

THE APPLICATION OF HUMAN RESOURCE MANAGEMENT: A STUDY ON WORKFORCE DIVERSITY IN EMPLOYMENT MODEL

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Abstract

Nowadays, the supply and demand for the employment market have shown the trend of workforce diversity, and labor diversification in the employment model has become an emerging tendency in the 21st century. This study intends to explore enterprises' performance in human resource management and to understand how employees deal with the diversified labor demand in the employment market. The study presents an empirical case as an example, which discovers the diversified employment model can not only increase personal salaries but also encourage employees to receive on-job training due to the diversified workforce demand. Moreover, a dynamic employment market can promote national economic growth.

Keywords: workforce diversity, diversified employment model, human resource management performance

Introduction

Human resource management (HRM) plays an essential role in organizations. Given the rapid changes in the business environment, HRM has attracted even more attention in terms of organizations' future development. Therefore, it is necessary for enterprises

to explore how to attract, recruit, retain and inspire a diverse of competent talents with professional skills and knowledge so that the organizations can enhance their competitiveness (Cheng, 2017).

Being confronted by the shifts of the workforce population structure and the employment market environment,

the issue of workforce diversity has become increasingly important for enterprises against the following backgrounds: First, the aging population and the increased employment of women and disadvantaged groups are irresistible trends. Second, organizations must comply with legal requirements and respect the fact that all groups of people should enjoy equal rights to work.

Consequently, the workforce heterogeneity in organizations has changed the original homogenous employment structure and formed a diverse membership of the workforce. As workforce diversity becomes even more prevalent, organizations must reconsider how to optimize HRM so they can create more diversified values while satisfying legal regulations. Thus, the enterprises should adjust their HRM approaches and focus more on handling the issues of workforce diversity in order to attract and retain employees with diversified attributes to meet organizational demands (Kirillova et al., 2016).

Concerning the operational cost, the enterprises need to acquire competent employees by recruiting talents with multiple skills to reduce labor costs and enhance business performance. Subsequently, the enterprises can attract diverse talents necessary for business operation and reduce the labor costs of on-job training. For enterprises, it not only reduces labor costs but also increases workforce diversity. For society, the supply of the employment market has been activated, and thus stabilized people's lives and drove socio-economic development and prosperity. For HRM, the workforce diversity management practices will be adopted across industries and open a new page in this field (Qin, 2014).

Literature Review

The Diversified Employment Market

Today in the 21st century, enterprises have realized the diversification of the workforce can bring many positive benefits in this ever-changing and highly competitive global market. The world economy is changing. With the development and the continuous advancements of transportation and communication technologies, the distance perception among people is getting smaller and smaller. Globalization has made the whole world a global village. In this increasingly interdependent global economy, enterprises are stepping towards a new world where cross-border trade and investment barriers are eliminating. Everyone has the opportunity to work with a wide variety of people or to work overseas, which highlights the significance of diversified management approaches. Consequently, the issue of "diversity" has gradually raised public awareness and has become one of the key management issues related to leadership, ethics, and other issues.

Diversity refers to the heterogeneity among the group members of two or more groups (Hunt et al., 2015). Workforce diversity may originate from the differences of employees' gender, age, ethnicity, nationality, religious beliefs, and sexual orientation (Saxena, 2014). There won't be two identical people in the world. People differ not only in external features such as gender, age, ethnicity, and religious beliefs, but also in values and sexual orientation. Nowadays, the definition and features of diversity have become even more extensive. Diversity now goes beyond the superficial level and involves more in-depth discussions. That is to say, workforce diversity

involves both the superficial and inner features. Besides, the enterprises should also adopt more diversified management methods by considering the explicit and implicit heterogeneity (Butzbach, 2016).

To outperform in this highly competitive world, the enterprises must recruit an efficient, diverse and outstanding team to correspond to such a competitive global market, and it has become a critical trend to enterprises (Schultz & Schultz, 2020). The fundamental of a diverse work team relies on enterprises' abilities to recruit talents and establish diversified workforce. Thus, the enterprises need to attract and retain employees with different features and backgrounds (Akpakip, 2017).

