

STRATEGIC HRM PRACTICES TO DEAL WITH GENDER DIVERSITY PROBLEMS IN ORGANIZATIONS

Anuj Kumar*, Nishu Ayedee**

**Assistant Professor, Bharati Vidyapeeth Institute of Management and Research, New Delhi, India.
Email: anujsmooth@gmail.com*

***Assistant Professor, Bharati Vidyapeeth Institute of Management and Research, New Delhi, India.
Email: nishu_marwah77@yahoo.co.in*

Abstract: *Purpose: The pace of globalization is affecting each and every aspect of business. In this era of economic globalization, it is hard for the business managers to tackle the global workforce. Everyday human resource managers are facing new issues. The issues are related to gender diversity, developing global leaders, recruitment and training and equal work opportunity for all. This research paper will discuss two key issues faced by human resource managers. These issues are racism case at Banana Republic and glass-ceiling problem faced by women employees. The researchers will try to address the issues based on SHRM practices. Strategic HRM can be guiding forcing in handling the global issues of human resource management. Design/Methodology: A mix of descriptive and diagnostic research design has been followed in this paper. Case based methodology of descriptive research has been used to collect the data. Objective: How strategic management practices can provide a solution to gender diversity problems in the organizations? Findings: In comparison to traditional human resource management practices, strategic human resource management practices are more fruitful in dealing with gender diversity problems. The problem implementation of strategic human resource management practices can provide competitive advantage to organization by reducing the gender diversity problems.*

Keywords: SHRM, Globalization, Diversity, Glass-Ceiling, Banana Republic

INTRODUCTION

In the advent of globalization human resource managers are facing several challenges in modern business. The world economy is shrinking and business are moving out of the domestic boundaries for business. The role of human resource managers is more challenging as they need to motivate and form policies for employees. The success of any organization depends upon the growth and efforts of employees. It is not easy for the organization to operate and grow globally. The organizations are recruiting employees from diverse backgrounds which include different nationalities, religion, age-group, gender, ethnicity etc (Shen, Chanda, D'netto, & Monga, 2009). The companies are bound to recruit employees from foreign locations to achieve economies of scale and enhance knowledge at global level. The new diverse set of employees add to the innovation and creativity of the organization. In this paper the writers will discuss about various challenges related to

human resource management and possible solutions in the global environment.

RESEARCH PROBLEM

The different HR strategies and policies play an important role in the organizations because HR practices are not same as those in the past several years. The impact of globalization is such that many organizations are moving towards HR strategies and policies which are global in nature (Kapoor, 2018). In present scenario HR practices are not limited up-to recruitment, promotion or aligning work-force responsibilities. There are several HR issues in human resource management which are affecting the functioning of human resource managers globally. Some of the issues are maintaining cultural diversity, attracting top talent, developing the leaders for tomorrow, aligning strategy with organizational goals and developing a culture of continuous learning (Noe, Hollenbeck, Gerhart, & Wright, 2006). The

researcher will try to explore how strategic human resource management can be an answer for the HR problems.

OBJECTIVES

The purpose to do this study is to see the application of strategic human resource management practices in dealing with the HR issues in the organization. The two key objectives of this paper are mentioned below.

- The first objective is to find out how gender diversity problems are affecting the organization and functioning of human resource managers.
- The second objective is to see whether strategic human resource management practices can provide a solution to the gender diversity problems in the organizations.

