

FOSTERING DIVERSITY IN RECRUITMENT: SECTORAL INSIGHTS FROM POST-SOCIALIST EUROPEAN COUNTRIES

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Abstract

Diversity-oriented recruitment practices are increasingly recognized as a crucial component of human resource management, particularly in the context of globalization. However, the implementation of these practices varies significantly across organizational contexts and economic systems. This study examines the adoption of diversity-oriented recruitment practices in post-socialist European countries, where historical legacies and transitional economic conditions shape workforce diversity policies. Using data from the CRANET research network, the study analyzes responses from 1,270 companies in 11 post-socialist economies. A combination of descriptive statistics, Mann-Whitney U tests, and hierarchical regression analysis is employed to assess the influence of organizational type (domestic vs. multinational), sector (public vs. private), and size on the implementation of diversity-oriented recruitment practices. The findings indicate that multinational and private sector organizations are more likely to adopt diversity-focused recruitment strategies compared to domestic and public sector entities. Contrary to expectations, organizational size did not significantly moderate these relationships, suggesting that other factors play a more critical role. This study contributes to the literature by providing empirical evidence on diversity recruitment in transitional economies, a topic that remains underexplored. The findings offer insights for organizations and policymakers aiming to develop more inclusive recruitment strategies in contexts shaped by post-socialist institutional legacies.

Implications for Central European audience: The findings of this study offer valuable insights for organizations operating in post-socialist Central European economies, where historical legacies continue to shape human resource management. The research highlights the role of multinational corporations in driving diversity-oriented recruitment, emphasizing the need for domestic firms to adopt more inclusive hiring strategies. Additionally, the limited impact of organizational size suggests that cultural and strategic factors may be more influential than scale. These insights can guide policymakers and business leaders in developing policies that foster workplace diversity, improve talent acquisition, and enhance competitiveness in increasingly globalized labor markets.

Keywords: diversity management; diversity-oriented recruitment; post-socialist economies
JEL Classification: M14, M50, M51

Introduction

With the growing influence of globalization, diversity management has become a widely adopted concept (Cho et al., 2017) in both industrialized and emerging economies (Fernando, 2021), as it is recognized as a critical factor in fostering innovation, enhancing organizational culture, and improving access to talent in a global market (Croitoru et al., 2022; Leslie, 2019; Sahoo et al., 2024). Diversity-oriented recruitment practices, which emphasize attracting and integrating diverse talent (Meena & Vanka, 2017), are considered as a critical component of human resource management (HRM) (Cho et al., 2017; Köllen, 2021). However, the implementation of such practices varies significantly across organizational contexts, shaped by factors such as organizational type, sector, size, and the broader national and societal context (Blommaert & Coenders, 2024; Leslie & Flynn, 2024; Köllen, 2021). In the specific context of post-socialist European countries, the adoption of diversity-oriented recruitment practices is shaped by unique historical, cultural, and economic conditions. These nations, transitioning from centralized planning to market-driven economies, face challenges rooted in their historical emphasis on uniformity over inclusivity and limited institutional capacities for diversity management.

The primary objective of this study is to examine the implementation of diversity-oriented recruitment practices in post-socialist European countries and to identify the key organizational factors that influence these practices. Specifically, the research investigates the roles of organizational type (domestic vs. multinational), sector (public vs. private), and size in shaping diversity initiatives. The study is guided by the following assumptions: (1) multinational and private sector organizations are more likely to implement diversity-oriented recruitment programs compared to domestic and public sector organizations, and (2) organizational size moderates these relationships, with larger organizations expected to adopt diversity practices more frequently.

Drawing on data from the CRANET research network, which provides standardized and comparable data on HRM practices across 40 countries, this study analyzes responses from 1,270 companies in 11 post-socialist European countries. Using descriptive statistics, Mann-Whitney U tests, and hierarchical regression analysis, the research offers a comprehensive examination of the drivers of diversity practices in this unique regional and socio-economic context.

This study makes a twofold contribution to the field. First, it provides empirical evidence on the state of diversity-oriented recruitment practices in transitional economies, a topic that has received limited attention in HRM literature. Second, it highlights the interplay between organizational characteristics and diversity practices, offering practical insights for policymakers and organizational leaders aiming to foster inclusivity in the workplace.

The paper is structured as follows: the next section reviews the relevant literature on diversity management and diversity-oriented recruitment and its drivers, with a focus on post-socialist

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contexts. The methodology section outlines the data, measures, and statistical techniques used in the study. The results are presented and discussed in the following sections, highlighting the implications for theory and practice. The final section provides conclusions, acknowledges limitations, and suggests directions for future research.

1 Theoretical background

Diversity management refers to a set of practices designed to enhance an organization's ability to effectively utilize a diverse workforce. More recently, this concept has evolved to incorporate the notion of inclusion (Shore et al., 2011), highlighting the importance of fostering cohesion and a sense of belonging among different employees. The primary objective of diversity management is to create an organizational environment where differences are valued (Ewoh, 2013; Patrick & Kumar, 2012) and leveraged to promote collaboration, innovation, and overall effectiveness.

Over time, diversity management has evolved from early approaches such as equal employment opportunity (EEO) and affirmative action (AA) to more comprehensive strategies that emphasize inclusiveness and respect for differences (Ewoh, 2013; Kelly & Dobbin, 1998). The EEO approach, rooted in legal compliance and egalitarian principles, focused on formalizing policies to prevent discrimination and ensure equal access. This liberal approach prioritized equality by treating all individuals the same, often without addressing the unique differences and needs of diverse groups (Lančarič et al., 2015). As a result, this approach often failed to account for systemic barriers faced by marginalized groups, addressing issues superficially through grievance procedures and internal resolutions. The affirmative action approach, which gained prominence in subsequent decades, sought to address historical inequalities through targeted programs for recruitment, mentoring, and training (Furtado et al., 2021; Kravitz, 2008). Recognizing that limited access and inadequate networks hindered underrepresented groups, this approach emphasized proactive measures such as setting different kinds of formal or informal quotas (Balafoutas et al., 2016) to ensure inclusion and representation in organizations and society (Weisskopf, 2006). Later, the discourse on inclusion has evolved to broader concepts of diversity (Herring & Henderson, 2012).

