making process across persons and time. The former, therefore, requires an individual to judge if the procedures are fair by comparing it with others. Perceived justice from such comparison would motivate individuals to consider the others as in-group, consequently promoting positive group behaviors.

### *Type 3 - Fairness-oriented Compensation Practices*

These are the compensation practices designed by the condition of distributive justice and underscore the need of principle of equal pay and accommodating diverse needs in benefit plans to generate a feeling of equality in diverse groups. The importance of these practices is grounded in Adam's (1965) Equity theory. The theory states that individual assesses pay justice by comparing their contributions and compensation to those of other individuals, termed referents. The same is applied to the comparison of the level of benefit coverage. If an individual perceives inequity, he may exhibit less positive behavior towards the referents.

### *Type 4 – Identity-free Practices*

Identity-free practices call attention to ensure that human-resource decision making processes are not influenced by demographic identity of an individual. A manager's biased decision on the basis of demography such as considering demographic characteristics as signal for job performance, selection based on demographic characteristics, more favorable assessment of demographically similar individuals or deciding starting pay differentials based on diversity characteristics create a perception of injustice among diverse groups. The importance of these practices can be drawn from similarity-attraction paradigm of Byrne, (1971), which states that when individuals are demographically similar, they perceive themselves as being similar and mutually attracted. Demographic similarity is taken as indicator of attitudinal similarity hence the favorable behaviour towards them during various HRM decisions such as Selection, performance evaluation, pay fixation etc. Further, stereotyping based on demographic attributes is more frequent to occur in absence of much data about the target while taking decisions. Such favorable decisions for few would enhance the feeling of injustice.

### *Type 5 - Control-oriented Practices*

Control-oriented practices are related to performance evaluation practices which provide control to individuals over decisions related to their outcomes by allowing contributing input to their evaluations, participating in target setting and challenging the decisions regarding outcomes. This increases the perception of procedural justice in a diverse workforce. The significance of control –oriented practices is explained by the Control Theory of Thibaut and Walker (1975), which states that individuals have a desire to control what happens to them and such control increases the perception of fairness in procedures. They state that the perception of fairness in procedures is enhanced by decision control (the control over actual decisions) and the process control (control over the opportunity to state one’s case to a third party decision maker before a decision is recorded)

#### *Type 6- Team –oriented practices*

Team –oriented practices are HR practices that motivate group identification by evaluating and rewarding at group level along with at individual level. Team-based rewards and evaluation systems align individual member interest with team goals and induce a more open communications and interaction atmosphere within teams. This can, in turn, lead to a greater willingness on the part of team members to cooperate with other members. In a diverse organization, team tasks bring in-group and out-group members together with a common interest. Team based rewards and evaluation increases the perception of interdependence, which in turn, enhances positive behavior and attitude towards out-group team members, identifying them as self-group.

#### *Type 7 - Training oriented practices*

Training oriented practices are training practices which train individuals to understand and value the differences and develop skills to work with diverse members through disseminating related information, awareness programs and skill building programs. Such initiatives are considered important for generating sensitivity and awareness for differences in the

workplace, imparting an organization's value for diversity to its members, and providing employees with skills and competencies for operating in multicultural environments.

### *Implications*

The typology derived contributes to the literature by empirically validating the different Diversity –oriented HR practices independently prescribed in literature and bringing them together under a framework. A more significant contribution of this study stems from the fact that it builds upon more specific Diversity –oriented HR practices rather than generic HR practices. The study clarifies not only the different categories of Diversity –oriented HR practices but also how these categories are related to one another. This typology should prove useful in the development of general theories of Diversity –oriented HR practices.

The typology advanced in this study can serve as a useful tool for research on the effects of Diversity-oriented Human Resource Management (DHRM) practices on diversity outcomes. Researchers can use this typology of Diversity-oriented Human Resource Management (DHRM) practices to design instruments that allow a more in-depth and differentiating analysis of the role of HRM in managing diversity than those that have been carried out in previous research.

