Mångfaldens praktik IV
John Wrench

Diversity management, discrimination and ethnic minorities in Europe.
Clarification, critiques and research agendas
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Diversity management, discrimination and ethnic minorities in Europe
Clarifications, critiques and research agendas

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Contents

Introduction .............................................................................. 1
Methodology ........................................................................... 2
What is diversity management? .............................................. 3
The ethnic dimension .............................................................. 6
The origins of diversity management in the US ...................... 7
1. Demographic developments ................................................ 7
2. The growth in minority communities as markets ................. 9
3. The growth in the service sector .......................................... 9
4. Organisational changes ...................................................... 10
5. Globalisation and the increasing importance of foreign markets 10
Definitions of diversity management ..................................... 12
Primary and secondary dimensions ....................................... 14
Differences from other approaches ....................................... 15
The advantages of diversity management ............................. 20
The historical evolution of diversity management in the US .... 21

Diversity Management in the USA ......................................... 25
Best practice in achieving diversity ...................................... 25
Factors which had influenced diversity policy ....................... 27
Most common diversity initiatives ....................................... 28
Evaluation of diversity initiatives ........................................ 31
Effectiveness of diversity initiatives .................................... 32
The ‘normality’ of diversity management ............................. 33
Differences in the US and European contexts ....................... 34

The Background to Diversity Management in Europe .......... 37
Intercultural management ..................................................... 37
Equal opportunities and anti-discrimination policies .......... 38
EC influence on anti-discrimination practice ....................... 39
European pressure for voluntary measures ......................... 41
1. The 1995 Joint Declaration ................................................ 42
2. The ILO anti-discrimination training project ....................... 44
3. European Compendium of Good Practice ....................... 54
4. Gaining from Diversity ..................................................... 55
A typology of organisational practices ............................... 57
Implications for diversity management ............................. 70
Application of the typology .................................................. 73

New Issues of Diversity Management in Europe ............... 77
Signs of diversity management diffusion ............................ 77
A convergence towards diversity management? .......................... 83
The variable of national culture .............................................. 86
Differences of national context .............................................. 88
Citizenship and legal status .................................................. 92
National myths and political discourse .................................... 97
Political impediments to diversity management ...................... 101
Trade unions and diversity management ................................ 104

**Critiques of Diversity Management** .................................. 107

| Non-Fundamental Critiques .................................................. 109 |
| Diversity management as a sectional interest ......................... 109 |
| Diversity benefits overstated ............................................. 110 |
| Diversity benefits overgeneralised ...................................... 113 |
| Diversity done badly .......................................................... 118 |

| Equal opportunities critiques ............................................. 120 |
| Undermines trade union approaches ...................................... 120 |
| Undermining legal approaches ............................................ 122 |
| A soft option ...................................................................... 123 |
| Dilution of the ethnic focus ................................................. 125 |
| Moral arguments .................................................................. 128 |

| Fundamental critiques .......................................................... 130 |
| Reification of ethnicity ....................................................... 131 |
| Critiques from the Right ....................................................... 135 |
| Critiques from the Left ......................................................... 136 |

**Diversity, Discrimination and the Future** .......................... 147

| Diversity management and combating discrimination ................ 148 |
| The relationship of diversity management to equality legislation .... 160 |
| What activities are being developed under the banner of diversity management? ................................................. 162 |

| National context and the meaning attributed to diversity management .......................................................... 164 |
| Critical discourse analysis and diversity management .............. 165 |
| Specific research questions .................................................... 166 |

**References** ..................................................................... 169
Introduction

The aim of this report is to clarify concepts and provide contextual information in order to better understand the development of diversity management in a European context. In Section 1 the report looks at the origins of diversity management, the definitions of it that are currently in use, and the reasons why it developed. In Section 2 it provides an insight into the kinds of activities which take place under the heading of diversity management in US companies. In Section 3 the report looks at the background context for the development of diversity management in Europe, and in Section 4 it considers the variables of European difference which may have implications for the form, content and expansion of diversity management practice. In Section 5 it addresses some of the critiques of diversity management. The report finishes with some observations on the relationship of diversity management to the issue of racial discrimination, and suggests some future issues for European researchers in this field.

It should be made clear from the outset what the parameters of this report are intended to be. Whilst the term diversity management encompasses a wide range of variables of 'difference', this report approaches diversity management primarily from the point of view of the dimensions of 'race' and ethnic origin, and the issues of equity and employment integration which are related to this.

Secondly, the report does not attempt to provide an overview of existing North American and European diversity management literature, and nor will it attempt to provide an overview of the current state of diversity management practice in Europe. The former would be an immense task, and the latter a valuable research project for the future. Instead the report draws on selected key sources of information with the aim of clarifying the relevant issues for those who wish to
research or observe the development of diversity management in the European context.

Finally, the report does not attempt to address the sorts of questions which have been asked in many other studies of diversity in organisations, such as "what are the effects of demographic diversity on a workforce’s creativity or productivity?", or "how can managing diversity techniques contribute to organisational goals?". Instead, this report is guided by a more focussed interest - "what can diversity management ideology and practice demonstrate to those who are concerned with issues of ethnic inequality, racial discrimination, and inclusion and exclusion in the labour market, in organisations and in society?" This question is posed with particular reference to the European context. In particular, one of the issues the report will address is whether diversity management can be accused of being a 'soft option', intrinsically weak on combating racism and discrimination in employment, or alternatively, whether it should be seen as a new way of mainstreaming anti-discrimination measures. It also raises the question as to whether the development of diversity management in EU member states will follow a relatively uniform trajectory because of common demographic, economic and market pressures, or whether the historical, cultural and institutional differences which exist between EU countries, and between the EU and the US, will have a determining impact on the adoption, content and operation of this particular management practice.

Methodology

This report is based primarily on searches of published literature on diversity management, as well as an exploration of material on the world wide web. Most of the literature was American, with other sources coming from Canada, Europe, Australia and New Zealand. There was no attempt to provide a representative overview or summary of diversity management literature. This would have been impossible, as both the conventionally published literature and web-based material is enormous, and expanding all the time. Where possible, use has been made of already existing surveys and overviews of practices and literature relating to diversity management. Nor has the report sought to
provide new primary data on the development of diversity management in Europe. Instead it attempts to provide an original analysis of existing sources of information in order to clarify the issues for future research. As part of this process the report modifies or creates from new a number of typologies covering discrimination and anti-discrimination activities. These serve as devices to provide points of reference for understanding and classifying practices, and as bases for comparison of these activities between national contexts within Europe. These typologies may then in the future be refined and modified by further research.

A first-hand insight into European developments came from eight interviews carried out over the period 2000 – 2002 with people with direct experience of diversity management and related issues who were able to provide an overview of the diversity management scene in their respective countries. These were semi-structured interviews lasting between one and two hours. About half were tape-recorded, for the remainder, notes were taken. The eight respondents came from four countries: Denmark, Sweden, the Netherlands and the UK. Most acted for at least part of their time as diversity management consultants, and others worked in NGOs or agencies concerned with the promotion of ethnic equality and/or diversity management at work. A great deal of further information was gleaned during participation in eleven conferences or workshops on the subject of diversity management or related issues of employment equity strategies during 2000 – 2001, in Belgium, Canada, Italy, Sweden, Switzerland, the UK and the USA.

What is diversity management?

Diversity management is the latest development in a sequence of strategies which have aimed to get excluded minorities better represented in employment. However, diversity management is said to be characteristically different from previous employment equity approaches directed at under-represented minority ethnic groups, such as equal opportunity and affirmative action approaches, in a number of ways. For one thing, its rationale is primarily one of improving organisational competitiveness and efficiency, driven by business purpose and market advantage. In relation to this it stresses the
necessity of recognising cultural differences between groups of employees, and making practical allowances for such differences in organisational policies. The idea is that encouraging an environment of cultural diversity where peoples' differences are valued enables people to work to their full potential in a richer, more creative and more productive work environment. An advantage of diversity management is said to be its more positive approach, rather than the negative one of simply avoiding transgressions of anti-discrimination laws. It is said to avoid some of the 'backlash' problems associated with affirmative action, as unlike previous equality strategies, diversity management is not seen as a policy solely directed towards the interests of excluded or under-represented minorities. Rather it is seen as an inclusive policy, one which therefore encompasses the interests of all employees, including white males.

Advocates of diversity management draw on different metaphors from those of previous organisational approaches. For example, the earlier idea of the “melting pot”, with its overtones of assimilation and “sameness”, is replaced with that of the “mosaic”, where “Differences come together to create a whole organisation in much the same way that single pieces of a mosaic come together to create a pattern. Each piece is acknowledged, accepted and has a place in the whole structure” (Kandola and Fullerton 1998: 8). An American food company’s commitment to diversity used the metaphor “A stellar meal requires contrasting and complementing textures and tastes.” Other examples are “A winning sports team depends on the different talents of its members. A first-class orchestra needs many varied instruments. And a successful business team requires a variety of thought, energy and insight to attain and maintain a competitive edge.” (HR Magazine November 1998). Metaphors such as ‘the salad bowl’ and ‘the patchwork quilt’, like ‘the mosaic’, are all part of what one American critic called the “celebratory and harmonious imagery” which aim to convey how the whole is “enriched by the differences of its component parts” (Kersten 2000: 242).

However, the creativity and enthusiasm exhibited in the flourishing use of metaphors goes side by side with a frequent sloppiness and conceptual slackness around the concept of diversity management, and some confusion or about what it covers in practice. In the European
context, for example, the term 'diversity policy' is in some cases simply employed to already existing practices of combating discrimination in the organisation, or indeed to any policy at all which relates to the employment of immigrants and minorities. Yet some commentators insist that a 'diversity policy' must contain something different, a 'managing for diversity' element which is more than furthering equal access to employment opportunity. It should refer to particular techniques of actively managing the diverse mix of people within the organisation in ways to contribute to organisational efficiency or business advantage (Wise 2000: 3).

Something else which causes confusion is the way that the word 'diversity' is used in practice. Instead of referring simply to the demographic mixture of people within an organisation, the term 'diversity' is becoming a shorthand for the practice of dealing with this mixture, i.e. the approach itself. This can be seen in the replies to a 1997 US survey where respondents were asked to define diversity in their organisations. Replies included "Diversity today is valuing the differences among people and ensuring that the work environment is representative of the variety of people that represents our country", "Diversity fosters an environment where all employees have the opportunity to reach their full potential" or "Diversity is the full utilization of all the talents and energies of all our people" (Wentling and Palma-Rivas 1997c). In each of these cases it would have been more accurate to replace the word 'diversity' by a term such as "diversity management" or "managing for diversity". In this report we will therefore maintain the conceptual distinction between 'diversity' as the condition of heterogeneity, and 'diversity management' as the management of that condition.

There is also a lack of agreement about what are the dimensions of diversity that should form the focus of organisational policies. Some prioritise the main 'primary' dimensions - sex, age, 'race' and ethnicity - whereas others see the term as encompassing every dimension of human difference within the organisation. As stated earlier, this report approaches the topic primarily from the point of view of the racial/ethnic dimension, which includes a consideration of the implications of including 'ethnic equality' practices within such an all-encompassing policy.
To sum up — this report will be looking at diversity management rather than diversity, it will be focussed primarily on the ethnic origin dimension rather the other dimensions, and it approaches the practice mainly from the point of view of its implications for employment equity rather than from questions of business efficiency.

The ethnic dimension

Although the practice of diversity management in the US is by definition multi-dimensional, the dimension of ‘race’ and ethnicity are always near the top in priority for managers in organisations. For example, “cultural diversity management competency” was ranked sixth highest in importance among 19 competencies by 500 American city managers and city human resource directors (Mohapatra et al. 1994, cited in Tschirhart and Wise 2001: 3). This is also the ‘angle’ which has stimulated the interest in the subject by practitioners and politicians in Europe. European governments are becoming increasingly concerned about issues of the social inclusion and exclusion of immigrants and ethnic minorities within their borders, and the important role that integration into employment plays in this. The communities established by post-war labour migrants in western European countries have long been over-represented in long-term unemployment or in poorly paid, insecure and generally undesirable work. There has been a tradition of media, politicians and employers emphasising what might be called ‘supply-side’ factors in this – immigrants are seen as having a weak command of the local language, or as having a poor educational history and fewer qualifications. ‘Integration policies’ therefore try to reduce these supply-side disadvantages by encouraging immigrants to take language courses, improve their education and attend vocational training courses, as well as courses in the host country’s culture and institutions. However, in recent years in Europe there has been an increasingly vocalised concern that this emphasis is flawed. Certainly an education and training approach can be necessary for newly arrived immigrants and refugees,

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1 The term ‘ethnic minorities’ in this report describes a relatively recent population, namely the post world war two immigrants and refugees from outside Europe, and their descendants, who often, but not always, have citizenship rights in an EU member state.
or in cases where economic restructuring and organisational changes have put new demands on longer-established immigrant workers (Wrench 1998: 37). However, they are often irrelevant for many long-settled migrants and their children. The problems faced by these groups are less easily explained by supply-side arguments. Even with fluency of language and parity in educational attainment, members of minority ethnic groups suffer labour market exclusion and marginalisation in comparison with their majority national peers. Here, demand-side factors are more important in constraining the employment opportunities of ethnic minorities in Europe (Zegers de Beijl 2000). One of these demand-side factors is ‘racial’ or ethnic discrimination. Indeed, according to a report by the European Union Monitoring Centre on Racism and Xenophobia (EUMC), presented to the European Parliament in January 2002, the labour market and the workplace are the main areas of complaints of discrimination by immigrants and members of ethnic and religious minorities living in EU member states.\(^2\)

Once the focus of attention shifts to the structures of societies itself - the institutions, laws and organisational practices - then diversity management becomes relevant. If part of the problem in the past has been direct or indirect organisational practices of exclusion, then diversity management represents an inclusionary alternative.

The origins of diversity management in the US

What caused the shift in thinking towards diversity management at the end of the 1980s in the US? American accounts generally agree on a similar set of factors which brought about this change. The first and key factor is usually stated to be the demographic one.

1. Demographic developments

In their reviews of the subject, Wentling and Palma-Rivas (1997a; 1997c) describe Workforce 2000: Work and Workers for the Twenty-First Century (Johnston and Packer 1987) as one of the most cited references in this respect. This and other reports made it clear that

\(^2\) EUMC newsletter no. 09, January 2002
dramatic changes were to be expected in the composition of the US workforce over the next twenty years:

the demographic change will be away from the European-American male and more towards an increasingly diverse and segmented population. This population will include women and men of all races, ethnic backgrounds, ages, and lifestyles. It will include people of diverse sexual/affectional orientations, religious beliefs, and different physical abilities, who will need to work together effectively (Wentling and Palma-Rivas 1997a: 3).

Thus it was argued that if managers did not find some way to accommodate this change, and how to recruit, manage and retain a diverse body of employees, the competitiveness of their organisation would suffer.

By the early 1990s, business leaders in the US were starting to sit up and take note. Wentling and Palma-Rivas quote a survey of 645 firms by the Towers Perrin & Hudson Institute (1990) which found that “74 percent of the respondents were concerned about increased diversity and, of these, about one-third felt that diversity affected their corporate strategy.” Most importantly:

This study also revealed two primary reasons for managing diversity: (1) the perception that supervisors did not know how to motivate their diverse work groups and (2) an uncertainty about how to handle the challenge of communicating with employees whose cultural backgrounds result in differing assumptions, values, and sometimes language skills (Wentling and Palma-Rivas 1997a: 4).

It has been pointed out that in recent years Hispanics and minority racial groups – non-Hispanic blacks, Asians (e.g. Chinese, Japanese, Koreans) and American Indians have each grown faster than the population as a whole. Whereas in 1970 these groups represented 16 per cent of the American population, by 1998 it was 27 per cent, and estimates put them at almost 50 per cent of the US population by 2050 (Mendoza 2000). When this is set in the context of an overall shrinking workforce and shortages of appropriately skilled labour, then the pressure on employers to attract and retain a more heterogeneous range of employees becomes even more crucial to business success. Johnston

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3 Some authorities dispute this and suggest the figure for the non-white US population in 2040 will be closer to 25 per cent (Lynch 1997: 35).
and Packer (1987) pointed out that over the coming decade, visible minorities, women and immigrants would account for 85 per cent of net new workers in the US labour force. Many authors pointed out the fact that in the context of a diverse workforce, companies were penalising themselves with unnecessary and excessive recruitment and training costs when women and ethnic minorities were exhibiting far higher labour turnover rates than white males, because of an unsympathetic organisational culture and environment.

An added dimension of demographic change is the fact that young people, who are more ethnically diverse than ever, are entering the workplace at the same time that the American workforce itself is ageing, throwing up new combinations of age and ethnic groups amongst co-workers.

2. The growth in minority communities as markets

In the same way that the workforce is becoming more heterogeneous, so the domestic market is becoming more ethnically diverse. The implication for businesses and service providers is that the employment of a diverse workforce and the proper management of this diversity will be increasingly necessary in order to be able to compete effectively in selling goods and services in these markets.

Diverse customers are more complex and differ in their needs, tastes, and desires. To understand and respond properly to a diverse customer base, businesses need to make their own workforce more diverse. ... by having employees who represent the diverse marketplace, organizations can communicate and serve diverse customers more effectively (Wentling and Palma-Rivas 1997b: 4).

