

Preliminary communication

UDC: 334.726:339.94

<https://doi.org/10.18045/zbefri.2024.2.2>

Institutional impacts on diversity, equality and inclusion practices: Case Study of Western multinationals and their emerging economy subsidiaries*

*Emil Velinov*¹, *Andreas Hilger*², *Pawel Dobrzanski*³

Abstract

This study examines the contextual impacts on the transfer of equality, diversity, and inclusion (EDI) practices from Western multinational corporations (MNCs) to their subsidiaries in emerging economies. The transfer of EDI practices within MNCs has gained significance due to the need to reconcile theory and context while addressing social and managerial tensions associated with EDI. The research aims to answer questions about why and how EDI practices are transferred within MNCs, with a specific focus on the influence of institutional duality on the transfer process. Institutional theory serves as the theoretical foundation, suggesting that the fit between practices and the institutional environment is crucial for their legitimacy and acceptance. The interaction of host and home country factors, shaped by institutional duality, plays a significant role in shaping the transfer and implementation of EDI practices within MNCs. By considering the contextual differences between headquarters and subsidiary

* Received: 11-08-2023; accepted: 18-09-2024

¹ *Research Associate, Skoda Auto University, Department of Marketing and Management, Na Karmeli 1457, Mlada Boleslav 29301, Czech Republic and RISEBA University of Applied Sciences, Department of Business Studies, str. Meza 3, Riga 1048, Latvia. Scientific affiliation: diversity management, international business and international management. E-mail: emil.velinov@savs.cz.*

² *Assistant Professor, University of Regensburg, Department of Leadership and Organization, Universitätsstraße 31, D-93053 Regensburg, Germany. Scientific affiliation: diversity management and human resource management. E-mail: andreas.hilger@wiwi.uni-regensburg.de.*

³ *Associate Professor, Wrocław University of Economics and Business, Mathematical Economics, str. Komandorska 118/120, 53-345 Wrocław, Poland and Visiting Scholar 2023-2024, Minda de Gunzburg Center for European Studies, Harvard University, Adolphus Busch Hall, 27 Kirkland Street, Cambridge, MA 02138, USA. Scientific affiliation: macroeconomics and microeconomics. E-mail: pawel.dobrzanski@ue.wroc.pl.*

institutional environments, this research aims to enhance our understanding of the complexities and challenges associated with transferring EDI practices in suggesting distinct subsidiary identities and agendas. The findings of this study contribute to the literature by shedding light on the contextual factors, and effects of transferring EDI practices within MNCs.

Keywords: equality diversity and inclusion; institutions, practice transfer; emerging economies; multinational companies

JEL classification: F23, M14, O15

1. Introduction

Multinational companies (MNCs) play a crucial role in disseminating their perceived best practices across their global network. They serve as vehicles for transferring knowledge, policies, and procedures from their headquarters or parent companies to their subsidiaries in various countries. This transfer process often aims to replicate successful practices implemented in the home country or headquarters and adapt them to the specific local contexts of subsidiary operations. The transfer of practices across countries through multinational corporations (MNCs) has long been recognized as a significant mechanism for the global dissemination of best practices (Mellahi et al., 2016). Among the areas of both social and managerial tension is the implementation of equality, diversity, and inclusion (EDI) practices (Konrad et al., 2016). In this study, we investigate the transfer of EDI practices within a Western automotive multinational, specifically focusing on the transfer process from the German headquarters to its subsidiaries in the emerging economies of the Czech Republic, Russia, India, and South Africa.

However, the transfer of EDI practices presents unique challenges and complexities due to the intricate interplay between social dynamics and managerial considerations. EDI practices encompass a broad spectrum of initiatives and policies aimed at promoting equal opportunities, embracing diversity, and creating inclusive work environments. These practices are influenced by institutional factors that vary across countries and regions. Through that, EDI in emerging economies presents unique challenges that lack research (Tatli and Özbilgin, 2012; Cooke et al., 2019; Erdur, 2020; Bader et al., 2022).

The primary objective of our research is to address fundamental questions regarding the transfer of EDI practices within automotive MNCs. Our research question is to understand how contextual factors affect automotive MNCs operating in emerging economies by examining the influence of institutional duality on the transfer of EDI practices. To achieve these objectives, we adopt a methodology inspired by Yin (2009), combining a qualitative case study approach with content analysis.

By conducting our research within a large Western automotive multinational and examining its subsidiaries in emerging economies, we aim to shed light on

institutional and cultural aspects behind the transfer of EDI practices. We seek to uncover the underlying factors driving MNCs to transfer these practices, the strategies employed in the transfer process, and the impact of institutional duality on the EDI practices implementation in different contexts.

To ensure the rigour and depth of our research, we employ a methodology based on Yin (2009), which emphasizes the holistic exploration of a phenomenon through in-depth qualitative analysis. Our approach combines a qualitative case study framework with content analysis, allowing us to capture the multifaceted nature of the transfer of EDI practices within MNCs.

By examining the specific context of the automotive industry and analyzing the subsidiaries in the Czech Republic, Russia, India, and South Africa, we aim to provide valuable insights into the complexities and dynamics of the transfer process. Additionally, we pay particular attention to the influence of institutional duality, which refers to the coexistence of home and host country institutions and their impact on organizational practices. The goal of the paper is to develop the theoretical propositions (see below propositions 1 to 4) regarding the normative and regulative impacts on the transfer of Western EDI practices to emerging economy subsidiaries within Western MNCs:

Proposition 1: Local normative and regulative institutions impact EDI practices in emerging economies subsidiaries (EESs).

Proposition 2: EESs address Western (etic) dimensions of diversity-supporting convergence.

Proposition 3: Western MNCs intend to standardize towards dominant practices but are forced to localize their EDI practices.

Proposition 4: EESs do not attempt to reverse EDI transfer.

By investigating how institutional duality influences the transfer of EDI practices, we aim to contribute to the body of knowledge in international management and shed light on the complexities and challenges associated with implementing EDI practices across different institutional contexts.

The purpose of this research is to answer critical questions regarding the transfer of EDI practices within MNCs. We seek to understand why these practices are transferred and how the transfer process unfolds in the context of institutional duality. Additionally, we aim to investigate the impact of contextual differences between headquarters and subsidiary institutional environments on the transfer and implementation of EDI practices. By examining the specific case of a large Western automotive multinational and its subsidiaries in emerging economies, we strive to provide valuable insights into the contextual factors such as institutions, public perceptions (cultural values) and effects of the transfer of EDI practices.

Ultimately, this research aims to enhance our understanding of the challenges and opportunities associated with transferring EDI practices within MNCs. The findings will not only contribute to academic knowledge but also provide practical implications for organizations seeking to implement effective EDI practices in diverse international settings. By recognizing the importance of institutional factors and tailoring practices to specific institutional contexts, MNCs can enhance their ability to create inclusive and equitable work environments across their global operations.

In summary, this study delves into the transfer of EDI practices within a Western automotive multinational, investigating the institutional and cultural factors, and effects of this transfer process. Our methodology is based on Yin (2009) and integrates the content analysis within a qualitative case study approach.

2. Literature review

As multinational enterprises (MNEs) operate across diverse cultural contexts, the transfer of diversity and inclusion (D&I) practices becomes crucial for fostering inclusive workplaces across the organisation.

Within the field of International Human Resource Management, it is imperative to consider contextual differences between the headquarters and subsidiary institutional environments (Hennekam et al., 2017). Consequently, the transfer and application of EDI practices can be significantly influenced by the direction and hierarchies of countries involved in the transfer (Bader et al., 2022). However, despite its importance, the institutional influences on EDI practices within globally dispersed MNCs remain relatively under-researched (Cooke et al., 2019).

