

Diversity Management in Europe

Chapter 1

Diversity is necessary

The concept of Managing Diversity is based on the premise that diversity is more than just a present reality--it is a powerful asset that when properly managed can offer dividends unachievable by sameness. This is not to say that diversity for the sake of diversity is a good thing. **The goals and objectives of the organisations must work together with the diversity criteria to increase a better result.** However, by managing diversity, organisations seek to balance their unifying goals with the inclusion of individual needs and talents of its members. Thus, members feel free to bring their full selves, and their willingness to give discretionary effort, to the organisation without fear of exclusion. Diversity is not a problem to be solved, but a resource to be utilised.

Stated simply in English, diversity means difference. Many times, “valuing diversity” or “managing diversity” is spoken of as an end-point—a place to head as an ultimate goal. However, understanding, valuing and managing diversity is more of a journey than a destination.

As we look around us—in our organisations, in our countries in the EU, in the world—diversity is everywhere. The train has already left the station. The world is diverse. It is not an option to “participate” in diversity. The question is “how” we will participate. Will we value diversity and manage it as a tool for increased creativity and productivity, seeking to add to the diversity of our organisations? Or will we see diversity as a necessary evil or a threat to the orderliness of our efforts, seeking to minimize it whenever possible?

Diversity translatable

While the concepts of valuing and managing diversity are translatable around the world, the word used to describe diversity can be different from country to country. This is immediately evident when comparing the different words for diversity in the six countries who have been involved in partnership in the Leonardo da Vinci project.

In English, as mentioned above, the most common definition for diversity is difference. In Sweden, mångfald is the word used to speak about diversity. Its meaning is an uncountable number.

Diversity in Estonian is Erinevus. In everyday discussion, it means most of all different or differences. It can also mean varied, many fold (something different from that considered to be as a norm in society).

In the Italian language a "short definition of diversity in "Differenza: varietà rispetto ad altre persone o cose". There is also the word "Diversità" and the adjective and substantive "Diverso" it is more used in a meaning of drop-outs and homosexuals.

In Portugal, Managing Diversity means Gestão da Diversidade and is a close translation to the English meaning.

The unique culture of diversity

Diversity **creates** the unique culture in an organisation by the combination of individual differences of all individuals in the organisation. Diversity is gender, race, ethnicity belonging, age, disabilities, sexual orientation, religion, education, work experience, social status, hobbies, family relations, and other things that make us unique as individuals. To sustain increased diversity in an organisation, it is not sufficient to only increase the representation of differences. It also requires an organisational climate and a management culture that appreciates and utilises differences.

The theory of managing diversity is different from any kind of affirmative action efforts as a tool to implement diversity. While affirmative action efforts are about opening doors to people, managing diversity moves beyond that to the concept of inclusion--honouring the individual by ensuring that there is fair and equitable treatment of all members of the organisation.

Managing diversity is about treating everybody fairly, not the same. There is a difference between "fair" and "same" in the sense that fair treatment means easing burdens while not assuming that everyone's burden is the same. Managing diversity means that it is not enough to "treat others as you want to be treated," but to "treat others as they want to be treated." This does not mean that standards and/or qualifications are lowered in the running of the race. However it does mean that steps are taken to ensure that everyone starts at the same starting line and no one has been handed an extra weight to carry during the race.

To "manage" diversity is to create an organisational culture, systems and practices that allow every individual to maximise their ability to contribute to the organisation's goals and to reach their own full potential. To achieve this, requires a review and adjustment of the organisational culture, values, systems, and processes to ensure that the human capital is utilised in the best possible way. One key to this is for all members of an organisation (managers, leaders, individual contributors) to see, understand and value differences.

Companies and organisations, now and in the future, will meet a situation very different to the one encountered in the past. In the past, the employees have been regarded as a more or less homogenous group. Professions have been strictly

divided between the sexes and customers as well as company owners have been more or less locally or nationally oriented. Companies and organisations of today and tomorrow are and will be owned, managed, and influenced to a higher degree by global interests. Globalisation brings ever-increasing competition in a more borderless market. Companies from different countries merge or work in close co-operation with each other.

