

EUROPEAN DIVERSITY

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Six Regional Perspectives on Diversity



Europe —Michael Stuber

Michael is a diversity pioneer in Europe, and is the founder of mi.st Diversity Consulting. He helps organizations pursue a strongly business-related, strategic approach to implementing diversity, which includes positioning, research and analysis work, the business case and strategies for the implementation.

The European Union has been in an integration process since its creation after World War II. Before, many European countries were at war with each other, and in some countries fascist regimes were in power until the mid-1970s. The iron curtain (and the Berlin wall) only came down 15 years ago, when a new liberation and integration process began. For these and many other reasons, no common cultural ground can be assumed for Europe as a whole. On the contrary, it must be acknowledged that different cultures exist, many of which were alien to each other up until the recent past. Such negative heritage has inevitably led to the formation of prejudices and then (negative) stereotypes. When dealing with people from European countries, it is therefore important to consider their cultural traits while at the same time avoiding the stereotypes associated with that culture. While "diversity" is a characteristic of Europe, the "concept of diversity" has not yet been discovered by many of its citizens. A shared or common "European identity" is still developing and is emerging in the climate of globalization and the bringing together of all peoples around the world.

Challenges

European countries and regions do differ regarding the issues each deems to be "important." Our pan-European research reveals a ranking of the six so-called core dimensions of diversity: 1- gender, 2 - ethnicity/race, 3 - age, 4 - disability, 5 - religion/belief and 6 - sexual orientation. Additional issues specific to a country or region are based on the respective history and culture. In Ireland, for example, religion receives a lot of attention due to the longstanding conflict between members of the Catholic and Anglican churches. In Belgium and Switzerland, there is a high sensitivity for different mother tongues (and foreign language capabilities). In Hungary, membership in a current or former "traveling" (i.e., gypsy) community is an important issue. Finally, it is essential to know that "race" is acknowledged differently in Europe compared to the U.S., where the history of slavery and civil rights are part of the national heritage.

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In Europe "ethnicity" is a more common issue, as countries (and regions) are comprised of different ethnic minorities. Some of these minorities are called former "guest workers;" others

migrated from former colonies. Yet others are contemporary employment migrants or refugees. These groups tend to face similar exclusion dynamics in almost all European countries. Other issues, such as the integration of women in Eastern European business, are more advanced than in the West.

The most common mistakes business leaders make in Europe are probably very similar elsewhere in the world, irrespective of a leader's origin. Although many people feel insulted when they are not valued for their background, ideas, perspectives or concrete contribution, they often find themselves acting in a similar way once they are in a similar position. Especially in mergers or acquisitions, it happens often that the dominant partner is not treating new colleagues with dignity and respect. All too often, the acquiring organization loses a large part of what they have paid for.

Compared to the United States, there seems to be a stronger tendency in Europe to make "equal treatment" a goal, rather than "equal opportunities." This approach is linked to an almost historical European ideal that regarding people as "the same" is a way to achieve justice, which might translate to "color-blindness" in daily life.

Legislation

In 2002 and 2003, the European Union adopted three anti-discrimination directives which have to be implemented in National legislation in all 25 EU member states. These directives cover all six core dimensions of diversity and ban direct and indirect discrimination, as well as harassment. Direct discrimination occurs when a person is treated less favorably than another in a comparable situation because of their racial or ethnic origin, religion or belief, disability, age or sexual orientation. Indirect discrimination occurs when an apparently neutral provision, criterion or practice disadvantages people on the grounds of racial or ethnic origin, religion or belief, disability, age or sexual orientation, unless the practice can be objectively justified by a legitimate aim.

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The directives are applicable to all areas of work and employment, including recruitment, performance management, promotion, pay, training and development, work conditions and termination. One important mechanism of the directives is the reversed burden of proof. In case of litigation, employers have to prove that their systems, processes or culture are bias free, and no discrimination or harassment occurred. Claimants may be supported or represented by special-interest organizations, which could lead to broad publicity of a case.

Most of these regulations are new to the national legal systems, and even many experts from HR, diversity and legal departments do not yet understand all the implications of these future laws. Most countries are still in the process of implementing the directives, with the European Commission evaluating progress and results.

In some European countries that are not EU members (Norway, Switzerland), similar laws exist for some diversity-related issues, but harmonization is expected whilst Europe is integrating further and more countries are hoping to join the Union.

Diversity Best Practices

We have surveyed several hundred organizations across Europe, and many of them exemplify best practices in some respect or concerning specific diversity issues or tools. For more information about these organizations visit:

European Diversity League (portraits of corporate practices)
www.european-diversity.com/DiversityLeague/index.html

Great Place to Work (European initiative)
www.greatplacetowork-europe.com

European Diversity Survey EDS2, available from mi.st Diversity Consulting
Email eds2@mi-st.com

Book: "EuroDiversity," edited by George Simons, Butterworth-Heinemann

In some countries (mainly in the UK), organizations are conducting research into special interest corporate practices:

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| Age Positive | www.agepositive.gov.uk |
| Employers Forum on Age | www.efa.org.uk |
| Total E-Quality | www.total-e-quality.de |
| Employers' Forum on Disability | www.employers-forum.co.uk |
| Business in the Community | www.bitc.org.uk |
| CRE - Commission for Racial Equality | www.cre.gov.uk |

Recommendations for Others

Based on my more than eight years of research, consulting and networking, here are some success factors and most common mistakes that can be identified for work on diversity in Europe.