Institutional theory suggests that the fit between practices and the institutional environment is crucial for their legitimacy and acceptance and forces mimetic or isomorphic processes within subsidiaries of MNCs (Kostova and Roth, 2002). Therefore, understanding how differences in practice transfer and implementation in subsidiaries arise from the interaction of host and home country factors in response to institutional duality is essential (Kostova and Roth, 2002). For instance, a notable instance involves an examination of MNEs operating within the contexts of Taiwan and Thailand. The investigation revealed that the anti-discrimination legislation prevailing in the MNEs' home country acted as a constraining force on gender- and age-based discrimination even in subsidiary nations where comparable anti-discrimination laws were absent (Heymann et al., 2023). Another study conducted by Ferner et al. (2012) delved into the experiences of six US-based MNEs striving to implement their diversity policies within their UK subsidiaries. The study unveiled a consistent pattern of incomplete policy transfers. The researchers attributed this phenomenon to the complex institutional milieu marked

by dual challenges in the realm of diversity. These challenges were twofold: the variations in diversity frameworks across distinct countries and the contentious nature of diversity during that particular period, even within the United States.

Further insights underscored the influence of broader country-level institutional contexts, which may not be directly linked to EDI concerns. An illustrative case is found in the work of Hong (2024), where it was observed that factors such as the degree of protection afforded to property rights within a given nation also exerted an impact on the outcomes of EDI initiatives.

EDI are crucial in the automotive industry worldwide for several reasons. Firstly, the automotive sector serves a diverse global customer base, comprising individuals from different backgrounds, cultures, and demographics. Embracing diversity ensures that products and services are tailored to meet the needs and preferences of these varied consumers, enhancing market competitiveness and driving innovation (Velinov and Štrach, 2022).

Secondly, fostering diversity within the workforce promotes a culture of creativity and problem-solving. Diverse teams bring together unique perspectives, experiences, and skills, leading to more innovative solutions and products. In an industry driven by technological advancements and evolving consumer demands, this diversity of thought is invaluable for staying ahead of the curve (Bai, 2021).

Moreover, promoting equity and inclusion in the automotive workforce ensures fair access to opportunities and resources for all individuals, irrespective of their gender, race, ethnicity, or background. By creating an inclusive workplace environment where every employee feels valued, respected, and empowered, organizations can boost employee morale, productivity, and retention.

Additionally, prioritizing EDI initiatives helps the automotive industry address systemic inequalities and biases that may exist within its structures. By actively working towards greater EDI, companies can contribute to building a more equitable and just society while also driving sustainable business growth and success in the global marketplace (Velinov and Štrach, 2022).

The resistance paradigm propounds that organizations maintain the status quo in the absence of pressure to increase diversity (Dass and Parker, 2007). It has been established that an organization's approach to diversity depends on the degree of pressure to diversity, the type, and managerial attitudes (Dass and Parker 2007; Šušak et al., 2023) and that Human Resource Management (HRM) and EDI are specific to the local social context (Hennekam et al., 2017; Bader et al., 2022).

According to institutional theory, common contexts create pressures on organisations which result in the isomorphism of organisational practises and routines to correspond to institutionalized expectations to ensure their survival

(DiMaggio and Powell, 2000; Scott, 2001). In addition to home country pressures, each host country of MNEs presents unique institutional conditions that may differ drastically from the home country (Kostova and Roth, 2002). Diversity management (DM) as well as research on DM consequently needs to be context-sensitive (DiTomaso, 2021).

Scott (2021) defined institutions as supra-individual social entities that cause social as well as organisational phenomena through a combination of cultural-cognitive, normative, and regulative context factors. According to Scott (2021), regulative institutions create coercive pressure to conform in the form of rules and corresponding sanctions. Normative institutions create pressure in the form of social obligations, binding expectations, and the need for appropriateness of action. Lastly, cultural-cognitive institutions drive mimetic processes through shared understandings and actions as well as common beliefs.

DM research has primarily focused on the influence of government regulation and legislation, whereas knowledge about the interplay of cultural and normative antecedents as well as a combination of all of them is missing (Küskü et al., 2021). However, in the wake of globalization, companies are increasingly urged to develop global strategies, resulting in the coordinated internationalization of HRM as well as a global convergence of HRM practices (Pudelko and Harzing, 2007).

Bader et al. (2022) investigate gender diversity management in foreign subsidiaries of MNEs in Germany and Japan. Their study highlights the challenges in transferring diversity and inclusion (D&I) practices, such as cultural differences and gender role expectations. The findings suggest that adapting practices to local contexts and promoting diversity dialogue among employees are crucial strategies for successful transfer. Host countries with gender inequality and less institutional diversity pressure implement EDI practices difficult (Cooke et al., 2019; Bader et al., 2022).

The literature focuses on the transfer of D&I practices primarily in terms of gender diversity (Bader et al., 2022; Krzywdzinski and Jo, 2022) there is a research gap in exploring the transfer process and outcomes concerning other dimensions of diversity, such as race, ethnicity, age, sexual orientation, and disability. Investigating how multiple dimensions of diversity interact and influence the transfer of D&I.

Krzywdzinski and Jo (2022) examine skill formation, automation, and governance practices in German and Korean automotive manufacturers in Central-Eastern Europe. While their study does not explicitly focus on D&I, it sheds light on the transfer of HR practices within MNEs. The findings underscore the significance of contextual factors, such as labour market institutions and local management practices, in shaping the transfer process.

Further studies by Dasgupta et al. (2022) discuss the challenges associated with managing HRM practices in MNEs. They highlight the importance of balancing

global integration and local adaptation when transferring D&I practices. The authors emphasize the need for effective communication, cultural sensitivity, and support from top management to overcome challenges and ensure a successful transfer. Miah et al. (2022) explore HRM practices of foreign manufacturing companies in Bangladesh. While not specifically focusing on D&I, their study provides insights into the transfer of HR practices within emerging economies. The findings suggest that adapting practices to local norms, investing in employee development, and fostering local talent can enhance the transfer and effectiveness of D&I practices.

Haipeter and Jo (2021) examine varieties of capitalism in multinational companies through a comparative study of Volkswagen Slovakia and Kia Motors Slovakia. While their research does not directly address D&I, it underscores the influence of institutional factors on the transfer of HR practices. The study highlights that national institutional differences can shape the implementation and outcomes of D&I practices within MNE subsidiaries.

Vogelsang and Pilz (2021) explore conditional factors for training activities in Chinese, Indian, and Mexican subsidiaries of German companies. Although not specifically focused on D&I, their study reveals the importance of cultural adaptation and localization of HR practices in facilitating successful transfer. They emphasize the significance of considering cultural values, national regulations, and local management practices to achieve positive outcomes.

The reviewed studies highlight the complexities involved in the transfer of D&I practices within MNEs. Key strategies for successful transfer include cultural adaptation, contextual sensitivity, effective communication, and leadership support. The findings also emphasize the influence of institutional factors and local management practices on the outcomes of D&I initiatives. By considering these insights, MNEs can enhance their ability to transfer D&I practices effectively and create inclusive workplaces across diverse cultural contexts. Further research is warranted to explore additional aspects of the transfer process and its impact on organizational outcomes within MNEs. However, recent findings point out that emerging market multinationals converge towards Western ideals in EDI (Hilger et al. 2023).

Previous research has provided insights into the challenges, strategies, and outcomes of transferring D&I practices within multinational enterprises (MNEs) (Bader et al., 2022; Krzywdzinski and Jo, 2022). However, there is a research gap regarding a comprehensive understanding of the transfer process itself (Kostova and Roth, 2002).

