



Far Western Review

A Multidisciplinary, Peer Reviewed Journal

ISSN: 3021-9019

DOI: <https://doi.org/10.3126/fwr.v1i2.62153>

Published by Far Western University
Mahendranagar, Nepal

Perspectives of HRM Professionals on Diversity, Equity, and Inclusion in Nepal

Ujjwal Sundas, PhD Scholar

Singhania University

Email: ujjwalsundas@gmail.com

Abstract

Diversity Management has not yet been a significant part of now much discussed topic HRM in Nepal although the concepts of Diversity Management (DM) emerged in the USA, Canada in 1980s. Most of the developed countries in European Union have been the flagship of diversity management. There are handful of renowned organizations today either catering HRM services or implementing full-fledged HRM discipline in their own organizations. College text books and, seminars and dialogues conducted by development sectors have indicated that the emergence of concepts of Diversity, Equity and Inclusion (DEI) is pertinent in today's context. In developed countries, both profit making and non-profit making organizations have been emphasizing the concepts of DEI and focusing on those in organizations. It's a thought-provoking idea to learn the perspectives of current organization leaders in Nepal about their views on DEI. The article has been prepared based on findings of in-depth interviews taken with leaders and/or senior HR managers of reputed companies those are promoting HRM in Nepal. It attempts to provide an exploratory review seeking to shed light on their perspectives of regarding DEI in their pre-established HRM domain. The article explores the opinions, experiences and competencies and the initiatives taken by HRM leaders. The article also discusses the challenges faced by the HRM leaders in the pursuit of promoting the diversity management.

Keywords: Diversity management, diversity, equity, inclusion perspectives, competencies

Introduction

The first European Diversity Charter was launched in October 2004 in Paris and was signed by 33 companies (public or private) committing themselves to introduce

Copyright 2023 ©Author(s) This open access article is distributed under a **Creative Commons**



Attribution-Non Commercial 4.0 International (CC BY-NC 4.0) License.

equal treatment policies and invest in diversity management, as well as actively prevent discrimination and mobbing in the workplace. Since then, the French Diversity Charter has become an inspiration for more diversity networks to be set up in other EU countries. Later in 2009, many other countries like France, Germany, Belgium, Spain and Italy joined forces to report on key drivers promoting diversity and expanding the network of the Diversity Charter in their respective countries. The outcome of their work was delivered to the European Commission and in 2010 the so-called EU Platform of Diversity Charters was launched. Since then, many EU member states have gained a common platform for sharing knowledge and good practices and access to support from the European Commission (European Union, 2017).

Diversity management emerged in the US in the early 1980s, and now many organizations encourage diversity management because of its recognition as a tool for proactive intervention to attain equal treatment of employees, irrespective of race, gender, and ethnicity. Multiculturalism in Australia has affected the workplace, where people of different cultural backgrounds are employed, and has brought benefits to organizations (Chidiac, 2018)

Today, the organizations committed to positive change in working culture are taking action-oriented steps toward better diversity, equity and inclusion (DEI). Diversity in the workplace is already a familiar concept to forward-thinking companies in many parts of the world. DEI has become integral part of human resource management discipline. Some of the organizations, particularly in development sector and big private sectors in Nepal have started embedding the concept of diversity management into their operations whereas the essence of equity and inclusion are still not well understood.

Diversity, Equity, and Inclusion are the buzz words these days in organizations. According to various studies, the productivity of an organization is positively influenced by the proper application of DEI in the organizations in today's competitive world. Nepal has been a member of World Trade Organization and is a member of United Nation. To economically prosper and to comply with human right standards, the organizations in Nepal need to follow the suit.

Since the emergence of Nepal as a state, people from a particular caste and community took charge of the reins as rulers. The hegemony and dominance of a particular community members and culture gave leeway to the tyranny of certain community supremacy that eroded diversity and inclusion in Nepal over time. Diversity is Nepal's selling point globally as a multi-cultural, multi-ethnic country, but in fact, the true rainbow of diversity - the representation and inclusion of every caste, community, gender etc. is

missing in every aspect and structure in the country whether public sector, private sector and development sector.