Gender Diversity Problem in the Organizations

We are standing in the 21st century still women are fighting for their rights in every aspect of the life. Gender barriers are playing a detrimental role in achievements of women at workplace. In last few years a word “glass-ceiling” is appearing on the surface. Glass-ceiling refers to restrain the qualified women from attaining higher level positions at workplace. Though Indian companies are showing a concern towards the gender diversity problems in the organizations but still the problem is raising serious concern. Wesarat and Mathew (2017) have done a research in Indian academic institutions on the issue of glass-ceiling. The survey on 810 institutions in India found that only 6.67% of women teachers have reached to the highest level in the organizations. The promotion of women at top level positions is also bad in other countries like UK, USA and Australia but it is better than India. In UK, this percentage is 17%, in US percentage is 18% and in Australia percentage is 21% (Wesarat & Mathew, 2017). The study provides evidence that India is failed to promote women’s rights at workplace. The glass-ceiling affects the women at workplace, mentally, physically and financially. There is salary gap between male and female at top managerial positions. Glass-ceiling is negatively affecting the motivation level of the females and it is also affecting the career-growth of the females. The women have unfair appraisal, unfair pay and unequal promotion opportunities as well. The gender diversity issue is not limited to Indian organizations; it is also present in big multinational organizations. When Apple released its diversity report for 2016, it showed that company is facing complex issues of gender diversity. Though women participation is increasing globally but the actual representation of women is decreasing in Apple located at United States.

STRATEGIC HRM

Strategic human resource management is a tool which focuses on aligning recruitment and selection process with

the business strategy of the organization (Noe, Hollenbeck, Gerhart, & Wright, Human Resources Management: Gaining a Competitive Advantage, 2006). The companies need to differentiate themselves from other organizations and also look for competitive advantage. Therefore the recruitment or promotion of the individuals should not be based on the gender-category of the employees. The core competencies of the individuals should be checked while promoting someone for higher level positions. The right person should be promoted for right position. Stereotypes and biases should be avoided while promoting professionals for higher level positions. Gituma & Beyene (2017) also talked about motivation as a key practice for strategic human resource management. The motivation level of the employees can be increased if the promotion of the employees should be based on the merit rather than gender stereotypes. The promotion of right person with right set of capabilities and attitudes encourage the motivation level of the employees. SHRM thinks about the long-term future of the organization. As the women participation is increasing in the workforce, in future there will be more women at highest level positions in the organizations. The organizations need to change this thinking that male counterparts are more productive rather than female counterparts. The human resource managers should be proactive rather than reactive in their approach. The proactive approach suggests that equal opportunities should be provided to the women while recruitment done in the organizations.

Difference between Traditional HRM and SHRM Practices

Strategic human resource management is different from traditional human resource management in its scope and application (Lepak & Shaw, 2008). While the governance of manpower in organization is thorough and structured in human resource management while in strategic human resource management the HR strategies direct employees towards the goals of an organization. The process of HRM is reactive while the process of SHRM is proactive in nature. The task of managing the workforce is also different in traditional HRM and strategic HRM. In strategic HRM, the task of managing workforce lies in the hands of line managers while in the strategic HRM, the task of managing manpower lies in the hands of staff specialists (Becker & Huselid, 2006). HRM follows a fragmented approach while SHRM follows an integrated approach. The main focus of fragmented approach is on applying management principles while managing people in organization on the other hand the focus of integrated approach is lying in the lining up of business strategy with HR policies of the organization. In traditional HRM practices, the focus is on external groups

while in SHRM practices, the partnership is between internal and external groups. Traditional HRM is cost centre and short term process while strategic HRM is profit centre and long term process.

RESEARCH METHODOLOGY

This research paper is following a mix of descriptive and diagnostic research design. In the descriptive research design the researcher wants to describe specific behavior as it occurs in the environment (Kothari, 2004). The main focus of the descriptive research is on “what” of the research subject rather than “why” of the research subject. The three methods of descriptive research are observational techniques, case-study method and survey. This research is descriptive research because the researcher is describing a phenomenon of gender diversity problem and its solution through strategic human resource management. The diagnostic research design is also followed in this research because in analyzing the case of Banana Republic the problem has been properly diagnosed and the possible solution of problem has been implemented in the form of strategic human resource management.