3. The growth in the service sector

Another common factor quoted in the growth of diversity management is the shift from a manufacturing-based economy to a service economy. The fact that the majority of jobs in the US are now in the service sector provides a stimulus in itself to diversity management practices. This is because in the service area, interpersonal skills of employees have a

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4 Lynch (1997: 35-36) points out that this figure is frequently misunderstood and misquoted, and in reality means that the total number of new white male workforce entrants is more like 32-3 per cent of all the newly hired.
greater intrinsic importance, with a potential direct effect on the quality of service provision, and interactions between employees and clients have a direct bearing on business success. The argument is that customers are becoming more demanding, and will reflect a wider range of preferences than in the past. There will be more variation in what constitutes 'good service', and employees need to be able to interact with and 'read' customers who are increasingly diverse, ethnically and in other ways (Kossek and Lobel 1996: 7-8). In some cases companies will feel the need to recruit staff who reflect the ethnic mix of customer groups.

4. Organisational changes

Over the past decade or so organizations have undergone changes in their structures and in their operations in ways which are said to have direct implications for diversity management. New management strategies such as Total Quality Management place importance on harnessing the creativity and experience of individual employees in achieving organisational goals. Flexible working patterns and new forms of work organisation such as team working - including self-managed teams - have new implications for employee involvement and participation (Shapiro 2000: 304). Studies have shown that organisations which fail to gain and sustain employee involvement in these circumstances can experience difficulties in achieving organisational objectives. Shapiro argues that such problems can be a result of the tendency of organisations to value, train or communicate better with some groups of employees rather than others, and a failure to recognise the various factors that will motivate diverse employees to become involved. It is argued that “High and sustainable levels of employee involvement are dependent on creating an organisational environment that values, develops and motivates all employees” (Shapiro 2000: 305) – in other words, the proper management of diversity.

5. Globalisation and the increasing importance of foreign markets

US companies are increasingly buying companies in other parts of the world, and foreign companies are increasingly buying US companies. The North American Free Trade Agreement, the consolidation of the
European Union single market, and the disintegration of the former Soviet Union have all had implications in the 1990s for the internationalisation of organisational practices in the context of new opportunities for foreign links, investments and markets. The increasingly international way that organisations operate means that companies are faced with the need to manage diversity both at home and with their global partners (Kandola and Fullerton 1998: 30). Thus American corporations need a more multicultural perspective to be able to relate to employees, suppliers and customers abroad, and must develop the appropriate human resource practices to reflect this.

The above are generally agreed in American textbooks to be the main factors which help us understand the development of diversity management in America. Two further factors were suggested by a telephone survey of twelve diversity experts from across the United States (Wentling and Palma-Rivas 1997b). These were selected because of their experience on working with diversity programs in both public and private sectors, their publication and research record in the field of diversity, and their roles as diversity consultants with corporate and public-sector clients. When asked to identify the major factors that are influencing diversity initiatives in the workplace, they generally quoted the kinds of developments set out above - demographic changes, the diverse customer base and the increasingly global marketplace, etc. but also mentioned two more: qualitative changes in American identity politics and the pressure of American equal employment opportunity and affirmative action (EEO/AA) programmes.

With regard to the former, it was mentioned that now, in the increasingly diverse American workforce, people are "more comfortable being different". In the words of the authors of the report:

These people bring to the workplace a variety of experiences, values, cultures, physical abilities, religions, work styles, and so forth. They are no longer willing to deny their differences in order to assimilate into the organization's mainstream. They want to maintain their uniqueness and still receive the respect and support of the people they work with. They essentially want to be given the opportunity to use their talents and full potential and not have to pretend to be somebody else (Wentling and Palma-Rivas 1997b: 4).
With regard to the second mentioned factor - the pressure of American equal employment opportunity and affirmative action programmes – this is not really a reason which accounts for the specific development of diversity management as it was already a factor in existence for pre-diversity management equal opportunity initiatives. Nevertheless, it should be seen as a factor which plays a part in the continuation of diversity management. These final two factors may be significant when embarking later on our examination of the European context, as these appear to be factors which may not apply to the same extent outside the US.

Wentling and Palma-Rivas sum up the implications for the US. The demographic changes mean that employers will be forced to compete to attract, retain, and effectively manage all available employees. Now organisations are changing their cultures and beginning to apply more emphasis to valuing and managing diversity mainly because they have a greater understanding of the significant role that diversity will play in their future competitive and organizational success.

When considering the changes in society and the workplace, it is easy to understand the significant role that diversity will play in the future competitive and organizational success. Regardless of whether one looks at diversity as a societal, a workplace, or a consumer marketing issue, these demographic changes cannot be disregarded (Wentling and Palma-Rivas 1997a: 4)

Definitions of diversity management

At this stage it might be useful to consider a selection of definitions of diversity management set out by practitioners and academics. These have been taken from two American sources, (Wentling and Palma-Rivas 1997c; the Society for Human Resource Management) and one British (Kandola and Fullerton 1998). The American survey asked respondents, business practitioners, to define diversity within their organizations and describe how they had arrived at the definition. One common factor was that all defined the term in its broad sense, so that it could embrace everyone in the organization. One respondent stated:

Inclusion is an approach to diversity that is driven by the demand of business and maximizes individual contribution in a manner that serves the company, the marketplace, and the employees. It also establishes
diversity as an initiative that benefits everyone, rather than meet the
needs of a collect (sic) group of people (Wendling and Palma-Rivas
1997c: 19)

Others talked about “having an inclusive environment in which
everyone is valued and respected”, “the full utilisation of resources”, or
bringing “our employees, customers, vendors, communities, and other
associates together in a way that it has a positive impact on our
performance.” One respondent said “We are a global organization and,
therefore, we needed a global perspective; so we defined diversity very
broadly in order to tap into all the creativity and potential that diversity
brings.” Another study participant said “Our company was serving a
more diverse customer base and we needed employees that represent
that diverse marketplace.”

The Society for Human Resource Management provides examples of
how several leading American companies have chosen to define
diversity. For example, Texas Instruments (TI) states that their
“effectiveness at using the talents of people of different backgrounds,
experiences and perspectives is key to our competitive edge ...”
Diversity is a core TI value; valuing diversity in our workforce is at the
core of the TI Values Statement ... Every TI'er must work to create an
environment that promotes diversity ... Each TI business will develop
diversity strategies and measurements ...”. Similarly Harvard Pilgrim
Healthcare state that they are “committed to increasing the diversity of
staff at all levels while paying special attention to improving the
representation of women and minorities in key positions; to creating an
inclusive, respectful and equitable environment; to serving our diverse
members with culturally sensitive services, and to changing the
organizational culture through leadership, policies and practices.”

Kandola and Fullerton (1987: 7) collected a sample of definitions
from a range of written sources, and these provided definitions
consistent with those above, such as “Understanding that there are
differences among employees and that these differences, if properly
managed, are an asset to work being done more efficiently and

5 “How should my organization define diversity?” SHRM.
www.shrm.org/diversity/definingdiversity.htm
effectively” (Bartz et al. 1990: 321). Other examples from their section are:

The concept of managing diversity is inclusive - diversity includes white males. Managing diversity does not mean that white males are managing women and minorities, but rather that all managers are managing all employees. The objective becomes that of creating an environment that taps the potential of all employees without any group being advantaged by irrelevant classification or accident of birth (Hammond and Kleiner 1992: 7).

People are different from one another in many ways - in age, gender, education, values, physical ability, mental capacity, personality, experiences, culture and the way each approaches work. Gaining the diversity advantage means acknowledging, understanding, and appreciating these differences and developing a workplace that enhances their value - by being flexible enough to meet needs and preferences - to create a motivating and rewarding environment (Jamieson and O’Mara 1991: 3-4.)

Kandola and Fullerton then come up with their own definition of diversity management:

The basic concept of managing diversity accepts that the workforce consists of a diverse population of people. The diversity consists of visible and non-visible differences which will include factors such as sex, age, background, race, disability, personality and workstyle. It is founded on the premise that harnessing these differences will create a productive environment in which everybody feels valued, where their talents are being fully utilised and in which organisational goals are met (Kandola and Fullerton 1998: 8).

**Primary and secondary dimensions**

There are different approaches as to which particular dimensions of diversity are important. Wentling and Palma-Rivas state that in the US some people use narrow definitions which reflect American equal employment opportunity law, and define diversity in terms of race, gender, ethnicity, age, national origin, religion, and disability, whereas others simply define diversity as “All the ways in which we differ” (Hayles 1996: 105). Perhaps the most useful distinction they quote is that by Griggs (1995) who classifies diversity into primary and secondary dimensions:
Primary dimensions of diversity are those human differences that are inborn and/or that exert an important impact on our early socialization and have an ongoing impact throughout our lives. The six primary dimensions include (1) age, (2) ethnicity, (3) gender, (4) physical abilities/qualities, (5) race, and (6) sexual/affectional orientation. Griggs also concluded that human beings cannot change these primary dimensions. They shape our basic self-image and have great influence on how we view the world. The secondary dimensions of diversity are those that can be changed and include, but are not limited to, educational background, geographic location, income, marital status, military experience, parental status, religious beliefs, and work experience (Wentling and Palma-Rivas 1997a: 2).

Others have added 'physical appearance' to the first group and 'language' and 'lifestyle' to the second; some call the first group 'biological' dimensions and the second group 'experiential'.

Wise (2000: 3) warns that although practitioners mainly think of human diversity in terms of the primary dimensions of race, sex, and ethnicity, it should be noted that in the scholarly literature, heterogeneity and diversity often embrace a very broad spectrum of individual differences. Many of the academic studies of the effects of human heterogeneity on work-group and organisational performance have used the broad secondary dimensions of diversity, and it should be recognised that many key assumptions about diversity in the workplace are in fact drawn from research where diversity is very broadly defined. (This point is addressed further in Section 5.)

Differences from other approaches

If managing diversity is to be differentiated from previous assimilation approaches and the 'melting pot' metaphor, it is also to be differentiated from a conventional 'equal opportunities' approach too. American and British authors set out what they see as the main distinctions between diversity management and other employment equity approaches common in their respective countries. For the American case, Wentling and Palma-Rivas summarise the differences between American affirmative action/equal employment opportunity (EEO/AA) approaches and managing diversity in a table, first set out by Fernandez (1993) (see Table 1.1).
The American author Kersten (2000) summarises what she sees as the core features which make diversity management different and distinctive compared to previous approaches to tackling discrimination. She sees four main aspects to this. Firstly, diversity management advocates a *systemic transformation of the organization* as opposed to the singular emphasis on recruitment/selection that was characteristic of the older methods. Most commonly, there will be a ‘diversity audit’ of the company culture and its workforce statistics, then there will be a ‘diversity plan’ over several years that includes taskforces, extensive training programs that focus on teambuilding, cooperation and mentoring, and sometimes hiring and promotion plans. “In general, the stated aim of these diversity efforts is to change the organizational culture in such a way that it becomes an open, welcome and supportive environment for all people.”

Secondly, diversity management is also different in its *rhetoric*. “Diversity is not presented as a negative, external mandate but as a positive and voluntary effort on the part of the organization”. The third difference is that diversity efforts are *justified with economic rather than legal arguments*. Thus, it is argued that diversity will make the organisation more competitive in the labour market, enable better recruitment, facilitate the retention of qualified employees, create higher levels of productivity, creativity and group synergy, and allow more effective management of conflict within the organization. “Diversity management is not seen as a goal in and of itself, to be justified through some appeal to idealistic notions of justice, equality or fairness. Rather, it is an instrumental goal designed to enhance the overall effectiveness of the business itself.”

Finally, diversity management approaches use an *inclusive definition of diversity* in which any and all differences are considered as part of the diversity project. As an example she quotes from the Ford Motor Co.: “Diversity in the workplace includes all differences that define each of us as unique individuals. Differences such as culture, ethnicity, race, gender, nationality, age, religion, disability, sexual orientation, education, experiences, opinions and beliefs are just some of the distinctions we each bring to the workplace. By understanding, respecting and valuing these differences, we can capitalize on the benefits that diversity brings to the Company”. By considering all
Table 1.1: The Differences Between Managing Diversity and Affirmative Action/Equal Employment Opportunity (AA/EEO)

<table>
<thead>
<tr>
<th>Managing Diversity</th>
<th>AA/EEO</th>
</tr>
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<tbody>
<tr>
<td>1. Top management plays crucial leading roles</td>
<td>1. Top management delegates the leading roles to AA/EEO administrators</td>
</tr>
<tr>
<td>2. AA/EEO is a crucial part of the diversity strategy</td>
<td>2. AA/EEO is a separate strategy</td>
</tr>
<tr>
<td>3. Strategic part of the business plan</td>
<td>3. Not strategic, not tied into the business plan (except in progressive companies)</td>
</tr>
<tr>
<td>4. A strong linkage to managerial performance evaluations and rewards</td>
<td>4. No real linkage to managerial performance evaluations and rewards</td>
</tr>
<tr>
<td>5. A crucial strategy linked to team-building and quality efforts</td>
<td>5. A corporate strategy not linked to team-building and quality efforts</td>
</tr>
<tr>
<td>6. A wide variety of programs that affect the organization’s cultural values and norms</td>
<td>6. Targeted special programs with little strategic focus that have no significant impact on the organization’s cultural values</td>
</tr>
<tr>
<td>7. Long-term linked commitments that use ongoing acquired knowledge as building blocks for future strategies, plans, and goals</td>
<td>7. Short-term, unlinked commitments with very little building on acquired knowledge for the next steps</td>
</tr>
<tr>
<td>8. Emphasizes strategies to more effectively manage a diverse customer base, a more diverse stakeholder base, and a more diverse influencer base</td>
<td>8. Emphasize strategies to deal primarily with employees, not customers, influencers, and stakeholders</td>
</tr>
<tr>
<td>9. Inclusive (focuses on all employees regardless of race, ethnicity, gender, age, religion, language, personality, sexual orientation, physical/mental limitations, and so on)</td>
<td>9. Exclusive (primarily focuses on women and people of color)</td>
</tr>
<tr>
<td>10. Respects, values, understands, and appreciates differences</td>
<td>10. Attempts to make individuals conform to organizational norms</td>
</tr>
<tr>
<td>11. Produces significant change in reward, recognition, and benefit programs</td>
<td>11. Reward, recognition, and benefit programs not changed</td>
</tr>
<tr>
<td>12. Both an internal strategy (i.e., a crucial aspect is to be actively involved in community and social issues around diversity)</td>
<td>12. Primarily an internal strategy (i.e., only a limited involvement in community and societal issues to meet governmental requirements)</td>
</tr>
</tbody>
</table>

people as "equally unique", diversity management seeks to appeal to a broad audience (Kersten 2000: 242).

The British authors Kandola and Fullerton largely agree with the American writers over the main differences between diversity management and what is called in Britain an 'equal opportunities' approach, (which can include within it 'positive action' rather than US-style affirmative action). In particular, Kandola and Fullerton see managing diversity as differing from equal opportunities in its lack of reliance upon positive action. Positive action is where organisations take special initiatives to redress perceived gender or ethnic imbalances in the workforce by, for example, providing special training for women and minorities. A number of American authors argue that there is no place for such measures within diversity management - "organisations must recruit, develop and promote on the basis of competence rather than group membership" – and Kandola and Fullerton agree that "If managing diversity is about individuals and their contribution to an organisation rather than about groups, it is contradictory to provide training and other opportunities based solely on people's perceived group membership." In fact, as we shall see in Section 6, there are some diversity management practitioners who disagree with this view.

The American writers Kelly and Dobbin (1998) set out their own interpretation of the differences between diversity management and earlier approaches (see Table 1.2). However, in their case they make a three-fold distinction between a diversity approach, affirmative action and equal employment opportunities, and add some more subtle dimensions to the scheme, such as the differences in cultural values which are implicit in the three approaches. The values underlying the equal employment opportunity approach are egalitarianism and meritocracy, and those underlying the affirmative action approach are a concern to remedy past wrongs. These contrast with the values underpinning diversity management which are inclusiveness and a respect for difference.