While cross-sectional studies have offered valuable insights into the transfer of D&I practices in MNEs (Bader et al., 2022), there is a research gap regarding the long-

term effects and evolution of these practices. Longitudinal research that follows the transfer process over an extended period is needed to gain a deeper understanding of how D&I practices evolve, adapt, and impact organizational outcomes in different cultural settings (Geppert et al., 2003).

The reviewed studies primarily focus on the transfer of D&I practices in developed countries or within subsidiaries of MNEs based in developed countries (Bader et al., 2022; Krzywdzinski and Jo, 2022). This leaves a research gap regarding the transfer process and outcomes in emerging market contexts. Future research could explore the unique challenges, strategies, and outcomes associated with transferring D&I practices in emerging markets (Marano and Kostova, 2016).

While individual studies have provided insights into the transfer of D&I practices in different cultural contexts (Bader et al., 2022; Krzywdzinski and Jo, 2022), there is a research gap in terms of comparative studies that directly compare the transfer of D&I practices between multiple countries or regions. Comparative research would enable a deeper understanding of the similarities, differences, and contextual nuances of the transfer process, contributing to more robust theoretical frameworks and practical guidelines (Geppert and Dörrenbächer, 2011).

3. Methodology

We adopted an explanatory case study approach to provide in-depth explanations of the phenomenon this approach allows us to test the literature-based propositions and address our research questions (Yin, 2009). To ensure the credibility and confirmability of our study, we employed multiple data collection methods, including semi-structured interviews and document analysis, while also utilizing various data sources (Hsieh and Shannon, 2005). We have studied 22 documents, which included annual reports, diversity reports, corporate social responsibility reports, corporate governance reports, human resource reports, corporate websites, interviews with human resource and diversity officers and other documents from media outlets from Germany, Czechia, Russia, India and South Africa related to German automotive firms for the period 2020-2021. The rationale behind the selection of the countries for the case study is the fact that many Western automotive firms have subsidiaries in Russia, India and South Africa, as these countries represent big car markets in terms of volume, market growth and internationalization.

For the content analysis, we employed a directive approach, utilizing deductive categorization based on seven deductive categories derived from Hilger et al. (2023) internal dimensions of organizational diversity. These categories align with the German Diversity Charter, to which the target multinational company is a subscriber. The usage of an established diversity concept for coding supports the credibility and confirmability of our study (Sinkovics et al., 2008) and enhances the transferability of

our method to other cases and contexts (Tracy, 2010). The seven dimensions include Gender, Age, Ethnicity, Ability, Sexuality, Spirituality, and Status.

To examine macro-level impacts on DM at the meso-level reported by the sample companies, we collected data on Scott's (2001) institutional pillars in the relevant home and host countries, namely Germany, the Czech Republic, Russia, India, and South Africa. For the analysis of domestic normative pressures, we analyzed national diversity charters, voluntary initiatives that encourage organizations to implement and develop DM practices. We applied deductive categorization to charter contents based on Initial Funding, addressed etic Diversity Dimensions, and the number of Oil and Gas Signatories to determine the pro-diversity pressure (Mayring, 2014).

The regulative context of each home country was examined through directed deductive content analysis of the national constitution and labour legislation regarding the etic dimensions of diversity. The content was coded based on seven deductive categories aligned with Loden and Rosener's (1991) diversity dimensions.

Through these data collection and analysis methods, we aim to provide comprehensive insights into the transfer and implementation of diversity management practices within the target multinational company and its subsidiaries in different countries. By considering the legal, and normative contexts, we can examine the impact of institutional factors on DM practices and their congruence with the dimensions of diversity across various organizational and societal levels.

Normative regulations on equity, diversity, and inclusion (EDI) can vary across different countries, reflecting the unique socio-cultural, political, and historical contexts. Here is an overview of the normative regulations on EDI in Russia, India, South Africa, and the Czech Republic.

4. Findings and discussion

Between the normative frameworks of the selected emerging economies, there is a contrast in the approach to EDI. These differences highlight the varying levels of formalization and enforcement of EDI practices across different institutional contexts.

4.1. Institutional context

In Russia, the normative regulations specifically focused on EDI are relatively limited compared to other countries. While the Constitution of Russia guarantees equality before the law, there is no specific legislation or national diversity charter that comprehensively addresses EDI (Smith, 2013). The absence of explicit

regulations on EDI may indicate a less formalized approach to promoting diversity and inclusion in the country.

India has a more extensive framework of normative regulations on EDI. The Constitution of India includes provisions for equality before the law and prohibits discrimination on grounds of religion, race, caste, sex, or place of birth. Additionally, India has implemented various laws and policies to address historical inequalities and promote social inclusion. These include affirmative action measures, such as reservations for socially and educationally backward classes, scheduled castes, and scheduled tribes in educational institutions and public employment. The Companies Act of 2013 also requires certain companies to spend a portion of their profits on corporate social responsibility activities, which may encompass EDI initiatives (Fahad and Busru, 2021). The Constitution of India, with its provisions on equality and non-discrimination, plays a significant role in shaping the EDI practices of automotive subsidiaries in India. The constitutional guarantees of equality before the law (Article 14) and the prohibition of discrimination (Article 15) provide a foundation for promoting diversity and preventing discriminatory practices within organizations.

Automotive subsidiaries operating in India are obligated to adhere to constitutional principles and ensure equal treatment and opportunities for all employees, regardless of factors such as religion, race, caste, sex, or place of birth. These constitutional provisions align with the core principles of EDI, emphasizing the importance of creating an inclusive work environment that embraces diversity and rejects discriminatory practices. In the context of automotive subsidiaries, EDI practices go beyond legal compliance and encompass initiatives aimed at fostering diversity, ensuring equal representation, and promoting inclusion at all levels of the organization. The constitutional framework encourages companies to develop policies and practices that address the unique challenges and opportunities presented by India's diverse workforce. For instance, EDI practices in automotive subsidiaries in India may include affirmative action programs to promote the advancement of socially and educationally backward classes, Scheduled Castes, and Scheduled Tribes, as allowed by Article 15(4). These practices aim to provide equal opportunities for historically disadvantaged groups and bridge the gaps in representation and opportunities within the organization. Additionally, Article 15(3) allows for special provisions for women and children. This constitutional provision may influence the implementation of gender diversity and inclusion initiatives within automotive subsidiaries, promoting gender equality and creating a supportive work environment for women employees. The principles enshrined in Article 39 of the Constitution, emphasizing equal pay, protection of workers' health and well-being, and opportunities for children, also resonate with the broader objectives of EDI practices. Automotive subsidiaries in India can draw upon these principles to develop policies and programs that address workplace safety, work-life

balance, and child welfare, contributing to a more inclusive and supportive work environment. By aligning their EDI practices with the constitutional principles of equality, non-discrimination, and social justice, automotive subsidiaries operating in India can not only comply with legal requirements but also foster a culture of inclusivity, respect, and equal opportunities for all employees. This integration of constitutional values and EDI practices can create a positive impact on the overall organizational climate, employee morale, and productivity, while also contributing to the broader social and economic goals of India.

South Africa has a robust set of normative regulations aimed at promoting EDI, particularly due to its history of apartheid and racial discrimination. The Constitution of South Africa prohibits unfair discrimination and guarantees equal protection under the law. The country has implemented various legislative measures, such as the Broad-Based Black Economic Empowerment (BBBEE) Act and Codes of Good Practice, to address historical imbalances and promote economic participation, ownership, and employment equity for previously disadvantaged groups. The BBBEE Act establishes requirements for companies to prioritize EDI in their operations and procurement processes.