Affirmative action and equal employment opportunity focus on ethical and legal aspects, while diversity management takes a strategic approach. It highlights how workforce diversity improves organizational performance and drives success (Groeneveld & Verbeek, 2012; Kirton & Greene, 2015). This framework recognizes that organizations not only benefit from inclusivity but also experience losses when cultural assimilation is prioritized over leveraging differences. Unlike earlier models, this approach focuses on fostering cultural change by addressing systemic barriers and creating an environment where diversity is valued as a strategic advantage. Concrete practices under this model include the development of diversity action plans, revisions to performance review criteria to promote inclusivity, and initiatives such as diversity task forces, culture audits, and skill-based training programs (Ewoh, 2013). The transition from compliance-driven frameworks to a strategy-oriented approach reflects a growing understanding that inclusivity is not just an ethical responsibility but also a catalyst for innovation and organizational performance. Organizations that actively promote diversity often reap benefits such as increased innovation (Croitoru et al., 2022; Darwin & Palanisamy, 2015; Jones et al., 2020), improved organizational culture, and greater access to talent in global markets. Moreover, fostering diversity can enhance

an organization's public image (Sahoo et al., 2024) and contribute to stronger market performance. This evolution underscores the importance of aligning diversity practices with broader organizational goals and fostering a culture where differences are actively embraced and utilized.

Diversity in organizations can be categorized into two key dimensions: surface-level and deep-level diversity (Casper et al., 2013; Harrison et al., 1998; Kacmar et al., 2009). Surface-level diversity refers to visible traits such as gender, age, race, ethnicity, ability, disability, and other inherent human differences (Loden & Rosener, 1991; Riccucci, 1997), which are considered primary dimensions of diversity. These traits are often inborn or significantly influence a person's early socialization and future experiences (Ewoh, 2013). In contrast, deep-level diversity encompasses less visible characteristics that can change over time, such as marital status, parental status, education, professional experience, values, and personal beliefs (Cho et al., 2017). These secondary dimensions of diversity include differences that can be acquired, modified, or discarded throughout a person's life. While gender and race remain central to the diversity discourse (Köllen, 2021; Yadav & Lenka, 2020), increasing attention is being given to other dimensions such as age, ethnicity, disability, and religion. There is also growing recognition of sexual orientation and gender identity, although these aspects are still gaining prominence in the broader diversity conversation (Qin et al., 2014; Sabharwal et al., 2018; Triana et al., 2021).

From the above discussion, it can be concluded that diversity management is not a standalone program but an ongoing process of planned organizational change. It requires comprehensive cultural engagement and long-term change management efforts. Effective diversity processes are intentionally aligned with organizational missions, led by top management, and actively involve employees in both planning and implementation (Dobbs, 1996). Successful implementation of diversity management requires the support of leaders who value diversity (Bader et al., 2019; Ruggs et al., 2018), a clear alignment with the organization's strategic goals (Konrad et al., 2016), and well-designed diversity oriented HRM practices. As Meena and Vanka (2017) state, diversity-oriented HRM practices aim to attract, recruit, and retain a diverse workforce, with the goal of fostering an equitable work environment and promoting positive employee attitudes and behaviors. Among these activities, recruitment practices play a pivotal role, as they serve as the foundation for building a diverse workforce and ensuring that organizational diversity goals are effectively realized.

Diversity-oriented recruitment practices involve a deliberate strategy to attract and hire individuals from social and demographic groups that are often underrepresented within organizations. Organizations adopt diversity-oriented recruitment strategies for multiple reasons, including compliance with legal frameworks, business performance advantages, and employer branding. Regulatory frameworks, including anti-discrimination laws and affirmative action policies, often require firms to establish more inclusive hiring processes (Samaniego, 2022). These practices are designed not only to enhance workforce diversity but also to address systemic barriers to inclusion. Such initiatives may include targeted recruitment efforts aimed at reaching potential candidates who possess desirable competencies and belong to a specific minority subpopulation (Slaughter & Allen, 2024) or implementing incentives for recruiters to actively promote the hiring of diverse employees (Tipper, 2004). While some organizations prioritize diversity recruitment to mitigate legal risks associated with discrimination claims, others integrate these practices as part of broader

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corporate social responsibility initiatives aimed at fostering equitable and inclusive workplace environments (Dover et al., 2020; Ely & Thomas, 2001).

Beyond compliance, the business case for diversity has gained significant empirical support, demonstrating that diverse organizations tend to exhibit stronger financial performance, greater innovation, and improved decision-making capabilities (Cox & Blake, 1991; Guillaume et al., 2017). Particularly in competitive labor markets, organizations that implement effective diversity recruitment strategies gain access to a wider talent pool, positioning diversity hiring as a key source of competitive advantage (Buttner et al., 2009; Ng & Burke, 2005). Additionally, diversity recruitment plays a crucial role in employer branding, as organizations actively use diversity and inclusion messaging to enhance their attractiveness to job seekers and differentiate themselves in the "war for talent" (Jonsen et al., 2021). By highlighting their commitment to diversity and creating a positive image in the eyes of potential and existing employees, organizations can attract and retain a more diverse workforce, strengthening their employer brand and competitive position in the labor market (McNab & Johnston, 2002; Williams & Bauer, 1994). This is particularly important as research indicates that new generations of job seekers increasingly prefer companies that prioritize diversity and foster inclusive workplaces (Confetto et al., 2023). Such strategies not only enhance talent acquisition but also strengthen employee loyalty and bolster the organization's overall reputation.