Even after democracy was re-established in 1990, marginalized communities continued their movement for inclusion and reservation. The Maoists led the armed insurgency demanded social justice, socio-economic equality, and inclusion, attracting support from millions of Nepalese, including Dalit, women, indigenous nationalities, Madheshi, and other left-behind communities. The issue of inclusion, social justice, and state restructure a common national and political agenda of then rebellious groups. Later in 2015, one could see the shades of diversity and inclusion sprawled over the preamble of the Constitution itself. Subsequently, the nuance of inclusion, social justice, employment and economic prosperity is articulated through the articles 18, 38, 40, 42, 50 etc. in the Constitution with the specific goal of establishing Nepal as federal democratic republican state.

In the era of globalization, it is quite important that we appraise our own position in terms of DEI in Nepalese organizations and pave a way forward through the knowledge production.

Social Inclusion Action Group (SIAG) was formed in 2006 which works through a Steering Committee composed of Gender, Social Inclusion, Monitoring & Evaluation, and Human Resource focal persons and experts representing international agencies. Over its decade-long history, SIAG sought to advocate for greater inclusion of women, marginalized caste and ethnic groups, sexual and religious minorities, people with disabilities, the LGBTI community, and others who are excluded from socioeconomic and political processes (GESI Working Group 2017, 2017).

The GESI Working Group provides strategic advice and support to the IDPG and other development stakeholders on GESI. Asian Development Bank (ADB) is fully committed to mainstreaming GESI into the design, implementation, and monitoring of ADB-financed operations.

Nepal attended UNCTAD meeting on 27-28 November 2014, where the Secretary-General of UNCTAD had emphasized that developing countries were yet to achieve sustainable and inclusive development (UNCTAD, 2014).

Such working group aims to engage multi-sectorial actors in a meaningful dialogue toward reinforcing inclusion in their workforce and program interventions particularly in non-government sectors. The Public Service Commission oversees the recruitment process for civil service. The security forces, including the Nepal Army, Nepal Police, and Armed

Police Force, hold recruitment processes independently. The aforementioned sectors have initiated some actions in terms of DEI.

The 2007 amendment to the Civil Service Act 2049 (1993 AD) was a historic turn of events in Nepal. The first-ever provision of its kind, the amended Civil Service Act, ensured reservation for women, indigenous nationalities, Madheshi, Dalit, people with disabilities, and communities left behind in the civil service sector. It was 8 August 2007. But when it comes of private sector, the concept of Diversity Equity and Inclusion (DEI) itself is very new and barely begun.

The early 2000s became the decade for the implementation of inclusion. The discourse on social justice, gender equality, and social inclusion gained new heights in the decade. The first Constituent Assembly (CA) in 2008 was a 601 member-strong unicameral body representing women, Dalit, and Madheshi. It had two major tasks of writing a new constitution, and to act as an interim legislature for a two-year term.

DEI is more of political and social agenda rather than an economic agenda of business houses. The bigger business houses in Nepal have not yet started comprehending workforce diversity and inclusion whereas public sectors and the social sectors have shown greater interest. These sectors have taken some initiatives made propagating the knowledge on diversity and inclusion in the country.

The affirmative action policies are an important means for promoting workforce diversity. Diversity of workforce in an organization can promote a fair and enabling organizational culture. A diverse workforce also strengthens the capability of organizations to represent, adapt, and respond to the needs of different social groups, including those who have historically been excluded in society (Manohar Khadka, 2018)

Human Resource Management in Nepalese organizations

Human resource management function in most of the organizations in Nepal are either not given much emphasis or merged with general administration. Generally, HRM function is considered involved into recruitment and selection, payroll system, attendance and labor relations only. Hence, the other important domains of HRM such as, Performance Management System, Reward System, Training and development, Compensation Management, Grievance Handling, Succession Planning, Job Analysis and Job Design have been overshadowed or totally ignored.

Given the fact that HRM has been given lesser importance in Nepalese organizations comparing to other domains of management such as Production, Finance, Sales and

Marketing etc., it does not justify at all that the role of HRM should be of lesser importance.

The management of workforce diversity, equity and inclusion in organizations parallels the evolution of organizations into increasingly complex and dynamic forms.