The workforce is becoming more geographically flexible with many members tempted by international assignments. The younger generation values personal relations above organisational relations more than in the past. The recruitment base is constantly becoming more diversified through the mobile work force within the European Union and by immigration from other parts of the world. Diversity is ever-increasing and the companies and organisations focusing on only minimising its consequences will lose out while the companies focusing on maximising the benefits of diversity will be the winners.

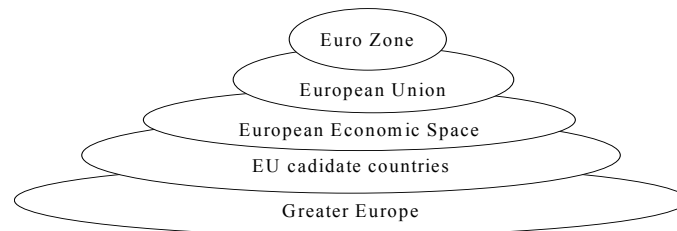
In this report, we are going to present managing diversity efforts in Europe and the experiences and visions from a number of companies working with managing diversity.

Chapter 2

THE EUROPEAN UNION NEEDS MANAGING DIVERSITY

A major paradigm of Globalisation is the evidence of the multiple Diversities that make up this common village that humanity shares. Different races, cultures, languages, religions and values; competences; priorities and life styles; economy and technology life cycles;, among others.

The European Union is being built from Diversity. The Agenda 200 proposes a strong Europe: one equitable zone that integrates all its Diverse citizens; a Europe prepared for expansion to have 28 Member States early in the XXIst century, to include Central European countries. This extension evidently increases the Diversities that must be managed in order to develop a supportive scenario where socio-economic agents interact to create a powerful European Union. An enlarged Europe that draws its strength from the respect to its local Diversities, which is the real generator of innovation, creativity and efficiency for the benefit of all its citizens.



Europe in numbers

	NOW	FUTURE
Member States	15	28
Population	373M	over 600M
Languages	11 official	over 20
Other languages and dialects	200	400
Regions	234	over 400

Multiple religions, political ideologies, values and ethic, will co-exist in the enlarged European Union which spirit is that of “ freedom of movement of Peoples, Products and Capitals” set by its founders in the Treaty of Rome.

The evidence that all the institutions and organisations; whether public or private, must manage Diversity, has spurred the objective defined by the Commission for the creation of an equitable space



EU- Directive

Regulations (CE) N° 1260 / 1999 , 21st of June 1999

EQUAL INITIATIVE FOR THE IMPLEMENTATION OF THE POLICY OF THE UNION

“Programme to fight against any form of discrimination and non-equality both in the professional world and in the social world of Europeans and of people that seek asylum.”

TRANSVERSAL POLICY-

All the member states have to propose strategies for the programme of Communitarian initiatives-PIC- within the National Plan of job creation.

That guarantees:

- harmonisation of the professional and the personal life of all the inhabitants of Europe
- and the integration of all the groups without discrimination based on “gender, race, ethnic origin, religion, disabled, age or sexual orientation.”

Some factors that reflect the Diverse profile of the European Union, are:

Economic growth in the European Union measured by the SPA – purchasing power of its population- has grown in the decade from 1987 to 1997 by a 60%. But the behaviour or the different Member States has been significantly diverse. Major growth has been achieved in regions of northern Italy, France, Austria, Denmark and Greece; while lower growth rates were achieved during that period by Spain and Portugal. Yet after 1989, the EURO locked the currencies and the monetary convergence policies have been implemented by all Member States in the EURO zone, contributing to a more balanced growth.

