

Diversity and Inclusion Strategies in HRM Policies of Modern - Day Organisation: An Empirical Study

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Abstract

HRM policies that integrate diversity and inclusion (D&I) techniques are essential for creating an inclusive workplace culture in today's Indian enterprises. These tactics entail putting into practice laws that support equal chances for all people, regardless of their socioeconomic status, gender, color, or religion. Businesses are realizing more and more how important different viewpoints are for fostering creativity and sound decision-making. HRM policies prioritize diversity training, impartial hiring procedures, and adaptable work schedules that address various employee demands in order to improve inclusion. Furthermore, a lot of companies are forming Employee Resource populations (ERGs) in order to assist marginalized populations and foster a feeling of community. Diversity and inclusion (D&I) can be a strategic focus for long-term success for businesses when it is integrated into HRM policies. This helps businesses not only meet legal requirements but also improve employee satisfaction, productivity, and overall organizational performance. Sample of 217 people from HR department were surveyed to know the factors that determines Diversity and Inclusion Strategies in HRM Policies of Modern - Day Organization and found that Inclusive Recruitment Practices, Training and Development, Employee Resource Groups (ERGs) and Flexible Work Policies are the factors that determines Diversity and Inclusion Strategies in HRM Policies

Keywords: Diversity and Inclusion (D&I), Inclusive workplace culture, Equal opportunities, Diversity training, Impartial hiring procedures, Flexible work schedules, Employee Resource Groups (ERGs), Organizational performance.

Introduction

Diversity and inclusion (D&I) initiatives are becoming crucial parts of human resource management (HRM) policies in the setting of contemporary Indian enterprises. Kaur and Arora (2020) stated that it has become more popular in recent years to acknowledge "gender diversity and inclusion" as essential to corporate success. They emphasized how valuing gender diversity promotes employee satisfaction and business reputation in addition to encouraging creativity. In an effort to promote women's advancement, organizations are recognizing the value of having a gender balance in senior positions, putting targeted recruitment methods into place, and providing mentorship programs. In addition, it is believed that cultivating an inclusive workplace culture where different viewpoints are respected is essential to long-term success. Organizations can take advantage of a varied workforce's skills and enhance decision-making and overall performance by including "gender diversity and inclusion" into HRM strategies.

The importance of "workforce diversity" on organizational performance is emphasized by Kundu and Mor (2017), especially in the context of India's IT sector. Their research indicates that increased creativity, problem-solving skills, and adaptability are benefits of having a diverse workforce that includes people from different cultural, ethnic, and gender backgrounds. The authors contend that businesses are better prepared to handle the shifting demands of the global market

when they have clearly defined D&I plans in their HRM policies. These tactics include of inclusive hiring procedures, "diversity training programs," and the formation of Employee Resource Groups (ERGs) to foster cooperation amongst a diverse workforce. Furthermore, incorporating diversity indicators into leadership accountability and performance reviews guarantees that diversity and inclusion programs are successfully carried out and maintained. The study conducted by Kundu and Mor emphasizes how crucial it is to match organizational objectives with diversity and inclusion initiatives in order to boost productivity and keep a competitive advantage.

Chatterjee (2022) focuses on how "strategic human resource management" (SHRM) principles might be applied to promote diversity and inclusion. It contends that in order for modern firms to effectively integrate diversity and inclusion (D&I) with long-term commercial goals, they need to go beyond compliance-driven approaches. In addition to connecting D&I programs with talent management, leadership development, and succession planning, this entails integrating diversity into the organization's basic values and culture. It also emphasizes how HR directors may support diversity and inclusion initiatives by creating a welcoming atmosphere that allows varied talent to flourish. Moreover, biases can be reduced and hiring diversity increased through the incorporation of "technology-driven solutions," such as AI-powered recruitment tools. Organizations may foster innovation and long-term success in addition to improving employee engagement and retention by carefully integrating D&I into HRM strategies.