In a recent effort, diversity is viewed as the uniqueness of all individuals. This encompasses different personal attribute, values and organizational roles. It is regarded as the mix of differences in abilities, age, culture, ethnicity, physical characteristics, sexual orientation, and value. It is the arithmetic of unlike terms. In simple terms, diversity is the condition of being diverse. Diversity is the presence of a wide range of variations in the quantities or attributes under discussion. In the context of the work environment, the term refers to the presence in the workforce of a wide variety of cultures, opinions, ethnic groups, socio-economic backgrounds etc.

The sources of diversity in an organizational setting, that is work environment inclusive, could be primary or secondary. The primary category includes age, gender, ethnicity, physical ability and physical characteristics. The secondary source on the other hand is designed to include income, education, marital status, religions believe and geographical location.

According to Robbins and Judge (2016), although much has been said about diversity in age, race, gender, ethnicity, religion, and disability status, experts now recognize that these demographic characteristics are just the tip of the iceberg. Demographics mostly reflect surface-level diversity, not thoughts and feelings, and can lead to employees to perceive one another through stereotypes and assumptions (Judge, 2016). However, evidence has shown that people are less concerned about demographical differences if they see themselves as sharing more important characteristics, such as personality and values, that represent deep-level diversity.

Managers in all settings of organizations must ensure higher productivity and create high-quality work-life environment for an increasingly diverse workforce.

In the developed countries, new initiatives pertaining to business models and policies of regulatory bodies on diversity and inclusion have begun leaving its footprints in organizations of all kinds, either profit-making or non-profit-making organizations. The advent of various theories on diversity management and voices from right groups have drawn the attention of business organizations particularly to inclusion and diversity management.

Today the organizations either running with profit motives and the ones running for ethical values, the non-profit organizations are adopting effective diversity programs and

showcasing their organizations to be the most inclusive. Diversity management has become the integral component of the strategic human resource management (SHRM).

Diversity can generally be defined as recognizing, understanding and accepting individual differences, irrespective of race, gender, age, class, ethnicity, physical ability, sexual orientation, spiritual practice, and so on. Grobler (2002:46) also supports this view by adding that each individual is unique, but also shares many environmental or biological characteristics (Dike, 2013). Diversity refers to characteristics of individuals that shape their identities and the experiences they have in society. Globalization, in recent times, has triggered more interaction amongst people from different cultures and backgrounds than before. People are now more open-minded in the marketplace with competition coming from almost everywhere in the continent. Most organizations adopt diversity in their workplace or organization to become more creative and open to change. Increasing and improving workplace diversity and employee productivity has become an important issue for management in recent years due to the recognition of how the workplace is changing. Since managing diversity still remains a challenge in organizations, managers tend to learn managerial skills needed in a multicultural working environment and prepare themselves to teach others within their organizations to value cultural differences and to treat all employees with dignity. From the point of view of some business leaders and managers, diversity is a big challenge in the present era of globalization and liberalization.

There is hardly any research done in any Nepalese organizations to gauge the understanding level of Nepalese HR managers on the principles of diversity, equity and inclusion. A study needs to be done to assess the factors that affect the decision-making process pertaining to DEI application in Nepalese organizations. This research will unfold the specific strategies that need to be applied for organizations to make the best out of DEI in the process of introduction and implementation.

In general, diversity has some downsides like demographic differences can produce behavioral barriers that undermine work team collegiality and cooperation leading to potential problems which such as, stereotyping, discrimination, tokenism, ethnocentrism, and gender role stereotypes.

Several problems and challenges have precluded the deliberation of DEI in Nepalese organizations. These include:

- Although a small country, there exist a multi-cultural, multi-racial, multi-linguistic and multi-ethnic groups which have led to a possibility of highly unmanageable workforce.

- Concept of diversity and Inclusion is relatively new to most of the Nepalese organization;
- Weaker HR policies and practices; DEI is absolutely a new domain in HRM.
- Disproportionate representation and under-representation of employees from various caste, communities and abilities.
- Poor management of workforce diversity leading to discriminations, groupism, exclusions at workplaces.
- Unfair practices in promotion, pay, performances, review and imputed motives as a function of differences in background.
- Large coefficient of lack of interaction between member of different groups,” asymmetrical of co-operation between members of the workforce.
- Most of the HR managers are familiar with the concept of DEI. However few managers have initiated some work in diversity management.
- Discontent in the organization due to perceived favoritism.
- Negative comments about the work habit of member of other group.

