

## Summary of Paper: [Diversity at Work: Firms' Strategic Responses to Mandatory Diversity Disclosure](#)

### **What is this Study About?**

The study examines the effects of mandatory diversity disclosure legislation in the European Union. It specifically focuses on how 30 large German companies have adapted their annual reports in response to the new regulation. The researchers use institutional theory and Oliver's framework on strategic responses to institutional processes to analyze the companies' strategies.

### **What are the major findings of the study?**

The researchers identifies four distinct responses to the mandatory diversity disclosure: dismissal, concealment, imitation, and transcendence. Some companies resist the legislation by either dismissing its importance or concealing their lack of compliance through vague statements. Others comply passively by imitating the legal requirements, while a few go beyond compliance by actively embracing and expanding upon the diversity dimensions outlined in the legislation. These proactive companies not only meet the regulatory standards but also set voluntary diversity goals, demonstrating a broader commitment to diversity.

### **Why is the study important?**

These findings shed light on how large corporations respond to legislative pressures related to diversity. Understanding these responses is crucial for policymakers to design more effective regulations that encourage genuine diversity efforts rather than superficial compliance. Additionally, the findings offer insights for managers on the potential benefits of proactive diversity strategies, which can enhance corporate legitimacy and stakeholder trust. For researchers, the study contributes to the growing literature on diversity in the field of accounting, highlighting the varied organizational behaviors in response to institutional pressures.