

Rethinking Diversity for a Global Scope: A European / EMEA Perspective

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The managing diversity trend undoubtedly has its roots in the United States, notably in the Civil Rights Movement as well as Equal Opportunity (EEO) and Affirmative Action (AA) legislation. But how does a trend with this background resonate in an international context?

Some global U.S. corporations began expanding their domestic diversity activities to Europe in the mid 1990s. In the beginning quite a few lessons were learned — on both sides of the Atlantic. In light of ongoing globalization, it is a good time to evaluate the effectiveness of these international initiatives. It might be necessary to re-invent concepts that have been successful in the past, on local or national levels, in order to upgrade them for a more global fit.

In doing so, diversity experts will eventually confront their blind spots, extend their personal frontiers and they might be surprised about the kind of learning they can accomplish abroad. As is the case with intercultural learning, it is most appropriate to rediscover one's own history and background, thus sharpening self-awareness, before stepping out into new areas.

As a European diversity expert, I provide a reflection of how the development of diversity — from a national U.S. to global perspective — is perceived beyond America's borders.

The Dawn of Diversity

One of the reasons diversity pioneers created the field of diversity in the 1980s was to add a more positive and business-oriented perspective to what was primarily a legal compliance issue. Consequently, diversity developed as a comprehensive approach aimed at supporting and enhancing business results. The business case for diversity was born and an increasing amount of activities were designed to leverage diversity rather than just accept — or embrace — it for reasons of fairness. This was somewhat new for a trend that initially dealt with non-discrimination and equality, themes that were more or less considered social, moral or ethical in nature. The increasing push for business benefits resulted in more outward-driven programs. While diversity in recruitment formed an early external measure, customer diversity and diversity marketing were later added to the portfolio of diversity practitioners. These last two elements made it quite clear that the business case for diversity and "doing the right thing" (e.g., being fair and behaving in an inclusive way) were not necessarily natural cousins

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— the way diversity experts often described it. Irrespective of some irritations or inconsistencies that occurred over time, by the mid 1990s, diversity in the U.S. had developed into a mature, business-oriented strategy before making its first moves into Europe.

Europe: A Diverse Backdrop

The European landscape has always been fundamentally different from the U.S. playing field — although there are quite a few cultural similarities. The major difference, however, is the very limited common European identity — as opposed to the "American identity." Identification in Europe mainly occurs at the national level and is fostered by national cultures and languages. In some cases, countries were at war with each other until recently, whereas some regions still face civil, ethnic or religious disturbances. On the political level, no consistent, let alone common, European anti-discrimination policy existed until 1997 when the Amsterdam Treaty enabled measures to combat discrimination on the grounds of age, ethnicity, disability, gender, race, religion or sexual orientation.

Before the respective European Union (EU) directives were adopted in 2000, 2002 and 2004, only a minority of countries had strict equality laws. The U.K. — which many U.S. companies use as a springboard into Europe — was the most progressive country in regard to non-discrimination legislation, which was then combined with public institutions to support the implementation.

Outside the U.K., equal opportunity programs for women were quite widespread, especially in Scandinavian countries. Yet, most of the European equality frameworks tended to follow a fairness and equal participation approach rather than a business value-added approach. Consequently, the well-developed U.S. diversity programs were not always welcomed by those who were supposed to adopt and promote the new trend.

Many other inconsistencies and misfits were identifiable when we started our business in 1997, which at that time, was aimed at supporting U.S. companies in adapting and implementing their diversity programs in Europe. The major issues that caused notable divides include:

- **Lack of diversity awareness:** Most societies in Europe had avoided a thorough discussion or reflection of existing discrimination or exclusion in society or in the workplace. This was mainly due to the more recent dark chapters in European history, e.g. former fascist regimes in Germany, Italy, Spain and Portugal, as well as colonial experiences that were often not transformed into modern integration frameworks.
- **Lack of pressure:** Few European countries underwent a civil rights movement similar to the U.S. As such, most cultures were not forced to critically reflect on their approach to diverse groups. In addition, the pure numbers of European ethnic diversity in the 1990s were nowhere near U.S. figures, so European countries have only recently experienced a "Workforce 2000 effect."
- **Diversity of issues:** Due to each European country's specific history, different issues are relevant to diversity. Most countries have experienced different kinds of immigration (either from former colonies or following a need for labor or both), yet very few are familiar with the concept of racial diversity or race. In fact, this wording is even inappropriate in some countries. While race is one of the fundamental components of