Some writers further divide the 'diversity' category into two, distinguishing an earlier stage of 'valuing diversity' from the later stage of 'diversity management' (Thomas 1990). Valuing diversity is a stage beyond affirmative action because it involves a positive recognition of the differences among people in the organisation, valuing the
<table>
<thead>
<tr>
<th>Source</th>
<th>Equal Employment Opportunities</th>
<th>Affirmative Action</th>
<th>Diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statute</td>
<td>Executive order and federal regulations</td>
<td>Human resources specialists in academic and organisational settings</td>
</tr>
<tr>
<td>Rationale for adoption</td>
<td>Legal compliance</td>
<td>Legal compliance for contractors</td>
<td>Strategic advantages</td>
</tr>
<tr>
<td>Implicit cultural values</td>
<td>Egalitarianism, meritocracy</td>
<td>Remedy past wrongs</td>
<td>Inclusiveness, respect for difference</td>
</tr>
<tr>
<td>View of the problem</td>
<td>Limited access and individual's bigotry</td>
<td>Limited access, coupled with limited networks and skills</td>
<td>Organisation loses out by requiring workers to assimilate to White male system</td>
</tr>
<tr>
<td>View of solutions</td>
<td>Formalization and commitment to nondiscrimination will lead to minorities' and women's advancement</td>
<td>Targeted programmes for recruitment, mentoring, training will lead to minorities' and women's advancement</td>
<td>Co-ordinated efforts will remove systemic, institutional barriers blocking minorities' and women's advancement</td>
</tr>
<tr>
<td>Concrete practices</td>
<td>Policies, statements, grievance procedures, internal dispute resolution systems</td>
<td>Affirmative action plans with goals and timetables, revision of performance review criteria, sensitivity and interaction skills training, networking and support groups, targeted recruiting, targeted training</td>
<td>Policies, statements, diversity action plans with goals and timetables, revision of performance review criteria, diversity awareness and skills training, networking and support groups, diversity task forces, culture audits</td>
</tr>
<tr>
<td>Concrete effects</td>
<td>Workers have recourse, within organization, for dealing with discrimination</td>
<td>Minorities and women brought into and moved up the pipeline</td>
<td>Unclear</td>
</tr>
</tbody>
</table>

contribution that each can make to the work environment. Managing
diversity goes further than this by actively managing these differences
in ways which contribute directly to business goals (Wise 2000: 3).

Kelly and Dobbin make it clear that their distinctions relate to
differences in theory, whereas in practice there is a “significant
convergence” between the types. The same point can made regarding
the distinctions made by others quoted in this section above, namely
that the differences between diversity management and earlier
approaches on some dimensions can be considered to have been
somewhat overstated. This might reflect an academic desire to create
more distinctive ‘ideal types’ for theoretical and conceptual
clarification; on the other hand, more prosaically, it may reflect an
activists’ desire to distinguish it from more unpopular approaches,
thereby making the work of diversity management consultants more
acceptable to business. As will be seen later in this report, the
difference between diversity management and earlier approaches is in
practice not always clear.

The advantages of diversity management

Across the diversity management literature there can be found an
immense and ever-expanding number of case studies of private
companies and public sector organisations which describe their own
experiences of the benefits that diversity initiatives have provided to
their organisation. The major recurring themes in such case studies can
be briefly summarised as follows:

The advantages of diversity management are seen to be

• providing access to a greater pool of labour from which to
recruit, given the regular periods of labour and skill shortages
which affect some employers. A positively recognised diversity
initiative can also increase the quality of applicants attracted to
the company.

• using the skills and talents of the workforce appropriately, and
ensuring that selection decisions are based on rational criteria.

• making products or services more attractive to multi-ethnic
customers and clients.

- increasing creativity, innovation and problem solving through the inventiveness of diverse work teams.

- stimulating more flexible working practices through responding to the needs of a diverse workforce. This flexibility itself can enhance the creativity and efficiency of the organisation.

- accessing international markets with more success, in particular when a diverse workforce allows a company to draw on the skills or connections of employees to reach new markets.

- avoiding internal problems such as conflicts and misunderstandings, grievances, higher absenteeism, greater staff turnover, and damage to staff development.

- avoiding the costs of racial discrimination, such as damage to the organisation’s image through adverse publicity, or the financial penalties resulting from legal cases.

- enhancing the likelihood of winning contracts through the positive image of a diverse sales team, or winning sales from corporate clients who themselves put a high priority on the diversity policies of their suppliers or partners.

Whilst some diversity management advocates collectively bundle all these as universally accessible advantages, it is clear, as we see in Section 5, that in reality not all of these are relevant in all circumstances.

The historical evolution of diversity management in the US

Finally in this section we consider the historical changes in the evolution of diversity management. Lorbiecki and Jack (2000) suggest that it is useful to highlight key points in its historical progress because it helps us to make sense of contemporary critiques of the practice. They set out what they describe as “interesting twists and turns” in the
evolution of diversity management, and identify “four main turns in ideas” in its development. These are:

1. demographic
2. political
3. economic
4. critical

Lorbiecki and Jack identify the beginning of the demographic phase with the publication of the report, Workforce 2000 (Johnston and Packer 1987) which caused American business people and academics to take note of the increasingly heterogeneous workforce in the US, and the declining proportion of white males. The political phase began when it was realised that diversity management thinking constituted an acceptable and palatable alternative in the context of the new-Right political assault on affirmative action which began with the Reagan government. The economic phase came later with the publication in the early 1990s of economic arguments that organisations would suffer in terms of their performance and image if they did not pay immediate attention to managing diversity. Finally, the critical phase came when problems were encountered in the implementation of diversity management. From some people came a sense of frustration and disappointment that diversity initiatives had failed to deliver their promises of greater equality within the workforce as a whole. In some cases there have been examples of ‘white backlash’ even though a diversity management approach is supposed to reduce the likelihood of this. There has also developed a critical academic literature questioning some of the underlying paradigms and assumptions of diversity management (some of these are reviewed in Section 5 of this report).

This short overview of diversity management has set the scene for a number of questions to be considered in this report. For example, is the trajectory and form of diversity management in Europe significantly different from that in the US? It seems that the major demographic and organisational developments which have stimulated diversity management in the US can also be said to apply in Europe. Nevertheless, the historical and political context of diversity management in Europe is different in many significant ways from that

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6 Lorbiecki and Jack warn that although for ease of reference they have identified these singly, in practice they are parts of interlocking, continuous strands (2000: 20)
in the US. For example, there has been nothing like the US experience with affirmative action in Europe, and no parallel political movement against it. It is by no means clear that a similar classification of stages identified by Lorbiecki and Jack in the evolution of diversity management in the US applies in the EU context. It is also an open question as to whether diversity management is so clearly distinguishable in a European context from earlier employment equity approaches at an organisational level. The implications of these international differences are among the issues considered later in this report.
24 John Wrench
Diversity Management in the USA

This section presents information on diversity management practice in the USA, drawing on existing surveys of the topic. The aim is to present a brief overview of the main characteristics of diversity management practice in the USA, so as to facilitate a proper understanding of European developments. In 1997 one American official agency, the Equal Employment Opportunity Commission, set out what it saw as best practice in achieving diversity (Mendoza 2000).

Best practice in achieving diversity

The Commission convened an internal task force and published a report entitled "Best Practices of Private Sector Employers." This divided its study of policies, programmes, and practices into six major groupings:

1. Recruitment and Hiring: Here the emphasis is on affirmative recruitment programs designed to create a diverse workforce, such as 'internships' or work experience, recruitment strategies, and education and training programs used for hiring.

2. Promotions and Career Advancement: These initiatives are on programs that have eliminated barriers to the advancement of diverse under-represented groups. They include mentoring, education and training for purposes of promotion, and career enhancement initiatives.

3. Terms and Conditions: Under this heading the focus is on programmes to accommodate differences such as on religion, as well as
on harassment at work, pay equity, employee benefits, and family-friendly policies and practices.

4. Termination and Downsizing: Here, examples of good practice are seen as retraining and placement programs, financial counselling or training grants and loans for employees displaced by downsizing programs, and non-discriminatory early retirement programs.

5. Alternative Dispute Resolution: This heading covers initiatives on "early resolution of employment discrimination complaints and voluntary and effective alternative dispute resolution programs", including mediation and arbitration.

6. Other: This category covers "other policies, programs or practices not readily identified". An example here is groups and networks within the organisation for women or minorities.

Mendoza adds that since management commitment and accountability are driving forces behind a company's EEO policies, programs, and practices, a seventh grouping was created by the EEOC. This is:

7. Leadership and Accountability: The focus here is on what management was saying and doing, performance appraisals, compensation incentives, and other evaluation measures (Mendoza 2000: 6).

These were set out as headings of 'best practice' in 1997. It is therefore interesting to look next at a survey of American employers to determine what diversity initiatives they are actually engaged in, published in the same year. The source of this information is a study of the current status of diversity initiatives in multinational corporations. (Wentling and Palma-Rivas 1997c). For their survey Wentling and Palma-Rivas used interviews with workforce diversity managers or directors responsible for diversity initiatives in multinational corporations headquartered in the state of Illinois. Eight companies were selected that were considered to be "exemplary in their diversity efforts". They were all Fortune 500 multinational corporations and represented the
sectors of food, electronics, chemicals, petroleum and pharmaceuticals, plus one specialist retailer. The interview material was augmented by analysis of documents related to the organisations' diversity initiatives and annual reports as well as from broader sources.

Factors which had influenced diversity policy

The study participants were asked to list the factors which had influenced diversity initiatives in their organizations. All of them identified the following factors: demographic changes, the diverse marketplace, and the need to improve productivity and remain competitive. They explained that a diverse workforce and a changing market place are related in a way that has implications for their internal practices. As one stated "We are now starting to realize that we cannot effectively address diversity in the marketplace without also effectively addressing diversity in the workplace" (Wentling and Palma-Rivas 1997c: 21). What was noticeable in the replies of these respondents was their apparent certainty that diversity management was related directly to improving productivity and remaining competitive. For six out of the eight companies, globalisation was stated to be an important factor influencing diversity initiatives, as these companies now had to “understand global markets and cultural implications of conducting business worldwide” (Wentling and Palma-Rivas 1997c: 21). One said

We have been really proactive. We see that if we don't have the diversity we need on board and we don't value and leverage it, we are not going to be successful in the global market, because we will not be able to deal effectively with the diversity issues here and in other countries. To be successful, we have to have the global perspective (Wentling and Palma-Rivas 1997c: 22).

Three of the eight company respondents also cited legal concerns as a factor influencing their adoption of diversity initiatives, as “implementation of effective diversity initiatives can assist in the reduction and prevention of costly lawsuits relating to race discrimination, sexual harassment, and gender discrimination lawsuits”. (Wentling and Palma-Rivas 1997: 21). Half of the study participants mentioned “the Texaco incident”. This was a $176 million racial discrimination lawsuit against Texaco, which “created awareness for
these corporations regarding the negative effects of not having diversity initiatives in place". One of the respondents stated that the President of his company "basically said he did not want their company to be a Texaco" (Wentling and Palma-Rivas 1997c: 22).

All of the corporations stated that they had started their diversity programs as a result of the Civil Rights Act or movement, and the necessity of complying with affirmative action requirements. This brought women and minorities into the organisations; however, they were at the lowest levels, and without any support systems – "they were treated like outsiders." They were not being fully utilised, and had high rates of labour turnover. This led to the second stage in the evolution of diversity initiatives, the development of support systems. The initiatives introduced by the majority of the corporations at this stage included task forces, employee networks, advisory councils, hiring consultants to develop frameworks for addressing diversity, and introducing awareness-based diversity training. Later stages included the start of articulation of the business case for diversity, a more strategic approach to diversity linked to the business plan, the involvement of the upper level management, and the communication of the value of the diversity process in company newsletters or speeches. In some cases diversity accountability guidelines for managers might be established; quantitative and qualitative diversity performance measures might be developed, and diversity mission statements established (Wentling and Palma-Rivas 1997c: 23).

**Most common diversity initiatives**

From this survey Wentling and Palma-Rivas created a list of the diversity initiatives which were most frequently cited. Table 2.1 shows the most common, in this case those cited by five or more of the eight corporations. All of the respondents stressed the key role of senior management in the process, whose role included such things as communicating throughout the organization the importance of diversity as a business issue through policy statements, memos, letters, speeches, company newsletters and newspapers, and reports. (Wentling and Palma-Rivas 1997: 26). All corporations used consultants in some way to help with their diversity initiatives; some had a team of internal
consultants, some used external consultants. All were trying to increase the representation of women and what is called in the US “people of colour” into the managerial level. All had special initiatives to recruit and promote women and people of colour, and most had initiatives aimed at increasing their retention. Seven out of the eight companies had diversity awareness and diversity skills training for managers and employees, with five of them offering diversity training to senior management. Three quarters of the participants’ corporations had methods for measuring the diversity performance, and over half of the companies had a diversity council to monitor how diversity issues relate to each organisational function. Over half of the corporations had initiatives dealing with management accountability related to diversity performance. Managers are held accountable for developing diversity action plans to meet their business unit and corporate goals and objectives, and diversity performance at both the business unit level and the individual level is then linked to compensation (Wentling and Palma-Rivas 1997: 31). Some examples of quantitative indicators of diversity performance were the number of women and minorities hired, the number of women and minorities promoted, the retention rates of women and minorities, and the level of employee complaints. Other measures might be employee attitude surveys of management behaviour, focus groups, employee satisfaction surveys, exit interviews, former employee surveys and self-evaluations (Wentling and Palma-Rivas 1997c: 32).

Five of the corporations allowed employee networks or support groups. These groups provide a forum where members can share common experiences and concerns and become resources to each other, and where career guidance information can be exchanged. Examples are groups of women, African Americans, Hispanics, or Asian Americans. They may sometimes evolve into ‘advocacy groups’ that negotiate with management on career development and other issues (Wentling and Palma-Rivas 1997c: 33-34).
Table 2.1 (from Wentling and Palma Rivas 1997c, 35-36)

<table>
<thead>
<tr>
<th>Diversity Initiatives Most Frequently Cited by Participants</th>
<th>f</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Senior management commitment</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>2. Diversity linked with business strategic plan</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>3. Consultants</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>4. Diversity mission statement</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>5. Recruiting plans for women and people of color</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>6. Increase numbers of women and people of color in management</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>7. Affirmative Action goals and plans</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>8. Diversity strategic plan</td>
<td>7</td>
<td>88</td>
</tr>
<tr>
<td>9. Retention plans for women and people of color</td>
<td>7</td>
<td>88</td>
</tr>
<tr>
<td>10. Diversity awareness training for managers and employees</td>
<td>7</td>
<td>88</td>
</tr>
<tr>
<td>11. Diversity skill training for managers and employees</td>
<td>7</td>
<td>88</td>
</tr>
<tr>
<td>12. Support for diverse cultural programs</td>
<td>7</td>
<td>88</td>
</tr>
<tr>
<td>13. Scholarships with a diversity focus</td>
<td>7</td>
<td>88</td>
</tr>
<tr>
<td>14. Marketing plan for diverse customer base</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>15. Diversity statement in annual report</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>16. Diversity performance linked to corporate objectives</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>17. Monitor and report progress related to diversity</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>18. Diversity brochure</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>19. Diverse selection and promotion process</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>20. Valuing diversity training for managers and employees</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>21. Diversity training senior management</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>22. Sponsor women and minority associations</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>23. Sponsor educational programs for minorities</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>24. Company foundation funding with a diversity focus</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>25. Articles in company newsletter</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>26. Seek public attention for diversity efforts</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>27. Letter/memo from CEO in diversity plan</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>28. Diversity accountability guidelines for managers</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>29. Quantitative and qualitative diversity performance measures</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>30. Flexible work time</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>31. Identification process for high potential women and people of color employees</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>32. Employee networks or support groups</td>
<td>5</td>
<td>63</td>
</tr>
</tbody>
</table>
Advantages of such employee networks are that they can assist in the process of employee retention, or that they can provide feedback on its diversity management performance and other company policies. (Not everyone agrees that these are unequivocally a good thing – some argue that there is a danger that they might become internally divisive and provoke a backlash from other employees, or they may take on the traits of unions and confuse existing formal procedures for handling disputes.)

The research participants were requested to identify the dimensions of diversity that their corporations have addressed most. Given that in theory diversity management is supposed to encompass a range of dimensions, it was noticeable that all of the corporations studied placed a very strong emphasis on ‘race’ and gender. One respondent stated:

Diversity should include all differences, but the first major focus should be on race and gender. The reason for this focus is that you cannot get to more sophisticated aspects of diversity such as appreciation of diversity and diversity of thought if you cannot deal effectively with very visual diversity such as race and gender. The United Stated has not dealt effectively with race and gender, and with global competition coming we have to get serious about it now, or we are going to lose our competitive advantage (Wentling and Palma-Rivas 1997c: 39).

All of the corporations put a great emphasis on improving the representation of women and people of colour at the managerial level.

**Evaluation of diversity initiatives**

Six of the eight organizations reported that they evaluated their diversity initiatives, although to do this effectively was reported to be difficult and time-consuming. Six of them used surveys of employees, for example, asking for employees’ perceptions one to two years after an original employee survey was conducted, to give the organisation a basis for comparison from the point at which it began the initial diversity initiative. Another six stated that over time they monitored data on employees, such as labour turnover rates, retention, hiring, and promotion of women and minorities, to evaluate the effectiveness of diversity initiatives. This would also show whether people from diverse

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7 HR Magazine (Society for Human Resources Management)
www.shrm.org/diversity/empnetworks1.htm
groups were represented at all levels of the organization, especially at
top management level. (Other statistics which might be used are those on
absenteeism and grievance complaints). Three of the respondents
reported that their corporations used focus groups\textsuperscript{8} as a method for
evaluating diversity initiatives. The focus groups were used to gather
information from employees to determine their perception about the
progress of diversity initiatives in the organization. Another three used
‘benchmarking’, to assess the company’s progress in relation to other
companies who are seen as exemplary in addressing diversity
(Wentling and Palma-Rivas 1997c: 45).