Managers can use the seven types of DHRM practices identified as criteria to choose an adequate pattern for HRM practices to manage diversity. This study, which clarifies the different types of workplace diversity deviance, suggests alternatives of HR practices which may have different consequences. For example, team- oriented practices would serve the function group –identification with all and training –oriented practices would serve to reduce bias.

### *Limitations*

The study is however, not free from limitations. The conceptual framework is one among the initial efforts and hence the typology presented cannot be considered exhaustive and complete. Future research should find more potential items for each type of Diversity – oriented HRM practice. The sample was drawn from the Indian IT industry. Replication and extension of this study is important as an analysis of other industries and countries could result in interesting findings. It is beyond the scope of this study to explore the relation between types of DHRM practices and other variables. Future research is required on such relationship for the external validation. Nevertheless, this study provides a valuable initial effort to validate a typology of Diversity-oriented Human Resource Management (DHRM) practices in Indian IT industry based on specific diversity-oriented configurations.

#### *Future recommendations*

The study is an initial effort to categorize the Diversity-oriented Human Resource Management practices to manage diversity. Future efforts with more rigorous methodology is needed for stronger theory building. Further, more HR functions can be included in the study to identify more practices under each type of DHRM practices. The seven types identified in the present study could be empirically tested to find their outcomes.

#### *Conclusion*

Current research in HRM - Diversity needs more depth of theory building to understand the role of HRM in managing diversity. The literature lacks classification system and moreover the initial effort found in literature is based on generic HRM typologies. The current study fills this significant gap by providing a comprehensive classification grounded in specific Diversity – HRM literature. Based on factor analysis, the study identified seven types of HRM practices to manage diversity. The analysis led to the conclusion that the various types of DHRM practices are conceptually distinct, yet related to each other on the underlying



mechanism and the behavioral outcome of it. Further, the analysis shows that each type of DHRM practices is not limited to only a specific HR function, rather includes more than one HR function which supports the proposition in literature that all the major HR functions should have diversity orientation to foster management of diversity. Theory building in this area is in an early stage. The seven types identified are not the end, but an important way in a continuing stream of theory development.

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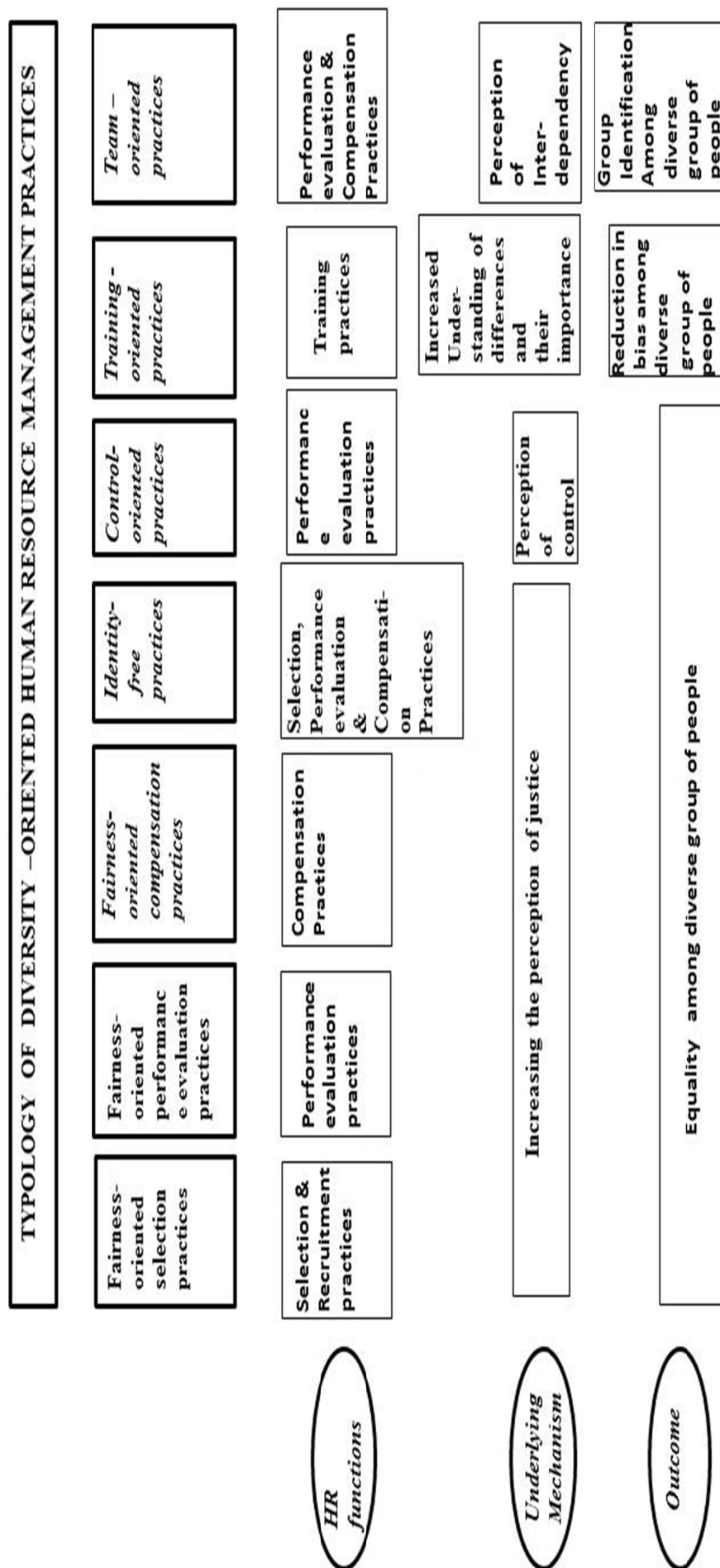
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*Fig.1. Differences and Similarities in types of Diversity –oriented Human Resource Management practices*





