A systematic literature review of research on diversity and diversity management in the hospitality literature

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ABSTRACT

With demographic shifts, international labor mobility, and the blurring of geographical boundaries, workforce diversity and diversity management have assumed an important role in hospitality operations. More importantly previous research has established the role diversity plays on outcomes such as innovation and firm performance. Yet reports of research on diversity and its management in the hospitality industry are fragmented, underdeveloped, and inconsistent. To assess the current state of this research, we provide a systematic review of the available research on the different dimensions of diversity, and on topics related to diversity management. Using articles found in hospitality journals, we identify current themes explored by scholars as well as gaps and limitations. We provide suggestions for topics, themes and methodologies for future research and highlight the importance of research that can inform managerial practice. Our review indicates that there is greater need for theory development, empirical data-driven research, and expansion of contexts in hospitality-diversity research, especially in terms of geographical regions covered by extant studies.

1. Introduction

Diversity among people working for an organization (dimensions such as age, gender, race etc.), and the management of diversity and diverse workers, that is, the recruitment, training, retention and leveraging of human capital with visible and invisible differences, are organizational resources and capabilities that can lead to sustained competitive advantage in today's globalized business environment. For nearly two decades, scholars, as well as business recruiters, have argued from experience and research that diversity management and initiatives to foster higher diversity in organizations have a positive impact on the bottom line, enhance company culture, employee morale, and retention, with the largest impact being on the recruitment of new employees (Butcher, 2001). However, scholarly meta-analyses generally have found mixed results, where diversity initiatives have helped, hindered, or had no effect on team or organization performance (Bell et al., 2010; Joshi and Roh, 2009; Stahl et al., 2010; Webber and Donahue, 2001). The mixed findings have been attributed to different contexts and different levels of analyses, leading to the suggestion that diversity research should be conducted in specific industry settings (Joshi and Roh, 2009). Joshi and Roh (2009, p. 619) state, "Service settings (for example, retail establishments and restaurants) involve front-line customer contact, and the costs of interactions based on negative categorizations are high in this context."

Moreover, industries also differ in terms of product-service differentiation, employee skills, and government regulation, and thus follow different management strategies which can render diversity management more effective in some industries than in others (Singal, 2014). Within the hospitality industry, which is global by definition, and is characterized as being both labor and capital intensive (Singal, 2015), and where customer satisfaction with services provided is critical for success, fostering diversity and effective diversity management has become a strategic endeavor. Even as the hospitality industry attempts to reduce its labor intensity via limited-service hotel brands, and via automation and innovation (for example check-in kiosks.), hospitality firms, hospitality firms, in contrast to manufacturing companies need to be located at the place of consumption. By its very nature the hospitality industry, (that includes sectors like hotels, restaurants, airlines, tourism, events and leisure) deals with travelers, and with increased globalization, with travelers from different parts of the world which makes for tremendous diversity in the customers it serves. To serve this diverse customer base, hospitality companies locate their operations and services in different regions of

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the world, and employ a highly diverse workforce. The hospitality industry employs more minorities than are present in the overall workforce. In the United States alone, in 2014, 19% of hospitality and leisure employees were Hispanics/Latinos, 10% Black/African-American, 6% Asian, and 51% women (Kalargyrou et al., 2017).

Diversity management enables hospitality organizations to recruit talent from a broad range of people, foster a positive organization culture, and enhance customer service. At the scholarly level, while there is increased interest in studying diversity, as evidenced by the number of articles published in hospitality-related journals, diversity management research is still in the initial stages of development and has yet to influence managerial practice. In this paper we integrate the findings of previous studies in diversity management, delineate the trends and topics being studied, and identify gaps in our knowledge, not only to enable future studies, but more importantly to inform managers how to leverage the benefits of organizational diversity. In comparison to previous reviews (Kalargyrou and Costen, 2017; Sarouklis and Tsagdis, 2013) we include a discussion of both, different forms of diversity, and diversity management initiatives and practices, broadening the scope of our study. We review a larger number of articles than other reviews to provide a more comprehensive picture of diversity research in the context of the hospitality literature. In order to understand diversity and diversity management practices related to factors such as gender, ethnicity or age, it is necessary to discuss the impact on intermediate outcomes that bear practical implications in the hospitality industry. Accordingly, in this paper we review the research conducted on diversity and diversity management to take stock of what we know, and where to go in order to understand how to study and leverage human capital with all its varied features.