Understanding DEI

DEI comes in a sequence. One needs to start with diversity and work on equity to have proper inclusion in an organization. A big part of managing diversity involves overcoming barriers to inclusion. The barriers can be removed on personal level, interpersonal level and organizational level (Dressler, 2013).

Diversity is often described as a “seat at the table.” If that’s the case, “inclusion” is having a voice at that table – the ability to converse freely, openly, and equally with the other people sitting down with you. For this, an organization has to have transparent, fair, and just systems, processes and policies in place.

Defining Diversity

Diversity refers to the characteristics of individuals that shape their identities and the experiences they have in society (Samual C. Certo, 2009).To start, diversity can be understood as representation: having individuals with different backgrounds present at the table to share their own unique perspectives. Different backgrounds are not limited to factors like race, ethnicity, or gender — they also include intersecting factors such as sexual orientation, socio-economic status, education, age, and physical abilities (Betchoo, 2015). Hence, bringing all types of employees to an organization itself is the first step towards a success.

Defining Equity

Equity is about employees across the board having an equal opportunity to thrive and advance at their organization. One key component of equity is fair workplace management and culture. This includes implementing an employee feedback and review system that is fair, objective, and free from unconscious bias, ensuring all employees have access to career development resources just as mentors and striving for a transparent workplace free of nepotism and favoritism. Beyond fair workplace culture, offering flexible work options is also a crucial component of equity.

Defining Inclusion

Although achieving diversity is a great first step, teams need inclusion for diversity to stick. Not only do we need different voices to be present at the table, but these voices should be able to contribute and be heard. Inclusive organizations are ones where individuals of all backgrounds are able to bring their authentic selves at work, and feel secure, accepted and heard. In inclusive teams, employees from “non-dominant” groups are empowered to share ideas, and team members are open to different opinions and perspectives. Corporate leaders who set the tone from the top can aim to foster inclusive organizations by encouraging collaborative teamwork, respect and compassion, and receptiveness to differences.

Benefits of Diversity and Inclusion

When the workforce is diverse, more ideas, creations and noble initiatives prevail in the organizations. These factors are vital; in today’s competitive world.

Diversity can be understood as representation: having individuals with different backgrounds present at the table to share their own unique perspectives. Before discussing the benefits and challenges associated with diversity, equity and inclusion, it is worth a reminder that if diversity in society is not a new phenomenon, then neither is diversity in organizations. Nonetheless, as mentioned earlier, diversity appears to be increasing in organizations, although perhaps it is more appropriate to say awareness is increasing, and the concepts of diversity and inclusion are certainly continuing to attract increased attention. There are a number of reasons behind why workforce diversity is, or appears to be, increasing in organizations, including:

1. Demographic changes have resulted in increasing numbers of women and minorities entering the workforce.
2. Increased globalization of business markets, resulting in an increase in the amount of business conducted on an international scale or with a diverse customer base.

3. Information technology improvements, giving rise to increased interaction among various employees from various divisions/branches located in various parts of the country.
4. The presence of multinational companies results in a consequential increased presence of more diverse cultures.
5. Interaction of different nationalities and cultures in the workplace due to non-immigration and targeted overseas recruitment.
6. Constitutional and legal provisions on employment with regard to differences, justice and inclusion
7. Organizations making efforts to address the past systematic exclusion of various demographics from the workforce.

The purpose of the study to assess how HR professionals in Nepal have undertaken the philosophy of DEI at personal level. To achieve this purpose, the objectives of this study are:

- To understand the perspectives of HR professionals in terms of interpreting DEI.
- To assess the application of DEI in Nepali organizations
- To analyze the barriers against DEI deliberating in Nepali context.

Methodology

Research Method

For the study, qualitative method of enquiry will be used. HR professionals from various industries are interviewed using In-depth Interview method. Various articles, reports, and text books are studied for necessary theoretical understanding.

Research Type

The research is the exploratory type. In-depth interviews were conducted with the HR Professionals to understand the opinions, attitudes and perspectives as regard to DEI.