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the U.S. reality — as it is related to the specific history of slavery and the resulting perpetuating injustice and exclusion — it does not resonate with a big part of the European audience. When U.S. experts misinterpret European indifference to the race concept as "racism," they are merely being confronted with a diverging world view and reality.

- **A different cultural and societal context:** Some programs designed to communicate diversity don't sit well with Europeans. Ironically, there seems to be a cross-over mismatch. In the U.S., diversity evolved from a moral and ethical leveling to a business issue which in turn made the concept more effective. However, the environment in the U.S. underlines its ethics. While it is still not always seen as an imperative, diversity is accepted as a program that adds value and is the right thing to do. The situation is different in Europe. Here, diversity is often perceived as a social initiative, while the context is heavily business oriented. It follows that neither business nor ethical directives carved out in the U.S. will be easily digested by European counterparts.
 - **Different cultural values:** "Stand up and speak out" is not part of most Europeans' values. That's why common U.S. programs, such as employee networks, are not necessarily easy to implement. Also, some European cultures are less emotional or personal than in the U.S.; some tend to be very rational. Therefore, some of the methodologies used in the U.S., such as role playing or personal involvement, are not easily applied in Europe. In fact, in one global training program we facilitated, our feeling was that it "[took] half of the day to get the room talking."
- "Another characteristic implied in most U.S. frameworks is the language of diversity, which uses key words such as 'valuing differences' or 'inclusive environment.' These may or may not be understood in the same way in a European context since most speak English as a second or third language."**

Developing a Euro-Diversity

Some U.S. companies have kept differences in mind when taking their diversity initiatives to Europe, others have not. Regardless of the extent of their awareness, a few mainstays are embedded in their approach toward their European counterparts. First, workforce diversity is looked at in numbers. It is common in Europe to differentiate based on gender, albeit this is probably more disputed than in the U.S. Ethnic minority numbers, however, are not common in Europe and in some cases inapplicable where countries offer different definitions and sometimes even legal barriers to the undertaking.

Another characteristic implied in most U.S. frameworks is the language of diversity, which uses key words such as "valuing differences" or "inclusive environment." These may or may not be understood in the same way in a European context since most speak English as a second or third language. Thus, U.S. companies face communication gaps and methodological disassociations in term of the tools they are attempting to use. Moreover, political challenges are increasingly dominant, especially since the "war against terror" has divided Europe into two camps: pro- and anti-Bush.

Some U.S. companies have tried to drive activities from their global headquarters. Others have tried to find local partners in Europe. Usually, human resources (HR) is chosen as an on-site ally, but European diversity experts often lack the experience or the support of management to make things happen. In a few cases, local equal opportunity experts serve as European diversity agents, but due to the fundamental underlying differences described above, they are not always the most passionate promoters.

Furthermore, many international companies in Europe — both U.S. and European — link diversity to grassroots work and civil rights. Consequently, it is often mixed up with corporate social responsibility and philanthropy. As a result, diversity is sometimes perceived as caring for disadvantaged societal groups — a distortion of its original aim. This is yet another issue that has led to inconsistencies for diversity in Europe. This conception was discovered by a number of gender, work/life and intercultural experts who perceived it as a potential threat to their influence or power. To counteract this effect, some groups embraced diversity as part of their field of expertise. A number of European corporations still believe that diversity should be about gender and/or cultures, while they refuse to acknowledge the multiple coherences and layers, not to mention the manifold business nexuses.

Many of the trends and developments described above lead to varied forms of disconnections and regressions. Although many U.S.-led activities have not resulted in the same sustained achievements in Europe, a number of initiatives have been effective. These shared one common element — dedicated European managers.