Effectiveness of diversity initiatives

The research participants were asked to identify the particular diversity
initiatives that are the most effective in their corporations. Seven out of
the eight indicated that education and training diversity initiatives were
among the most effective. Half of them stated that performance and
accountability diversity initiatives were among the most effective ones.
Examples of these were the use of diversity accountability guidelines
for managers, rewarding employee behaviour that reinforces diversity,
and quantifying diversity performance measures. However, although
many diversity initiatives were identified as effective, many of the
respondents emphasised that no single diversity activity, used in
isolation, is likely to address the problem effectively, but should instead
be seen as part of an overall and comprehensive diversity strategic plan
that includes many initiatives together (Wentling and Palma-Rivas
1997c: 40).

The study participants were asked to specify how effective the
corporation’s overall diversity initiatives had been. Six of the eight
participants stated that the diversity initiatives have been very effective
and have had a positive impact on employees and the organization.
Two others stated that it was too early to judge the impact of the
diversity initiatives. One of the respondents could point to statistical
evidence on the improvement of the position of women in the
organisation; others drew on more subjective indicators, such as the

\textsuperscript{8} e.g. small groups of 6 – 10 people who discuss problems and issues related to the
diversity policy, and whose discussion is noted by a facilitator.
positive feedback they get from their employees from presentations on diversity and the diversity training efforts (Wenting and Palma-Rivas 1997c: 47). Nevertheless, some important aspects were identified as very difficult to evaluate. Six of the study participants indicated that impact of diversity on profitability was difficult to evaluate, and another six stated that impact of diversity on productivity was difficult to evaluate. The problem was that profitability and productivity are influenced by so many factors that it was difficult to isolate the specific diversity initiatives that caused the increased productivity or profit levels efforts (Wenting and Palma-Rivas 1997c: 47-48). Three respondents stated that it was difficult to evaluate the changes in employee behaviour and attitudes that were due to the diversity programme, as these changes may take a long time to occur and many times may go unnoticed (Wenting and Palma-Rivas 1997c: 48).

The diversity management literature is characterised by an enormous amount of case studies where companies set out the perceived benefits of their diversity policies. In 1994 a US federal commission on the economic imperative of managing diversity concluded “Organizations which excel at leveraging diversity (including the hiring and advancement of women and nonwhite men into senior management jobs, and providing a climate conducive to contributions from people of diverse backgrounds) will experience better financial performance in the long run than organizations which are not effective in managing diversity.” The report quoted a study that found that the stock market performance of the firms that were “high performers” on goals relating to equal opportunities was 2½ times higher than that of firms which had invested little in such issues.9

The ‘normality’ of diversity management

Now, at least for the bigger corporations, it seems that in the US a diversity management policy is a relatively normal and uncontroversial business practice. Among the various ‘Fortune Lists’ of company performance there is now one called “Best for Minorities” which rank

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9 M. Lauber “Studies show that diversity in workplace is profitable” www.villagelife.org/news/archives/diversity.html
companies on 15 different quantitative and qualitative measures, such as how well minorities are paid, and how many are in management positions. Of the top 50 companies on this list, Fortune states “Each of these companies takes extraordinary care to recruit and retain a diverse workforce – even, in some cases, at the cost of throwing over the old culture and constructing a new, more inclusive one in its place.”\textsuperscript{10} One indicator of the seriousness with which companies now take diversity policies is said to be the recent evidence that a commitment to diversity is being maintained even during a time of economic downturn. One major Californian computer workstation manufacturer was recently forced to lay off 1000 workers, 10 per cent of its workforce. One of the criteria it used in deciding the lay-offs was that of diversity, so that the company monitored its workforce to make sure that its diversity mix was maintained and that no one group of employees was disproportionately affected. One commentator made the point that traditionally a diversity programme might have been seen as a luxury, an indulgence for when times are good. “But sticking with that commitment during a souring economy is something new, and a signal of how seriously corporate America now takes diversity”\textsuperscript{11}

\textbf{Differences in the US and European contexts}

If diversity management has become relatively ‘unremarkable’ in the US, this does not necessarily mean that the same thing will happen in Europe. There may be some factors within the US that make it a more sympathetic environment for diversity management than in the European context, or it may be that the emphasis and shape of diversity management policies in Europe will be different. For one thing there may be differences between the US and EU context in the factors which pressure companies to adopt diversity management policies in the first place. For example, the size of the US minority ethnic population is more than a quarter whereas in EU countries it often lies around 5 or 6 per cent. Furthermore, the US has long had relatively strong anti-discrimination legislation, contract compliance and affirmative action which have set the historical context for diversity management and its

\textsuperscript{10} Fortune.com, 10 July 2000
\textsuperscript{11} Fortune.com, 9 July 2001
antecedents. Alongside this is a much greater readiness to resort to the courts in cases of 'race' and sex bias, and the existence of far greater financial penalties for transgressions. For example, in 1996 a racial discrimination lawsuit against the oil company Texaco resulted in an award of over $176.1 million (Wentling and Palma-Rivas 1997c: 8). In Europe there is nothing like laws and practices of this strength. There have been several comparative analyses of the workings of national anti-discrimination law, and of enforcement agencies, in Europe in the 1990s (Forbes and Mead 1992; CEC 1993, MacEwen 1995; MacEwen 1997) highlighting the wide variation in the effectiveness of such laws between EU countries. In some cases there remains very little legal pressure on employers to avoid racial discrimination; in some others there is recently enacted legislation, the effects of which cannot yet be properly judged. In some European countries, legislation against employment discrimination does not cover the private sector. Even when strong law exists in theory, there can be problems in practice. The case of France is an example where a number of problems have been experienced with the use of the criminal law against racism and discrimination, and cases of employment discrimination are seldom brought to court for lack of concrete evidence (De Rudder et al. 1995). In France in 1993 there were just two convictions for racial discrimination in employment (Banton, forthcoming), and in Sweden, during the year following the introduction of the 1994 law against employment discrimination, not one case of alleged discrimination found its way to a work tribunal, even though the Discrimination Ombudsman had received 75 complaints from members of the public (Graham and Soininen 1998). Of course, the legal context is constantly changing – Sweden has now introduced a more effective law, and other countries will be pressured to do something similar following the EU equality directives of 2000 (see Section 4).

Another thing to remember is that US companies on the Fortune lists described above, and those in the Wentling and Palma-Rivas survey, were all large corporations, many of them multinational enterprises. It is argued that diversity policies are more likely to find sympathetic homes in larger companies. Whilst more than 75 per cent of the Fortune 1000 companies in the US in 2001 have some sort of diversity
initiative, other companies may be less likely to have them. For example, a survey carried out in 1998 found out that whereas at that time 75 per cent of Fortune 500 companies had diversity programmes that had been developed more than five years previously, only 36 per cent of companies in general had a diversity programme. This factor could be relevant for our European focus, as in some European countries a much higher proportion of business activity takes place in small and medium-sized companies compared to the US. Denmark, for example, is a country characterised by relatively small businesses, many without anything like a formal human resource function. As Glastra et al. (1998: 172) state, in connection with the Netherlands,

Equity policies have far less salience in smaller firms (...) Such firms often lack the human resources capacity to address legal requirements (...) while they may feel much more dependent on a stable workforce. Hence it might not be very realistic to expect them to follow the example set by larger corporations...”

These kinds of differences between the US and EU provide the starting point for the next two sections. Section 3 looks at the background context for the development of diversity management in Europe and Section 4 looks at some of the implications for diversity management of differences which exist between the US and Europe, as well as of the differences which exist between EU countries themselves.

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12 Fortune.com, 9 July 2001
The Background to Diversity Management in Europe

Whilst it has been possible to trace the origins and lineage of diversity management in the US relatively logically through certain historical stages, (see Section 1) the developmental stages of diversity management in Europe seem to be less clearly defined. Of course, many of the structural factors said to have lain behind the development of diversity management in the US – demographic changes, globalisation, the growth in diverse markets, the expansion of the service sector, organisational developments - also apply in the European context. These have created similar pressures on European enterprises. And, of course, the Europeans have had the example of the earlier US experience to learn from. American-owned companies in the EU became exposed to diversity management ideas from the parent company, and some European managers and consultants came back from visits to America enthused with the new idea to spread the word back home. However, as well as these, diversity management in Europe also had some home grown roots, and some of these were qualitatively different to the US.

Intercultural management

One of the roots of diversity management came from established practices of intercultural management in regard to companies which operate internationally. The theory and practice of intercultural management arose in opposition to the earlier prevailing assumption that there is ‘one best way’ in management practice, and that the values of the parent company can be simply maintained in foreign subsidiaries.
By this earlier assumption, cultural diversity had been threatening. The alternative is the 'polycentric approach':

The polycentric approach begins with the idea that a universal strategy is not possible and that international businesses should accommodate to the local situation: "When in Rome, do as the Romans do" ... Diversity is allowed and appreciated and monitoring from above is substituted by relative autonomy of local branches (Koot 1997: 325).

The academic discipline of intercultural management became relatively well established in some European universities. When, in European countries of immigration, an awareness began to develop that the post war labour migrants were not in fact 'guestworkers' but were developing into settled ethnic minority communities which would continue to maintain some aspects of cultural identity and practice, then intercultural management practices became seen to be relevant to home-based enterprises and not only to companies with overseas branches.

**Equal opportunities and anti-discrimination policies**

Whilst the legal and administrative pressure on companies through equal employment opportunities/affirmative action (EEO/AA) were peculiar to America, there are some countries in Europe, notably the Netherlands and the UK, with legislation providing a stimulus to practices of equal opportunity policies in organisations. There also developed within these countries a body of expertise, a tradition of consultants and a class of experts within management similar to the human resource professionals in the US, described by Kelly and Dobbin (1998), who developed into the American diversity advocates and specialists of later times (see Section 5). As well as this, there were some campaigns about how good business practice is reflected in the employment of a diverse workforce, even if these were not yet voiced in the specific language of diversity management. Having said this, the difference of the EU context is that these were not widespread, and in most member states there was nothing like the US EEO/AA pressure for action, and nor was there an identifiable management constituency of professionals working with these issues.
EC influence on anti-discrimination practice

In the context of the wide variety in levels of awareness and practices within the EU there was a growing influence of EU-wide institutions which were attempting to raise awareness and change practices. One of the topics on the EU agenda was that of racial and ethnic discrimination in employment. Although in the UK, which had more closely followed the American tradition, there was a reasonably developed awareness of employment discrimination, reflected in legislation, organisational practices and in academic traditions, it is probably true to say that in Europe as a whole the pressure on policy from a knowledge of discrimination and a desire to do something about it was much less a stimulus to action than had been the case in the US. This began to change in Europe during the 1990s, with the increasing evidence of research, and the lobbying of NGOs and immigrant organisations. The wider variation in experience within the EU compared to within the US gave added significance to the factor of the pressure from the European Commission and other EU-wide institutions on combating discrimination and disseminating good practice on the employment integration of Europe’s immigrants and ethnic minorities.

Within the EU, guidelines by European institutions are increasingly important in influencing labour market interventions at a national level, and behind some of these exhortations are European directives on the subject which have legal force. A directive is an instrument which lays down a common basis in goals to be achieved through legislation, whilst allowing each national government the flexibility to achieve this according to the different legal systems and conditions in their respective national contexts. In 2000 the directive to implement equal treatment irrespective of racial or ethnic origin came into force, which, amongst other things, prohibits discrimination in relation to access to employment and training, and to working conditions. As a result, all national states were given until July 2003 to transpose this into their national law, and this has the effect that employers within each country need to ensure that principles of equal treatment on questions of racial and ethnic origin apply to their actions regarding their own workforces.

However, even before this directive was passed, EC institutions were pressing the ‘social partners’ – the trade union and employers
organisations - within Europe for action, and stimulating the exchange of examples of voluntary good practice between member states. Behind this was the growing research evidence on racial discrimination in European labour markets and workplaces, countering the 'no problem here' assumption which had been widespread until the 1990s. In particular there was evidence on racial discrimination from comparative research sponsored by international bodies, who were able to use their influence and profile to disseminate the findings to political, business and trade union leaders.

One of these research reports was that commissioned by the European Foundation for the Improvement of Living and Working Conditions, Dublin, covering all EU countries plus Norway (Wrench 1996). This used national researchers in all 16 countries to bring together evidence of widespread 'racial' or ethnic discrimination in its direct forms, such as the refusal to employ people simply on the grounds of colour of skin or ethnic background, as well as indirect discrimination, such as restricting employment opportunities to the family of existing workers, or using questionable informal and subjective criteria in recruitment. The report also illustrated a general ignorance of the problems of racism and discrimination in employment on the part of many European employers, trade unionists, labour inspectors, and so on.

A second source of evidence in the 1990s was the ILO initiative "Combating discrimination against (im)migrant workers and ethnic minorities in the world of work", a seven year research project which finished in 1999. The first part of this consisted of a testing programme using matched pairs of testers making applications for the same jobs. The applicants would be identical in all job-relevant respects; one would be from a white majority background, the other of ethnic minority origin. On average, in roughly one third of cases where offers were made, the minority candidate was excluded from the offer. Frequently the minority applicant would be told the job had gone, whilst an enquiry a little later by the majority applicant would discover that the vacancy was still available. This demonstrated that racial discrimination in access to employment was of significant importance
in the five European countries where the research was carried out (Bovenkerk et al. 1995, Goldberg et al. 1995, Colectivo Jó 1996, Hjarnø and Jensen 1997, Arrijn et al. 1998. An overview of the results of the ILO’s discrimination testing programme can be found in Zegers de Beijl 2000).

Therefore, by the time of the European Year Against Racism in 1997, the issue of employment discrimination – and, correspondingly, the issue of anti-discrimination measures to combat this - was on the EU agenda.

**European pressure for voluntary measures**

There are four initiatives in the 1990s which deserve particular attention as measures or campaigns to promote the greater dissemination and adoption of organisational good practice in this field. An examination of these provides us with useful contextual information relevant to the development of diversity management in Europe. One of these initiatives is the *Joint Declaration on the Prevention of Racial Discrimination and Xenophobia and Promotion of Equal Treatment at the Workplace*, signed by the social partner organisations in Florence in October 1995. The second is the earlier-mentioned ILO initiative *Combating discrimination against (im)migrant workers and ethnic minorities in the world of work*. The third is the *European Compendium of Good Practice for the Prevention of Racism at the Workplace*, an EC report launched in Lisbon at the end of the 1997 European Year Against Racism. The fourth is the report *Gaining from Diversity*, an initiative of the European Business Network for Social Cohesion with the support of the European Commission, also as part of the European Year Against Racism. Thus three out of the four are to some degree initiatives of the EC.

This section of the report will consider in turn each of these four. The exercise will serve more than one function. Firstly it will provide a flavour of the European background to, and development of, diversity management in the 1990s. Secondly, it will illustrate the value of

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14 In a sixth country, the UK, the evidence of discrimination had already been provided by this method outside the ILO project – e.g. Hubbuck and Carter 1980, Esmail and Everington 1993, Simpson and Stevenson 1994.
typologies to classify and evaluate organisational practices in an international context, and will provide empirical material to form the basis of a new classificatory typology of organisational initiatives against racial and ethnic discrimination. The aim of this typology is to enable us to put into context and better comprehend future developments under the heading of diversity management, and related initiatives, in EU member states.

1. The 1995 Joint Declaration

The European Social Partners signed the Joint Declaration on the Prevention of Racial Discrimination and Xenophobia and Promotion of Equal Treatment at the Workplace in Florence in October 1995. The aim was to foster good practice in these areas on the grounds that “Legal protection is not itself sufficient to eliminate racist and xenophobic behaviour and feelings”.

The preamble to the Joint Declaration opens with a strong moral statement against racism, affirming the importance that the social partners attach to the achievement in Europe of “a democratic, pluralistic society characterised by solidarity and respect for the dignity of all human beings”. It continues “Elimination of all forms of racial discrimination and promotion of equal opportunity are fundamental values of the common cultural heritage and legal traditions of all European states.” Having said this, from then on the main justifications for the actions recommended in the Joint Declaration are in fact economic. “Racism and xenophobia constitute a serious threat, not only to the stability of European society, but also to the smooth functioning of the economy.” The Declaration then draws on the kinds of arguments which have been used to justify diversity management practice in America. For example, the declaration states:

Organisations are operating in an increasingly multicultural environment with customers, suppliers and employees from diverse national, ethnic and cultural back-grounds. Success in the marketplace is more and more dependent on the ability to maximise the potential of these diverse backgrounds. Organisations which achieve this will be more competitive and better able to cope successfully with change.

Yet, it argues, despite this, “European economies are not using the value which their diverse workforces can offer to their full potential.”
Some of the arguments to encourage action against racism, xenophobia and discrimination mirror exactly those in the diversity management literature, for example:

"Using people's talents to the full" ... "An organisation made up of diverse groups, with a wide range of abilities, experience and skills, is more likely to be alive to new ideas and different possibilities ..."

"Making the company more attractive to customers and clients" ... At a time of labour and skill, shortages "young people will be more likely to want to join employers with a good track record of providing equal opportunity" and "customers and clients are increasingly likely to prefer dealing with a company which ensures that its suppliers and contractors have fair employment practices".

"Getting closer to customers and understanding their needs" ... Given the growth of ethnic minority and international markets, a diverse workforce is a potential source of accurate and unbiased information about existing and potential customers.

"Operating internationally with success" ... "Organisations which attract a diverse workforce and are alert to their skills, talents, experience and contacts are in a good position to reach and attract new markets in those countries where their employees have connections."