*Table 1. List of Diversity-oriented Human Resource Management (DHRM) practices*

<b>HR practices promoting fairness</b>		
<b>Item</b>	<b>Dimensions</b>	<b>Theoretical support</b>
HR1	<b>Recruitment</b> - Rely on only informal networks to fill open positions	Roberge et al., 2011
HR2	<b>Recruitment</b> -Equal chance to all competing for a job of obtaining that job	Anderson et al., 2001
HS1	<b>Selection</b> - Consistency in the content, scoring and interpretation of scoring	Arvey & Sackett, 1993
HS2	<b>Selection</b> -Adequate opportunity to demonstrate one's knowledge, skills and ability during selection process	Arvey & Sackett, 1993
HS3	<b>Selection</b> -Opportunity to ask questions regarding job, organization or selection process	Gilliland, 1993
HS4	<b>Selection</b> -interviewees are treated with warmth and respect	Gilliland, 1993
HS5	<b>Selection</b> -Interviewer's correctness, sincerity and believability	Liden & Parsons, 1986; Schmitt & Coyle, 1976
HS6	<b>Selection</b> -Honesty in feedback of selection information (results)	Gilliland, 1993
HS7	<b>Selection</b> -Selection process should be fair	Gilliland, 1993
HS8	<b>Selection</b> -Diversity characteristics used as signals for job performance	Heneman et al., 1997
HS9	<b>Selection</b> - Selecting candidates based on similar non-job related characteristic	Heneman et al., 1997; Goldberg, 2005
HS10	<b>Selection</b> - Favorable assessment for demographically similar candidates	Heneman et al., 1997; Goldberg, 2005
HS11	<b>Selection</b> -Deciding pay based on diversity characteristics	Heneman et al., 1997
HP1	<b>Performance evaluation</b> - Clarity of the performance appraisal criteria	Roberge et al., 2011