In this research case study research design has been followed to collect the data. Case studies are analysis of persons, events, decisions, projects, situations or institutions. The researchers have taken the case of HR practices in two organizations. The real life examples will be discussed in these two cases. The analysis of data will be done based on the opinions developed by the two cases. The data has been collected through websites, media releases and other news resources in those two cases. Both the cases are of recent past. The situation occurs in 2017-18.

DATA COLLECTION: CASE METHODOLOGY

Case 1- Banana Republic

This incident happened at Banana Republic, an American clothing retailer headquartered at California, United States. The employee stated that company is racist because her bosses complaint about her “Urban” hairstyle (Jefferson, 2018). The name of the employee was Destiny Tompkins. The girl was hired as a sales representative at Banana Republic, in New York. She used to wear her hair in braids. Those hair braids got her manager angry. The manager commented that those braids were too urban and unkempt. The manager said that the braids of Destiny were not going along with the image of the company. While Destiny interpreted the things in discriminating manner. She understood the comment of manager as “too black”. She refused to change the hairstyle and was taken off the store’s work schedule. Destiny also sued the BR’s corporate office, store and regional managers for \$1 million (TMZ, 2017). She took it as an insult done by white man and feel degraded. She even took the matter

to Facebook communities and asked for their support. In this era of globalization anything written on Facebook can become viral within no time and it is difficult for the human resource people to manage the repercussion of such issues.

ACTION TAKEN BY THE COMPANY

Banana Republic acted swiftly to the charges of employee to investigate the incident. The company has fired the manager for calling an employee that her braids were too “urban”. The company said that they have zero tolerance for any such act of discrimination. The situation arise was completely unacceptable. It was against the believes and values of the company. The company stated that this will further send a strong message of zero tolerance to other employees and help in preventing racial discrimination at workplace.

The root cause of the problem was lack of understanding about different races, cultures, ethnicities as well as lack of training. The manager has all the rights to penalize the employees on their performance but they can’t do the same over their appearance.

Application of Strategic Human Resource Management in this Scenario

Strategic human resource management can be defined as the linking of human resources with strategic goals and objectives in order to improve business performance and develop organizational culture that fosters innovation, flexibility and competitive advantage. Strategic human resource management is based on system thinking approach in which internal and external environment of the organizations have been accessed. The two key objectives of SHRM practices are mentioned below (Bratton, 2018).

- To ensure availability of skilled, committed and motivated workforce in the organization to grasp competitive advantage.
- It will also provide direction to the organization so that business needs, individual and collective needs of the organization can be met.

Previously in traditional HRM practices, the role of HR managers was reactive and transactional but in strategic human resource management, the role of HR managers is completely proactive and transformational in nature. SHRM practices are for longer term while traditional HRM practices are for short duration.

Application in the Case of Banana Republic

The approach of strategic human resource practices is such that human resources in the organization should be

utilized in such a manner that it will provide competitive advantage to the firms. It concerns with the management of employees at all levels in the organization. Employees need to feel empowered by participative decision making. The case happened at Banana Republic is due to lack of cross-cultural training, workshops or team-building activities at the organization. Banana Republic has hired employees from different cultural backgrounds and race to remain competitive in the market. The organization wants best talent which can provide excellent output irrespective of their color, religion and caste but there was a lack of training in the reporting managers at organizational. The cross-cultural training is not only the need of employees but it is also required for the reporting managers. The managers should be trained on their communication with the employees from other ethnicity. It leads to improved organizational performance. Gituma & Beyene (2018) talked about capacity building as an important strategic human resource management practice. Training, workshops and seminars are part of capacity building exercise in the organization (Gituma & Beyene, 2018). Such cross-cultural training should be for employees as well as for managers. The cross-cultural training would also help the employees in taking the comments of the managers in right manner.