"Avoiding the costs of discrimination" ... Racial discrimination result in legal penalties, as well as adverse publicity, damage to staff development, higher absenteeism, and greater staff turnover.

The Joint Declaration then sets out and recommends a range of measures that have made a positive contribution towards preventing discrimination at the workplace. The kinds of things included here are standard components of an organisational equal opportunities policy. These include widening the sources of recruitment by advertising in publications read by ethnic minorities and using employment services and agencies in multiethnic areas, ensuring that job descriptions do contain arbitrary and unnecessary criteria, avoiding unnecessarily high levels of language mastery, ensuring that interviewers are aware of issues of discrimination and are trained to avoid unjustified and irrelevant selection criteria, offering pre-work training courses or work experience to members of minority groups, and having clear procedures for dealing with discrimination, including disciplinary procedures.

These are largely those measures which we categorise later in this section as "organisational equal opportunity policies with elements of
positive action." Although the word 'diverse' appears a few times, there is no mention at all of 'diversity management' in the Joint Declaration. As we have seen earlier, a defining feature of diversity management is the recognition and practical allowance of cultural differences. In the Joint Declaration there is only one, very weak, exhortation to the kind of action in respect of cultural diversity which is so prominent in a diversity management approach. Under the heading of "Respect for cultural and religious differences" the last recommendation in the Joint Declaration say this:

In order to meet the needs of a heterogeneous workforce, it may be useful to explore and take into account the specific cultural or religious needs of certain groups, insofar as they may be accommodated in the organisation.

This is a remarkably tentative statement, and probably reflects the fact that in Europe in 1995 there was still relatively little consciousness of diversity management and its associated cultural emphasis as an anti-discrimination practice.

2. The ILO anti-discrimination training project

This second initiative employed a categorisation of anti-discrimination activity in Europe which did include the category of diversity management. Whilst it showed that diversity management was still very much a minority activity, it also produced indications of its growing popularity.

The previously mentioned ILO research programme had drawn attention to discrimination through the testing experiments. A later stage of the same programme looked at one measure to combat this, namely the extent, content and impact of anti-discrimination training and education activities in migrant-receiving countries. This was carried out in the Netherlands, the UK, Finland, Spain and Belgium (see Abell et al. 1997, Taylor et al. 1997, Vuori 1997, Colectivo Ioé 1997, Castelain-Kinet et al. 1998. For an overview, see Wrench 2001). The aim was to document and evaluate in different countries the effectiveness of anti-discrimination training and education activities where such training is imparted to people who have a part to play in access to the labour market, such as personnel and line managers in
both the private and public sector who are involved in the recruitment process, as well as civil servants and officials in labour exchanges and other agencies which play a placement role for individuals seeking employment, and trade union full-time officials and shop stewards.

There exist many different types of anti-discrimination training - often working from very different assumptions about the causes of and remedies for racism and discrimination. These are all directed towards gatekeepers in the labour market, and all would claim to be tackling employment discrimination. The aim of this part of the ILO's initiative was to classify and document the different anti-discrimination training activities in various countries, and also, if possible, come to some conclusions about whether certain training approaches seem to be more useful than others, and in what circumstances. By "approaches" is meant the underlying philosophies and assumptions of such training, and the corresponding methodologies and training content implied by these.

As part of the project, a new typology was created which enabled researchers to classify the anti-discrimination training activities in different countries. The typology was modified from an earlier one on combating racism through training for service delivery staff (Luthra and Oakley 1991). The basis of the typology was certain regularities of strategy and content which have run through much equal opportunities/anti-discrimination training, culminating in the latest type, that of training as part of a diversity management policy. The main training approaches were categorised as follows (Wrench and Taylor 1993: 16).

1) Information Training
2) Cultural Awareness Training
3) Racism Awareness Training
4) Equalities Training
5) Anti-Racism Training
6) Diversity Training

(1) Information Training
This basic and rather common form of training provides demographic facts and figures on migrants, their countries of origin, their current
employment patterns, etc., generally through straightforward lectures, videos or the provision of written material. It includes programmes to encourage inter-cultural awareness and promote better communication and understanding. The assumption behind this approach is that most people are fair, but are often unaware of the extent and effect of racial discrimination. Training is required to inform them about discrimination and disadvantage in society, so that they will be disposed to implement measures to tackle it. A corresponding assumption is that the provision of correct information is enough to lead to behavioural change.

(2) Cultural Awareness Training
This not only provides cultural information, but actively engages trainees in exercises to change their attitudes; for example, role play exercises, or intensive group discussions. Courses of cultural awareness might include material on the majority culture of the trainees on the grounds that thinking critically about their own culture will help in understanding others better. Courses on the theme of "living/working together with foreigners/migrants" will often fall under this heading. Although Cultural Awareness Training, unlike simple Information Training, is more active in trying to produce attitude change in the trainees, it still remains similar to Information Training in seeing behavioural change as relatively unproblematic. Implicit in this approach is the idea that raising trainees' awareness and changing prejudiced attitudes will thereby automatically reduce discriminatory behaviour.

(3) Racism Awareness Training
This approach is typified by the "Human Awareness" or "White Awareness" programme of Katz (1978) in the USA and those who follow her model. The premise of Racism Awareness Training is that racism is located in white people and operates to their interests; it is therefore their responsibility to tackle it. The methods are generally techniques to induce self-awareness in a group setting, with trainers sometimes using confrontational techniques, along with role-play and other self-awareness exercises. The narrow focus of this training is on racism itself, with the aim of producing a relatively rapid change in
attitudes, and an assumption that this will produce change at the behavioural level.

(4) Equalities Training
(This type might also be known as "Equal Opportunities Training"). In complete contrast to Racism Awareness Training which seeks to change attitudes, Equalities Training refers to training which is designed primarily to affect behaviour. The training seeks to side-step attitudes by seeing them as private and irrelevant to the job, and simply aims to instruct the trainees in legally or professionally appropriate behaviour. This is defined as precisely as possible in terms of the appropriate norms and behaviour, and the required skills. In many countries the starting point of Equalities Training will be that the law proscribes racial discrimination and that agencies and professionals must therefore make sure that discrimination, whether deliberate or unintentional, does not occur.

(5) Anti-Racism Training
Anti-Racism Training was developed after disillusion with Racism Awareness Training, retaining a strong commitment to combating racism directly, whilst seeking to change organisational practice rather than individual self-awareness. The premise of this approach is that racism cannot be simply reduced to a problem of (white) individuals, and yet neither can it be tackled purely in terms of discriminatory behaviour without addressing the level of personal attitudes and awareness. The goal is to secure the support of individuals in challenging the racism which is endemic in the culture and institutions of the society, and Anti-Racism Training forms part of an organisational strategy designed to pursue this aim. Although this approach would seek to tackle racial discrimination in recruitment, the approach seeks to combat racism at all levels in the organisation, not simply at this point of entry.

(6) Diversity Training
This is the most recent development, stimulated by diversity management programmes in the United States (Thomas 1990, Jamieson and O'Mara 1991, Kossek and Lobel 1996). As shown in Section 1,
diversity management is seen as the logical next step after measures such as equal opportunities initiatives and affirmative action programmes have broken down barriers to the employment of minorities, producing a more diverse workforce. The training, which is mainly directed at managers, emphasises the importance of valuing difference. It argues that ethnic, racial and sexual groups have different cultural styles of working which should not be negatively labelled by white managers. The objective is not to assimilate minorities (and women) into the dominant white (and male) organisational culture but to create a dominant heterogeneous culture. Being the latest and broadest type, it is likely to include elements of many of the other types: for example, awareness exercises on "racial sensibility" similar to Racism Awareness Training; sessions on cultural sensitivity as found in Cultural Awareness Training; or strategies of fair recruitment, as found in Equalities Training. It might aim to produce individual attitude and behaviour change as well as long-term organisational change.

Application of the typology in Europe
This six-fold typology was incorporated into a standardised research manual (Wrench and Taylor 1993) which provided a common methodological framework for comparing case studies of training practice in different countries. From this exercise we can get an illustration of some countries where a diversity management approach was starting to become more common, and an indication in others of what might be called “pre-diversity management” conditions. This can be seen in the application of the typology in five of the ILO’s national studies: those of the UK, the Netherlands, Spain, Finland and Belgium (Wrench 2001). (The full findings can be found in the national reports - Taylor et al. 1997, Abell et al. 1997, Colectivo Ioé 1997, Vuori 1997, Castelain-Kinet et al. 1998).

The UK context
The UK report documented the activities of a sample of 57 training providers, most being independent training consultants. Training in the UK was found to have progressed beyond the simply information provision of the Information Training type, although the provision of factual information on problems of racism and discrimination, and the
legal context, was still part of the syllabus of other types of training. Nor was there any evidence that the formerly common types of "attitude change" training, Cultural Awareness Training and Racism Awareness Training, were used any more. Most of the current training activity could be classified as "Equalities Training", the defining characteristic of which is to provide skills and change behaviour. By far the most common activity here was the imparting of skills for fairness in recruitment and selection. There was also some Anti-Racism Training. However, a relatively new development was the increasing use of Diversity Training, the approach which emphasises the benefits of a diverse workforce, linking, for example, productivity gains to identifying, valuing and drawing upon cultural differences within a workforce. This trend was noticeable, even after having made allowances for the fact that some trainers mis-labelled their courses as "diversity" simply to take advantage of the current fashion (Taylor et al. 1997: 60).

In the UK study, as with other national reports, case studies of different training types were selected, and these were used to discover the reactions of trainers, clients, and trainees to the training experience. In terms of the reactions of the participants, the most common type of training - Equalities Training - came out best in this study, and many participants were able to relate how changes in behaviour and in working practices were positively achieved. However, the responses to Diversity Training were quite mixed. The relatively pure and narrow form of 'valuing diversity' approach aroused little positive reaction. Often trainees felt that diversity management was something which needed to follow on from, rather than replace, effective anti-discrimination and equal opportunities policies. Indeed, in its original formulation, diversity management works on the assumption that barriers to the employment of minorities have already largely been broken down, resulting in a diverse workforce. Trainees felt that as this stage had not been reached, Diversity Training was a little premature. However, in those cases where Diversity Training included the anti-discrimination elements of Anti-Racism Training and Equalities Training, then trainees were far more positive about its impact (Taylor et al. 1997).

The Netherlands context
The Dutch researchers (Abell et al. 1997) found that most of the activities of the Dutch 'inter-cultural management' training providers were classifiable as Information Training and Cultural Awareness Training, although it seems that Information Training is no longer given alone, but rather in combination with some form of Cultural Awareness Training. Of a sample of 54 training providers, almost half the courses fell into the category of Cultural Awareness Training. In contrast to the UK, Equalities Training in its narrower type - primarily instructing trainees in legally and professionally appropriate behaviour to avoid discrimination in recruitment and selection - seems to be rarely provided in the Netherlands. Racism Awareness Training is also not common in the Netherlands, and, unlike the UK, was not common in the past. Anti-Racism Training is not as popular in the Netherlands as it is in the UK. According to the Dutch researchers, one reason for these differences is that public discussion on issues of racism and discrimination is much more recent in the Netherlands than in the UK, and the existence of these phenomena continued to be denied for a long time. However, in common with the UK study, the report detected a recent shift in training activities towards Diversity Training, mainly directed at managers, and emphasising the value of difference and the creation of a heterogeneous culture. The Dutch researchers suggest that the beginnings of a shift away from Cultural Awareness Training to Diversity Training could be seen as a step in the right direction, away from the simple "attitude change" paradigm towards one which envisages more practical changes. Indeed, the responses of the participants in the Dutch training, their experiences of Diversity Training generally provoked more positive reactions than Cultural Awareness Training, possibly, according to Abell and his colleagues, because of the preference of trainees for more practical 'handles' (Abell et al. 1997).

The Spanish context
In the Spanish case, not only was there no evidence of diversity management, there was little evidence of the other categories of activity either. Preliminary investigation suggested the non-existence, or at best, the scant implementation of anti-discrimination programmes designed for 'gatekeepers' (Colectivo Ioé 1997). The report concluded that within
the Spanish world of work there is no general awareness of a potential problem of ethnic or racial discrimination existing in the system. Indeed, an earlier stage of the ILO programme had shown that at that time Spain was one of the few industrialised migrant receiving countries which still had not introduced anti-discrimination legislation to protect non-national workers. The Spanish researchers were told that immigrants were concentrated in certain segments of the labour market, without being in competition for jobs with the majority population, and this was one reason why there was little recognition of a 'problem'. However, the research report did find evidence of the beginnings of change, with labour market actors becoming increasingly receptive to the idea of anti-discrimination training. The initiatives were coming first from people in local government, trade unions, and NGOs, with an added impetus coming from the internationalisation of enterprises which brought in experience from other countries, together with the increasing openness of Spanish officials to initiatives from the EU.

The Finnish context
The Finnish report (Vuori 1997) concluded that from both the literature and from the interviews carried out with 28 representatives of different sections of the labour market, there was little evidence of anti-discrimination training in Finland. Many respondents felt that racial or ethnic discrimination itself was rare, meaning that such training was unnecessary, and most people felt that there was no real demand for anti-discrimination training among labour market actors. The author of the report saw the lack of demand for anti-discrimination training as related to the lack of awareness of existing discrimination. In particular, it seemed, there was no recognition of indirect discrimination, such as the use of recruitment channels to which migrants do not have access, or unnecessary language criteria for jobs. When respondents were asked as to what training might be necessary in the future, most identified the sort which would be categorised as Information Training and Cultural Awareness Training. There was already some training of this sort targeted at civil servants working in labour exchanges to provide cultural information on migrant and ethnic minority

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communities, and to improve intercultural skills. A general assumption was that the provision of accurate information on ethnic minorities, and a greater cultural sensitivity in dealing with them, would be enough to prevent discrimination and ensure equal treatment for them. A conclusion drawn from the report was that “a fundamental prerequisite for further training to be developed is a raising of the awareness of the occurrence of discrimination against migrant and ethnic minority workers - an awareness which is still lacking among many of the labour market gatekeepers interviewed for this research”.¹⁶

**The Belgian context**
One of the most notable things about the Belgian research was the researchers discovered in places such an unsympathetic climate to the very notion of anti-discrimination training that it was concluded that it was probably best that any such training should be ‘disguised’ by integrating it into other more general training “in order to avoid unfavourable reactions or even powerful opposition.”¹⁷ The national report described how in Belgium, attempts to move the emphasis of anti-discrimination training away from training directed at migrants to training aimed at representatives of the societal majority met with significant resistance, countering some of the potential effects of anti-discrimination training measures and leading to some initiatives being discontinued (Castelain-Kinet et al. 1998).

The evidence above applies only to five EU countries but already we can see an illustration of the kinds of differences which are likely to be relevant to the development of diversity management in different national contexts. From looking at the experiences within only these five European countries it is possible to perceive great differences in the experiences of anti-discrimination activities. The Spanish example shows that in some countries there can be little experience or awareness of anti-discrimination training, equal opportunity policies or diversity management, because the local circumstances are so different to countries where such phenomena are more noticeably established. The Finnish report shows that there can be a lack of awareness of

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¹⁶ Foreword to the report by M.I. Abella, Vuori 1997 p.vi.
¹⁷ Report on the seminar organised in Belgium to evaluate the results of research conducted in association with the ILO project; ILO Geneva 1998.
employment discrimination issues by key labour market actors at the same time that evidence from elsewhere shows that organisational responses to discrimination are starting to become necessary (see Valtonen 2001), and the Belgian report showed that the very suggestion that anti-discrimination training was required could be controversial. The comparison between the UK and the Netherlands suggests that even in the case of the two EU countries with the most experience of organisational anti-discrimination policies there are differences in the pre-diversity management context which can have potential implications for the character of the later development of diversity management itself within those countries.

The ILO study of anti-discrimination training was also carried out in the US, (Bendick et al. 1998) and the American study confirmed, not surprisingly, that diversity management is much more common in the US than in Europe. The American researchers compared the distribution of training emphases within the sample of training providers contacted in the US research with the equivalents shown in the UK and the Netherlands reports (see Table 3.1). It is interesting to note that in each of these three countries in the mid-1990s the training emphasis was different. In the Netherlands, the most common activity was Cultural Awareness Training, with nearly half the trainers involved in this. In the UK the majority activity was Equalities Training, with nearly 60 per cent involved in this. In the US, although the largest category was still Equalities Training, Diversity Training was now almost as large, with over a third involved in this.

<table>
<thead>
<tr>
<th>Table 3.1</th>
<th>United States</th>
<th>United Kingdom</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural Awareness Training</td>
<td>16.0%</td>
<td>3.6%</td>
<td>46.3%</td>
</tr>
<tr>
<td>Equalities Training</td>
<td>40.0</td>
<td>58.9</td>
<td>13.0</td>
</tr>
<tr>
<td>Diversity Training</td>
<td>36.0</td>
<td>8.9</td>
<td>13.0</td>
</tr>
<tr>
<td>All other categories</td>
<td>8.0</td>
<td>28.6</td>
<td>27.7</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From Bendick et al. 1998: 34
Drawing on the evidence of the ILO study, we can raise a question in the context of the spread of diversity management in Europe. Between different parts of Europe there is clearly great variation in the levels of awareness of racial discrimination in employment, in the definition of it as a problem issue, and in the experience in organisational policies to combat it. Will this have implications for the character of diversity management as it develops in these different contexts? For example, does the historically strong Dutch tradition of intercultural management, as reflected in the dominance of Cultural Awareness Training, mean that diversity management in the Netherlands will be stronger on cultural elements and weaker on the combating discrimination elements, compared to the UK, where the dominance of Equalities training to combat discriminatory behaviour might mean that anti-discrimination elements figure more strongly? Since the Finnish ILO study was completed the ideas of diversity management are now starting to be discussed in Finland, with a conference on the subject which took place in Helsinki in September 2000.¹⁸ Will the development of diversity management in Finland take on a different form to that in the US or even in the UK simply because of the apparently total lack of experience of previous organisational approaches in Finland?