European or EMEA diversity managers with a full-time, or at least part-time mandate, are much better positioned and often better qualified to design programs and directives that will resonate with European audiences, particularly with management. But as many organizations move away from regional structures, it is increasingly difficult to install diversity programs with pan-European outreach. Now, as many companies regroup their HR function and shared services, effective European diversity roles are again becoming more likely.

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A number of global European companies have succeeded in developing substantial diversity programs and also set sights on expanding these beyond their national borders. Of course, the world view of European diversity managers or directors is different and they show vivid awareness for the progress made in the U.S., even in the U.S. subsidiaries of their own organizations. In order to avoid a common European backlash — "It's a U.S. issue - we don't have many people of color" — European diversity experts are often hesitant to include their U.S. counterparts in the development of global corporate diversity concepts.

Others ignore U.S. expertise as it could potentially surmount their own competence. As most Europeans know little about U.S. legislation, they often end up developing European concepts from content that was originally U.S.-specific. When shared with U.S. experts, these concepts sometimes cause irritation or alienation, as they are perceived as "not quite getting it." Also in this area, a number of positive examples exist. One large global European company, after acquiring international entities in different regions, included diversity and HR experts from the onset in the redevelopment of its global diversity program. In a two-day workshop, different perspectives — from Eastern Europe to the U.K. and from Germany to the U.S. — were shared. And while participants expected to discover diverging views on diversity, they walked away with an awareness of similarities as well as information about best practices from other countries.

Nevertheless, the West to East development of diversity means that it did not evolve in the same comprehensive way as in the U.S. Whether due to a lack of awareness or understanding, or the predominance of its social connotation, European top management do not allocate the same amount of resources for diversity in Europe. A dedicated staff is rarely available to facilitate the diversity process. The overall evaluation of the trans- Atlantic, East to West diversity connection is also not very positive due to the predominant competence gaps and

conceptual mismatches described earlier. Similar to the West to East approach, it often results in disconnects and backlash.

In the last couple of years we have seen a further division of diversity, whereas the opposite should have taken place: globalization and international alliances should lead to consistency and connectivity. For many years, and in many organizations, the situation could be described as follows:

- In large European multinationals, equal opportunity managers lead diversity in their home countries, usually focusing on gender, culture and sometimes age. In addition, the companies installed international diversity managers in other countries or overseas (mainly in the U.S.). This has led to an isolation of approaches on diversity.
- In large U.S. multinationals, U.S. diversity officers oversee all national and international activities, but they give complete freedom to local implementations overseas (mainly EMEA). This often leads to a lack of consistency and strategic fit.

Global Diversity: A Changing Framework

Over the past five years especially, a number of significant and sometimes fundamental changes have occurred and impacted the development of diversity.

In Europe, the demographic challenge of shrinking national populations has stirred discussions about lifestyle, work/life balance and migration (beyond what is already occurring as a result of European expansion and integration). The impact of political moves, such as the introduction of far-reaching anti-discrimination legislation is only just now being felt by employers and employees. An increasing trend towards off-shoring and near-shoring is also fueling Europe's fear of being squeezed between Asia and the Americas. This has prompted a renewed discussion about Europe's assets and identity.

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Globally, the ongoing and intensifying tendency to outsource, merge and acquire businesses has triggered thoughts about global leadership competencies, global management conduct and global diversity. Yet many experts have been critical about the possibility of a universal approach to leadership or diversity. The same was true for marketing ten years ago, but the development of what is sometimes called the McWorld culture¹ has proven it is possible to be successful with one approach — though partially tailored to local needs — around the world. The Internet and the mobility revolution will amplify this trend, and neither leadership nor diversity will have a choice of not going global. This suggests some new perspectives as to how U.S. and European diversity approaches will develop:

U.S. context	European context	Future Global Perspective
1-2 languages	21 official EU languages + 40 other indigenous languages	English plus local and regional language(s)
Legislation mainly for race, gender, age and sexual orientation	— EU legislation for six core dimensions: age, gender, sexual orientation, religion, ethnicity/race and disability — Non-EU countries: occasional legislation	Agreed upon core dimensions of diversity plus local / regional issues