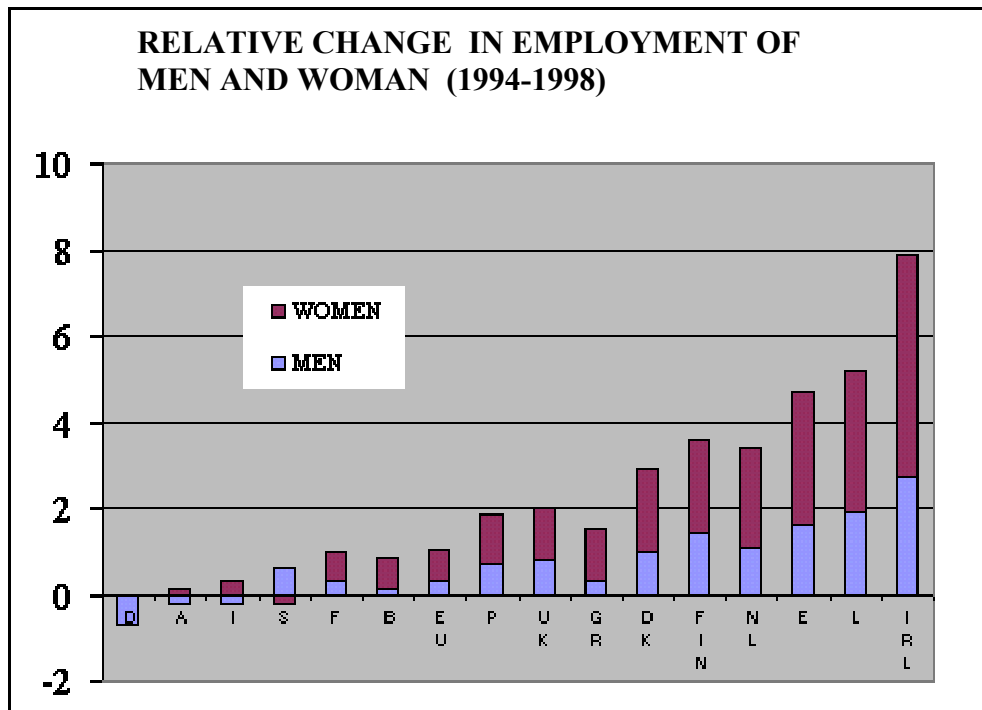
Demographics:

In the years between 1981 and 1991 the European zone birth rate has dropped. The family unit has passed from 2.81 members to 2.6 on the average throughout the EU. This behaviour varies per Member State. The highest reduction rates are found in Ireland and Spain, where family units have decreased in 3 points.

Single person homes have increased in all of Europe. Most significant are: Netherlands (from 23% to 30%), while United Kingdom (from 23% to 28%); Germany and France (from 25% to 27%). The lowest increase is shown by Portugal (from 13% to 14%). Approximately 28% of households in the European Union are lead by a single parent , 80% of which are women.

The native European Union population is ageing. In 2000 there are 66M persons between 50 and 64 years of age, tending to reach 84M by 2020. Over 65 years old there are 67M.; the trend is to reach 85M by 2020. This factor has a vital impact on retirement, pensions, length of working life and socio-economic sustainability.

Active Population



The total active population in the European Union in 1997 is of 134M, out of which 59M are men and 35M are women. Again in 1997 the inclusion of women to professional remunerated activities vary by Member State. Denmark (with 70%), Sweden (68%), United Kingdom (61%); and with lower working women in the labour market are Ireland (35%) and Spain (34%).

Labour flexibility

16.8% of the active population work part time in the European Union, of which 5.6M are men and 32.4% are women. Companies and social gents must create a supportive framework to facilitate flexible as well as distance work, in order to meet the new time priorities both of men and women, for organisations to achieve maximum efficiency: attracting and retaining more suitable talent to contribute to corporate objectives at the

same time they facilitate harmonising personal and professional life. That is, Managing Diversity in Europe.