Case 2: Sephora

As per the reports of U.S. Equal Employment Opportunity Commission, women hold approximately 23% of roles in technical ranks at the top 75 Silicon Valley companies. But Sephora is an exception (Stallman, 2017). The reports of

Wall Street Journal are showing that 62% of the Sephora's workforce and five of the six members of digital executive leadership team are women. It seems like Sephora is implementing Strategic human resource management practices in recruitment and staffing. Around the world women are facing glass-ceiling problem in key leadership roles because stereotype thinking is a major barrier in their promotion to top leadership positions. Most of the organizations are not checking candidates' potential and gender biasness is very much prevalent.

Sephora sets a different standard by recruiting technical women on their potential rather than specific skills. The organization is also encouraging women to take risks without fear of failure. The HR managers are providing open platform to the women managers. Sephora is promoting high-performing women into digital and tech roles to get competitive advantage. Sephora understands that women are facing gender diversity issues in the organizations and the company is ready to provide ample chances to those females. The company is eyeing on 2020 to prepare 50 female entrepreneurs through boot campus. The company is especially running a program called beauty of fearlessness and trying to boost the confidence of more than 100,000 females through this program (Sephora, 2018). Sephora is encouraging gender diversity and discouraging glass-ceiling at organizational level. The company is banking on potential rather than skills. The cross-training opportunities are also provided to the employees so that they will not face any problem. The HR practices followed at Sephora can be aligned with SHRM process model.

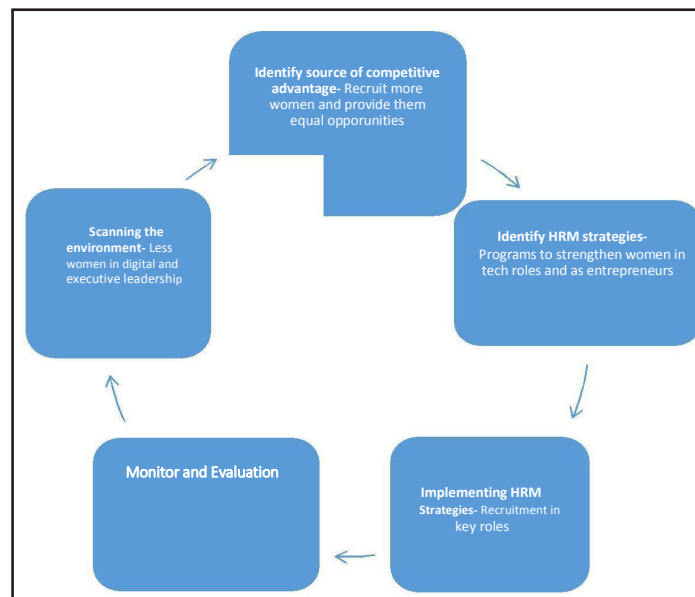


Fig. 1: SHRM Process Aligned with HR Practices at Sephora

ANALYSIS AND FINDINGS

Based on the overall analysis of both the cases used in this research it can be said that gender diversity problems are affecting the organizations in different manners. The first objective of the paper is that how gender diversity problems are affecting the organizations. The gender diversity problems are affecting in the form of racism practices, glass-ceiling, preferring males over females etc. The key issues in front of HR managers are to provide equal opportunity to female employees and if females are working with the males than amicable environment should be provided to them. Most of the organizations are not giving equal chances to the female employees due to glass-ceiling. Males are still preferred so the HR managers can't justify their roles with traditional HR practices.

The second objective of the paper is that whether strategic human resource management practices can provide a solution to gender diversity problems in the organization. In both the cases SHRM practices is the key solution of gender diversity problems. The key focus of strategic human resource management practices is to make human resource as a key differentiator and a source of competitive advantage. By recruiting more number of females and giving them key positions the organizations can differentiate themselves but without training the chances of conflicts exist. Banana Republic didn't emphasize on cross-cultural training. Strategic human resource management practices support cross-cultural training in the organizations because those training can improve the knowledge of individuals about different cultures. Strategic human resource management practices can provide the solutions of gender diversity problem and change it into competitive advantage for the organizations. The implementation of strategic human resource management practices should be at all the stages in the organization. The managers should follow a proper framework to implement the SHRM practices.