Globally, an increasing number of organizations recognize the importance of diversity in recruitment, driven not only by corporate strategies but also by legislative requirements. The emphasis on specific dimensions of workforce diversity often varies across national contexts due to differing legal frameworks. These variations influence organizational diversity management programs, leading certain aspects of diversity to be prioritized while others receive less attention (Köllen, 2021). In addition to the influence of national legislation, national culture (Farndale et al., 2015), societal changes and public opinion (Blommaert & Coenders, 2024; Leslie & Flynn, 2024) have also played a significant role in shaping organizational diversity management practices. While many countries implement broad-based anti-discrimination laws, the practical implications of diversity management can vary widely, reflecting differing national priorities and cultural contexts (Mor Barak, 2016). Such contextual differences highlight the need for tailored approaches to effectively address diversity in alignment with local regulations and societal norms.

Post-socialist countries face unique challenges stemming from the legacy of centralized planning systems. Even decades after the transition of Eastern and Central European economies, and despite many of these countries becoming EU members, the influence of socialist legacies remains a prominent and ongoing topic of discussion (Horie & Kumo, 2019). These institutional remnants are particularly significant for understanding the distinct characteristics of HRM in this region (Brewster & Bennett, 2010; Horwitz, 2011), where diversity and inclusion were rarely prioritized. These systems often emphasized uniformity over diversity, resulting in organizational structures that lack the internal capacities or awareness needed to effectively implement diversity-oriented practices. Despite the increasing global focus on diversity management, there remains a significant gap in research addressing these practices, particularly in the context of post-socialist countries. A systematic review by Yadav and Lenka (2020), which analyzed nearly 30 years of studies (1991–2018),

highlighted that most research on diversity management has been conducted in Western nations such as the USA, Canada, and European countries, while other regions, including post-socialist economies, have been largely underrepresented. This research gap is especially evident in studies focused on diversity-oriented recruitment practices, a critical yet overlooked aspect of diversity management. This underscores the importance of examining diversity management practices within the unique socio-economic and organizational contexts of these nations, where historical legacies and transitional dynamics continue to shape the adoption and implementation of inclusivity-focused strategies. In addition to these factors, several internal organizational characteristics play a critical role in shaping the adoption and implementation of diversity-oriented recruitment practices. This study will examine the influence of factors such as organizational type, sector, and size.

The type of organization, whether multinational or domestic, significantly influences diversity-oriented recruitment. With the transition to a market economy, former socialist countries experienced economic growth and an influx of foreign direct investment, leading to the entry of many multinational companies (MNCs) (Horie & Kumo, 2019). Diversity management is critical for MNCs as it enhances organizational performance and competitiveness by fostering innovation, improving talent retention, and providing access to diverse markets (Ruslaini et al., 2024). It is increasingly recognized as both a ethical imperative and a strategic necessity in a globalized and diverse workforce.

MNCs are more likely to adopt these practices due to their exposure to diverse markets, international legal frameworks, and varying cultural norms. Their global reach necessitates the adoption of inclusive strategies to attract and manage talent across different regions. In contrast, domestic organizations, particularly those in post-socialist contexts, often lack the same level of exposure and may prioritize operational efficiency over inclusivity, limiting their engagement with diversity initiatives. Domestic companies often have limited capacity or motivation to implement diversity practices, which may result from a lack of resources or expertise in this aspect of HRM.

Building on these insights, the distinct strategic orientations and resource availability of multinational and domestic organizations suggest varying levels of commitment to diversity-oriented recruitment. Given the broader exposure of MNCs to international diversity standards and their competitive drive to attract global talent, it is expected that they will implement such practices more extensively than domestic firms. Accordingly, we propose the following hypothesis:

- **H1.1:** Multinational organizations are more likely to implement diversity-oriented recruitment programs than domestic organizations.

Beyond organizational type, sectoral differences also play a crucial role in shaping diversity-oriented recruitment practices. Public and private sector organizations operate under distinct institutional frameworks and strategic priorities, which influence the extent and manner in which they implement diversity initiatives. Furthermore, public and private sector organizations often have distinct motivations for developing and implementing diversity policies, which can result in varying approaches and practices (Groeneveld & Van De Walle, 2010; Groeneveld & Verbeek, 2012; Ng et al., 2024). Private sector organizations are typically motivated by competitive pressures and the pursuit of innovation, which often drives them to adopt diversity initiatives as a strategy for enhancing organizational performance. For many,

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diversity is regarded as both a core corporate value and a key management priority (Dobbs, 1996). In the public sector, the motivation for implementing diversity-oriented recruitment practices is often tied to compliance with legal requirements and the fulfillment of broader societal obligations. Public sector organizations are typically guided by mandates to promote equity and representativeness, ensuring that their workforce reflects the diversity of the communities they serve (Groeneveld & Verbeek, 2012). Some recent research in the public sector (Atkinson et al., 2022) highlights persistent challenges in achieving the ideals of diversity. These challenges are often compounded by bureaucratic constraints, limited budgets, and an insufficient strategic emphasis on diversity initiatives.

Given these distinctions, it is essential to consider how sector-specific factors shape the adoption of diversity-oriented recruitment practices. In particular, the varying institutional and strategic priorities of private and public organizations influence their level of commitment to such initiatives. This leads to the following hypothesis:

- **H2.1:** Private sector organizations are more likely to implement diversity-oriented recruitment programs than public sector organizations.