Leading countries in part time work

	Women	Men
Netherlands	38 %	17 %
United Kingdom	24.9 %	12.1 %
Denmark	22.3 %	8.8 %

Countries with low rates of part time work

	Women	Men
Belgium	14.7 %	3.3 %
Ireland	12.3 %	3.3 %
Spain	8.2 %	3.2 %

Unemployment in 1997 decreased from previous years to 27M; out of which 9M were men and 18M were women. In 2001 the unemployment in the European Union zone is calculated to be at a 9% level; again with diverse behaviours in the different Member States. Age is another important factor. Youth looking for their first job have a very high unemployment rate; women between 15-19 years old have a 78% unemployment rate while men have a 70%. Of those in the segment over 45 to 55 years old, men without a job represent 10%, while women are 36% of the total.

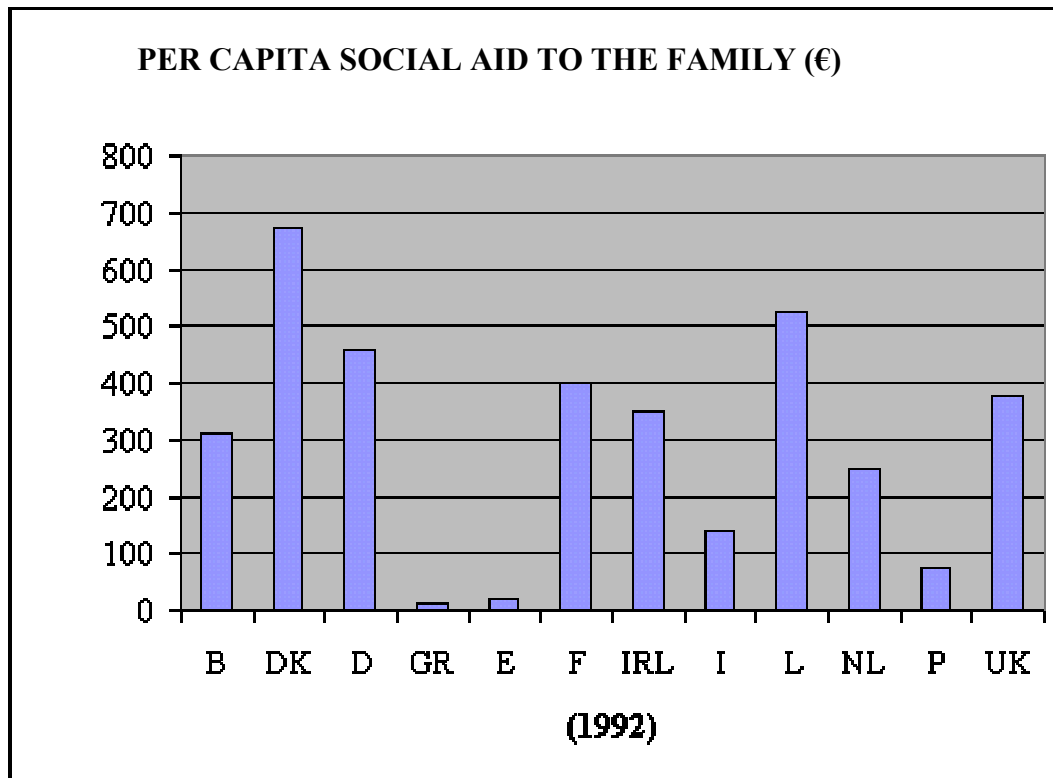
Education.- During the same 10 year period, the number of students in the second cycle has increased in the European Union by 1% where the increase in the superior level was of a 3%. It is significant to note that the number of women that finish their university level studies is higher than that of men. Today Europe has the best qualified population in its history. Men are acquiring a higher level of technology competencies which suite them better for the profile that companies are demanding today; as a result of the new socio-economic environment.