Literature Review

According to Jaiswal and Dyaram (2020), "perceived diversity" has a major influence on "employee well-being," and "inclusion" acts as a mediating factor in this relationship. In the modern workplace, diversity and inclusion (D&I) policies are closely related to employees' overall well-being and go beyond simply fulfilling compliance requirements or quotas. Positive perceptions of "diversity" and a sense of inclusion among employees can result in better mental health, lower stress levels, and more job satisfaction. Embracing diversity and inclusion (D&I) techniques into HRM policy entails developing a "inclusive culture" that values each employee's individual contributions and recognizes them, therefore promoting psychological safety and a sense of belonging. These tactics need to address deeper facets of "inclusion" as well as "diversity," making sure that all workers, regardless of background, feel appreciated and supported in their positions.

Goswami and Goswami (2018) highlighted the complex interplay of "employee engagement," "workforce diversity," and "inclusion." They contend that the actual test of success is not just having representation of various groups in the workforce, but also how well these groups are engaged and integrated into the business. Therefore, the main goal of HRM policy should be to create a "inclusive environment" that encourages participation from employees at all levels. Initiatives like "diversity training," "inclusive leadership development," and setting up forums for candid discussion and criticism might help achieve this. Productive, creative, and devoted workers are more likely to be engaged with their companies. Therefore, companies with HRM policies that place a high priority on D&I are better positioned to realize the full potential of their diverse workforce, which in turn drives overall economic success. Organizations can develop a workforce that is not only "diverse" but also highly engaged and dedicated to the objectives of the company by incorporating D&I initiatives into HRM policies.

In contemporary HRM policies, "inclusive leadership" is a crucial part of D&I plans, as noted by Kuknor and Bhattacharya (2022). "Inclusive leadership" refers to the behavior of leaders who actively practice and advocate for inclusivity by appreciating other points of view and creating a work atmosphere where all staff members feel valued and encouraged to make contributions. In order to promote "organizational inclusion," this leadership style is crucial since it helps close the gaps between different groups and makes sure that "inclusion" is a lived experience rather than just a policy inside the company. The development of "inclusive leaders" through HRM policies has the potential to greatly improve "organizational inclusion," which in turn raises "employee satisfaction" and retention rates. By integrating "inclusion" into the "organizational culture," these executives significantly contribute to the organization's identity. Organizations can build a more harmonious and productive workplace where "diversity" is recognized and every employee has the chance to develop by incorporating "inclusive leadership" as a fundamental element of their HRM policy.

Technology deployment is a key component in boosting organizational performance through D&I activities, as noted by Odazie et al. (2024). The importance of digital tools and platforms in creating an inclusive work climate that allows varied

talent to flourish was underlined. HR practitioners may ensure equal opportunities for candidates from diverse backgrounds during the recruiting process by eliminating prejudices through the use of data analytics and "artificial intelligence" (AI). Additionally, technology makes it easier to create "inclusive training programs" that meet employees' various learning needs and improve their competences and skills. They also emphasize how much more capable companies are of navigating the intricacies of the global market when they have strong D&I strategy backed by technology. This is so that the organization can make better decisions and solve problems more effectively since these tactics foster an innovative culture where different viewpoints are respected.

The scope of "diversity and inclusion" in the context of HRM is always changing, as Sparkman (2019) has shown. In addition to the usual focus on race and gender, he looked at how companies are expanding diversity and inclusion to include a wider range of identities and experiences. He contends that "intersectionality" should be incorporated into contemporary HR policy in order to meet the particular difficulties encountered by people who identify with several marginalized groups. This strategy guarantees that HR policies are more thorough and successful in fostering genuine diversity while also acknowledging the complexities of identity. Additionally, it emphasizes that HR specialists must actively seek to eliminate any "implicit biases" that might be present in organizational structures. To do this, staff members must participate in ongoing training and awareness campaigns that invite them to consider their own prejudices and the potential effects they may have on how they interact with coworkers. Organizations can foster a more equal work environment where all employees feel valued and appreciated by broadening the notion of diversity and inclusion and tackling unconscious prejudices.