Research suggests that as organizations expand, they increasingly adopt formalized and structured HRM practices to effectively manage their workforce. Larger firms tend to implement standardized procedures and more formal HRM practices (Kotey & Slade, 2005; Li & Rees, 2021), benefiting from economies of scale in developing sophisticated HR systems (de Kok & Uhlaner, 2001; Huselid, 1995). Additionally, the strategic involvement of HR functions is more pronounced in larger organizations (Jo et al., 2024), as they possess the resources to sustain an elevated HRM role, which contributes to overall organizational effectiveness, particularly when HR activities are managed in-house rather than outsourced (Sheehan & Cooper, 2011). This transition toward greater formalization and specialization in HRM reflects the increasing complexity and resource availability that comes with organizational growth. While existing research has primarily explored the relationship between organizational size and HRM practices, studies specifically addressing the impact of size on diversity-oriented HR practices, particularly diversity recruitment, remain limited. However, given that diversity management is an integral part of HRM, it is reasonable to assume that similar patterns apply. Following the broader findings on HRM formalization, larger organizations – due to their greater resources and structured HR functions – are likely better positioned to implement diversity-focused initiatives as part of their overall HR strategy.

Larger organizations typically have dedicated HR departments and allocated budgets for diversity initiatives, enabling them to develop comprehensive recruitment practices that promote workforce diversity. Moreover, their higher visibility often subjects them to greater external scrutiny and regulatory pressures, further driving their commitment to inclusive policies. In contrast, smaller organizations, with limited financial and human resources, may struggle to adopt and sustain structured diversity initiatives, resulting in less formalized diversity management practices. Expanding on this perspective, organizational size may not only influence the overall adoption of diversity-oriented recruitment practices but also amplify the effects of organizational type and sector. Specifically, larger organizations may be better positioned to leverage the diversity strategies typically associated with multinational corporations and private sector firms. This leads to the following hypotheses:

- **H1.2:** The positive association between multinational status and the implementation of diversity-oriented recruitment programs is more pronounced in larger organizations.
- **H2.2:** The positive association between private sector status and the implementation of diversity-oriented recruitment programs is more pronounced in larger organizations.

To test these hypotheses, the following section outlines the research methodology, including data collection, model design, and analytical procedures.

2 Methodology

2.1 Data collection

The data for this study were obtained from the CRANET research network (Cranfield Network of International Human Resource Management); a global initiative conducted in nearly 40 countries to facilitate comparative studies of human resource management (HRM) practices. CRANET employs a standardized methodology, ensuring the collection of robust and reliable data for cross-country comparisons (Zolak Poljašević & Berber, 2024). The survey is conducted cyclically every few years, providing continuous empirical insights into HRM trends and developments over three decades (Prince et al., 2020).

To minimize respondent bias, the CRANET questionnaire includes only closed-ended questions, answered by HR managers from organizations with over 100 employees. This ensures standardized and comparable data collection across countries. For this study, data were drawn from the most recent cycle (2021–2022) and encompass responses from 1,270 companies across 11 post-socialist European countries, providing a representative sample of diverse sectors and industries. The standardized methodology ensures consistency and comparability across countries, making the CRANET dataset a robust foundation for examining HRM practices in the context of post-socialist transitions.

2.2 Model design

The methodology employed in this study was carefully structured to rigorously test the proposed hypotheses and uncover patterns in diversity-oriented recruitment practices. The analysis focused on two key relationships, each further examined through auxiliary hypotheses to provide a more nuanced understanding of the variables involved.

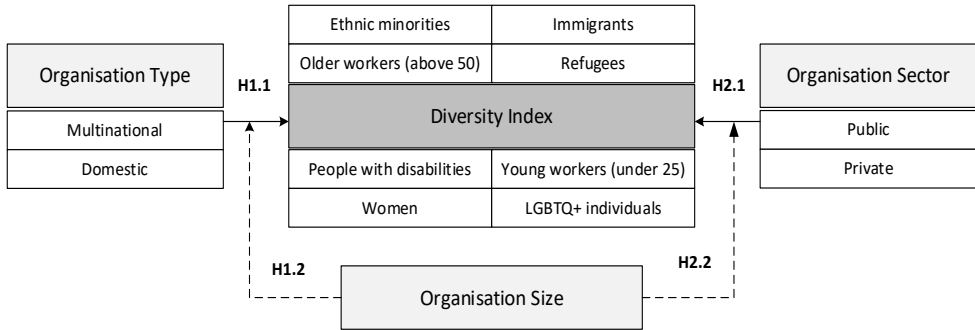
The first set of hypotheses (H1) investigates the impact of organizational type on diversity-oriented recruitment practices, positing that multinational organizations are more likely to adopt such practices than domestic organizations. Additionally, it examines whether organizational size amplifies this relationship. Specifically, H1.1 addresses the direct effect of organizational type (domestic vs. multinational) on diversity-oriented recruitment, while H1.2 explores the moderating role of organizational size.

Similarly, the second set of hypotheses (H2) considers the influence of sectoral affiliation, proposing that private sector organizations are more inclined to implement diversity-oriented recruitment initiatives compared to public sector organizations. Here too, organizational size is examined as a potential moderator. H2.1 tests the direct effect of sector (public vs. private) on recruitment program adoption, while H2.2 assesses whether organizational size

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strengthens this relationship. A graphical representation of the research model is provided in Figure 1 to illustrate these hypothesized relationships.

Figure 1 | Research model



Source: Authors' own elaboration

2.3 Operationalization of Variables

Key variables were clearly defined and operationalized. Organizational type and sector were treated as binary variables, coded as 0 (domestic or public sector) and 1 (multinational or private sector). The moderating variable, organizational size, was measured by the total number of employees. Given the high degree of skewness in the size distribution (e.g., skewness values of 15.963 for domestic organizations), a log transformation was applied to normalize the data and mitigate the influence of outliers. The dependent variable, implementation of diversity-oriented recruitment programs, was operationalized through the Diversity Index, a composite measure summing eight binary items. These items represented recruitment programs targeting groups such as ethnic minorities, women, young workers, and individuals with disabilities. Reliability analysis of the Diversity Index, using Cronbach's Alpha, yielded a value of 0.823, confirming the internal consistency of the construct.