But as quality of life, knowledge and information availability and more stable socio-economic environment offer the European citizen greater opportunities in a new dimension; there are chores such as work in the production line, agriculture, household service, that European chose not to do any more. The European citizen wants to dedicate time to those activities that they enjoy the most - whether personal or professional - and for which they have acquired high level capabilities. Immigration is then absolutely necessary for sustainable wealth in the European Union.

Immigration is the result of peoples from underdeveloped countries coming European Union looking for a stable and fair socio-economic environment. That is, in search of freedom, work and stability. On the other hand immigration is also necessary because companies and organisations in the EU need the cheap hand labour of these less favoured segments of the population. Immigration comes mainly from the North of Africa, South America, Central and Easter European countries into the different Member States of the Union. This is an added factor in the need to establish mechanisms to integrate these peoples into the Single Market socio-economic system.

Social protection to the citizens also varies considerably throughout Europe

13% of the PIB is the total average allocation from States to the family social support from the European administrations. Again it varies by Member States. Austria and Italy allocate 16% of their PIB; Austria and Holland, 14%; while Ireland only allocated 5%.



Salary levels also are Diverse. Luxembourg, Belgium, France and Holland have a minimum salary of 1000 EUROS; while in Greece, Spain and Portugal it is of 500 EUROS. Women salaries are on the average 30% lower than men for the same job and responsibility. States with lower salaries do not necessarily attract more companies to set up operations in their countries. Today there are other issues that determine the choice of site: such as professional competence available in the country / region; local labour and fiscal legislation; dominant language and communication infrastructure.

It is therefore an outstanding priority for Europe and its peoples, to Manage Diversity in public as well as private organisations, in order to develop a socio-economic scenario that will contribute to the creation of a strong enlarged Europe.

SOURCE : EUROSTAT

Chapter 3

Background and Methodology for project

“Diversity in Europe” is a project within the European Union’s education programme Leonardi da Vinci with the purpose of spreading knowledge about the economic benefits and the benefits for the working environment brought by diversity or *Managing Diversity*. The project started in January 2000 on the initiative of the Minerva Foundation in Sweden. The project has participants from six different countries and has continued until March 2001.

The partnership presentation

This report is built on the work from the partners in Denmark, Estonia, Italy, Portugal, Spain and Sweden. In each country two companies/organisations have been studied as cases. 10 companies (approx) per country have been interviewed. Seminars have been organised to increase the awareness of diversity and to create network for the future development of managing diversity. Experts from the field of human resources have been supporting the partners in their work. The web site for the project has been the tool for getting opinions from other parts of Europe about managing diversity. The results from questionnaire on the web will be presented in the chapter 6 (interviews).

Denmark: The Copenhagen Institute for Futures Studies is an independent think tank working for companies and organisations on a membership basis. The Institute’s objectives are to create awareness of the future and to highlight its importance for the present. To integrate the future in strategies, planning and decision making, and thus, through the study of businesses’ future environment, to create and exploit positive opportunities.

Estonia: The Estonian Institute for Future Studies is a non-profit research institute, which is primarily engaged in the conducting of future research, its results and promoting of mentality connected with it. The activities of EIFS are aimed at contributing to the development of the Estonian society and economy, by improving the strategic level of decisions, which have impact on future and by influencing the social culture of thought towards future and strategic orientation.

Italy: Studio Duo is an Italian consultant company

Portugal: Rodrigues Ribeiro & Associados, Lda. is a consultancy specialising in Human Resources Management. The company have expertise in projects dealing with Equal Opportunities and are currently leading a research project among Portuguese managers in order to measure their awareness about diversity issues in their companies.

Spain: CESA Experts is a Spanish Consultancy specialising in training and in managing trans- European projects. This company has taken part in several

European projects dealing with Equal opportunities as a partner as well as a co-ordinator. Cesa Experts is one of the founding members of the European Institute for Managing Diversity.