CONCLUSION

On the basis of overall discussion, it can be concluded that human resource managers are facing several challenges in contemporary organizations. Few of those challenges are handling diversity, glass-ceiling problem, and equal pay for employees, recruitment and training of employees etc. Traditional HRM practices are not able to provide a solution for global human resource issues because the scope of traditional human resource practices is for shorter term.

Traditional HRM practices are not aligned with company policies and values while strategic HRM practices are aligned with company goals. By adopting strategic HRM practices,

the human resource managers can deal with HR issues in proactive manner rather than reactive manner. Strategic human resource management will help in recruiting best professionals irrespective of their gender, age or educational level. SHRM is an integrated approach in which HR policies will align with business strategies rather than fragmented one.

LIMITATIONS

The findings of this research are based on the strategic human resource management practices followed in two cases at organizational level. Both the cases are showing traditional human resource practices are not able to deal with gender diversity problems faced by human resource managers. The major limitation of this research is that it revolves around those two cases. Further research can be done in this research by choosing more organizations or applying interview based methodology to collect primary data. The findings of this research are based on secondary data.

REFERENCES

- Becker, B., & Huselid, M. (2006). Strategic human resources management: Where do we go from here? *Journal of Management*, 898-925.
- Bratton, J. (2018, November 25). *Strategic human resource management*. Retrieved from <http://www.otaru-uc.ac.jp/~js/downloads/SP2005-PDF/SP2005-Chapter2SHRM.pdf>
- Gituma, M., & Beyene, T. (2018). Strategic human resource management practices and organizational performance: A case of national insurance corporation of eritrea (Nice). *Global Journal of Management and Business Research: A Administration and Management*, 1-15.
- Jefferson, J. (2018, November 25). *Banana Republic Dismisses Black Employee's Box Braids As "Urban And Unkempt"*. Retrieved from <https://www.vibe.com/2017/10/banana-republic-black-hairdiscrimination/>
- Kapoor, B. (2018, November 25). *Impact of Globalization on Human Resource Management*. Retrieved from <http://www.jimsjournal.org/6%20Bhushan%20Kapoor.pdf>
- Kothari, C. (2004). *Research methodology: Methods and techniques*. New Age International.
- Lepak, D., & Shaw, J. (2008). Strategic HRM in North America: Looking to the future. *The International Journal of Human Resource Management*, 1486-1499.

- Noe, R., Hollenbeck, J., Gerhart, B., & Wright, P. (2006). *Human Resources Management: Gaining a Competitive Advantage*. McGraw-Hill Education.
- Noe, R., Hollenbeck, J., Gerhart, B., & Wright, P. (2006). *Human Resources Management: Gaining a Competitive Advantage*. McGraw-Hill Education.
- Sephora. (2018, December 10). *Sephora stands: Supporting the beauty of fearlessness*. Retrieved from <https://jobs.sephora.com/content/our-story/>
- Shen, J., Chanda, A., D'netto, B., & Monga, M. (2009). Managing diversity through human resource management: An international perspective and conceptual framework. *The International Journal of Human Resource Management*, 235-251.
- Stallman, J. (2017, 10 10). *How Sephora is attracting and retaining women in tech*. Retrieved from <https://www.acceleratedanalytics.com/blog/2017/10/10/how-sephora-is-attracting-andretaining-women-in-tech/>
- TMZ. (2017, November 13). *Banana Republic Ex-Employee Sues... My braids were too black for them!!!* Retrieved from <https://www.tnz.com/2017/11/13/banana-republic-lawsuit-braids/>
- Wesarat, P.-O., & Mathew, J. (2017). Theoretical framework of glass ceiling: A case of India's women academic leaders. *Paradigm*, 21-30.