The typology used in the ILO study demonstrated the value of such devices in international comparisons. However, the focus on anti-discrimination training was too narrow for this typology to be of real value in monitoring the development of diversity management in Europe, as anti-discrimination training is only one potential component of a diversity management approach. A new broader typology of organisational practices is therefore needed, and part of the material to construct this comes from the next two European initiatives.

3. European Compendium of Good Practice

The third initiative is the European Compendium of Good Practice for the Prevention of Racism at the Workplace. The final section of the

¹⁸ This was a two day seminar and workshop, “Managing Diversity for Improving Business Performance in Nordic Countries” and “Tools for Diversity Management” organised by UnCom the University of Jyväskylä, European Business Network for Social Cohesion, Ministry of Labour, Centre for Business and Diversity and Finnish Business and Society.
1995 Joint Declaration on the Prevention of Racial Discrimination and Xenophobia and Promotion of Equal Treatment at the Workplace called for a set of follow-up measures, among them the compilation of a compendium of good practice, and asked the European Foundation in Dublin to take care of its production. The Compendium of Good Practice was published in 1997, and consists of 25 case studies from the 15 countries of the European Union. The case studies encompass private and public sector companies, trade unions, collective agreements, codes of conduct and national initiatives (Wrench 1997a).

The objectives of the Compendium were set out in the Joint Declaration on the Prevention of Racial Discrimination and Xenophobia and Promotion of Equal Treatment at the Workplace. These include:

- Identifying examples of good practice in the different member states.
- Disseminating the information gathered, contributing to a broader exchange of experiences amongst the members of the European Union.
- Providing guidance to all interested parties (i.e. employers, workers, trade unions, employers' organisations and employment services) regarding the promotion of equal treatment and the combating of racial discrimination at the workplace.
- Promoting the notion that it is in the interests of business to implement equal opportunities policies.

National researchers within each EU member state produced a report covering case studies of good practice within their own country, most of them concerning policies which operate at the level of an individual company or organisation. From these, 25 case studies were selected to comprise the Compendium. Before discussing the implications of the content of these cases for diversity management we will look at the fourth initiative, and address these two together.

4. Gaining from Diversity

The fourth initiative was the report 'Gaining from Diversity' (Stewart and Lindburgh 1997). This was initiated by the European Business
Network for Social Cohesion, an organisation supported by business organisations and companies across Europe whose task is to promote “business-driven approaches to tackling social exclusion”. The report was published to coincide with the European Year Against Racism and formed part of a drive to promote the exchange of experience across Europe on the practical experiences of business in addressing the opportunities and challenges presented by Europe’s ethnic diversity.

The report clearly uses the language of diversity much more than the other three mentioned initiatives. It contrasts two main organisational approaches to the inclusion of immigrant or ethnic minority workers. The first is the “Fitting new groups into an unchanged workplace” approach, which places greatest emphasis on the “adaptation” or “integration” of new groups into the workplace. In businesses adopting this approach, existing procedures and practices would continue largely unchanged and there would be little expectation that the organization would need to change to accommodate the immigrant or minority workers. The effect of this approach is that only those minority group members who fully adopt the style and approach of the majority cultures are likely to be accepted into the organization or be able to progress within it (Stewart and Lindburgh 1997: 14).

This approach is described as a "colour-blind" approach - all people are treated the same and colour or ethnic differences are meant to be ignored. The authors argue that the disadvantages of this approach include the operation of "glass ceilings" or other invisible barriers which can block the progress of members of social or cultural minorities and leaves them in low grade or low status jobs. There may be a loss to the organisation of the talent and skills of the full range of potential employees from migrant or ethnic minority communities; and a loss of the potential for creative ideas and problem-solving from the varied perspectives of people of different backgrounds (Stewart and Lindburgh 1997: 14).

The alternative approach is “Recognizing and valuing diversity”. This emphasises the fact that diversity or multiculturalism inherently add value to the workforce. Here, the primary aim is to achieve equality of opportunity for men and women of different backgrounds, but it is also recognised that this social and cultural diversity may mean that "systems and procedures that are appropriate for some groups of people
may be inappropriate or actually discriminatory if applied to other groups of people.” Therefore, employers who adopt this approach generally start by evaluating their personnel policies and procedures as well as the informal organizational culture “to identify actual or potential sources of adverse impact against different groups of staff.”

The report sets out examples of business strategies under the two main headings of internal and external strategies. The latter concern initiatives such as assisting community programmes in disadvantaged areas, or giving support to ethnic minority businesses. In this analysis we will concern ourselves more with the internal strategies, which the report sees as able to assist companies in gaining from diversity. These internal strategies are categorised in three main ways:

- increasing access - promoting ethnic and cultural diversity through the recruitment process
- mobility - preparing migrants and ethnic minorities for advancement within the firm (the internal professional development of employees)
- preparing the firm for a more diverse workforce - the implications of a diverse workforce for managerial and non-managerial staff

The text of this is interspersed with examples and cases from companies and business organisations across Europe. Rather than look at these under the report’s own headings, we will consider these under the headings of a new six-fold typology which can then be used to analyse the previous initiative and this one together.

A typology of organisational practices

Like the ILO anti-discrimination training study, the two reports, Gaining from Diversity and the Compendium of Good Practice, produced a wide range of examples of organisational practices across Europe. The ILO research had demonstrated the value of a typology of anti-discrimination training which facilitated the generation of meaningful generalisations about practices in different countries. Typologies are important tools of analysis which allow the identification of a number of main tendencies, each with its own
internal consistency, providing an agreed point of reference for defining and comparing particular forms of organisational activities (Luthra and Oakley 1991: 32). However, the ILO typology is too narrow in scope to be of use in understanding broader organisational practices such as diversity management, because anti-discrimination training is only one (potential) element of diversity management practice. Therefore, if any meaningful generalisations are to be made about organisational anti-discrimination activities in Europe, it is important first to organise and categorise them using a new typology. The new typology would be different to that in the ILO exercise as it has to encompass a wide variety of activities, not just training, but it should be compatible with the earlier one.

Therefore, in order to help us understand and compare the variety of organisational responses it is suggested, at the risk of some oversimplification, that there might be six different levels or groups of activity in measures to combat discrimination and exclusion and improve the employment integration of immigrants and ethnic minorities, the final of the six being diversity management itself. The ILO anti-discrimination training typology had been provided before that research took place. In contrast the new typology is to be applied retrospectively to the practices within the case studies and examples already provided in the two EU reports. More importantly, it aims to serve as a device to help make sense of current and future developments in the area.

The six categories are as follows:

1. Training the immigrants
2. Making cultural allowances
3. Challenging racist attitudes
4. Combating discrimination
5. Equal opportunities policies with positive action
6. Diversity management

1. **Training the immigrants.** The first level of activity consists of measures directed at immigrants themselves to assist in their
integration into society. Formal training is provided for the
immigrants to improve their education and skills, and to help them
learn the language, culture and customs of the new society, and the
appropriate ways of behaving, as well as how to operate in the
labour market. This approach is consistent with a ‘supply side’ or
‘human capital’ interpretation of ethnic inequality.

2. Making cultural allowances. Here, allowances are made for
specific religious or cultural needs of minority groups within the
organisation, and some staff will be trained in cultural awareness, or
leading multiethnic teams. Similarly, service providers such as
social workers, teachers, doctors and nurses, come to realise that
they must be informed about immigrant cultures, and that
immigrants may have ‘special needs’ related to their ethnic
background.

3. Challenging racist attitudes. The previous level was a
straightforward ‘multi-cultural’ approach which does not take
account of the issues of racism and discrimination. This third level
works from the assumption that the main barrier to change is the
attitudes of people, and so publicity and information campaigns or
training to reduce peoples' prejudices or racist attitudes are
introduced.

4. Combating discrimination. The next level sees attempts to produce
changes in people's behaviour to be necessary, as well as trying to
change people's attitudes. Indeed, some argue that changing
behaviour should take priority over attempting to change attitudes.
Measures could include the introduction of fair recruitment and
selection procedures, and training on how to operate these, and how
to comply with anti-discrimination legislation. It could also cover
anti-harassment policies and training, and the introduction of
disciplinary measures against racism and discrimination within the
organisation. Addressing discriminatory behaviour in these ways is
seen to be important in creating a 'level playing field' by removing
unfair barriers to opportunity.
5. **Equal opportunities policies with positive action.** The next level is to use a combination of the above approaches in a general equal opportunities package. There might be an equal opportunities statement for the organisation, a handbook for employees setting out the policy's intentions and procedures, and a target, such as the long-term aim of reflecting the ethnic mix of the local population in the workforce. Often there will be monitoring of the ethnic background of the workforce. The positive action initiatives are those over and above the simple provision of equal treatment and the production of a 'level playing field' through removing discriminatory barriers. There is an argument that such measures are not enough if migrants are starting from very different and disadvantaged positions, sometimes because of the operation of racism and discrimination in the past. Positive action, like the stronger American version, affirmative action, recognises the existence of a sort of structural discrimination known as 'past-present discrimination' (Williams 2000) whereby the exclusion experienced historically by certain groups means that inequality of opportunity will continue even when current discrimination processes are removed. Positive action goes further than equal treatment. Whereas equal treatment would mean treating people who apply for jobs without discrimination, positive action means, for example, making an extra effort to encourage groups who might not normally apply. Therefore, positive action is in fact doing something extra for previously excluded minorities, something you are not doing for the national majority. Positive action might include special recruitment initiatives, such as translating job advertisements into ethnic minority languages, placing advertisements in the ethnic minority press, or using statements to encourage applicants from minorities. It might include helping immigrants and ethnic minorities compete for work on a more equal footing with others in the labour market by providing extra training relating to their specific needs. An increasingly used measure is that of mentoring. This is intended to increase the retention of minorities once they have been recruited into the organisation. However, positive action is not positive discrimination - it does not seek to give ethnic minorities more favourable treatment in competition for jobs, and it
does not entail reducing standards. Also under this heading we might include external community initiatives by companies, such as providing special training schemes for immigrant and ethnic minority youth in disadvantaged areas, or even supporting cultural programmes in such areas. The argument is that businesses which operate in Europe’s metropolitan areas stand to lose out from the social consequences stemming from increasingly marginalised ethnic communities. “Because they operate in social environments, companies have a keen interest in ensuring that such communities are stable and prosperous” (Stewart and Lindburgh 1997: 28).

6. **Diversity management** The most ambitious level is that of diversity management, which can include many of the elements of the other approaches and adds diversity philosophy and practice to this in a whole-organisation approach. Following the distinction made by Thomas (see Section 1) we can divide this level into two stages. The first is the stage of *valuing diversity*, where there is a positive desire to work towards an ethnically mixed workforce and a recognition of the positive benefits that a diverse workforce can bring to the organisation. The second stage is that of *managing diversity* which goes further than this by actively managing the diverse mix of employees in ways to contribute to organisational goals and develop a heterogeneous organisational culture.

By taking examples of practices from the two European reports under each of these headings in turn we can gain further insights into the background context for diversity management in Europe:

1. **Training the immigrants.**
It was noticeable that the most common policy components in the Compendium fell under this heading. Historically, in many countries training of the immigrants themselves was one the first policy initiatives to be adopted following the first years of post-war immigration. Generally this was training for newcomers, teaching them the language, introducing them to important legal or cultural aspects of the new society, or showing them how to operate in the labour market.
It was assumed that this would facilitate the 'integration' of immigrants into society.

Although primary immigration to EU countries ended a generation ago there are still certain categories of 'newcomer' which may benefit from such training, such as refugees and people who have arrived through marriage and family reunion. Indeed, Thyssen Stahl, the German steel company, provided German as a foreign language for the wives of workers newly arrived in Germany. In Sweden, Stockholm City Council provided a range of extra training courses to further the integration of foreign workers. Employees with a foreign nursing education received training to enable them to work as qualified nurses in Sweden. A special ten week course in Swedish for hospital kitchen staff was related specifically to their working environment, and the course participants attended full-time with pay. A case which appeared in both the “Gaining from Diversity” and the Compendium report was that of the Swedish telecommunications company Telia, with its special training for unemployed white collar immigrants, in cooperation with the Stockholm County Labour Market Board. Amongst those taking part were unemployed systems analysts, computer engineers and economists, and the training corresponded to future employment requirements at the company. One of the aims was to increase the proportion of immigrants employed at the company, and in this it succeeded (Soininen and Graham 1997).

In the ‘Gaining from Diversity’ report there are many other examples under this heading. One is Levi Strauss & Co. in Belgium which, together with the Antwerp Chamber of Commerce and its partners, initiated a programme with four other firms to provide language training on the shop floor to low-skilled migrant workers. A full time worker was hired to promote the project and to coordinate the start-up activities in the companies. The first programme offered 120 hours of language training to 36 low-skilled migrant workers. This included one hour of instruction during working hours, and one hour just before or after the change in shift, both of which were compensated in the form of wages or vacation time (Stewart and Lindburgh 1997: 22).

Other examples come from Denmark and the UK. In Copenhagen the union for hotel and restaurant workers cooperated with private sector employers, the employment administration, and some Danish schools
for adult education and vocational training to set up a migrant training school. The school operates during the annual period of low activity in the branch, from the end of September to the beginning of April. The participants in the course, who are all union members, receive three months of full-time instruction, including intensive Danish-language instruction, an introduction to Danish society (such as information on employment and unemployment rights), computer training, and guidance in occupational safety (Stewart and Lindburgh 1997: 22). In London a local agency helped companies address the under-representation of ethnic minorities at higher levels by organising a training and mentoring programme for ethnic minority personnel working at or below the level of junior management. By mid 1996 the programme had involved more than 200 participants from 22 companies (Stewart and Lindburgh 1997: 24).

Other training initiatives in “Gaining from Diversity”- such as the programme for McDonalds staff in Copenhagen who wish to become managers, or the skill enhancement for low qualified ‘at risk’ employees at Barriol et Dallière in France - did not specifically target people of immigrant origin but appear in the report because they involve “significant number” of them in the training. Similarly the training for temporary workers at the Viangros food company in Belgium covered “ethnic minorities and other disadvantaged groups”, and the Antwerp Chamber of Commerce supported a project giving support to unemployed low-skilled individuals 50 per cent of whom were of migrant origin (Stewart and Lindburgh 1997: 27).

However, most of the immigrant and immigrant-descended population of Europe are not newcomers. There is, nevertheless, training with another sort of emphasis which can be relevant for some of these, reflecting the fact that the post-war immigrant workers to Europe were from the start over-represented in certain limited areas of job and sector, and that since then, these have been affected by economic and organisational change. In the Compendium there were examples of training for this older and more established immigrant population, in two contexts. The first was where restructuring of the economy has led to the closure of old industries and created heavy unemployment amongst immigrant workers, who had been over-represented in these employment sectors. In Belgium, the closure of
coal mines led to the unemployment of large numbers of immigrants. An electrocoating company which decided to recruit from among these immigrants organised a special training scheme in cooperation with a local agency which had been set up to help the unemployed. The training covered technical shop floor matters, language and intercultural cooperation, and was targeted disproportionately towards immigrants (Martens and Sette 1997).

The second example was where restructuring within a firm had adversely affected the existing immigrant workforce by requiring from them skills or language abilities which they had not needed before. A video manufacturing company in Austria found that an imperfect knowledge of German by its immigrant employees was beginning to be a problem after production was reorganised into work teams. The company initiated training to fit in with shifts, covering German with relevance to the workplace. This reduced the necessity of replacing the immigrants with workers with a better knowledge of German (Gächter 1997). In Germany, Thyssen Stahl, a steel company with around eight per cent “foreign” employees, in collaboration with the local adult education centre, offered German language courses for employees of foreign origin who have a basic knowledge of German and wish or need to improve their German for work-related reasons.

Therefore, the provision of training specifically targeted at the immigrant population is still in some circumstances an important activity. However, a continuing problem in Europe is the persistence of the assumption that this activity should constitute the major thrust of measures to combat racism and xenophobia. There are problems in over-emphasising the role of training of immigrants, or as seeing it as sufficient. An over-emphasis on training directed at immigrants carries with it the assumption that the problems they encounter are a result of their own deficiencies. Yet there is a great deal of evidence that well-educated migrants and ethnic minorities with no language problems at all suffer discrimination and exclusion from opportunities for which they are well qualified. (Zegers de Beijl 2000).