In the Czech Republic, the normative regulations on EDI are relatively less extensive compared to countries like India or South Africa. While the Czech Republic does not have specific legislation addressing EDI, it has made efforts to promote equality and combat discrimination through broader anti-discrimination laws. The Czech Republic has also signed international agreements and conventions that emphasize the principles of equality and non-discrimination. However, the absence of a national diversity charter or comprehensive EDI-specific legislation suggests that formalized regulations on EDI may be relatively limited in the country.

Based on the information provided in Table 1, it can be observed that Germany has taken a comprehensive approach to addressing EDI through its national diversity charters. Germany focuses on multiple diversity dimensions including gender, ethnicity, nationality, religion, disability, age, and sexual orientation. This highlights the country's commitment to promoting inclusivity and combating discrimination across various aspects of diversity.

Moreover, Germany's normative aspects related to EDI indicate that there is no specific information available regarding initial funding, launch date, signatories in 2021, and field signatories. Further research is required to explore these aspects in greater detail.

It is important to note that the overview provided above is a general summary and may not capture all the intricacies and specific regulations related to EDI in each country. Detailed examination of specific laws, policies, and regulatory frameworks would provide a more comprehensive understanding of the normative regulations on EDI in Russia, India, South Africa, and the Czech Republic.

Table 1: Normative aspects by country on EDI

Diversity Charters	Germany	Russia	Czech Republic	India	South Africa
Funding	Public-private Partnership	N/A	Public-private Partnership	N/A	Private
Launch date	2006	N/A	2014	0	2018
Signatories 2023	4,500	N/A	80	N/A	23
Field Signatories	50	N/A	5	N/A	0
Diversity Dimensions	Gender, Ethnicity, Nationality, Religion, Disability, Age, Sexual Orientation	N/A	Gender, Ethnicity, Nationality, Religion, Disability, Age, Sexual Orientation		Gender
Isomorphic pressure	High	None	Medium-High	None	Low

Source: Author’s elaboration

Table 1 provides an overview of normative aspects related to EDI in different countries, specifically focusing on the presence of national diversity charters, their launch dates, signatories, and the diversity dimensions covered. The table also mentions the existence of isomorphic pressure, which refers to the external pressures that influence organizations to adopt similar practices. The German headquarter is a German Diversity Charter signatory and reports on all 7 dimensions.

Table 2 depicts the societal perception on homosexuality, religion and level of diverse nations by Pew Research Center (2020), which represents the public aspects of EDI in the selected countries of our study.

Table 2: Public perceptions on EDI for selected countries

Diversity Charters	Germany	Russia	Czech Republic	India	South Africa
Acceptance of Homosexuality	80	14	40	37	54
% of people, who say Religion is very important in their lives	10	16	10	80	75
% of people, who say their nation is more Diverse	84	60	N/A	44	39

Source: Pew Research Center (2020)

The table includes the following key dimensions of public perception:

Acceptance of Homosexuality: This dimension gauges the level of societal acceptance of homosexuality within each country. The percentages presented indicate the proportion of respondents within each nation who express acceptance of homosexuality. Notably, Germany records a substantially higher percentage of acceptance (80%), in contrast to Russia (14%), Czech Republic (40%), India (37%), and South Africa (54%).

% of people, who say Religion is very important in their lives: This metric reflects the degree of significance attributed to religion in the lives of individuals within each respective country. The percentages provided represent the portion of respondents who identify religion as being of high importance in their daily lives. Among the countries considered, India stands out with a notable percentage of 80%, while the values for Germany (10%), Russia (16%), Czech Republic (10%), and South Africa (75%) vary considerably.

% of people, who say their nation is more Diverse: This dimension assesses the perception of the diversity present within each nation. The presented percentages denote the fraction of respondents who believe that their country is relatively diverse. Germany and South Africa exhibit comparatively high percentages in this regard, with 84% and 39% respectively, whereas Russia (60%) and India (44%) fall in the intermediate range. The data in Table 2 underscores the varying degrees of public perception with regards to EDI-related aspects across these selected countries, shedding light on differences in acceptance of diversity, attitudes toward homosexuality, and the significance of religion within their respective societies. The information presented provides valuable insights into the nuanced perspectives on EDI in these nations during the specified year.

4.2. EDI Practice Findings

EDI Practices and Regulative Frameworks

The German Headquarters brand themselves like this: “*We live diversity*“. In this slogan they emphasize they offer equal opportunities for everyone and reject all forms of discrimination. Emphasizing that “*This applies in particular to unequal treatment due to ethnic or social origin, skin color, biological sex, nationality, language, religion, ideology, age, physical or mental disabilities, gender identity, sexual orientation, political views, or any other characteristics protected by law.*” (Volkswagen Group, 2024: 12).

In Russia, there is no mention of a national diversity charter, indicating a limited formalized commitment to EDI at the national level. The absence of initial funding and a launch date suggests that EDI initiatives may be less prominent or organized

in Russia compared to other countries in the table. Additionally, the lack of isomorphic pressure implies that external influences for standardizing EDI practices may be relatively minimal.

The Czech Republic, on the other hand, has a national diversity charter supported by national funding. The existence of 80 signatories demonstrates a higher level of engagement and commitment to EDI in the country. The inclusion of gender as a diversity dimension reflects the recognition of gender disparities and the need to address them. The presence of isomorphic pressure is not explicitly mentioned, suggesting that external influences for standardization may be less prominent in this context.

India's EDI efforts are characterized by the absence of initial funding, but the launch of specific initiatives, such as the Broad-based Black Economic Empowerment (BBBEE) Code of Good Practice in South Africa, demonstrates a targeted approach to addressing historical inequalities (Dreyer et al., 2021). In India, diversity dimensions covered include ethnicity, nationality, religion, disability, age, and sexual orientation, indicating a broader scope of diversity considerations. The presence of isomorphic pressure is not mentioned, suggesting that external pressures for standardizing EDI practices may be relatively limited.

South Africa stands out through their BBBEE Code of Good Practice as the initial funding mechanism for EDI initiatives. The launch date of 2007 indicates a relatively early focus on addressing equality, diversity, and inclusion. The requirement for everyone to comply, potentially through a scoring system, emphasizes the significance placed on EDI practices in the country. Diversity dimensions covered in South Africa include religion, culture, and ethnicity, which align with the country's history and ongoing efforts to redress racial inequalities. Isomorphic pressure is not explicitly mentioned, leaving the extent of external influences for standardization unclear.

Table 1 highlights the variations in normative aspects of EDI across different countries. It underscores the importance of considering country-specific factors, historical contexts, and cultural nuances when implementing EDI practices. The presence or absence of national diversity charters, funding mechanisms, launch dates, signatories, diversity dimensions, and isomorphic pressure collectively shape the landscape of EDI initiatives in each country and influence their effectiveness in promoting equality, diversity, and inclusion.

The absence of a national diversity charter and signatories in Russia suggests a limited formalized commitment to EDI at the national level. This aligns with studies highlighting the challenges and slow progress in promoting diversity and inclusion in the Russian context (Petrañtsova, 2020). The lack of isomorphic pressure may indicate a lower degree of external influence on organizational EDI practices in the country.

In contrast, the presence of a national diversity charter with a substantial number of signatories in the Czech Republic indicates a stronger emphasis on EDI. This suggests that organizations in the Czech Republic have recognized the importance of promoting diversity and inclusion and have actively committed to supporting these principles. The higher number of signatories reflects a higher level of engagement and awareness among Czech organizations regarding EDI (Velinov and Štrach, 2022).

In India, the absence of initial funding and a launch date for the national diversity charter suggests that formalized initiatives specific to EDI may be less prominent. However, the mention of the Broad-based Black Economic Empowerment (BBBEE) Code of Good Practice in South Africa highlights the country's efforts to address historical inequalities and promote economic empowerment for previously disadvantaged groups (Roberts-Lombard et al., 2019). The presence of a specific code and its focus on broad-based black economic empowerment indicates a targeted approach to EDI in the South African context.