Dedicated resources	Ad hoc resources	Basic central funding plus project resources per country or unit
Dedicated department, senior head of diversity, networks, experts for issues, tools and stakeholders	Project organization, middle-level head of diversity, some issue experts	Global organization, centers of excellence, specialists for tools, consultants for businesses and regions
Moral context, business driven	Business context, socially driven	Diversity as a critical success factor for global success, leadership and innovation

As the corporate world has become vividly aware of globalization, a number of initiatives have been launched to implement this trend in the field of diversity. Again, global U.S. and European companies have approached the challenge differently. Global companies with headquarters in the U.S. have undertaken the following:

- **Renaming the U.S. diversity office the "Global Diversity Office:"** Although this might seem obvious or generic, it is not as common as one might expect. Actually, the implications of this change are far reaching. The main questions will be, "What is the power and competence of the office and what resources are available?" Also, this strategy always implies the risk of being labeled "U.S.-only — not relevant here." The challenge is to build up and/or include global expertise before expanding.
- **Appointing an international or European / EMEA diversity officer:** This strategy can be successful if the reporting lines are not only local and thus relying solely on local support. Many successful European diversity managers were part of the Global Diversity organization, e.g., not (fully) dependent on funding from within the region.
- **Work through European HR or through global HR:** Some global corporate initiatives are based on an international network of local representatives supported by global diversity offices. Because they rely too much on non-existing or low-standard local support, when corporate support disappears the whole initiative is abandoned.
- **Exporting concepts and consultants:** In a best case scenario, this strategy maintains research activities in Europe / EMEA to gather information on issues and context factors. This is then incorporated into existing approaches before they are rolled out abroad. Handling everything from the U.S. will probably incur substantial costs and the approach will lack inclusion.

Global companies with headquarters in Europe have initiated the following:

- **Managing global diversity from Europe:** This approach implies the necessity to build up vast competencies in Europe in order to steer programs in a global organization. As a U.S. subsidiary, diversity or at least compliance activities are usually underway and these generally remain unchanged. Often, regional heads of diversity are appointed for other regions as well. All are given relative freedom to implement diversity programs.
- **Installing the global diversity office in a U.S. subsidiary:** This strategy seeks to take advantage of the longer experience U.S. organizations have in managing diversity. While the fundamental consideration behind this is often true, this decision may cause difficulties when it comes to acceptance from corporate management staff that is predominantly European and/or Europe-based. The move reinforces the perception that

diversity is most relevant in the U.S. and essentially an American issue.

- **Installing a global diversity office in the U.S. as part of the European headquarters:** This approach attempts to join the best of both worlds — European focus and U.S. expertise. However, it is only credible if a company actually has important parts of its headquarters in the U.S., which increasingly is the case as a result of globalization. Also, this approach requires a strong presence in the European headquarters, in addition to the U.S.

Global Diversity Beyond the U.S. and Europe

In comparing the different global diversity approaches of organizations, it is not surprising that each of them reflects the company's specific outlook. This can't be stressed enough, as many discussions in the past two years have made it obvious that even diversity professionals are often unaware of how strongly their backgrounds influence their understanding of diversity. This has actually led to some tension between U.S. and European experts. These tensions have also reinforced some of the stereotypes each of the groups holds about one another (e.g. that the U.S. focuses on race and gender as well as on compliance, or that European approaches are not yet as profound or developed). Surprisingly, even some diversity experts were not able to detect the influence of underlying differences in the U.S. / European dispute.

Overall, different backgrounds have led to a variety of global diversity concepts. Many of them show clear awareness of the fundamental differences of other regions. One global U.S. company from the high-tech industry, for instance, has prepared different presentations on diversity for audiences in different regions (Europe, Asia, etc.). While the key slides depicting definition and strategy remain the same, the introductory slides and order of content is adapted to cultural specifics. Also, data and benchmarking information was included for each of the regions or countries accordingly. Two global European companies have developed and adopted global diversity policies that not only reflect the different legal backgrounds across Europe, but also cover all relevant aspects required by U.S. legislation.