2. Making Cultural Allowances
An example in this category is the Belgian electrocoating company which took a number of initiatives for the benefit of workers of
Maghrebian origin wishing to observe certain religious practices - for example, those who wish to pray can withdraw to the changing rooms to do so during breaks. Also they can take a longer leave period in the summer months if they put in a request to do so. This arrangement was introduced in order to give them a chance to return to their countries of origin and spend some time there. The German steel company Thyssen Stahl introduced intercultural training, including a course on 'leading multicultural teams'. There were also 'intercultural weekends' for employees of various nationalities and their partners to get to know each others cultures better, and Turkish in the form of introductory and intermediate/advanced courses for German employees wishing to learn Turkish or deepen their knowledge of Turkish for job-related or personal reasons. The example quoted in 'Gaining from Diversity' under this heading is that of the McDonalds restaurants in France, which take the religious practices of their employees into consideration, such as adjusting the hours of Muslim employees during Ramadam.

3 Challenging racist attitudes
Examples here were generally classifiable, in terms of the earlier ILO categories, under the headings of Information Training/Cultural Awareness Training, rather than the more aggressively attitude changing Racism Awareness Training. Under this heading comes some of the activities of Stockholm City Council, which provided a course Racism and Xenophobia at Work" for work supervisors and teachers from the health-care college, addressing prejudices and hostile attitudes and providing the opportunity to discuss xenophobia and racism (Soininnen and Graham 1997). In Germany, a "Living with Foreigners" campaign was started jointly by the German trade union and employers federations, the DGB and the BDA. This was targeted at around one million apprentices in German industry, using training packages and media materials aimed at countering attitudes of intolerance and xenophobia (Bruggemann and Riehle 1997). In Denmark, all the employees of the local municipality of Århus, Denmark's second largest city, were sent a newspaper "På lige fod" (On an equal footing) which presented success stories of ethnic minorities employed in the Council.

19 Strictly speaking this is not making cultural allowances but making allowances for migrant origin, but is still best categorised under this heading.
the positive benefits of working with others from different cultures, and so on (Wrench 1997b). From the ‘Gaining from Diversity’ report a campaign under this heading is that of the Volvo company in Sweden, which responded to a series of racist incidents by putting out an advertisement entitled “What would Volvo be without immigrants?” This pointed out that Volvo owed much of its success to the 70 different nations represented in 30 – 40 per cent of its current workforce (Stewart and Lindburgh 1997: 31).

These practices are rooted in common assumptions, namely that the provision of this sort of information will help to reduce racist attitudes and thereby reduce resistance to employing migrants, and furthermore that this attitude change will lead to changes in behaviour and discriminatory practices. However, some people question whether these assumptions are entirely defensible or whether the practices are adequate in themselves. For one thing, racist attitudes and prejudices are unlikely to be changed simply by the provision of information. Secondly, it is quite possible for practices of racial discrimination to be carried out by someone who does not have racist attitudes. From the previously mentioned European Foundation study (Wrench 1996) came examples of discrimination which cannot be categorised simply as a result of ‘racist attitudes’ on the part of particular gatekeepers. For example, in the UK there were employers who saw Indians as ambitious potential entrepreneurs who would not be recruited for a particular job “because they would go off and start their own business”. Some employers would refuse to recruit ethnic minorities because of the feared negative reaction of other people, such as clients, or the existing workforce. There were employers whose apparently neutral institutional practices indirectly operated to disproportionately exclude people from an ethnic minority background. These three different types of discrimination, labelled respectively “statistical” “societal” and “indirect” discrimination (Williams 2000) cannot simply be categorised as a result of conventional racist attitudes.

4 Combating discrimination
Therefore, for some practitioners, activities with the aim of producing changes in people’s behaviour are more important than measures which are trying to change peoples’ attitudes. Two examples of this kind of
training which appeared in both the Compendium and the ‘Gaining from Diversity’ report were that of Thyssen Stahl in Germany, which instructs personnel managers on how to base their recruitment and promotion criteria on principles of equal treatment and how to avoid inappropriate criteria for judgement, and the Belgian anti-discrimination code of conduct for the temporary employment agency sector. The latter was signed by employers and trade unions in that sector after a survey of agency staff had revealed that most received discriminatory requests from employers (Martens and Sette 1997). These ranged from requesting perfect bilingualism for manual occupations - regarded as a kind of secret code for the exclusive selection of Belgian workers - to explicit requests not to be sent any foreigners. Both trade union and employers’ representatives admitted that the temporary employment sector is beset with problems of racial discrimination. The training aimed to make staff aware of the problem of racial discrimination, and instructed them how to respond to employers who made discriminatory requests, and how to ensure that only functionally relevant requirements are taken into account when selecting temporary staff. Other examples of training which aimed to change practices of discrimination rather than change attitudes included the cases of a major British High Street retailer (Vindee 1997) and a Dutch public sector organisation (Abell 1997), both of which introduced training courses for staff who sit on recruitment and selection panels to help them avoid ethnic discrimination and bias in their procedures.

Sometimes unnecessary language requirements can be a form of indirect discrimination. In the ‘Gaining from Diversity’ report the Swedish company AGA reports that it no longer screens out applicants on the basis of poor language skills, but instead looks for other languages and special skills. With regard to tackling more direct forms of racial discrimination, KLM in the Netherlands appointed eight employees as confidantes for complaints regarding racial discrimination. Any employee who wishes to discuss discrimination or make a complaint may contact one of these, and there is a 24 hour telephone number which explains the procedure and gives the telephone numbers of the confidantes. In London, Barclays Bank provides an information booklet for dealing with racial harassers, including
informal methods – how to reply, how to document incidents - and formal methods, such as filing a formal grievance procedure (Stewart and Lindburgh 1997: 27).

5. Organisational equal opportunity policies with positive action
A British high street retailer, Virgin Our Price (Virdee 1997) and a Dutch public sector organisation, the North Holland Department of Public Works and Water Management (Abell 1997) both operated what might be called an equal opportunities policy at the whole-organisational level, with elements of positive action. Management at the British retailer introduced a policy against racial harassment, which stated that a single serious incident of harassment could result in summary dismissal for gross misconduct. The two organisations also introduced a series of measures which can be called ‘positive action’. The British retailer carried out an audit of the workforce, and this showed that although the proportion of ethnic minorities employed was broadly in line with the size of the ethnic minority population nationally (just over 5 per cent), ethnic minorities were under-represented in middle management and senior positions. As part of the company’s commitment to “redressing past disadvantage through the adoption of positive action measures”, it made special efforts to ensure that opportunities were made known to those groups, and where appropriate that training is provided to enable members of those groups to compete on equal terms for the opportunities available. (The law in the UK allows for an employer to provide in-service ‘positive action’ training for members of one particular racial or ethnic group to equip them for work in an area for which they are under-represented - Taylor 2000).

The Dutch public sector organisation was a department of public works responsible for flood defences and water management, traffic, transport and communications. The department is located within a highly multi-ethnic part of the Netherlands, and the head of personnel believed that this should be reflected in the workforce. Extra wording was added to recruitment advertisements to the effect that, all other things being equal, priority would be given to ethnic minorities, as well as to women and disabled people. To stimulate applications, contacts were then initiated with migrant organisations, and agreements were concluded with local temporary employment agencies that requests for
temporary staff would be met in the first instance by candidates from one of the ethnic minorities. Preliminary interviews with applicants of minority ethnic origin where information was given about the organisation and the procedure, and how to improve letters of application and CVs. During selection, personnel officers were careful to see that the correct procedures were followed in the case of applicants of minority ethnic origin and that no improper arguments were used to reject them, and line managers underwent training in selection skills to avoid bias in selection interviews. Like the UK retailer, this organisation monitored the ethnic composition of its workforce over time. This practice allowed both the British and Dutch organisations to review their progress and make appropriate policy changes, and indeed, the monitoring was able to demonstrate that they had progressed significantly towards their long term targets of greater representation of ethnic minorities amongst their employees.

There is no description in “Gaining from Diversity” of a case study which could be categorised under this heading, with a fully-developed organisational equal opportunities policy with all its component levels of action. Whilst KLM in the Netherlands set a 12 month goal of placing 50 long-term unemployed into company vacancies, this was not solely positive action for ethnic minorities, as it is a policy described as “including ethnic minority people”. The “Gaining from Diversity” report does list many initiatives under the heading of “external practices” by public and private sector employers. Examples were companies providing training for immigrant and ethnic minority young people who live in disadvantaged areas, or giving advice or assistance to ethnic minority owned small businesses, as well as developing business partnerships with them.

6. Diversity management
The only case of an openly embraced organisational diversity management philosophy in both the reports is AB Volvo in Göteborg, Sweden, which has a policy of instituting diversity management throughout the various Volvo corporations. One programme includes multicultural training for employees, efforts to include more work opportunities in the firm for immigrants, and adding diversity as part of
the criteria for evaluating the quality of operations. The diversity commitment is set out in Volvo’s corporate philosophy:

Volvo is a global organisation with different cultures from all parts of the world. Involving people from other parts of the Group is an excellent way to gain strength, build confidence and develop networks. We will seek new paths by working in groups with co-workers who have different backgrounds and skills, across national borders. Internal mobility will be developed in order to broaden competence, to the benefit of both the Group and the individuals in it (Stewart and Lindburgh 1997: 26).

Implications for diversity management

If we look at both these reports together, we can attempt some generalisations on the state of organisational policies in this field in Europe towards the end of the 1990s which are relevant to understanding the development of diversity management in the European context. Both of these reports consisted of examples and case studies of good practice which were selected by researchers to act as models for others to follow. We should recognise that these are somewhat imperfect indicators of practice, as the selection of cases in each case is a subjective exercise, not based on any sort of sample base, and not pretending to be a representative overview. Nevertheless, they were chosen by researchers who were looking for the best examples of good practice in this field and so we can assume that they do present a reasonable indication of what was seen as good practice operated by employers at this time.

In the case of each of the two reports, some of the examples have been disregarded in this analysis. Some in the Compendium have been omitted because they were not organisational case studies, but were national campaigns or agreements. From the Gaining from Diversity case studies could not be included in this analysis because they described only the intention of their policy – e.g. that they would attempt to mirror the local population in their workforce – but without giving any detail as to the methods whereby this would be achieved. Allowing for the fact that some case studies appeared in both reports, then we are left with roughly 30 organisational cases, divided evenly between the two reports.
These 30 cases ranged from straightforward training schemes to to the more ambitious multi-faceted policies at an organisational level. The main fact which stands out from these two exercises is the fact that, taken together, fully half of all the cases have as their primary activity practices which fall under the heading of the first category in the typology, “training the immigrants”. This is consistent with the fact that within the public discourse on the integration of immigrants in EU countries there is a continuing focus on the human capital resources of the immigrant populations and their descendants, to the relative neglect of structural factors of exclusion such as discrimination. The assumptions behind this approach continue in public and media debate today, namely that ‘integration problems’ of immigrants will be solved by a largely one-way process of assimilation, facilitated by training. The distribution and emphasis of the cases which feature in both the European Foundation “Compendium of Good Practice” and the “Gaining from Diversity” report can be said to reflect this assumption that measures to promote equal treatment in the labour market are to be directed at the migrants themselves.

Under the second heading of “making cultural allowances” there was one case where this was the primary activity, and five or six more where such actions were part of broader policies. In just four cases did policies include something which could be categorised under the third heading, “challenging racist attitudes”. Another six had policies which could be described primarily as “combating discrimination”. Of the final two categories of activity, - the more ambitious, organisational-level, equal opportunity policies with positive action, and diversity management - there were rather few examples. Whereas in a couple of cases we could find activities which could be described as ‘positive action’, these were not part of a broader organisational equal opportunities policy. We can categorise just four cases from the two reports as proper organisational equal opportunities or diversity policies. Of these, two are Dutch, one British and one Swedish. In the Compendium there was no evidence of a diversity management awareness, although, by the criteria in our six-fold typology, two of the case studies were getting very close to what might be called a diversity management philosophy. In the ‘Gaining from Diversity’ report only one of the case studies used the language of diversity management.
Thus, whilst the report truly identified employers who were "Gaining from Diversity" it could not be described as a report of cases of "Gaining from Diversity Management" according to the distinction made in Section 1. An added point of significance is that in the case of the Compendium of Good Practice, it was difficult for researchers in some of the countries to find any examples at all which they could categorise as good practice against discrimination and integrating immigrants into employment.

There are a number of implications of the four European initiatives discussed in this section for our concern with the later development of diversity management in Europe. The Joint Declaration uses exhortations to employers to use a range of activities which can be categorised as 'anti-discrimination', 'equal opportunities' and 'positive action'. These activities can also constitute many of the elements of a diversity management policy, and to justify these the Joint Declaration draws on a range of arguments associated also with a diversity management approach. However, it does not use the language of diversity management or talk explicitly about 'managing for diversity' as a strategy. In this sense the Joint Declaration was 'pre-diversity management', reflecting activities up to level 5 in the typology.

In the years immediately following the Joint Declaration came the three other initiatives within which we can identify the first signs of development of diversity management policies in some countries. The ILO anti-discrimination training study was applied in only five countries, but there was enough variety of experience in these five to enable us to raise some questions for future consideration. If the review of anti-discrimination training enables us to generalise more broadly about anti-discrimination activities in general, we can say that in some countries the awareness of any need for anti-discrimination measures is low, in some there is even positive hostility to the very notion of such measures, and that in other countries where anti-discrimination activities do exist there is evidence of different approaches and emphases. These observations, it was suggested, can have implications for the future spread of diversity management and the character of its content. The study did illustrate signs of the adoption of diversity management in some EU countries.
The two European reports on examples of good practice gave further impetus to these questions. In contrast to the advice of the Joint Declaration, which exhorted companies to adopt, (according to our typology) elements of levels 4 and 5 activities, supported by some of the arguments associated with level 6, the primary emphasis of the cases in both of the reports can be categorised as level 1 – training the immigrants. If we assume that diversity management, which can have a broad sweep, can in theory embrace elements from all six of these levels, then one question to ask is whether diversity management polices, which are now spreading more widely, will tend to reflect the 'supply side' bias and concern themselves with skills training for under-represented minorities rather, than, for example, measures to address the structures and cultures of exclusion within the organisations themselves.

Application of the typology

Broadly speaking, these pan-European exercises of the 1990s raise the question as to whether the acceptability, character and content of diversity management will reflect these already existing ‘pre-diversity management’ differences. The typology has been suggested as a device to help us monitor this. Typologies are useful for facilitating international comparisons. Typologies stem from both theoretical reflection and empirical evidence, and the interaction between them. In this section we have suggested a new typology drawing on the albeit rather limited evidence of existing comparative work in the 1990s. The six-fold categorisation of organisational activities is an attempt to classify certain clusters of activities which have some internal consistency with each other and some theoretically significant differences from activities in other clusters.

The typology can enable us to examine critically activities which take place under the headings of diversity management and related activities, and come to a closer understanding of their significance. For example, one question might be whether some activities are misclassified as diversity management, when according to the typology they are more appropriately classified as something else. We can illustrate this from one example, in this instance a Norwegian case
which came to notice in 2000, at an international workshop on diversity management. Norway is an example of a country which until recently has had very little tradition of organisational policies on racial discrimination or employment equity. Then, in April 1999 a number of companies and interested parties came together and decided to set up a network and establish a "competence centre", under the title of "Mangfold i Arbeidslivet" (Diversity at the Workplace).\textsuperscript{20} In the following year, at an international workshop on the subject, a Norwegian company set out its "experiences of managing diversity". This was an organisation of 500 employees with about 20 per cent of its production and warehouse workers coming from a minority ethnic background. The "Managing for Diversity" initiative it described consisted of the following practices. Firstly, the company provided courses in the Norwegian language, tailored to issues in the working environment, and 50 per cent of which were allowed to take place in working hours. The second element was the recognition that the food provided on company training programmes and union courses should not, for example, include pork if Muslim or Jewish workers were to attend. A third initiative was to allow non-European workers to take extra unpaid leave for certain holiday periods so as to give them more time to spend on visits to their countries of origin. Finally, the company reported that it had been suggested that an activity for the future should be to hold some sort of meeting with Norwegian workers who have expressed negative attitudes to ethnic minorities, in order to try to neutralise these phenomena.

The company describes itself as having been "working with diversity" for many years, and categorises its experiences as "managing diversity". However, if we use the typology to classify this company, we can say that it is not at the level 6 "diversity management" stage, properly defined. The policies it describes cover levels 1 and 2 in the typology, and show the first signs of awareness of a need to move into level 3. This example illustrates a relatively loose use of the term diversity management, a usage which is becoming increasingly common in Europe, particularly in contexts where little similar in terms of organisational policies has been experienced beforehand.