The diversity dimensions covered in each country's national diversity charter reflect the specific concerns and priorities within their respective contexts. In Russia and the Czech Republic, gender is explicitly mentioned, indicating the recognition of gender disparities and the need to address them (Kudrnáč, 2017). India focuses on multiple dimensions, such as ethnicity, nationality, religion, disability, age, and sexual orientation, which highlights the broader scope of diversity considerations in the country (Mehrotra and Wagner, 2018). South Africa's emphasis on ethnicity aligns with its history of apartheid and the ongoing efforts to redress racial inequalities (Adam et al., 2023).

The mention of isomorphic pressure as *none* suggests that external pressures for standardization and conformity to EDI practices may not be as influential in these countries.

In summary, Table 1 reflects the diverse landscape of normative aspects of EDI in different countries. The variations in national diversity charters, signatories, diversity dimensions, and the presence or absence of isomorphic pressure highlight the unique contexts in which EDI initiatives operate. These findings underscore the importance of considering country-specific factors and tailoring EDI practices to address the specific challenges and opportunities present in each country.

The findings presented in Table 2 align with previous research on the cognitive aspects of EDI in different countries. Studies have consistently shown that attitudes and perceptions towards EDI can vary significantly across cultures and societies.

Regarding Sexual Orientation, the higher percentage of people in Russia expressing reluctance to have homosexuals as neighbours is consistent with studies that highlight the prevalence of homophobia and LGBTQ+ discrimination in Russian

society (Ferrer and Muray, 2019). Conversely, the lower percentage in the Czech Republic suggests a more accepting and inclusive environment for sexual minorities (Kudrnáč, 2017).

In terms of Gender and Identity, the traditional gender role perceptions observed in Russia and the Czech Republic reflect societal norms deeply rooted in patriarchal systems (Kulikova et al., 2017). Similar findings have been reported in other countries as well, indicating persistent gender inequalities and stereotypes (Brescoll and Uhlmann, 2008).

The higher levels of concern for the living conditions of sick and disabled individuals in the Czech Republic align with research that highlights greater attention to disability rights and social inclusion in European countries (Bratan et al., 2020). In contrast, the lower levels in Russia may reflect limited awareness and support for disability-related issues (Toepler and Fröhlich, 2020). Attitudes towards immigrants and ethnic diversity, as evident from the opinion on job competition, demonstrate the prevalence of xenophobic sentiments in Russia and the Czech Republic (Santi Amantini, 2020). These findings are consistent with studies on ethnic tensions and anti-immigrant attitudes in these regions. While Table 2 does not provide data for South Africa and India on specific dimensions, existing literature highlights the complexities of diversity in these countries. South Africa has a history of racial segregation and ongoing challenges related to race and ethnicity (Durrheim, 2017). India, with its diverse cultural and religious landscape, grapples with issues of caste, religion, and gender (Kaul, 2015). These countries have unique socio-cultural contexts that shape their EDI landscape. The variations in cognitive aspects of EDI across different countries emphasize the importance of considering cultural and societal factors in implementing inclusive practices. It highlights the need for context-specific strategies that address local attitudes, perceptions, and historical legacies of discrimination (Thomas and Ely, 1996). In conclusion, the findings from Table 2 are consistent with existing literature on EDI, underscoring the influence of cultural, social, and historical contexts on attitudes and perceptions towards diversity and inclusion. Understanding these cognitive aspects is crucial for designing effective EDI practices and interventions that are sensitive to the specific needs and challenges of each country or region.

Table 3: Diversity practices adopted by German HQ and its subsidiaries.

	Age	Gender and identity	Ethnicity	Social background or class	Religion or world-views	Sexual orientation	Physical and mental abilities	Localization
DE	Age management is very important	top management composition	top management composition	top management composition	top management composition	LGBTIQ+	N/A	N/A
CZ	Age Management awareness	Focus is on the first female in the TMT and females,	Internationalization in SA from perspective of nationalities and ethnicities	Unconscious bias reduction	N/A	LGBT+, gender identity and sexual orientation	Mental health and well-being programs	Collective Agreement, Code of Conduct development
IN		Automotive firms in India focus on women	N/A	Social background checks	N/A	N/A	N/A	Local campaigns for women to obtain driving license
RU	Age	Gender	N/A	N/A	Religion	Supporting all sexual orientations	Well-being and mental health	N/A
SA	N/A	N/A	Anti-Racism Initiative	Social Rights	N/A	N/A	N/A	Anti-racism initiatives

Source: Author’s elaboration based on annual reports, diversity reports, code of conducts, corporate governance reports, ethical codex and other company reports in German automotive HQ and its selected subsidiaries

The findings from the Table 3 indicate that German subsidiaries in different countries prioritize different diversity dimensions and practices based on their local contexts. For instance, in Germany (DE), the headquarters focus on gender and nationality. They implement gender quotas in the top management team (TMT) and promote more females in executive and IT positions. They also participate in the Global Compact initiative for Gender Equality by the United Nations. They have developed initiatives for hiring females in senior management positions and have signed the Diversity Charter in Germany. Furthermore, the headquarter (HQ) emphasizes mandatory diversity training. for managers at various levels. They aimed to train 75% of their managers across the group by December 31, 2021 and

have surpassed this target, achieving a ratio of 83%. The case company established a Diversity index and by doing so not only aims at establishing processes geared to equal opportunities but also aims to set targets for measures and programs at all levels of management. Their diversity approach centres around quotas for women in managerial positions and targets for the internationality of the top management. These two figures are combined in their diversity index, which has been in force since January 1, 2017 (Volkswagen Group, 2021).

The subsidiary in the Czech Republic (CZ), focuses on age management awareness and is the first female in the TMT, along with females in general. They also prioritize internationalization from the perspective of nationalities and ethnicities. The Czech subsidiary emphasizes unconscious bias training, LGBT+ inclusion, gender identity and sexual orientation, and mental health and well-being programs. The Czech subsidiary also develops collective agreements and codes of conduct for diversity-related initiatives. Furthermore, the Czech subsidiary has included Pride Business Forum as a part of its diversity and inclusion strategy, which is a part of the best managerial practices transferred from the HQ in Germany.

In India (IN), the subsidiary places a particular focus on promoting women in their TMT. They have local campaigns to encourage women in India to obtain a driving license. Additionally, they have their own initiative to empower women in the organization. They also align with the corporate global diversity programme.

In Russia (RU) age and gender diversity, along with well-being and mental health initiatives are emphasized. They adopt the Code of Conduct and Corporate Principles from the headquarters to guide their diversity practices. They also participate in the corporate global diversity programme.

In South Africa (SA), the subsidiaries focus on anti-racism and social rights. They provide training on human rights based on International Labour Organization standards and adopt the Declaration on Social Rights from headquarters. They also have initiatives to combat racism and adopt the Code of Conduct of the headquarters. They align with the corporate global diversity programme.

The findings from the table align with previous literature that highlights the importance of diversity and inclusion practices in multinational companies (Derven, 2014). Research suggests that implementing diverse and inclusive practices can lead to improved organizational performance, innovation, and better decision-making processes. The literature emphasizes the need for tailored approaches to diversity management based on the local context and the importance of strong leadership support and commitment (Wolfgruber et al., 2022).

The subsidiaries in different countries prioritize and implement diversity dimensions and practices. It demonstrates the diverse approaches taken to address local diversity challenges and align with global diversity programs. The findings

highlight the significance of considering local contexts and tailoring diversity initiatives to enhance organizational performance and create inclusive work environments.