2.4 Preliminary Analyses

Prior to hypothesis testing, preliminary analyses were conducted to assess the data's suitability for the proposed methods. Normality tests, including the Kolmogorov-Smirnov and Shapiro-Wilk tests, indicated significant deviations from normality for key variables such as organizational size and the Diversity Index ($p < 0.001$). Descriptive statistics highlighted differences in the implementation of diversity-oriented recruitment programs across organizational types and sectors. For instance, multinational organizations exhibited a median Diversity Index score of 1.00 (IQR = 3), significantly higher than the 0.00 (IQR = 2) reported by domestic organizations. Similarly, private sector organizations had a higher median Diversity Index score (1.00, IQR = 3) compared to public sector organizations (0.00, IQR = 1). These findings provided a strong foundation for selecting appropriate statistical methods for hypothesis testing.

2.5 Testing Procedures

Given the non-normal distributions and unequal group sizes, non-parametric methods were chosen for testing hypotheses related to the direct effects of organizational type (H1.1) and

sector (H2.1) on the implementation of diversity-oriented recruitment programs. The Mann-Whitney U test was used to compare Diversity Index scores across organizational types (domestic vs. multinational) and sectors (public vs. private). This test was selected for its robustness in handling non-normally distributed data and its suitability for ordinal or interval data without requiring assumptions of homogeneity of variances.

For examining the moderating effect of organizational size (H1.2 and H2.2), hierarchical regression analysis was employed. The main effects of organizational type or sector and organizational size were entered into the regression model in the first step, followed by the interaction term in the second step. The interaction term was created by centering the size variable and multiplying it with the binary variable representing organization type or sector. This approach ensured that potential collinearity between the predictors and the interaction term was minimized. Diagnostics revealed acceptable tolerance levels and Variance Inflation Factor (VIF) values below 10, indicating no significant issues with multicollinearity. All statistical analyses were conducted using SPSS, ensuring methodological rigor and adherence to established standards.

3 Results

The following section presents the findings of the analysis, linking the results to the hypotheses and providing statistical evidence for their support or rejection. Each hypothesis is discussed in detail, followed by an overall synthesis of the findings.

The Table 1 presents the results of the Mann-Whitney U test, comparing the Diversity Index scores between multinational and domestic organizations to determine the extent to which these organizational types implement diversity-oriented recruitment programs.

Table 1 | Comparison of Diversity Index Scores Between Multinational and Domestic Organizations

Ranks	N	Mean Rank	Sum of Ranks	Test Statistics ^a		
Organisation Type				Mann-Whitney U	111575.000	
Diversity index	Domestic	806	541.93	436796.00	Wilcoxon W	436796.000
	Multinational	318	614.64	195454.00	Z	-3.624
	Total	1124			Asymp. Sig. (2-tailed)	0.000

Note: ^a. Grouping Variable: Organisation Type
Source: Authors based on CRANET 2021 database

The mean rank of multinational organizations (614.64) was higher than that of domestic organizations (541.93), indicating that multinational organizations tend to implement more diversity-oriented recruitment programs. The test statistic (Mann-Whitney U = 111,575.000) and the associated p-value ($p < 0.001$) confirm that the difference in Diversity Index scores between domestic and multinational organizations is statistically significant. The negative Z value (-3.624) reinforces the direction of the difference, where multinational organizations show greater diversity program implementation. The Mann-Whitney U test results support the hypothesis H1.1 that multinational organizations are more likely to implement diversity-oriented recruitment programs than domestic organizations.

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To test H1.2, hierarchical regression analysis was employed. The results of the hierarchical regression analysis, examining the moderating effect of organizational size on the relationship between organizational type and the Diversity Index, are presented in the following tables. These include the model summary and regression coefficients, providing detailed insights into the tested hypothesis.

Table 2 | Hierarchical Regression Model Summary for Organizational Type and Size Interaction

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Change Statistics				
					R ² Change	F Change	df1	df2	Sig. F Change
1	0.158 ^a	0.025	0.023	1.925	0.025	14.389	2	1121	0.000
2	0.163 ^b	0.027	0.024	1.924	0.002	1.937	1	1120	0.164

Note: ^a. Predictors: (Constant), *OrgSize*, *OrgType*

^b. Predictors: (Constant), *OrgSize*, *OrgType*, *OrgSizeType* (Interaction)

Source: Authors based on CRANET 2021 database

The results presented in the Model Summary Table indicate that the main effects of organizational type (domestic vs. multinational) and organizational size (log-transformed) collectively explain a small but statistically significant portion of the variance in the Diversity Index ($R^2 = 0.025$, $p < 0.001$). When the interaction term (organizational type \times size) is added to the model, the explained variance increases marginally to 0.027, but this change is not statistically significant ($\Delta R^2 = 0.002$, $p = 0.164$). These findings suggest that while organizational type and size independently influence the Diversity Index, size does not significantly moderate the relationship between type and diversity-oriented recruitment practices.

The following table presents the coefficients for each predictor, providing detailed insights into their individual contributions to the Diversity Index and the statistical significance of their effects.