In this rapidly changing global market, many enterprises want to utilize diversified HRM strategies to inspire creativity, respond to more diverse markets, and attract more diverse employees (Roberson et al., 2017). Therefore, it is indispensable for enterprises to harness a goal-oriented recruiting strategy in order to attract specific talents with more diverse backgrounds and experiences. Meanwhile, enterprises also want to attract employees who are consistent with company values and support enterprises' strategies, because employees who identify with company values can have positive impacts on business performance (Martin & Ottemann, 2016). If enterprises are committed to performing corporate social responsibilities, they can obtain the financial benefits generated by investors and customers, attract the attention of job seekers, and further recruit a larger group of diversified workforce (Park et al., 2015).

Diversified Employment Model

In the early 1980s, the rise of feminism began to draw public awareness towards women's right to work. To integrate ethnic minorities and women, many plans have been established to help these diversified working groups increase their work confidence and enthusiasm (Basu, 2018).

The term "workforce diversity" first appeared in the late 1980s. At that time, this concept has changed its focus from complying with legal regulations (i.e. the rights of minorities and women) to the cornerstone of human resources, which are essential to the survival of enterprises. From the late 1980s to the late 1990s, enterprises have expanded their emphasis from ethnic minorities and women to different groups. With diversified management methods, enterprises help employees to cultivate and enhance their attention and sensitivity to the needs of different ethnic groups, and thus achieve the effect of diversification (Ma, 2015).

From the perspective of corporate social responsibility, enterprises should be responsible for their stakeholders, including their job applicants. This part of social responsibility focuses on diversified management (Wang et al., 2016).

If a company has remarkable outcomes in diversification management, this will be a positive and attractive signal for job seekers (Zhang & Ghorbani, 2020). Based on the signal theory, workforce diversity is a powerful signal. Enterprises can add slogans or declarations of equal rights to their recruitment announcements or websites to express their tolerance and respect for different groups and enhance job applicants' impression of the company (Pasztor, 2019). In addition, job applicants can learn

from a company's website about its policies and measures on workforce diversity management, including complying with government regulations and showing the real workplaces and diverse employees from different backgrounds. In this way, job seekers can form good impressions of the enterprises (DeCenzo et al., 2016).

In terms of innovation, if the company releases the signal of diversified management, potential job seekers will interpret it as an innovative company. Many empirical studies have proved that when a company has higher heterogeneity (its members are from many regions, each person has different skills, experiences and perspectives, and employees can communicate different ideas and provide more innovative thinking), its ability to resolve problems and innovate will be improved (De Massis et al., 2016).

Diversified workforce can encourage innovation and increase productivity, and further cultivate unrivalled competitiveness. Besides, in this increasingly globalized business environment, multicultural enterprises are more suitable for serving diversified overseas customers. If enterprises hire employees of different nationalities, these enterprises can better understand the legal requirements, politics, societies, economics and cultural environments of foreign countries (Saxena, 2014). For job applicants, diversified and inclusive environments can provide more opportunities to interact with employees from different groups, learn more about different cultures and knowledge, and it will be helpful for personal growth.

HRM Performance

Human resource management is one of the most important functions of organizations, and its significance will be increasingly recognized in terms of organizational future development. Therefore, it will be a critical mission for enterprises to attract, retain and motivate more diverse human resources as well as acquire and recruit talents with competent skills, knowledge and abilities to enhance enterprises' competitiveness (Horwitz et al., 2015).

In the literature related to HRM, the impact of HRM practices on business performance has been discussed. Research proved that HRM practices have positive effects on enterprises' overall efficiency and drive competitive advantages, and bring more desired business results (Armstrong & Taylor, 2020).

The HRM impacts on employees' work performance can be mainly divided into the following three types: 1. Improve employees' skills. If enterprises strive to encourage employees to contribute extra efforts (such as obtaining professional licenses, upgrading skills, and improving work motivation), they are more likely to create remarkable business performance. 2. Strengthen the work attitude of employees. The employees' work attitude is very important, because it will affect their work behaviors. 3. Provide incentives to motivate employees to contribute to the company. Competitive salary or other incentives can also attract more applicants, so the company can select new candidates with a sense of commitment, and increase their job satisfaction and willingness to work. Research also found that HRM practices can increase the productivity and competitiveness of enterprises, and have positive impacts on corporate performance (Bakker & Demerouti, 2018).