Germany provides high levels of education and income (Carey, 2008, well-established HRM practices (Bader et al., 2022), and rapid demographic changes, while the subsidiaries present vastly different institutional and social settings, which impact etc EDI implementation to varying degrees. While the Russian institutional context hampers EDI implementation, the Czech, Indian, and South African context requires certain EDI practices, e.g. regarding ethnicity, while discouraging others (e.g. sexuality). The paper provides evidence of the failing dispersion of diversity and inclusion best practices in multinational firms' subsidiaries due to isomorphic pressures and the necessity of embeddedness into the local managerial practices and much wider social and institutional context. We show that the importance of diversity and inclusion practices localization and thus a strongly reduced transfer of EDI is essential for conflict reduction also driven by institutional pressures motivated by customer satisfaction in emerging economies to avoid institutional clashes.

5. Conclusion

The transfer of equality, diversity, and inclusion (EDI) practices by Western multinationals to their emerging economy subsidiaries presents both theoretical and practical implications. The findings of this study shed light on the complexities and challenges associated with the transfer process, particularly in the context of institutional duality and the diversity of emerging markets.

Theoretical Implications

The study highlights the significance of institutional duality in shaping the transfer of EDI practices. The need to consider the institutional context and local social tensions adds a layer of complexity to the transfer process, challenging the assumption of global convergence and dominance effects of EDI practices. The findings emphasize the importance of adapting and localizing practices to suit the specific institutional contexts of subsidiaries.

The research uncovers that Western EDI approaches often fail to address the diversity dynamics present in emerging markets such as South Africa and India. These markets have a long history of grappling with diversity issues, and their unique context necessitates a more nuanced and culturally sensitive approach. This highlights the need to move beyond ethnocentric perspectives and embrace emic perspectives that consider local values, norms, and experiences of diversity.

Practical Implications

From the subsidiary side, the adoption of Western diversity actions may strengthen the HQ-subsidary relationship. However, the study also highlights the importance of tailoring EDI practices to the specific context of each subsidiary. Multinational corporations should not assume that a one-size-fits-all approach will be effective in promoting EDI. Instead, they should engage in localization efforts that align with the local institutional environment, cultural nuances, and diversity dynamics of the subsidiary.

The reluctance observed in subsidiaries when enforcing etic EDI practices as they are torn between Western demands and local circumstances underscores the need for a better understanding of emic institutional accordance. Western multinationals must consider and respect the existing institutional frameworks and social dynamics of each subsidiary, fostering a collaborative approach that values local perspectives and encourages meaningful participation.

By recognizing the pitfalls associated with the transfer of EDI practices and addressing the implications highlighted in this study, Western multinationals can enhance their effectiveness in promoting equality, diversity, and inclusion across their global operations. This includes embracing localization, adapting to the specific institutional contexts, and incorporating emic perspectives to ensure that EDI practices are more inclusive, culturally sensitive, and responsive to the needs of subsidiaries in emerging markets, especially since the subsidiaries surpass the HQ demands in certain dimensions and a reverse transfer may be possible.

Future research

Future research should delve deeper into the dynamics of reverse transfer of EDI practices from subsidiaries to the headquarters (HQ) or across subsidiaries in emerging markets. Exploring how subsidiaries contribute to the evolution of global EDI frameworks and whether they influence the HQ's approach could provide valuable insights into the bidirectional nature of EDI transfer. Overall, future research should aim to enrich our understanding of the nuanced interplay between global EDI frameworks and local contextual factors, guiding multinational corporations in fostering inclusive and culturally sensitive practices worldwide.

Research Limitations

This study's primary limitation is its focus on the EDI practices transfer in a limited number of emerging markets, which may not fully represent the diversity and complexity of such contexts globally. Additionally, the study does not account for potential reverse transfer of practices from subsidiaries to headquarters.

References

- Adam, H., Moodley, K. (2023) *The opening of the Apartheid mind: Options for the new South Africa*, Berkley: University of California Press.
- Bader, A. K., et al. (2022) “Gender Diversity Management in Foreign Subsidiaries: A Comparative Study in Germany and Japan”, *Journal of International Management*, Vol. 28, No. 3, <https://doi.org/10.1016/j.intman.2021.100921>.
- Bai, S. (2021) “Diversity, equality and inclusion”. In Bailo, C., Barclay, T., ed., *The Road Foward: More Conversations with Top Women in the Automotive Industry*, Warrendale, PA: SAE International.
- Bratan, T., et al. (2020) “Implementation of the UN Convention on the Rights of Persons with Disabilities: A Comparison of four European Countries with Regards to Assistive Technologies”, *Societies*, Vol. 10, No. 4, pp. 2–25, <https://doi.org/10.3390/soc10040074>.
- Brescoll, V. L., Uhlmann, E. L. (2008) “Can an Angry Woman Get Ahead?: Status Conferal, Gender, and Expression of Emotion in the Workplace”, *Psychological Science*, Vol. 19, No. 3, pp. 268–275, <https://doi.org/10.1111/j.1467-9280.2008.02079.x>.
- Carey, D. (2008) *Improving Education Outcomes in Germany*, OECD Economics Department Working Papers, No. 611, OECD Publishing, Paris, <https://doi.org/10.1787/241675712618>.
- Cooke, F. L., Saini, D. S. (2010) “Diversity Management in India: A Study of Organisations in Different Ownership Forms and Industrial Sectors”, *Human Resource Management*, Vol. 49, pp. 477–500, <https://doi.org/10.1002/hrm.20360>.
- Dasgupta, P., Carbery, R., McDonnell, A. (2022) “Human resource management in multinational corporations”. In Holland, P. et al. ed., *The Emerald handbook of work, workplaces and disruptive issues in HRM*, Leeds: Emerald Publishing Limited.
- Dass, P., Parker, B. (2007) “Strategies for managing human resource diversity: From resistance to learning”. In Hutchings, K. and De Cieri, H., ed., *International Human Resource Management*, 1st edition, London: Routledge.
- Derven, M. (2014) “Diversity and Inclusion by Design: Best Practices from six Global Companies”, *Industrial and Commercial Training*, Vol. 46 No. 2, pp. 84–91, <https://doi.org/10.1108/ICT-09-2013-0063>.
- DiMaggio, P. J., Powell, W. W. (2000) “The Iron Cage Revisited Institutional Isomorphism and Collective Rationality in Organizational Fields”. In Baum, J. A. C., Dobbin, F., ed., *Economics Meets Sociology in Strategic Management (Advances in Strategic Management, Vol. 17)*, Leeds: Emerald Group Publishing Limited, [https://doi.org/10.1016/S0742-3322\(00\)17011-1](https://doi.org/10.1016/S0742-3322(00)17011-1).
- DiTomaso, N. (2021) “Why Difference Makes a Difference: Diversity, Inequality, and Institutionalization”, *Journal of Management Studies*, Vol. 58, No. 8, pp. 2024–2051, <https://doi.org/10.1111/joms.12690>.