Dos

- Encourage intensive work at all levels: relying on management or grassroots initiatives often leads to dead ends.
- Utilize differentiated strategies: your target group is diverse, and your strategy should be, too.
- Demonstrate visible engagement of top management: the leaders have to lead, both business and diversity — otherwise they wouldn't and shouldn't be leaders.
- Initiate intensive communication and inclusion: any given communication only reaches a targeted group of people — be sure to reach out to different audiences, using different themes, messages and tools.
- Manage for early quick wins to ensure a long-term perspective: make sure you achieve some milestones early on in the process to gain credibility and secure support.

Don'ts

- Focus on a few differences: be as inclusive as you can to avoid cynicism and backlash, and to comply with EU directives.
- Attempt to implement your diversity initiative without a full-time professional process

manager who will be the key to making things happen in Europe.

- Use quotas: numbers are OK to measure progress but not to replace meritocracy.
- Work with marginal budgets: no return without investment.
- Make diversity exclusively an HR program: if you want to add value to the business, you will have to include business managers, marketing colleagues and communication experts.

FROM DISCRIMINATION TO INDIVIDUAL LITIGATION

By Sarah Murray, Financial Times, May 7th 2004

With a history of anti-discrimination that goes back to the civil rights movement of the 1960s and the equality enshrined in the constitution, the story of workplace diversity in the US is a very different one from that found in Europe.

However, one only has to look at statistics on shifts in the ethnic make-up of the US population to see one of the main drivers of workplace diversity there today. According to projections released last month by the US Census Bureau, the "non-Hispanic white" proportion of the population, which made up 70 per cent of the total in 2000, is expected to drop to 50 per cent by 2050. At the same time, the Hispanic population is predicted almost to double, from 12.6 per cent to 24.4 per cent. The Asian community's representation will grow from 3.8 per cent to 8 per cent.

"In the US you have a national structure with a national identity and within that a large diversity of people in terms of ethnicities and regional differences," says Michael Stuber, founder of mi · st | Consulting, the Cologne-based diversity consultancy. "In Europe the basic setting is totally different - you have 12 and soon 25 European Union countries." The US's history of affirmative action has left a culture of support - both at government and private levels - for minorities in the corporate world.

The National Minority Supplier Development Council (NMSDC), for example, has since 1972 facilitated increased procurement and business opportunities for minority businesses of all sizes. With 3,500 corporate members - including public, private and foreign-owned companies, as well as buying institutions such as universities and hospitals - the NMSDC's regional councils match more than 15,000 minority owned businesses (Asian, Black, Hispanic and Native American) with member corporations that want to purchase goods and services. The strength of minority business ownership reflects this. The results of the Inner City 100 - an initiative founded in the US in 1994 by Michael Porter, a Harvard business school professor, and replicated in the UK in 2001 - reflect this sort of institutional support. Minority representation of the UK organisations in the index was 13 per cent last year compared with 38 per cent in the US.

At the same time, the US judicial system and its defence of individual rights means employers flouting rules on equal rights risk facing damaging lawsuits. "Individual recourse is part of our culture," says Susan Meisinger, president and CEO of the Virginia-based Society for Human Resource Management. "But the whole aspect of civil rights liability is a diminishing focus. That is a consideration in how you manage your employment relations." However, Ms Meisinger believes the drive to expand business in an increasingly diverse market is another powerful force behind diversity in US corporations. "The focus on diversity in the broader sense is because of a combination of looking for skilled workers, wherever they may be, and understanding that the market you're trying to attract is getting more diverse." The growing spending power of minority groups certainly provides a powerful reason for US companies to hire more minorities in sales and marketing teams.

Hispanics alone wield more than \$650bn in spending power and by 2008 this figure is projected to exceed \$1,000bn. Employing Latino staff is a strategy likely to help tap into this spending. Even so, litigation looks likely to remain a big part of the diversity picture. While big US companies cite their diversity commitments as a key element in their success, many are still battling racial discrimination and other lawsuits. Wal-Mart, for example, is facing the US's largest ever civil rights class action. Filed by six women, the suit claims Wal-Mart systematically denies promotion and equal pay to women. If certified by the federal judge considering the case, it would cover almost 1.6m current and former female employees.

So it seems that, regardless of what US companies do to promote diverse workforces and equal opportunities, the litigious culture means fear of legislation is likely to remain among the factors driving diversity. "The US is a long way ahead on the legal framework. That's a huge issue for them," says Dianah Worman, diversity manager at the UK's Chartered Institute of Personnel and Development. Ms Worman points out, however, that much of this sort of legislation is now materialising in Europe. "The US has been ahead on age discrimination law. They also introduced law on disability long before we did. So in some respects, when they catch a cold in the US, we catch it the next day in Europe."