

## **Managing Diversity: Diversity Practice Configurations and Organisational Effectiveness**

The business case for workforce diversity predicted that diversity would improve organisational performance but organisations are rarely able to leverage diversity to deliver its anticipated benefits.

Recognising this gap between theory and practice, and considering the expanding diversity of Australian workforces, academic and industry parties have joined forces in a project designed to identify the most effective diversity management practices. The three-year project is funded by an Australian Research Council Linkage grant. The research is led by Professor Carol Kulik (University of South Australia) and Dr Isabel Metz (Melbourne Business School, University of Melbourne), in partnership with the Australian Senior Human Resources Roundtable (ASHRR) and Diversity@Work. The partners bring an ideal blend of synergistic missions and resources to the project. Professor Kulik and Dr Metz are experienced academic researchers with a particular interest in diversity management. ASHRR is a forum for senior HR executives from a range of public and private sector organisations in Australia. Diversity@Work is a consultancy and training organisation that supports Australian government agencies and private sector organisations through the strategic implementation of diversity initiatives.

In this research, we use the concept of “diversity practice configurations” to understand how management activities affect the organisational outcomes that result from a diverse workforce. Diversity practice configurations are strategic bundles of interrelated management practices that resolve one diversity problem (e.g. underrepresentation of a demographic group) but simultaneously create new problems (e.g., conflict between groups). The project’s aim is to identify configurations that maximise organisational effectiveness for both large and small organisations.

The project is designed to collect information on organisational diversity practices and organisational effectiveness indicators (e.g., employee satisfaction, retention rates, organisational financial performance) over three consecutive years. The project is deliberately designed to be modular; organisations can choose to participate in one or more of the data collections and will receive customised feedback at each stage benchmarking their practices and effectiveness in comparison to the full sample.

The project benefits employers and employees alike by identifying diversity management practices that maximise organisational effectiveness and create positive working environments in the Australian context. The project is designed to produce three key deliverables to participating organisations: (1) a systematic audit of diversity practices in Australian organisations; (2) an assessment of alternative diversity practice configurations’ impact on employee reactions and organisational effectiveness; and (3) an understanding of the process by which diversity practice configurations impact long-term organisational outcomes (e.g., financial performance) through their more immediate effects on employee behaviour and attitudes.

The research team is currently engaged in the first data collection of the project – an Employer Survey focusing on diversity practices and organisational outcomes (e.g., employee retention rates, organisational financial performance). The Employer Survey takes about 30 minutes to complete by a senior manager familiar with the organisation’s diversity practices. If your organisation would like to be involved in the project, please contact Professor Carol Kulik ([carol.kulik@unisa.edu.au](mailto:carol.kulik@unisa.edu.au)) or Dr. Isabel Metz ([i.metz@mbs.edu](mailto:i.metz@mbs.edu)). The researchers welcome all inquiries and encourage participation of both large and small organisations across all industries.