Sweden:

Minerva is a non-profit foundation with the main goal to develop and make optimum of women's competencies in leading position in working life. The foundation has been leading projects since 1992 on the trans-national level. Cross-culture projects for managers in Central Europe and Baltic states have been developed during the last years. Research and analyses about equal opportunities.

Background

Many companies and organisations have today achieved a very high level of efficiency and profitability at the same time as the world continues to change around them. This is requiring new working methods in order to continue to meet customers' expectations. A substantial part of the challenge of the change in the surrounding environment can be met by developing the human capital in the company. One problem for many companies is to find competent employees. At the same time, there are persons with high competence having difficulties getting employment or with limited opportunity to demonstrate their real capacity in their organisation. By valuing and managing diversity as the asset it is, both the organisation and the individual can benefit by increased profitability and increased work satisfaction.

The project's objectives are:

- To develop a training model for diversity management suitable for companies, public sector, and organisations in Europe.
- To summarise and publish a "Guide for Best Practices in Diversity" including a number of companies participating in the implementation of diversity trials.
- To contribute to the development of European networking in Managing Diversity.

Target Group

The target group has been companies, organisations, the public sector, and unions with an interest in utilising diversity among employees as a resource. The interest for managing diversity in the workplace has been the most important criteria for participating in the project.

Platform and Methods

In the project, the following arguments have been a very important point of departure for the discussions about what are the most important factors for companies who will develop a strategy for managing diversity. The arguments have also been a method to explain the benefits of managing diversity:

RECRUITMENT OF EMPLOYEES -Companies known for utilising their human capital become attractive and will be able to recruit employees more easily.

RETAINING EMPLOYEES -The risk will decrease of employees quitting their employment due to feeling undervalued and lacking development opportunities.

DEVELOPMENT OPPORTUNITIES -Better possibilities for more persons to develop and utilise their capacity gives a wider base for promotion to higher positions.

CUSTOMER FOCUS -Understanding of and contacts with the customers increase if the diversity of the customers is represented among the employees, particularly within such areas as product development, marketing, and sales.

NEW MARKETS -The organisation develops to meet increasing globalisation with new markets, new partners, and the effects of European Union membership.

INCREASING UNDERSTANDING -Employees with more diverse qualities stimulate creativity as well as a climate that stimulates innovation and problem solving.

INCREASING UNDERSTANDING -Increased acceptance and understanding between colleagues elevates morale and productivity.

TEAM BUILDING -It is easier to put together teams and teamwork is made easier within the company, in global projects and in networks.

FLEXIBILITY -Better preparedness for the efficient management of mergers of companies and projects.

CONTACTS AND NETWORKS -Contacts with authorities and political decision makers are facilitated.

PREVENTION -It is easier to utilise the benefits of diversity by acting and taking initiatives before legislation is introduced than it is to adjust to new legal requirements after they are in force.

PUBLIC IMAGE -Through sincere involvement in work regarding diversity a company proves to the world that it takes social responsibility and gains trust from the community.

The first step of the methodology was to create an awareness of why it is important to manage diversity in companies and organisations. To this end, the project has been working in a dialogue with the management level.

How can Managing Diversity be implemented?

One of the aims for the project has been to create a method for implementing managing diversity in companies and organisations. The model has been developed in co-operation with the project partners, experts and the 80 (approx) working places which have been involved in the project.

The model is flexible and useful and is a frame for the work of managing diversity.

Picture “The Wheel”

- Step 1 Management’s awareness
- Step 2 Analysis of the present situation
- Step 3 Create new activities
- Step 4 Long-term system for implementation
- Step 5 Continuous evaluation
- Step 6 Support for on-going work with diversity

The “wheel” should not be seen as a wheel, but more like a spiral. Work is constantly evolving and reaching new levels. However, efforts can be revisited at each step along the new levels. New projects and ideas are constantly beginning the cycle on the wheel. As referenced in the introduction, the journey continues with each awareness and learning adding to the mosaic of the path forward.

The model will be described more in details when the cases are presented.