

Managing Diversity in MNCS: A Literature Review of Existing Strategic Models for Managing Diversity and a Roadmap to Transfer Them to the Subsidiaries

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Abstract : Globalization has given rise to a great diversity in the composition of people in organizations. Diversity management is therefore key to create growth in today's competitive global marketplace. This work develops a literature review related to the existing models for managing diversity covering the period from 1980 until 2014. Furthermore, it identifies limitations in previous models. More specifically, the literature review reveals that there is a lack of information about how these models can be adapted from the headquarters to the subsidiaries. Therefore, the contribution of this paper is to suggest how the models should be adapted when they are directed to host countries. Our aim is to highlight the limitations of the developed models with regards to the translation of the diversity management practices to the subsidiaries. Accordingly, a model that will enable MNCs to ensure a global strategy is suggested. Taking advantage of the potential incorporated in a culturally diverse work team should be at the top of every international company's aims. Executives from headquarters need to use different attitudes when transferring diversity practices towards their subsidiaries. Further studies should reassess local practices of diversity management to find out how this universal management model is translated.

Keywords : culture diversity, diversity management, human resources management, MNCs, subsidiaries, workforce diversity

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