The past literature explored the effects of HRM measures on business performance, and it has proved that HRM practices exercised positive impacts on companies' efficiency and enhance their competitive advantages. HRM can also be used to achieve business goals. In addition, Noe et al. (2003) indicated that HRM plays a key role in employees' work performance, as elaborated below: 1. Upgrade employees' skills: Based on Bakker & Demerouti (2018), companies are committed to encourage employees to make additional efforts and contributions, including acquiring professional licenses and adopting HRM practices, in order to deliver the best job performance. 2. Strengthen employees' working attitudes: Research shows that employees' working attitudes are significant to their working behaviors. 3. Offer incentives to encourage employees to make more contributions to companies. Companies can attract more competent employees by providing them with decent salaries or other benefits. In this way, companies can select new employees with a sense of commitment, and improve their work satisfaction and work intention. The research findings indicate proper HRM measures can increase the productivity and competitiveness of enterprises, and further optimize business performance.

Albrecht et al. (2015) pointed out that HRM involves the measures and systems which may influence employees' work attitudes, behaviors and performance. HRM include the following activities: Analyze and design work, determine human resource needs, attract potential employees, select employees, train employees to perform their tasks and prepare for the future, reward employees, assess employee performance,

and create a positive working environment.

Enterprises are now confronted with ever-changing business environments. Therefore, human resources are critical to their competitive advantage, and HRM plays an important role in this highly competitive market. As indicated by Ni et al. (2021), HRM involves recruitment, selection, appointment, training, development, promotion, salary, benefits, labor safety, employment security, and labor relations.

Empirical Analysis

People's working models are gradually diversified. For example, the employees in the Internet era can work from home, and their working locations and working hours can be more flexible. They can freely choose their working hours and locations. Under such circumstances, the traditional employment model has too many limitations and cannot satisfy the needs of enterprises and employees. Thus, companies (especially platform providers) must take responding measures and evaluate employees' work performance by establishing flexible assessment systems based on multiple indicators.

Take Amazon as the first example. This company will encounter workforce turnover on a seasonal basis, so it works with contractors to quickly replenish its human resources so it can operate well. With the help of contractors, companies can acquire new workforce within a short time, and reduce its recruiting and training costs. In the diversified employment model (such as Amazon Mechanical Turk, or MTurk), the divided tasks are assigned to employees in the form of crowdsourcing. These tasks can

reduce the demand for well-rounded talents, so the talent pool can quickly provide companies with employees they need by offering specific talents, and the recruiting costs can be lower than traditional recruiting methods.

The labor costs of the diversified employment model are lower than the traditional labor costs, and it can help companies save costs and achieve the cost-led strategy. For non-core staff, companies can find proper candidates via multiple recruiting channels while saving personnel and management costs. Saving personnel costs enables companies to invest more in product development, accelerate the R&D progress, seize business opportunities, lower product prices, and gain higher market share. Take Amazon for instance, its Kiva warehouse robots have reduced the need for warehouse staff and saved related labor costs. Moreover, these robots can increase warehouse efficiency and stock amount (Wu & Li, 2020).

The second example is An Cai Hi-tech, which boasts as the miracle in the world's history of the stained glass industry. This company adopts diverse management measures and enjoys scaled production levels, advanced equipment, and cutting-edge techniques. These advantages have established an unrivaled foundation in the Chinese glass bulb manufacturing industry. These measures not only embody the corporate spirits of An Cai people, and more importantly, they present its corporate culture and are the heirloom for An Cai's employees.

The business goals of An Cai can be divided into several departmental goals, which advocate the principle of combining responsibility, power, and rights as well as the unity of national,

collective, and personal interests. These features have been incorporated into every employee's code of conduct and become strong motives for employees. The corporate culture and spirits are shaped by the leadership of enterprises. Therefore, supervisors at all levels should lead by example, spread and internalize the corporate culture and spirits. For enterprises, this is an important channel to show vital spirits and enterprise culture.