- Dreyer et al. (2021) “Reflecting on Compliance with Broad-Based Black Economic Empowerment Codes of good Practice: Trends and suggestions”, *South African Journal of Business Management*, Vol. 52, No. 1, pp. 11, <https://doi.org/10.4102/sajbm.v52i1.1963>.
- Durrheim, K. (2017) “Race Trouble and the Impossibility of Non-Racialism”, *Critical Philosophy of Race*, Vol. 5, No. 2, pp. 320–338, <https://doi.org/10.5325/critphilrace.5.2.0320>.
- Erdur, D. A. (2020) “Diversity management: revealing the need for a context-specific approach.” In Turkmenoglu, M. A. and Cicek, B., ed., *Contemporary Global Issues in Human Resource Management*, Leeds: Emerald Publishing Limited, <https://doi.org/10.1108/978-1-80043-392-220201006>.
- Fahad, P., Busru, S. A. (2021) “CSR Disclosure and Firm Performance: Evidence from an Emerging Market”, *Corporate Governance*, Vol. 21, No. 4, pp. 553–568, <https://doi.org/10.1108/CG-05-2020-0201>.
- Ferner, A., Edwards, T., Tempel, A. (2012) “Power, Institutions and the Cross-national Transfer of Employment Practices in Multinationals”, *Human relations*, Vol. 65, No. 2, pp. 163–187, <https://doi.org/10.1177/001872671142949>.
- Ferrer, J., Muray, P. A. (2019) “Age Stereotypes, Bias and Discrimination”. In Syed, J., Ozbilgin, M., ed., *Managing diversity and inclusion: An international perspective*, Newcastle upon Tyne: SAGE.
- Geppert, M., Dörrenbächer, C. (2011) “Politics and Power in the Multinational Corporation: An Introduction”. In Dörrenbächer, C., Geppert, M., ed., *Politics and Power in the Multinational Corporation: The Role of Institutions, Interests and Identities*, Cambridge, UK: Cambridge University Press.
- Geppert, M., Matten, D., Williams, K. (2003) “Change Management in MNCs: How Global Convergence Intertwines with National Diversities”, *Human Relations*, Vol. 56 No. 7, pp. 807–838, <https://doi.org/10.1177/00187267030567003>.
- Haipeter, T., Jo, H. J. (2021) “Varieties of Capitalism in Multinational Companies: A Comparative Study of Volkswagen Slovakia and Kia Motors Slovakia”, *Competition & Change*, Vol. 25, No. 1, pp. 31–51, <https://doi.org/10.1177/1024529420940925>.
- Hennekam, S., Tahssain-Gay, L., Syed, J. (2017) “Contextualising Diversity Management in the Middle East and North Africa: A Relational Perspective”, *Human Resource Management Journal*, Vol. 27, No. 3, pp. 459–476, <https://doi.org/10.1111/1748-8583.12150>.
- Heymann, J., Sprague, A., Raub, A. (2023) *Equality within Our Lifetimes: How Laws and Policies Can Close—or Widen—Gender Gaps in Economies Worldwide*, Los Angeles: University of California Press.
- Hilger, A. M., Velinov, E., Özbilgin, M. F. (2023) “Against all Odds: How the Institutional Context Shapes Diversity Management in the Central and Eastern European Oil and Gas Industry”, *Equality, Diversity and Inclusion: An*

- International Journal*, Vol. 4, No. 8, 1141–1159, <https://doi.org/10.1108/EDI-11-2022-0308>.
- Hong, S. (2024) *Neoliberal equity, diversity, and inclusion?: a critical discourse analysis of the OECD's principles for inclusive curriculum*, PhD thesis, Vancouver: University of British Columbia.
- Hsieh, H. F., Shannon, S. E. (2005) “Three Approaches to Qualitative Content Analysis”, *Qualitative health research*, Vol. 15, No. 9, pp. 1277–1288, <https://doi.org/10.1177/1049732305276687>.
- Kaul, V. K. (2015) “India’s Diversity: From Conflict To Innovation”, *World Affairs: The Journal of International Issues*, Vol. 19, No. 4, pp. 10–43, [Internet]. Available at: <<https://www.jstor.org/stable/48505245?seq=2>> [Accessed: December 23, 2023].
- Konrad, A. M., Yang, Y., Maurer, C. C. (2016) “Antecedents and Outcomes of Diversity and Equality Management Systems: An Integrated Institutional Agency and Strategic Human Resource Management Approach”, *Human Resource Management*, Vol. 55, No. 1, pp. 83–107, <https://doi.org/10.1002/hrm.21713>.
- Kostova, T., Roth, K. (2002) “Adoption of an Organizational Practice by Subsidiaries of Multinational Corporations: Institutional and Relational Effects”, *Academy of Management Journal*, Vol. 45, No. 1, pp. 215–233, <https://doi.org/10.5465/3069293>.
- Krzywdzinski, M., Jo, H. J. (2022) “Skill Formation, Automation and Governance: Comparing German and Korean Automotive Manufacturers in Central-Eastern Europe”, *Critical Perspectives on International Business*, Vol. 18, No. 1, pp. 115–136, <https://doi.org/10.1108/cpoib-02-2020-0007>.
- Kudrnáč, A. (2017) “Gender Differences among Czech Youth in Prejudice Towards Minorities”, *Journal of Youth Studies*, Vol. 20, No. 5, pp. 583–604, <https://doi.org/10.1080/13676261.2016.1254166>.
- Kulikova, E. G., et al. (2017) “Russian language in the intercultural communication space: modern problem paradigm”, *International Journal of Applied Linguistics and English Literature*, Vol. 6, No. 1, pp. 169–177, <http://dx.doi.org/10.7575/aiac.ijalel.v.6n.1p.169>.
- Küskü, F., Aracı, Ö., Özbilgin, M. F. (2021) “What Happens to Diversity at Work in the Context of a Toxic Triangle? Accounting for the Gap between Discourses and Practices of Diversity Management”, *Human Resource Management Journal*, Vol. 31, No. 2, pp. 553–574, <https://doi.org/10.1111/1748-8583.12324>.
- Loden, M., Rosener, J. B. (1991) *Workforce America!: Managing employee diversity as a vital resource*, New York, USA: Irwin, Professional Publishing,
- Marano, V., Kostova, T. (2016) “Unpacking the Institutional Complexity in Adoption of CSR Practices in Multinational Enterprises”, *Journal of Management Studies*, Vol. 53, No. 1, pp. 28–54, <https://doi.org/10.1111/joms.12124>.

- Mayring, P. (2014) *Qualitative Content Analysis: Theoretical Foundation, Basic Procedures and Software Solution*, Klagenfurt [Internet]. Available at: <<http://nbn-resolving.de/urn:nbn:de:0168-ssoar-395173>> [Accessed: December 13, 2023]
- Mehrotra, C., Wagner, L. S. (2018) *Aging and diversity: An active learning experience*, 3rd edition, New York: Routledge.
- Mellahi, K., Frynas, J. G., Collings, D. G. (2016) “Performance Management Practices within Emerging Market Multinational Enterprises: The Case of Brazilian Multinationals”, *The International Journal of Human Resource Management*, Vol. 27, No. 8, pp. 876–905, <https://doi.org/10.1080/09585192.2015.1042900>.
- Miah, et al. (2022) “Human Resource Management Practices of Foreign Manufacturing Companies in Bangladesh: A Comparative Study”, *South Asian Journal of Human Resources Management*, Vol. 9, No. 2, pp. 301–323, <https://doi.org/10.1177/23220937221125552>.
- Petrantsova, K. (2020) *European Union’s Action for Gender Equality in its Foreign Policy: Normative Gender Power?*, Master thesis, Universitat Pompeu Fabra.
- Pew Research Center (2020) *Diversity, Religion and Acceptance of Homosexuality*, Washington DC [Internet]. Available at: <<https://www.pewresearch.org/global/2019/04/22/how-people-around-the-world-view-diversity-in-their-countries/>> [Accessed: December 13, 2023]
- Pudelko, M., Harzing, A. W. (2007) “Country-of-origin, Localization, or Dominance Effect? An Empirical Investigation of HRM Practises in Foreign Subsidiaries”, *Human Resource Management*, Vol. 46, No. 4, pp. 535–559, <https://doi.org/10.1002/hrm.20181>.
- Roberts-Lombard, M., Mpinganjira, M., Wood, G., Svensson, G. (2019) “South African corporate ethics codes: establishment and communication”, *European Business Review*, Vol. 31, No. 3, pp. 379–396, <https://doi.org/10.1108/EBR-08-2017-0150>.
- Santi Amantini, L. (2022) “Populist Anti-immigrant Sentiments Taken Seriously: A Realistic Approach”, *Res Publica*, Vol. 28, pp. 103–123, <https://doi.org/10.1007/s11158-021-09516-1>.
- Scott, J. (2021) “Constructing Social Structure”. In Leiulfsrud, H. and Sohlberg, P., ed., *Constructing Social Research Objects*, Brill.
- Sinkovics, R. R., Penz, E., Ghauri, P. N. (2008) “Enhancing the Trustworthiness of Qualitative Research in International Business”, *Management international review*, Vol. 48, pp. 689–714, <https://doi.org/10.1007/s11575-008-0103-z>.
- Smith, G. B. (2013) “The Russian Constitution”. In Gill, G. and Young, J. ed., *Routledge Handbook of Russian Politics and Society*, New York: Routledge.
- Šušak, T., Pavić Kramarić, T., Bartulović, M. (2023) “Gender Diversity in the Boardroom and Earnings Management During the Period of the COVID-19