Enhancing organizational outcomes, especially in the Indian setting, requires the integration of work-life balance policies within the framework of "diversity and inclusion" methods. The significance of these measures in fostering a diverse workforce was emphasized by Chaudhuri et al. (2020). They contend that because it has an immediate effect on workers' productivity and well-being, work-life balance is an essential part of diversity and inclusion (D&I). It is becoming increasingly clear in contemporary HRM practices that flexible work arrangements, such "telecommuting" and "flextime," are advantageous for workers who manage their health and personal development in addition to those who have caregiving duties. These regulations help to create an inclusive workplace by meeting the various requirements of workers, which lowers stress levels and keeps burnout at bay. In the Indian setting, "progressive human resource management" techniques that emphasize diversity and inclusion are essential for improving organizational outcomes assessed by Gahlawat and Kundu (2019). The importance of D&I strategies as vital forces behind innovation and competitiveness was underlined, in addition to their status as moral requirements. Organizations can improve their problem-solving and decision-making processes by using a wider range of perspectives, skills, and experiences through the cultivation of a diverse workforce. Additionally, inclusion makes sure that all workers, no matter what their background, feel appreciated and supported, which raises worker satisfaction and lowers turnover.

Objective

1. To know the factors that determines Diversity and Inclusion Strategies in HRM Policies of Modern - Day Organization

Methodology

Sample of 217 people from HR department were surveyed to know the factors that determines Diversity and Inclusion Strategies in HRM Policies of Modern - Day Organization. "Convenient sampling method" and "Factor Analysis" were used to collect and analyze the data.

Findings

Survey population finds that males are 59.4% and 40.6% are female. Among them 34.6% are below 38 years of age, 38.2% are between 38-48 years of age and rest 27.2% are above 48 years of age. 21.7% of the respondents are HR manager, 28.1% are Recruiter, 27.2% are working as HR assistant and rest 23.0% are HR coordinator.

Table 1 “General Details”

“Variables”	“Respondents”	“Percentage”
Gender		
Male	129	59.4
Female	88	40.6
Total	217	100
Age (years)		
Below 38	75	34.6
38-48	83	38.2
Above 48	59	27.2
Total	217	100
Designation		
HR manager	47	21.7
Recruiter	61	28.1
HR assistant	59	27.2
HR coordinator	50	23.0
Total	217	100

Table 2 “KMO and Bartlett's Test”

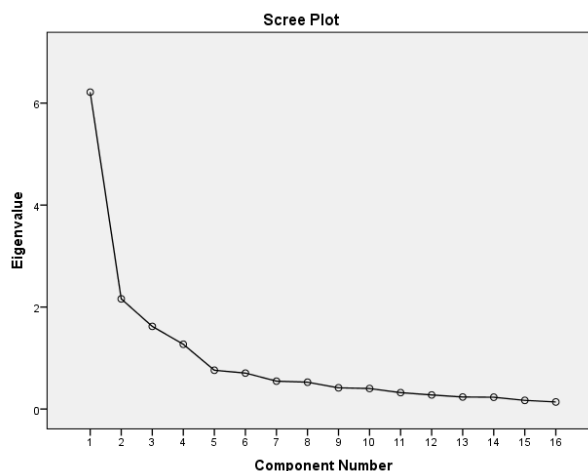
“Kaiser-Meyer-Olkin Measure of Sampling Adequacy”		.853
“Bartlett's Test of Sphericity”	“Approx. Chi-Square”	2190.095
	“df”	120
	“Sig.”	.000

KMO value in table 2 is 0.853 and the “Barlett’s Test of Sphericity” is significant.

“Table 3 Total Variance Explained”

“Component”	“Initial Eigen values”			“Rotation Sums of Squared Loadings”		
	“Total”	“% of Variance”	“Cumulative %”	“Total”	“% of Variance”	“Cumulative %”
1	6.409	40.056	40.056	3.245	20.282	20.282
2	1.962	12.261	52.317	3.172	19.826	40.108
3	1.727	10.795	63.112	2.953	18.455	58.563
4	1.612	10.078	73.190	2.340	14.628	73.190
5	.764	4.775	77.966			
6	.609	3.806	81.772			
7	.522	3.262	85.033			
8	.425	2.654	87.688			
9	.355	2.218	89.906			
10	.322	2.010	91.916			
11	.311	1.942	93.858			
12	.270	1.688	95.546			
13	.235	1.466	97.012			
14	.206	1.286	98.297			
15	.168	1.047	99.345			
16	.105	.655	100.000			

In “principal component analysis” it is found that 16 variables form 4 Factors. The factors explained the variance of 20.282%, 19.826%, 18.455% and 14.628% respectively. The total variance explained is 73.190%.