Table 3 | Coefficients for the Moderating Effect of Organizational Size on the Relationship between Organizational Type and Diversity Index

Model		Unstandardized Coefficients		Standard. Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.273	0.068		18.729	0.000		
	<i>OrgType</i>	0.499	0.129	0.116	3.872	0.000	0.977	1.023
	<i>OrgSize</i>	0.349	0.113	0.092	3.084	0.002	0.977	1.023
2	(Constant)	1.269	0.068		18.641	0.000		
	<i>OrgType</i>	0.475	0.130	0.110	3.654	0.000	0.960	1.042
	<i>OrgSize</i>	0.239	0.138	0.063	1.730	0.084	0.656	1.525
	<i>OrgSizeType</i>	0.335	0.241	0.051	1.392	0.164	0.646	1.549

Note: Dependent Variable: Diversity index

Source: Authors based on CRANET 2021 database

The results from Table 3 provide a detailed breakdown of the predictors' effects. The main effect of organizational type (domestic vs. multinational) remains statistically significant across both steps of the regression analysis ($B = 0.475$, $p < 0.001$ in Step 2), indicating that multinational organizations are associated with higher Diversity Index scores compared to domestic organizations. Similarly, the main effect of organizational size is significant in Step 1 ($B = 0.349$, $p = 0.002$), suggesting that larger organizations are more likely to implement diversity-oriented recruitment programs.

However, the interaction term (organizational type \times size) introduced in Step 2 is not statistically significant ($B = 0.335$, $p = 0.164$). This result indicates that organizational size does not significantly moderate the relationship between organizational type and the Diversity Index. Furthermore, the inclusion of the interaction term slightly reduces the predictive strength of organizational size ($B = 0.239$, $p = 0.084$ in Step 2), suggesting a minor overlap between the main and interaction effects. The non-significance of the interaction term confirms that the relationship between organizational type and diversity-oriented recruitment practices is consistent across different organizational sizes.

These findings collectively support the hypothesis that multinational organizations implement more diversity-oriented recruitment programs (H1.1) but do not confirm that this relationship is influenced by the size of the organization (H1.2).

In summary, H1 is partially confirmed, with strong evidence supporting the direct effect of organizational type on diversity-oriented recruitment practices but no evidence of a moderating effect of organizational size. These results emphasize the importance of organizational type as a driver of diversity initiatives while suggesting that other factors beyond size may moderate this relationship.

The same analytical approach was employed to test the second hypothesis, starting with the Mann-Whitney U test to explore differences in diversity-oriented recruitment practices between public and private sector organizations.

Table 4 | Comparison of Diversity Index Scores between Public and Private Sector Organizations

Ranks	N	Mean Rank	Sum of Ranks	Test Statistics ^a	
Organisation Type				Mann-Whitney U	93868.500
Diversity index	Public	279	476.45	132928.50	Wilcoxon W
	Private	839	587.12	492592.50	Z
	Total	1118			Asymp. Sig. (2-tailed)
					0.000

Note: ^a. Grouping Variable: Sector

Source: Authors based on CRANET 2021 database

The mean rank of private sector organizations (587.12) was higher than that of public sector organizations (476.45), indicating that private sector organizations are more likely to implement diversity-oriented recruitment programs. The test statistic (Mann-Whitney U = 93,868.500) and the associated p-value ($p < 0.001$) confirm that the difference in Diversity Index scores between public and private sector organizations is statistically significant. The negative Z value (-5.327) further supports the direction of this difference, highlighting that private sector organizations demonstrate greater implementation of diversity-oriented recruitment programs. These Mann-Whitney U test results confirm the

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hypothesis H2.1 that private sector organizations are more likely to adopt diversity-oriented recruitment programs compared to public sector organizations.

Building on these findings, the analysis proceeds with hierarchical regression to examine whether organizational size moderates the relationship between sector type (public vs. private) and the implementation of diversity-oriented recruitment programs (H2.2). The results of this analysis are presented in the following tables.

Table 5 | Hierarchical Regression Model Summary for Sector Type and Size Interaction

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Change Statistics				
					R ² Change	F Change	df1	df2	Sig. F Change
1	0.198 ^a	0.039	0.037	1.898	0.039	22.629	2	1115	0.000
2	0.198 ^b	0.039	0.036	1.899	0.000	0.050	1	1114	0.824

Note: ^a. Predictors: (Constant), *OrgSize*, *Sector*

^b. Predictors: (Constant), *OrgSize*, *Sector*, *OrgSizeSector* (Interaction)

Source: Authors based on CRANET 2021 database

The results presented in Table 5 show that the main effects of sector type (public vs. private) and organizational size (log-transformed) together explain 3.9% of the variance in the Diversity Index ($R^2 = 0.039$, $p < 0.001$). This indicates that these predictors independently contribute to the adoption of diversity-oriented recruitment programs. When the interaction term (sector type \times size) is added in Step 2, there is no change in the explained variance ($\Delta R^2 = 0.000$, $p = 0.824$). This lack of a significant increase suggests that organizational size does not moderate the relationship between sector type and the implementation of diversity-oriented recruitment programs. The overall model remains statistically significant, but the interaction term fails to meaningfully enhance its explanatory power.

Table 6 | Coefficients for the Moderating Effect of Organizational Size on the Relationship between Sector and Diversity Index

Model		Unstandardized Coefficients		Standard. Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.835	0.114		7.345	0.000		
	<i>Sector</i>	0.736	0.131	0.165	5.605	0.000	0.998	1.002
	<i>OrgSize</i>	0.440	0.111	0.116	3.963	0.000	0.998	1.002
2	(Constant)	0.837	0.114		7.343	0.000		
	<i>Sector</i>	0.735	0.131	0.164	5.587	0.000	0.996	1.004
	<i>OrgSize</i>	0.403	0.199	0.107	2.023	0.043	0.310	3.224
	<i>OrgSizeSect</i>	0.054	0.240	0.012	.223	0.824	0.311	3.218

Note: Dependent Variable: Diversity index

Source: Authors based on CRANET 2021 database

The results from Table 6 provide a comprehensive breakdown of the effects of sector type (public vs. private) and organizational size on the Diversity Index. The main effect of sector type remains statistically significant across both steps of the regression analysis ($B = 0.735$, $p < 0.001$ in Step 2), demonstrating that private sector organizations are associated with higher Diversity Index scores compared to public sector organizations. Similarly, organizational size shows a significant positive effect in Step 1 ($B = 0.440$, $p < 0.001$), indicating that larger organizations are more likely to implement diversity-oriented recruitment programs.