An Cai Hi-tech has always been committed to enhance employees' cultural essences and technical skills. By presenting its development goals and promising future, this company encourages its employees to boost their positivity, creativity, and aspiring spirits so both parties can form a community with a shared future. In this way, the cultural cultivation and emotional motivations can drive the employees to actively make contributions to the company. Moreover, the corporate spirits can be internalized into employees' hearts and further enhance their living qualities (Liu, 2005).

Take 3M as the third example. It is a mining and manufacturing company, which was established in 1902 in Minnesota, USA. This world famous multi-national company features its pioneering spirits and innovative vision, and it boasts more than 60,000 products and over 16 billion annual sales. This company provides products and services across many areas such as industrial, communications, automotive, medical, commercial signs, traffic and safety, electronics and electricity, household cleaning, and educational supplies industries.

Regarding 3M's behaviors and communication management, its performance is no less than other companies. Besides, 3M has put much emphasis on employees and innovation. Company leaders realize that sufficient circulation of information can generate the creativity required to launch new products and innovation. Moreover, this value cultivates an effective communication process and creates excellent executive power. Companies with mediocre performance often put certain communication procedures aside, or they are unwilling to invest more time, energy or money after they adopt these procedures for a period of time. In fact, the principle to success for everything all relies on remarkable executive power rather than on some wonderful tips (Berger et al., 2008).

Let's explore McDonald's case as the fourth example. The first McDonald's in Singapore was opened in 1979. Currently, there are 110 McDonald's restaurants in Singapore with approximately 7,000 employees, and around 50% of which are over 40 years old. McDonald's provides full-time and part-time job opportunities and adopts fair employment practices. Their employees come from different ages and races. Besides, they also hire disabled people. Hsieh (2018) indicated that if job seekers can prove they are healthy, McDonald's will offer re-employment opportunities for people from all walks of life. This company established an assessment system to evaluate the performance of employees. In addition, they provide staff with pre-retirement counseling. Its elderly-friendly policies are designed to adopt flexible working hours, diversified employment and part-time work arrangements. These flexible methods have benefited many

employees, particularly senior staff, and made it easier for them to strike a balance between working hours and family companionship.

Several countries such as Germany, the United Kingdom, the Netherlands, and Denmark have adopted labor flexibilization and diversified employment for many years. These countries have established a complete set of supporting policies and measures to implement flexible working hours. For example, FUCHS (Germany) signs flexible contract agreements with staff to reduce their working hours. This can be deemed as the forerunner of the flexible working hours policy, so they can cope with the high severance burden caused by a large number of dismissals. Tokyu Department Store in Tokyo (Japan) launched a free-time employment policy, which attracted more job seekers (Chen, 2012).

To summarize, diversified employment can bring multiple benefits, such as driving organizational performance, optimizing human resource management, and improving managerial strategies. In terms of organizational performance, hiring employees with diverse backgrounds can enforce fair employment practices by reducing the occurrences of discrimination, save financial costs resulted from lawsuit by complying with legal requirements, and lower turnover and related costs by increasing workforce diversity. Regarding human resource management, if organizations can attract and retain diversified workforce, they can integrate the knowledge, skills and abilities of employees. What's more, the organizations can expand its capabilities and form unique labor capital so they can function more smoothly. Meanwhile, diversified workforce enables the organization to maintain

flexibility, and increase the degree of innovation and improve the ability to solve problems.

Conclusions and Suggestions

For enterprises, workforce diversity is not merely a slogan. They should actively take corresponding measures but not out of the purpose of observing governmental regulations. Nowadays, the diverse demographic structure has formed diverse labor markets, and it is inevitable for enterprises to hire employees from diverse sources because the labor market is comprised of people from different ethics. Therefore, in this ever-changing global market, every organization must navigate through the process of recruiting and hiring employees from a diverse talent pool. The diversity of workforce can increase the heterogeneity of organizational membership, and thus improve the organizational structure and provide innovative practices so as to bring up different solutions for decision-making in organizations.

Workforce diversity is an irresistible trend that poses challenges to enterprises' management abilities. The enterprises should leverage diverse human resources and comply with legal requirements by reviewing the messages delivered from groups with different attributes and attracting diverse talents to apply for their job openings. The enterprises can thus satisfy the expectations from external environments and drive exceptional results.

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