HP2	<b>Performance evaluation</b> - Valid and reliable performance measures	Roberge et al., 2011
HP3	<b>Performance evaluation</b> - Regular performance feedback	Roberge et al., 2011
HP4	<b>Performance evaluation</b> - Consistent application of the performance appraisal criteria	Greenberg, 1986
HP6	<b>Performance evaluation</b> -Opportunity to provide input before the appraisal decision is made	Folger et al., 1992; Kavanagh et al., 2007
HP7	<b>Performance evaluation</b> - Ability to challenge/rebut evaluations	Greenberg, 1986
HP8	<b>Performance evaluation</b> - Employee participation in scale development for appraisal	Silverman & Wexley, 1984; Erdogan, 2002
HC1	<b>Compensation</b> - Equal pay and a performance-based pay system	Shen et al, 2009
HC2	<b>Compensation</b> - Performance-based pay system	Shen et al, 2009
HC4	<b>Compensation</b> - Equal political influence to determine the initial and later pay raises	Barber and Daly, 1996
HC5	<b>Compensation</b> - Flexible benefit plan accommodating diverse needs	Barber and Daly, 1996
HT1	<b>Training</b> - Equal training opportunity	Roberge et al., 2011

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### Training practices

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HT2	<b>Training</b> - Awareness of cultures and ethnic differences	Gudykunst & Hammer, 1983;Baba and Hebert, 2004
HT3	<b>Training</b> – Providing competencies and skills necessary in order to work skills for cross-cultural groups	Carnevale & Stone , 1994
HT4	<b>Training</b> - Educating about laws and policies of organization to address inclusion and diversity in workplace	Fredman & Brody, 1996
HT5	<b>Training</b> - Increasing understanding of differences and their value to organization	Fredman & Brody, 1996; Lindsay, 1994

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**Team building HR practices**

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HP5	<b>Performance evaluation</b> - Evaluating performance at both, an individual level and a group level	Roberge et al., 2011
HC3	<b>Compensation</b> - Rewarding performance at both, an individual level and a group level	Roberge et al., 2011

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*Table 2. Pattern Matrix of final iteration of exploratory factor analysis*

	Factor						
	1	2	3	4	5	6	7
HR2	.670						
HS1	.610						
HS2	.694						
HS3	.655						
HS4	.789						
HS5	.786						
HS6	.771						
HS8			.685				
HS9			.773				
HS10			.870				
HS11			.684				
HP1		.705					
HP2		.684					
HP3		.664					
HP4		.711					
HP5							.615
HP6						.822	
HP7						.819	

HC3		.664
HC4	.697	
HC5	.682	
HT2	.695	
HT3	.696	
HT4	.960	
HT5	.869	

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Extraction Method: Principal Axis Factoring.

Rotation Method: Oblimin with Kaiser Normalization.

Rotation converged in 15 iterations.

**Table 3. Empirical Typology of Diversity –oriented Human Resource Management practices and the set of dimensions representing each type with the Cronbach alpha value (reliability)**

<i>Fairness-oriented selection practices</i>	<i>Fairness-oriented performance evaluation practices</i>	<i>Fairness-oriented compensation practices</i>	<i>Training oriented practices</i>	<i>Team – oriented practices</i>	<i>Control-oriented practices</i>	<i>Identity-free practices</i>
Cronbach alpha = 0.873	Cronbach alpha = 0.828	Cronbach alpha = 0.731	Cronbach alpha = 0.877	Cronbach alpha = 0.711	Cronbach alpha = 0.873	Cronbach alpha = 0.843
Equal opportunity for internal job posting	Clear performance criteria	Equal influence to determine the initial and later pay raises	Information about laws and policies of organization to address inclusion and diversity in workplace	Evaluating and rewarding performance done at both, an individual level and a group level	Ability to challenge or modify the ratings in performance appraisal.	Selecting, assessing and deciding pay for candidates based on similar non-job related characteristic
Consistent scoring system	Valid and reliable performance measures		Providing competencies and skills necessary in order to work with diverse people			
Opportunity to demonstrate knowledge	Regular performance feedback	Flexible benefit plan accommodating diverse needs	Awareness to differences and their importance		Ability to challenge evaluations	Not using diversity characteristics as signals for job performance
Opportunity to express oneself prior decision making	Consistent application of similar standards		Opportunity to understand cultural differences		Employee participation in scale development for appraisal	
Honesty in feedback of selection Information						
Treating employees with warmth and respect						
Interviewers are correct, sincere and believable						