The graph above depicts the Eigen values generated from the "Total Variance Explained table" for an elbow with 4 components.

"Table 4 Rotated Component Matrix"

"S. No."	"Statements"	"Factor Loading"	"Factor Reliability"
	Inclusive Recruitment Practices		.907
1	Ensure job descriptions are free of gendered or biased language	.893	
2	Involve a diverse group of people in the hiring process	.862	
3	Blind Recruitment that removes identifying details from applications	.841	
4	Incorporate "technology-driven solutions," such as AI-powered recruitment tools	.753	
	Training and Development		.907
5	Provide training to employees and management	.878	
6	Educate employees about different cultures, religions, and customs	.855	
7	Offer targeted development programs	.832	
8	Foster a more inclusive workplace	.822	
	Employee Resource Groups (ERGs)		.883
9	Establish ERGs for different demographic groups	.851	
10	Provide support and a sense of community to employees	.831	
11	Empower Employee Resource Groups to lead initiatives	.811	
12	Promote inclusion and educate the broader workforce	.778	
	Flexible Work Policies		.753
13	Implement flexible work hours, remote work options, and parental leave policies	.766	
14	Offer benefits that cater to a wide range of needs (childcare, eldercare, mental health support, and domestic partner benefits)	.727	
15	Offer part-time positions or job-sharing arrangements	.716	
16	Return-to-Work Flexibility for employees returning from long-term leave	.685	

Table 4 shows the 1. that determines Diversity and Inclusion Strategies in HRM Policies of Modern - Day Organization. First factor is Inclusive Recruitment Practices which includes the variables like Ensure job descriptions are free of gendered or biased language, involve a diverse group of people in the hiring process, Blind Recruitment that removes identifying details from applications and incorporate "technology-driven solutions," such as AI-powered recruitment tools. Second factor is Training and Development and its supporting variables are providing training to employees and management, Educate employees about different cultures, religions, and customs

Offer targeted development programs and foster a more inclusive workplace. Third factor is Employee Resource Groups (ERGs) which includes the variables like establish ERGs for different demographic groups, provide support and a sense of community to employees, Empower Employee Resource Groups to lead initiatives and Promote inclusion and educate the broader workforce. Fourth factor is Flexible Work Policies and its supporting variables are Implement flexible work hours, remote work options, and parental leave policies, offer benefits that cater to a wide range of needs (childcare, eldercare, mental health support, and domestic partner benefits), Offer part-time positions or job-sharing arrangements and Return-to-Work Flexibility for employees returning from long-term leave.

“Table 5 Reliability Statistics”

“Cronbach's Alpha”	“N of Items”
.897	16

Total reliability is 0.897 for 4 constructs including sixteen items.

Conclusion

To sum up, diversity and inclusion strategies are now an essential part of HRM policies in contemporary Indian firms, a sign of the rising understanding of their significance for both corporate performance and societal advancement. Organizations are expanding their talent pools and stimulating creativity and innovation by putting comprehensive diversity programs into practice. A more equal workplace where everyone feels appreciated and respected is achieved through tactics including inclusive hiring procedures, diversity education, and the formation of employee resource groups. Beyond merely following rules, the emphasis on diversity and inclusion reflects a dedication to fostering an environment at work that values a range of viewpoints and experiences. The realization that diverse teams are better equipped to solve problems and adapt to the demands of an international marketplace is what is driving this change. Furthermore, because they are consistent with workers' expectations and values regarding justice and respect, inclusive HRM practices help to increase employee satisfaction and retention. In general, ongoing work and assessment are needed to successfully incorporate diversity and inclusion into HRM policy. While encouraging an inclusive culture that permeates all levels of the organization, organizations must actively address issues like unconscious prejudice and systemic impediments. By doing this, companies not only adhere to moral and legal requirements, but they also obtain a competitive edge in India's fast-paced, diversified business landscape.

The study was conducted to know the factors that determines Diversity and Inclusion Strategies in HRM Policies of Modern - Day Organization and found that Inclusive Recruitment Practices, Training and Development, Employee Resource Groups (ERGs) and Flexible Work Policies are the factors that determines Diversity and Inclusion Strategies in HRM Policies.

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