Sample and Sampling Techniques

The in-depth interviews were conducted with to 12 different individuals who have atleast 15 years of experience in HRM field. The subjects included, namely, HR professional of senior positions such as HR Consultancy owners HR Directors, Senior Managers, HR Consultants etc. The professionals with immense experience in corporates, development sectors, hospitality and tourism sectors, manufacturing, trading etc.

Diversity has been maintained considering the relevant biographical characteristics such as gender, age, geographic location while interviewing the subjects. The method of sampling for the survey questionnaire will be the non-probability sampling under which convenience sampling method will be employed. Total 12 professional have been interviewed. The data collected from all the respondents are analyzed and triangulated to draw the conclusions.

Modes of Data Collection

The research has employed primary, secondary and tertiary sources of data collection. For the primary data are collected following the methods of unstructured interviews (involving in-depth interviews) and through documentation of case stories. For the secondary data, books, report, journals and materials available on newspapers and on-line sources are used. Tertiary data are gathered from dictionaries, encyclopedia and handbooks.

Results and Discussion

Followings are the findings discussed based on the opinions and experience of various HR professionals.

Present Condition of HRM Service Providers and HRM in Nepalese Organizations

The history of HR is not that long. The administration department used to oversee employee management until the 90s and till 2000, an independent HR department did not exist in Nepali organizations. Many HR companies started operating as recruitment service providers in the early to mid-2000 and gradually started exploring other areas like HR outsourcing, training and development, policy formation and other services. Over the last decade, the HR fraternity has seen a huge change and the organizations are slowly realizing the importance of it. However, to catch up with the world in the human resource management Nepal has still got a long way to go.

Many organizations still feel that the HR department is to just oversee and manage only the administrative tasks such as keeping attendance, regulating leave, hiring new staff only and consider it to be back-office job only. Very few organizations have provided an authority to the HR department and only few organizations have positions for HR professionals as the Chief Human Resources Officer, VP-Human Resources, GM- Human Resources etc. There are many organizations who are yet to accept that the HR is also a business partner. There are some organizations who have placed HR in strategic level just for the sake of it and not given adequate authority. So, until and unless this mindset is changed, full-fledged development of the HRM is difficult.

Need of Diversity Equity & Inclusion (DEI)

The professionals think that DEI is the need of the hour. It creates more employment opportunity. Organizations are having difficulties in managing the ration of male and female in their organization, women in executive role are very less and are not given much opportunities. The practice of inclusiveness in various sectors is not very encouraging. It has just been a few years that people have started talking about inclusivity and putting it into practice has not been done satisfactorily. However, the awareness (albeit slowly) of the DEI has been felt by many organizations which they believe is the first step towards the execution.

DEI contributes to organizational growth. People from versatile groups would bring various ideologies to the table and management of such varied ideologies would help the organization think and work collaboratively which would help in the sustainable growth of the organization. This will also prove that such organizations hold progressive thinking and are evolving.

Difficulty in Applying the Concept of DEI in Nepalese Organizations

The change in mindset and acceptance by the employers is the main challenge. People are apprehensive of accepting the marginalized groups in the workforce and even if they do they believe that people belonging to such group are suitable for only menial tasks. Similarly, women getting onto top positions in the organization is quite odd for many male counterparts. Or, some managers are hesitant to invest for required accommodation for the disabled employees. For this, the policies of the organization has to be revised and reformulated with DEI has to be embedded within its core systems. Even the government needs to work on its education policies. For instance, the education system needs to be revised, where people of all gender, castes, and ethnicity and their potential are emphasized in the commercial world. Vocational knowledge and skills are to be put at the center of an education system that encapsulates a diverse workforce, diverse products and services, and a diverse market.

What are their Own Organizations Doing in this Regard: Initiatives Made by the Professionals

Gender balance is not the issue in the organizations where the most of the respondents (HR professionals) themselves are working or have worked earlier. Some organizations are trying their best to practice diversity in various areas. Generally, it has more males than females and they are trying to manage this ratio by bringing it to 50-50. In some organizations, especially organizations working on gender issues, the management

team includes more females than males. As some of these interviewees are voluntarily involved in other organizations as well as HR consultants, they have played a leading role in advocating the importance of DEI in various platforms across the nation.