- Crisis”, *Zbornik radova Ekonomskog fakulteta u Rijeci: časopis za ekonomsku teoriju i praksu/Proceedings of Rijeka Faculty of Economics*, Vol. 41, No. 1, pp. 41–63, <https://doi.org/10.18045/zbefri.2023.1.41>.
- Tatli, A., Özbilgin, M. F. (2012) “An Emic Approach to Intersectional Study of Diversity at Work: A Bourdieuan Framing”, *International Journal of Management Reviews*, Vol. 14, No. 2, pp. 180–200, <https://doi.org/10.1111/j.1468-2370.2011.00326.x>.
- Thomas, D. A., Ely, R. J. (1996) *Making differences matter: A new paradigm for managing diversity*, Harvard Business Review [Internet]. Available at: <<https://hbr.org/1996/09/making-differences-matter-a-new-paradigm-for-managing-diversity>> [Accessed: December 15, 2023].
- Toepler, S., Fröhlich, C. (2020) “Advocacy in Authoritarian Contexts: The Case of Disability NGOs in Russia”, *International Journal of Sociology and Social Policy*, Vol. 40, No. 11/12, pp. 1473–1489, <https://doi.org/10.1108/IJSSP-03-2020-0077>.
- Tracy, S. J. (2010) “Qualitative Quality: Eight “Big-Tent” Criteria for Excellent Qualitative Research”, *Qualitative Inquiry*, Vol. 16, No. 10, pp. 837–851, <https://doi.org/10.1177/1077800410383121>.
- Velinov, E., Štrach, P. (2022) “Diversity and Inclusion Practices as a Booster for Firm Sustainability: Evidence from the Czech Automotive Sector”, *Review of Economic Perspectives*, Vol. 23, No. 1, pp. 71–88, <https://doi.org/10.2478/revecp-2023-0002>.
- Vogelsang, B., Pilz, M. (2021) “Conditional Factors for Training Activities in Chinese, Indian and Mexican Subsidiaries of German Companies”, *European Journal of Training and Development*, Vol. 45, No. 4/5, pp. 419–435, <https://doi.org/10.1108/EJTD-04-2020-0066>.
- Volkswagen Group (2021) Diversity Report, No. 79, Wolfsburg: Company report on diversity [Internet]. Available at: <<https://www.volkswagen-group.com/en/publications/more/diversity-1861/download?disposition=attachment>> [Accessed: August 3, 2024]
- Volkswagen Group (2024) *Our code of conduct*, Wolfsburg: Group Integrity & Compliance [Internet]. Available at: <https://www.volkswagen-me.com/idhub/content/dam/onehub_pkw/importers/vwme/menu/VW%20Group%20Code%20of%20Conduct%20V3%202024.pdf> [Accessed: September 10, 2024].
- Wolfgruber, D., Stürmer, L., Einwiller, S. (2022) “Talking Inclusion into Being: Communication as a Facilitator and Obstructor of an Inclusive Work Environment”, *Personnel Review*, Vol. 51, No. 7, pp. 1841–1860, <https://doi.org/10.1108/PR-01-2021-0013>.
- Yin, R. K. (2009) *Case study research: Design and methods*, 4th edition, Los Angeles: Sage.

Institucionalni utjecaji na raznolikost, jednakost i prakse uključivanja: Studija slučaja zapadnih multinacionalnih kompanija i njihovih podružnica u gospodarstvu u razvoju

Emil Velinov¹, Andreas Hilger², Pawel Dobrzanski³

Sažetak

Ovaj rad istražuje kontekstualne utjecaje na prijenos praksi jednakosti, raznolikosti i uključenosti (EDI) iz zapadnih multinacionalnih korporacija (MNC) u njihove podružnice u gospodarstvima u razvoju. Prijenos EDI praksi unutar MNC-a dobio je na značaju zbog potrebe za pomirenjem teorije i konteksta uz rješavanje društvenih i menadžerskih napetosti povezanih s EDI-jem. Cilj ovog istraživanja je odgovoriti na pitanja o tome zašto i kako se EDI prakse prenose unutar multinacionalnih kompanija, s posebnim naglaskom na utjecaj institucionalne dualnosti na proces prijenosa. Institucionalna teorija služi kao teorijski temelj, sugerirajući da je usklađenost između praksi i institucionalnog okruženja presudna za njihovu legitimnost i prihvaćanje. Interakcija čimbenika domaćina i matične zemlje, oblikovana institucionalnom dualnošću, igra značajnu ulogu u oblikovanju prijenosa i provedbe EDI praksi unutar multinacionalnih kompanija. Razmatrajući kontekstualne razlike između sjedišta i institucionalnih okruženja podružnica, ovo istraživanje ima za cilj unaprijediti naše razumijevanje složenosti i izazova povezanih s prijenosom EDI praksi u predlaganju različitih identiteta podružnica i agendi. Rezultati ovog istraživanja rasvjetljavaju kontekstualne čimbenike i učinke prijenosa EDI praksi unutar multinacionalnih kompanija i time doprinose znanstvenoj literaturi.

Ključne riječi: jednakost, raznolikost i uključenost; institucije, prijenos prakse; ekonomije u nastajanju; multinacionalne tvrtke

JEL klasifikacija: F23, M14, O15

¹ Znanstveni suradnik, Skoda Auto University, Department of Marketing and Management, Na Karmeli 1457, Mlada Boleslav 29301, Češka i Sveučilište primijenjenih znanosti RISEBA, Odsjek za poslovne studije, Meza 3, Riga 1048, Latvija. Znanstveni interes: upravljanje raznolikošću, međunarodno poslovanje i međunarodni menadžment. E-mail: email.velinov@savs.cz.

² Docent, University of Regensburg, Department of Leadership and Organization, Universitätsstraße 31, D-93053 Regensburg, Njemačka. Znanstveni interes: upravljanje raznolikošću i upravljanje ljudskim resursima. E-mail: andreas.hilger@wiwi.uni-regensburg.de.

³ Izvanredni profesor, Wrocław University of Economics and Business, Mathematical Economics, Komandorska 118/120, 53-345 Wrocław, Poljska i gostujući znanstvenik 2023.-2024., Minda de Gunzburg Centar za europske studije, Sveučilište Havrward, Adolphus Busch Hall, 27 Kirkland Street, Cambridge, MA 02138, SAD. Znanstveni interes: makroekonomija i mikroekonomija. E-mail: pawel.dobrzanski@ue.wroc.pl.