So far, we have focused on the U.S. and Europe. While Africa, Latin America and Asia / Pacific are on the radar, these regions are not as often on the actual agenda. Recently, this has changed in several ways:

- U.S. companies are increasingly looking at implementing diversity in Latin America
- European companies are moving diversity into Africa and the Middle East
- All global western companies are prioritizing Asia as *the* growth region.

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All of these linkages are associated with business opportunities to be pursued in their respective regions. In some cases, specific historic or migratory relationships provide an additional base to foster links with some of the countries in question. Obviously, in each of the regions, new and additional aspects must be taken into account. The cultural, societal and legal context will again be different from what global diversity managers already know from their U.S. or European experiences.

Intra-regional diversity is one of the key aspects that is all too easily forgotten. In Africa, the diversity of cultures within the continent is just becoming an issue, especially in terms of how it affects development. Also, diversity practitioners in South Africa are currently dealing with a paradigm shift that leads diversity away from "employment equity" towards the more business-

oriented approach and towards global diversity concepts.

In fact, companies and countries from around the world could learn a lot from the way South Africa has been dealing with diversity since Apartheid officially ended. Some companies have found ways to leverage this experience, especially when they have subsidiaries there. A global European car manufacturer created an international management development program for its high-performing managers (senior and middle level) and it was partly implemented in South Africa. Of the total 150-hour learning schedule, 50 consisted of online tutoring, 50 of on-site training (one week in South Africa) plus a 50-hour global virtual teamwork project. It was proven that the learning environment added enormous value to the course as did local practices and participants.

As a result of this workshop, alongside many other projects we have facilitated, the following points regarding the future focus of diversity were evident.

- **Value proposition:** Emphasis must be placed on finding effective ways to propel innovation, enhance market-orientation, foster flexibility and adaptability, and manage mergers and acquisitions.
- **Inclusiveness:** Holistic definitions are needed in order to go beyond categorization and special audience projects. We need to look at intra-group diversity and interdependencies across different aspects (e.g., age and culture or gender and religion).
- **New Cultural Models:** Traditional cultural concepts² need to be reevaluated. Each attempts to describe cultures by specific criteria that may or may not be relevant for the respective culture(s). At the same time, these models — due to their limited dimensions — won't necessarily take into account aspects that are specific to a culture. The "cultural detectives" model³ has changed this as it looks at each of the values that actually explain many of the behaviors and traits a culture shows.
- **Focus on Religion:** In past years, many surveys have shown that religion is a dimension that is hardly ever prioritized or even actively addressed. With regard to many current international political issues, as well as important migration streams, religion will certainly continue to rise in importance. Moreover, religion and belief bears significant influence on many people's lives and shows a number of interdependencies with other default dimensions of diversity (e.g., age, gender or sexual orientation).

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To make the transition to more effective diversity management, here and in the future, our experience has shown that an accent must be placed on:

- Seeing globalization as an opportunity to learn from others and to improve existing concepts
- Being ready to re-invent and re-develop tools and approaches
- Reallocation of power: assistance with the decentralization of stakeholders
- Educating and developing local partners

European Diversity Research & Consulting publishes the free newsletter *EMEA DiversityNews*. To learn more visit www.mi-st.com and www.european-diversity.com.

Endnotes

1. Refers to the standardization of goods and services as a result of globalization. (Barber, Benjamin, *Jihad vs. McWorld*, Crown, 1995.)

2. Hall, Edward T., *Beyond Culture*, New York: Anchor Press, 1976; Trompenaars, Fons, *Riding the Waves of Culture*:

Understanding Cultural Diversity in Business, London: Nicholas Brealey Publishing, 1993; Hofstede, Geert. *Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*, 2nd ed. London: Sage Publications, 2006.

3. www.culturaldetective.com, The Cultural Detective™ from Nipporica Associates offers culture-specific training tools that allow participants to develop intercultural competence for themselves and their organizations.



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