Some interviewees who have not yet taken any initiatives on DEI yet they however have plans to work on DEI. Some admitted that it is a relatively a new discipline and they need to explore more into it. They are trying out ways to incorporate the marginalized and vulnerable groups who have missed out. It is a difficult task but they are trying to work it out.

DEI as an Institutional Strategic Goal

Some of the interviewees who are run the organizations in the capacity of the owners said that they are exploring ways to incorporate DEI at the strategy level. The professional who work at senior positions in others' organizations they feel that DEI should be incorporated in the organizations as one of the strategic goals. But for this the owners / board members or the CEOs need to understand the significance of DEI itself first. DEI should not just be taken as a fancy term and proclaim of having proper DEI as an institutional goal. DEI needs to be adopted to the core of the business and should evolve as a culture.

Tools for Promoting DEI in the Organizations

Most of the professionals think that DEI can be promoted in the organizations by providing trainings on diversity management, sensitivity and team building. Being relatively a new concept, the organization should include DEI in their training programs. The organizations should rewards the managers and individuals who take initiatives on DEI. For eg. Conscious actions taken by the managers in design of recruitment and selection programs, training and development programs, performance evaluation and designing various accommodations for physically challenged employees should be rewarded.

Organizations need to review their HR policies and harness the existing policies with the concepts of fair and equitable opportunities for all. The commitment of top management to implementing DEI in the organization is vital. The mindset of the people working in the top hierarchy needs to be changed and only then successful execution is possible. The organization leaders need to express the significance of the DEI through messages, speech, and instructions on regular basis.

Role of the State for Prospering DEI in Nepalese Industries

The HR professional think that the State has to play the role of a guardian in promoting and implementing the DEI in organizations. For this, they have to start from themselves, maybe can start from Lok Sewa Aayog. Similarly, they have to work with

FNCCI and other chambers to promote the private sector. They can probably work in the Public Private Partnership (PPP) format for implementation in private organizations.

One of the interviewees thinks that the Constitution of Nepal and the labor Act, of 2017 have emphasized the significance of diversity and inclusion to some extent but they yet need to work on the equity part. The preamble in Nepal Constitution 2015 encourages diversity, equity and inclusion.

It is good that the constitution encourages DEI. However, it is sad that it is limited to the papers only. Many organizations/employers still have a traditional mindset and are not able to come out of it. They cannot come out of their regressive beliefs; a lack the awareness and sensitization of the subject matter create a hindrance to implementation. Until and unless the mindset is changed, it will be difficult for us and we should continue the advocacy of DEI.

Conclusion

The HR professionals are quite aware of the significance of adopting DEI principles in Nepalese organizations. Some interviewees who own HR firms have consciously made effort to establish DEI in their organizations. However, other interviewees seem to be aware of the DEI principles but are not in a position to apply DEI in their organizations themselves. This shows even in big organizations are in a dearth of knowledge on DEI.

Generally, most of the interviewees seem to be confused about the term inclusion with diversity. Only after several discussions, they are able to figure out the difference between diversity and inclusion. Most of the Interviewees felt that equity is difficult to bring in practice as more time, cost and effort will be needed for it. But yet they understand that working on equity is essential for ensuring inclusion which is ultimately important for the attainment of long term benefits for the organization.

References

- Betchoo, N. K. (2015). *Managing workforce diversity : A contemporary context*. Bookboon.com.
- Chidiac, E. (2018). *Strategic management of diversity in the workplace*.
- Dike, P. (2013). *The impact of workplace diversity on organizations*.
- Dressler, G. (2013). *Human Resource management*. Perasin Education Limited.
- European Union. (2017). *Diversity management in central and eastern Europe*. Publications Office of the European Union.

GESI Working Group 2017. (2017). *A common framework for gender equality and social inclusion*. Nepal.

Judge, R. a. (2016). *Organizational behavior: Diversity in an organization*.

Manohar Khadka, R. S. (2018). Workforce diversity and researvation policy in Nepal. Researchgate.

Samual C. Certo, S. T. (2009). *Modern Management* . Pearson Eduction Inc.

UNCTAD. (2014). *United Nations Conference on Trade and Development*. Geneva.