2. Definition and conceptualization of key constructs

2.1. Diversity

Paradoxically there is no commonly accepted definition of the concept of diversity, and its description remains unclear and often questioned (Jonsen et al., 2011). Jonsen et al. (2011) have also noted that many scholars use different terms interchangeably, for example, dispersion, heterogeneity, dissimilarity, divergence, and variation, which is perhaps the reason for the absence of a uniform definition. The challenges posed for researchers and readers by the use of multiple terms for diversity are well documented in the literature (Harrison and Klein, 2007; Williams and O'Reilly, 1998). Furthermore, Mor Barak (2005) describes typologies of diversity definitions with narrow-category-definition and broad category-definition. Since the purpose of this review is to consider diversity broadly, we have adopted Dobb's (1999) definition which states 'broadly defined, diversity may refer to any perceived difference among people, such as age, functional specialty, profession, sexual preference, geographic origin, life style and tenure or position with the organization'(1996, p.351).

Human differences can be distinguished into primary/surface-level diversity and secondary/deep-level diversity. Primary/surface-level diversity dimensions are defined as those aspects that contribute to core identity. They include visible characteristics like age, gender, ethnicity, race, mental and physical abilities, and sexual orientation. Secondary/deep-level diversity dimensions refer to those aspects of our identity that contribute to our core but do not fundamentally change who we are. They include education, income, religion, work experience, personality, learning style and status (Lambert and Bell, 2012).

2.2. Diversity management

Like diversity, diversity management as a construct, has also been variously defined, and in this paper we adopt the definition suggested by Olsen and Martins (2012), which defines diversity management as 'the utilization of HR (human resource) management practices to (i) increase or maintain the variation in human capital on some given dimension(s), and/or (ii) ensure that variation in human capital on some given dimension(s) does not hinder the achievement of organizational objectives, and/or (iii) ensure that variation in human capital on some given dimension(s) facilitates the achievement of organizational objectives' (p.1161).

The concept of diversity management originated in North America (Kandola and Fullerton, 1994; Maxwell et al., 2003), particularly in the USA following the introduction of affirmative action (AA). AA was introduced in 1961 to prevent discrimination against employees, among federal contractors and subcontractors. Diversity management acquired greater importance in the 1980s and 1990s when in 1987 the Hudson Institute released a report Workforce 2000 (Johnston and Packer, 1987), which disclosed a dramatic demographic shift in the USA. In 1990 Thomas created the term 'managing diversity', which changed the notion of diversity. Although laws focused attention on both public and private organizations' selection and recruitment processes, diversity management not only came to be widely practised in organizations, but has also come to be advertised and considered a salient feature of human resource policies.

Therefore, while diversity refers to the differences amongst people employed by organizations, the management of diversity refers to the policies and practices that are designed to not only allow and acknowledge and recognize diversity, but also to leverage these differences to support an organizational goal, for example wider customer satisfaction, increasing innovation, fulfilling corporate social responsibility or gaining a competitive advantage resulting in higher firm performance. In this paper, we attempt to identify and take stock of research that relates to both diversity and diversity management.

3. Methodology

We undertook a systematic literature review based on work by Soni and Kodali (2011). The literature review method used in the current study involved six steps: identifying the time horizon, database selection, journal selection, article selection, article classification and analyses.

Step 1 − Time horizon:
The period of analysis covered the 28 years from 1990 to early 2017. The year 1990 was selected as the starting point for the analysis because the terms diversity and diversity management evolved, and most early work appeared during this time.

Step 2 – Database Selection:
We used the most commonly used databases as a source to identify the relevant articles: EBSCO, Google Scholar, ProQuest, and Science Direct.

Step 3 – Journal Selection:
Diversity and diversity management have been a topic of interest for hospitality researchers, whose publications are scattered among different journals. Selecting only a specific list of journals, therefore, would not provide a full coverage of the published articles. Earlier journal papers adopting a systematic literature review often state that selecting a list of only top rated journals had been a limitation of their study (Chen et al., 2012). To broaden our search, the databases were used as the first source to identity the articles; subsequently we systematically combed through several journals in the hospitality domain. The sample list of journals included the