However, the interaction term (*sector type* × *size*) introduced in Step 2 is not statistically significant ($B = 0.054$, $p = 0.824$). This finding suggests that organizational size does not significantly moderate the relationship between sector type and the Diversity Index. The results indicate that the positive relationship between being a private sector organization and implementing diversity-oriented recruitment programs is consistent across organizations of different sizes. Additionally, the inclusion of the interaction term slightly reduces the predictive strength of organizational size ($B = 0.403$, $p = 0.043$ in Step 2), indicating a minor overlap between the main and interaction effects. Despite this, the independent contribution of organizational size remains statistically significant, emphasizing its importance as a predictor of diversity-oriented recruitment practices.

In summary, the findings support the hypothesis that private sector organizations are more likely to implement diversity-oriented recruitment programs compared to public sector organizations (H2.1). However, the hypothesis that this relationship is influenced by organizational size is not confirmed (H2.2). The lack of a moderating effect is consistent with the results observed in the first hypothesis and reinforces the notion that other organizational factors, rather than size, may play a more influential role in shaping diversity initiatives. Based on all the results, we can conclude that Hypothesis H2 is partially supported.

The findings underscore the importance of organizational type and sector as primary drivers of diversity-oriented recruitment initiatives. However, they also indicate that other factors, such as organizational culture, leadership commitment, and external regulatory pressures, may have a more significant influence than organizational size in shaping these practices. This insight provides a valuable foundation for future research, which could explore the qualitative dimensions of these factors to gain a deeper understanding of their impact on diversity-oriented recruitment strategies.

Discussion and conclusion

Theoretical implications

The empirical findings provide significant insights into the implementation of diversity-oriented recruitment practices in transitional economies, particularly in the context of post-socialist Central European and Eastern European countries. Multinational organizations and private sector entities demonstrate a greater propensity for adopting such programs compared to domestic and public sector organizations. Given the absence of similar studies comparing diversity-oriented recruitment practices between multinational and domestic organizations, direct comparisons with findings from other authors were not possible. However, these results align with theoretical insights, further highlighting the role

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of multinational corporations in leading diversity initiatives (Fernando, 2021; Horie & Kumo, 2019; Ruslaini et al., 2024). Research suggests that MNCs should go beyond compliance and adopt proactive diversity strategies to maximize the benefits of a diverse workforce while reducing potential challenges (Ely & Thomas, 2001). Leadership commitment and organizational culture play a key role in effective diversity management, as supportive leadership fosters inclusion and ensures the successful implementation of diversity initiatives. However, MNCs operate in diverse cultural and institutional contexts, requiring a balance between global consistency and local adaptation in their diversity strategies (Ruslaini et al., 2024). While their initiatives must align with overarching corporate goals, they also need to be tailored to fit local workforce expectations (Baumgartner & Tippmann, 2019).

The extent to which organizations commit to diversity recruitment is influenced not only by their international presence but also by sectoral dynamics. The results support theoretical assumptions that private sector entities, driven by competition and innovation, are more likely to integrate diversity as a core business strategy (Dobbs, 1996). In contrast, the public sector organizations, often constrained by bureaucratic structures and limited resources, tend to adopt compliance-driven diversity practices rather than comprehensive strategic approaches (Atkinson et al., 2022; Groeneveld & Van De Walle, 2010). These findings hold particular relevance for European and Eastern European countries, where public sector modernization efforts and market-driven reforms continue to shape HRM practices.

Sectoral differences in diversity strategies stem from variations in organizational mission and institutional pressures. Public organizations, whose primary goal is to serve societal interests, typically promote workforce diversity to enhance social equality and legitimacy (Groeneveld & Van De Walle, 2010; Johns et al., 2012). In contrast, private sector firms, driven by profitability and competitive advantage, tend to incorporate diversity as a means of improving financial performance and innovation (Motel, 2016; Veenstra & Ellemers, 2020). Empirical evidence supports this distinction (Boyne et al., 1999; Groeneveld & Verbeek, 2012). Beyond internal motivations, these sectoral distinctions are also reflected in how organizations publicly communicate their diversity commitments (Jansen et al., 2021). While public institutions often emphasize ethical and social justice rationales, private sector firms tend to frame diversity as a business asset that enhances performance and market competitiveness (Jayne & Dipboye, 2004; Ortlieb & Sieben, 2013). Understanding these nuances is crucial for assessing how different sectors implement and communicate diversity recruitment strategies, particularly in economies undergoing institutional and market transformations.

Additionally, the results do not support the moderating role of organizational size. Instead, diversity adoption appears to depend more on strategy, regulations, and cultural factors than on firm size. This finding suggests that even smaller organizations, if strategically motivated and supported by institutional frameworks, can effectively implement diversity-oriented recruitment initiatives. However, the broader context of post-socialist economies adds further complexity to these results. Many organizations in these countries are still adapting to market-oriented practices while grappling with the legacies of centralized systems (Brewster & Bennett, 2010; Horie & Kumo, 2019; Horwitz, 2011), which may pose structural and cultural challenges to the adoption of diversity-oriented initiatives. This

interplay between historical institutional constraints and evolving market dynamics presents an important avenue for further research.

Practical implications

For HR practitioners and business leaders, these findings underscore the need to embed diversity into HRM policies. Domestic organizations, in particular, should work on closing the gap with multinational corporations in inclusive hiring. While larger firms and MNCs are well-positioned to lead diversity initiatives, public institutions and smaller firms require targeted HRM strategies and regulatory incentives to enhance their capacity for diversity management.

To enhance diversity-oriented recruitment, HR practitioners should adopt structured strategies that go beyond compliance-driven approaches. One of the key measures is targeted outreach, which can be achieved through partnerships with universities, professional associations, and community organizations to attract candidates from underrepresented groups. Additionally, leveraging AI-powered recruitment tools can help expand the talent pool and ensure a more inclusive selection process. To ensure a fair and inclusive selection process, it is also essential to train hiring managers to recognize and mitigate unconscious biases in recruitment decisions. Structured workshops and interactive training sessions can help HR professionals implement fair and inclusive evaluation criteria, reducing the risk of subjective judgments in candidate selection.

Another effective approach is the integration of diversity metrics into recruitment performance assessments. By setting measurable targets, such as ensuring a diverse candidate shortlist for each job opening, organizations can systematically track their progress in fostering inclusive hiring practices. Smaller domestic firms, which often lack the resources of large multinational corporations, can benefit from standardized diversity toolkits and best practices shared by industry leaders. These toolkits offer practical guidance on inclusive hiring, case studies from successful diversity programs, and self-assessment tools that help organizations evaluate and improve their recruitment policies. By embedding these strategies into HRM frameworks, organizations can develop sustainable, inclusive recruitment policies that not only enhance workforce diversity but also strengthen their competitive advantage in an increasingly globalized labor market.

Policy implications

While these organizational-level strategies are essential for fostering inclusive hiring practices, broader institutional support and policy interventions are also necessary to ensure the sustainable implementation of diversity-oriented recruitment. From a policy perspective, strengthening institutional support is essential to fostering diversity-oriented recruitment, especially within domestic firms and public-sector organizations. This can be achieved by developing legislative frameworks that promote inclusive hiring practices, particularly for SMEs, ensuring that diversity becomes an integral part of workforce planning.

Additionally, incentive programs designed to encourage businesses to integrate diversity into their recruitment strategies can play a crucial role in accelerating progress. Beyond regulatory measures, capacity-building initiatives focused on HRM training in diversity management can equip organizations with the necessary tools to implement effective

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diversity policies, particularly in observed post-socialist economies where such practices are still evolving. As labor markets continue to shift in response to economic and demographic changes, embedding diversity recruitment into broader workforce development policies will be essential for enhancing labor market participation and improving overall organizational performance.

Limitations and future research directions

This study has certain limitations that should be acknowledged, which may inform the interpretation of the findings and guide future research efforts. First, the reliance on self-reported data from HR managers may introduce response bias, as participants might overstate the extent of their diversity practices. Second, while the CRANET methodology ensures cross-country comparability, its reliance on closed-ended questions limits the depth of qualitative insights into organizational motivations and barriers to diversity-oriented recruitment. Third, the sample consists exclusively of large organizations, which typically have well-structured HR policies and greater resources to implement diversity-oriented recruitment strategies. This may limit the generalizability of findings to small and medium-sized enterprises (SMEs), which often rely on less formalized HRM frameworks and may face different constraints in adopting diversity initiatives. Fourth, the hierarchical regression models explain a relatively small portion of the variance in the Diversity Index (e.g., R^2 values around 0.025–0.039). While these results are statistically significant, the limited variance suggests that other factors not included in the model may also play a significant role in shaping diversity-oriented recruitment practices. Additionally, the analysis is based on cross-sectional data, limiting the ability to infer causality between organizational characteristics (e.g., size, sector type) and diversity practices.

To address these limitations, future research should take a more nuanced approach by incorporating qualitative methods, such as interviews or case studies, to gain deeper insights into the organizational drivers and barriers to diversity practices. In particular, studying how resource availability, organizational culture, and managerial discretion shape diversity recruitment efforts in SMEs could provide valuable insights into the applicability of diversity strategies across different organizational contexts. Comparative analyses between large firms and SMEs would help determine the scalability and adaptability of diversity-oriented HRM strategies.

Beyond qualitative approaches, experimental research designs could offer a more rigorous assessment of causal relationships between organizational characteristics and diversity-oriented recruitment outcomes. Controlled experiments, such as randomized interventions in hiring procedures, could help isolate the effects of specific HR policies on diversity recruitment. Additionally, field studies conducted within organizations could provide real-world insights into the effectiveness of diversity policies, capturing the complexities of their implementation in different institutional and cultural contexts.

Furthermore, a closer examination of industry-specific regulations is also needed, particularly in sectors where the dynamics between public and private organizations shape diversity recruitment in distinct ways. Understanding how these diversity initiatives evolve over time requires a longitudinal perspective, allowing researchers to track changes in diversity practices and establish causal relationships between organizational

characteristics and diversity outcomes. Such research could provide policymakers and practitioners with evidence-based strategies to foster more inclusive recruitment processes and enhance workforce diversity in different organizational contexts.

Ultimately, a deeper understanding of diversity-oriented recruitment practices requires a comprehensive, multi-faceted research approach that accounts for both organizational and contextual factors. Given the scarcity of empirical studies on this topic, particularly in the context of post-socialist economies, this study makes a significant contribution by offering new insights into how multinational status, sectoral affiliation, and organizational size influence diversity recruitment practices. As businesses and public institutions navigate evolving labor market dynamics, diversity management must move beyond compliance-driven approaches toward strategically integrated policies that contribute to organizational effectiveness. By refining HRM strategies, aligning regulatory frameworks with industry needs, and fostering inclusive workplace cultures, organizations can create a workforce that is not only diverse but also adaptable and resilient in the face of evolving labor market demands. Strengthening these efforts will not only improve recruitment outcomes but also contribute to long-term workforce sustainability, economic growth, and social cohesion. As businesses and institutions navigate complex demographic and technological shifts, embedding diversity into HRM practices is no longer just an ethical or legal obligation, it is a strategic imperative for building a more innovative, competitive, and sustainable future.

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