\textsuperscript{20} European Business Network for Social Cohesion "Gaining from Diversity" Newsletter No. 3, May 1999
The Norwegian example leads us to a further question: does the typology consist of more than a list of categories but actually constitute a sequence of chronological stages, which are likely to be passed through over time? There is a logic which suggests that this could be so. For example, level 1, training the immigrants, seems to be the first 'common sense' reaction in an immigrant receiving society when ethnic inequalities are perceived. When a 'supply side conscious' gives way to the idea that perhaps the majority institutions themselves should adapt, then level 2, 'making cultural allowances' comes relatively easily to mind. 'Culture' is something which is reasonably visible and some organisational responses to it can be made relatively painlessly. Then at some stage a 'multi-cultural' awareness transforms into an 'anti-racism' awareness, level 3, with the recognition that racism exists in societies, and probably in the organisation, and that multicultural approach does not address this source of exclusion. Thus training programmes are provided for what is probably assumed to be the minority of workers with racist attitudes or ethnic prejudices. A more ambitious leap of imagination is called for to get to the anti-discrimination stage, partly because this entails the more uncomfortable recognition that racial discrimination can exist 'normally' in organisations and can be perpetrated by ordinary people who are not conventionally classifiable as having racist attitudes or prejudices. Another reason why this level might take longer to be accepted is that it entails some changes in organisational routines and practices, rather than the more superficial approach in the preceding level, such as simply running training courses or educational campaigns against racism. The level of equal opportunity policies with positive action calls for a more ambitious development of consciousness, not only because it is a more ambitious policy in terms of the range of activities, but also because the acceptance of positive action implies the recognition of the existence of forces of structural or historical discrimination, and the corresponding recognition that simply providing a level playing field through the removal of barriers of discrimination will not be enough. Finally the diversity management level is the most ambitious of all because by definition it addresses the whole organisation itself, implies major changes in organisations practices and culture, and is adopted first at the senior management level.
The chronology of this typology is in fact consistent with one observation on the historical trend of policy approaches to ethnic diversity and labour market participation in the Netherlands (Nimako 1998, cited in Essed 2001). When studying policies relating to Amsterdam South-East, the most ethnically diverse area in the Netherlands, Nimako identifies a trend in Dutch policies through four historical paradigms: deficit (shortcomings in minority ethnic groups which need to be compensated for), difference (cultural difference is the main determinant of the positioning of newcomers), discrimination (a central problem is the forces of exclusion of those perceived as ethnically or racially different) and diversity (inclusiveness and valuing differences are important for organisational advantage). The Dutch example suggests that a chronological move through the levels of the typology is at least feasible and can be reflected in reality.

The use of a typology like the one above should serve as a device to categorise and clarify different activities in different EU contexts. But it may allow consideration of a more theoretically interesting question too. If we can identify significant clusters of activities at the different levels within the content of diversity management and related polices in different member states, we may want to speculate on the extent to which these differences are related to variables of national context. Furthermore, do these national differences imply that a common trajectory through the six different levels towards diversity management cannot be taken for granted? The question of what might constitute these significant variables of national context is addressed in the next section.
New Issues of Diversity Management in Europe

This section looks at issues which are generated around the development of diversity management in EU countries. It is clear that since the comparative work of the 1990s, described in Section 3, there have been many signs that a 'diversity management consciousness' is spreading more widely. Some evidence for this will be set out at the beginning of this section, augmented by relevant observations from the interviews with diversity management consultants which were carried out for this report.

Signs of diversity management diffusion

In the UK there have been in existence for several years a number of initiatives which have provided a sympathetic context for the move in the direction of diversity management. One was the ‘Race for Opportunity’ campaign, launched in October 1995 “to encourage business to invest in the diversity of Britain’s ethnic minority communities” and enhance their competitiveness by creating “an inclusive management environment”. The Race for Opportunity newsletter is full of stories of diversity activities and projects of major companies all over the UK, and activities such as the annual Award for Excellence in Diversity. A 1997 initiative by the UK’s Commission for Racial Equality (CRE) called the “Leadership Challenge” aimed to get Britain’s leaders to declare their commitment to the principles of diversity and racial equality and the practices to work towards these. By May 1998 the leaders of 178 companies and organisations had signed up to the ‘Challenge’. Following this came “Race for the Future”, an initiative of the Department for Education and Employment, “aimed at
taking the message to employers that racial equality in the workforce is essential for good business practice”, through regional conferences aimed at local business leaders, and other events. In 1999 the Stephen Lawrence Inquiry put the issue of institutional racism on the public agenda and provided a stimulus for many public organisations and local authorities to review their equal opportunity and anti-racism procedures and to develop new initiatives. Following the Inquiry report, the government introduced the Race Relations (Amendment) Act 2000, which places a new general statutory duty on public authorities, (e.g. local councils, central government departments, schools, colleges, universities and health authorities) to monitor by ethnic group their existing staff as well as applicants for jobs, promotion and training. Authorities with at least 150 full-time staff must also monitor other things such as disciplinary action, grievances, training and dismissals.  

The Chartered Institute for Personnel and Development is the leading professional association in the UK for personnel and human resource managers, and sees itself as “the pre-eminent professional body influencing and improving the quality, thinking and practice of people management and development.” It is therefore significant in the UK context that this body has thrown its weight behind diversity management. In a 1998 publication Managing Diversity: an IPD position paper it strongly asserts its commitment to diversity management and sets out how and why British companies should adopt it. In 1999 a survey was carried out of the top 200 British companies, selected from the Financial Times 500. One third of those who responded were actively involved in the management of diversity, with a further 12 per cent of the remainder reporting that they were planning to do something in this area over the next 12 months (Collet and Cook 2000). Those organisations which were involved in managing diversity were more likely to be involved in nation-wide campaigns such as Race for Opportunity and the CRE’s Leadership Challenge. This survey illustrates the beginning of a diversity management consciousness in the UK, but also indicates that it is still a minority.

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21 *Connections* Autumn 2001 p. 6 (CRE London)

22 Sixty-five completed questionnaires were returned, a response rate of just under one third
activity. As the authors themselves state, "bearing in mind that the people who took part in the survey were from top British companies, where an emphasis on diversity is more likely to be found, we can reasonably assume that the overall proportion of British organisations committed to diversity is actually much lower than one-third". (p. 6)

In the Netherlands the government has introduced a number of specific labour market measures to promote the employment of ethnic minorities. An agreement in 2000 means that the employers organisation for small and medium sized businesses will report 30,000 vacancies to the employment services authority, which will 'preferably' be filled by persons from ethnic minorities. An Act which came into force in 1998 presses employers with 35 or more employees to reflect a proportional share of ethnic minorities in their workforces. And in 2000 an agreement was made between Ministers and a leading group of large companies on the implementation of a multicultural personnel policy which can include matching recruitment channels to a target group of ethnic minorities, introducing culture-free selection tests, providing intercultural management training to managers and members of the works council, appointing mentors for newcomers, and so on (Ramkhelawan 2001). There has been a long history in the Netherlands of intercultural management training, which in the 1980s directed itself reasonably easily into embracing the cultural minorities at work in the Netherlands. An industry of training providers ranged from professional management consultants to small ideologically motivated anti-racist voluntary organisations (Abell 1991). Many of these subsequently developed into diversity management trainers and consultants. It seems that the first organisations to be interested in diversity issues have been those who are offering products or services to ethnic minority clientele, and multinationals companies who are operating in an international market. Now, according to the one Dutch diversity consultant, who is currently working on diversity management policies with Amsterdam City Council and the Dutch police force, a diversity management consciousness is growing significantly in the Netherlands. One of the main stimuli to this has been full employment, so that managers have been turning to diversity management out of a desperate need to recruit more people. In the experience of this consultant, the organisations which are most concerned about the positive effect that a diversity
management policy can have on clients and customers are the banking and insurance industries, and these are often operating policies to match their workforces with the local area representation of minorities. The public sector organisations, on the other hand, are more likely to be concerned with the issue of staff shortages. All the major Dutch municipalities are now talking about diversity management.

In Sweden a new anti-discrimination law in 1999 puts more pressure on employers to adopt anti-discrimination and diversity measures. The Swedish Discrimination Ombudsman has produced a handbook on best practice to promote cultural diversity and now has the right to approach firms and check what they are doing to promote diversity. The new law allows some positive action in the area of recruitment and improving working conditions for ethnic minorities (EUMC 2001: 74). The Swedish government has also been pressing city councils and local authorities to do something in this area. The organisation Sweden 2000 is working with diversity networks initiated by the Swedish Ministry of Industry in a range of initiatives to promote diversity in the workplace; Sweden 2000 has organised diversity workshops attended by delegates from both the private and public sector, and has also organised diversity study visits of representatives of Swedish companies to the US to meet diversity practitioners from American companies. One Swedish diversity management consultant felt that people in Sweden first began talking about diversity management around 1995-6; now it is the larger Swedish companies such as Telia and Volvo for whom it has become a major interest. She felt that relatively few Swedish companies were driven by a realisation that there was an ethnic minority market to exploit. Nor did she think that the notion that ‘diversity leads to creativity’ was a driving force for diversity management. Instead she felt the main pressures were the realisation of present or future labour shortages, and a concern over company image.23 Broome et al. (2000) came to similar conclusions after their interviews with Swedish employers. They did not find evidence of a view that making use immigrants’ cultural, social or linguistic experience could benefit the company or enrich the quality of service or the workplace environment for the native Swedish employees. Indeed, their interviews with people

23 Personal interview March 2001
in the public sector found that the motives for employing immigrants were those such as the labour shortage, and that better services can be provided to immigrants themselves, avoiding the need for extra interpreters and so on. “The internal organisational advantages of a diverse workforce are hardly given any prominence in the interviews” (p. 28). Thus it would seem that in both the Netherlands and Sweden, there are pressures which are increasing a diversity management consciousness, but it also seems that in both countries the full potential of the diversity management philosophy has not yet been embraced.

In Denmark in 1998 a number of human resource managers from several large businesses established an organisation called “Foreningen Nydansker”.

24 The aim was to improve the employment integration of ‘new Danes’ and highlight the potential and qualifications of immigrants and ethnic minorities in Denmark. More than 150 public and private sector companies and organisations have signed up as members. The organisation has organised conferences and workshops focusing on new Danes and the labour market and established cooperative working links with unions, employers associations, public authorities, and others. The director and a team of volunteer human resource managers are available to disseminate the message of diversity management and give advice to companies on the recruitment and employment of new Danes. According to the director, the first to take on board the message have been the large companies, international companies, and American owned businesses. In 2001 the organisation produced a report which brought together examples of good practice from companies and organisations all over Denmark, to serve as models for others.

25 One major Danish pharmaceutical company, Novo Nordisk, announced in 2001 its plans for “working actively with equal opportunities”, including setting a 2002 target for each affiliate and unit to develop an action plan for addressing equal opportunities. The company argues "Diversity should be seen not as a problem, but as an

24 The full title is “Foreningen til integration af nydanskere på arbejdsmarkedet” which means the association for the integration of new Danes (immigrants) into the labour market.

25 “Ledelse af mangfoldige ressource – integration of nydanskere på arbejdsmarkedet”
opportunity. Creating a corporate culture that supports diversity will be vital to securing equal opportunities for all".\textsuperscript{26}

Sweden 2000 and Foreningen Nydansker have both been working with the Centre for Diversity and Business in London. This organisation aims to further the development of diversity programmes by working in partnership with a range of individuals, networks and organisations across the EU. Its sees its mission as being to highlight the importance of diversity to the economic and social development of Europe, and "show how creating and managing diversity in all its forms will be vital to the competitiveness of Europe in the next 20 years". In this it aims to influence policy-making at a local, national and international level. It has helped to get diversity management on the agenda in Finland, where it has been working with the Finnish Ministry of Labour, the University of Jyväskylä and several major companies in the development of a programme to develop the diversity skills of managers and staff. It also links with a Norwegian network with the title of 'Mangfold i Arbeidslivet' (Diversity at the Workplace), set up in 1999 by a number of companies and interested parties who came together to further diversity initiatives in Norway. In Belgium it has worked with employers' groups and networks who have become involved in campaigns to raise awareness of the business benefits of diversity and disseminate good practice accordingly. In Italy it links with Sodalitas, which, following on from the European Business Network for Social Cohesion initiative "Gaining from Diversity", set up a task force in 1998 composed of people from industry, the professions, and social and voluntary agencies. Also, an Italian management training institute has set up a project in Italy called "Diversity Management", financed partly with European Union money, to promote initiatives in Italian organisations with regard to new problems of cultural diversity. It acts as an information source, runs pilot projects, and exists as part of an international network to learn best practice from companies in other North American and European countries. By 2000 they had introduced diversity management to human resource managers from 22 Italian companies, and in one particular project were engaged in implementing diversity management.

\textsuperscript{26}"Reporting on the Triple Bottom Line 2001: Dealing with Dilemmas" Novo Nordisk. Bagsværd 2001
in four Italian companies via the creation of internal diversity teams (Jacobs and Pirrello 2000).

Further evidence on the European spread of diversity practices comes from a 2001 study on “Mainstreaming Cultural Diversity”, initiated and funded by the European Monitoring Centre on Racism and Xenophobia (EUMC) and conducted by the Berlin Institute for Comparative Research. The study concluded that discussion on issues of cultural diversity in employment has spread more broadly in the EU in recent years, touching an ever wider spread of institutions and increasingly supported, encouraged or driven by a range of agencies, laws and educational programmes. This growing activity was seen to be at least partly a result of European initiatives such as the 1997 European Year Against Racism and the Florence Joint Declaration (see Section 3 of this report) (EUMC 2001: 67). One of the major themes of the work programme of the EU research institution the European Foundation for the Improvement of Living and Working Conditions, Dublin, for the period 2001 – 2004 is “Managing Diversity”.

It is not within the scope of this report to conduct a survey or attempt an accurate overview of the latest diversity management developments in Europe. However, from the evidence above it seems reasonable to conclude that there is an expanding development of activities in the direction of diversity management. There is a growth in Europe in ‘diversity consciousness’ even though, strictly speaking, much of it does not yet look like a diversity management consciousness, and some of these activities labelled diversity management might be more correctly categorised elsewhere on our six-fold typology of organisational activity.

A convergence towards diversity management?

In the light of the spread of awareness and activities under the broad heading of diversity, it is relevant to ask whether there are forces that will produce a convergence of organisational practice across Europe towards diversity management. Certainly some diversity management practitioners and consultants have an almost evangelical faith in the power of the new diversity gospel to spread into untouched areas. Of course, one factor in such a convergence within the EU might be the
pressure which stems from the mechanisms of the European Union itself. More particularly, the EU anti-discrimination directives in 2000, one on equal treatment of people irrespective of race or ethnic origin (the Race Directive) and one establishing a general framework for equal treatment in employment and occupation (the Equality Directive) require the establishment and maintenance of a minimum level of protection against discrimination in employment. EU member states accordingly need to revise their current laws or introduce new ones in line with the requirements of these directives. Each member state needs to designate a body to promote equal treatment, and to provide legal standing for relevant organisations to support complainants. All this in turn puts pressure on employers to adopt anti-discrimination procedures themselves, and diversity management is likely to be seen as an acceptable way of doing this.

However, more than this, there might be other factors which might be drawn upon to construct something like a universalist theory of convergence towards diversity management, operating regardless of national context. For a discussion of such universalist theoretical positions we can turn to the work of O’Reilly (1996), on theoretical considerations in cross-national employment research. Early ‘universalist’ social theorists such as Marx, Weber and Durkheim, despite coming from different political positions, shared similar basic assumptions about the common trajectory of human development. Their unilinear model of social evolution was challenged by anthropologists such as Malinowski whose functional analysis of single societies showed that societies were unique coherent entities and implied that they needed to be understood from a more holistic approach. The key difference is pointed out by O’Reilly:

those who stress universal trends often underplay cultural differences in their search for similar patterns across societies, whilst those who stress divergence tend to take a more wholistic approach and give a greater emphasis to the impact of culture (O’Reilly 1996: 3).

Therefore, this means that “The concept of culture as a significant explanatory variable is a key concern in cross national comparative research.” The problem for social scientists engaged in comparative
work is “how to conceptualise and operationalise culture for empirical research”.

One universal theory of convergence is “industrialism”. Industrialism seeks to identify universal trends in industrial organisation, emphasising, for example, a technological imperative which leads to a single trajectory of development. Thus, according to this theory, a logic of industrialism exists regardless of the political context (Kerr 1983). Similarly, contingency theory, which restricts its focus to business structures and organisations rather than whole societies, concentrates on, for example, differences in organisational design and practices in relation to factors like organisational size, the environment or the technology used (Woodward 1965, Lawrence and Lorsch 1967). These theories might have relevance for those who identify a ‘convergence’ towards diversity management. Major external forces – globalisation, continuing post-industrial migration, demographic shifts, the decline of manufacturing and the growth of the service sector – could be seen as similar forces for convergence towards this particular form of managerial response. In the face of these ‘irresistible’ structural forces and pressures, firms will need to adopt diversity management techniques in order to survive.

However, universalist positions have been criticised for over-emphasising structural determinants and for underplaying the significance of local historical, cultural and political factors. As O’Reilly argues, even if organizations or societies experience comparable pressures it cannot be assumed that they will adopt identical strategies to deal with these because national institutions, coalitions of actors and values mediate the change process (O’Reilly 1996: 8).

Thus, despite the apparently universal pressures and imperatives identified as the key stimulants to the development of diversity management, it will be important to examine the development of this and other organisational anti-discrimination practices within national or local cultural and institutional contexts.
The variable of national culture

If within different EU countries we find clusters of differences in the character of the most common anti-discrimination activities – for example, if we find them characterised by different levels in the sixfold typology – we should ask the question as to whether this not so much because they are at different ‘stages’ in a chronological sequence of development but because the dominant activity reflects enduring differences in certain aspects of local or national culture, or in different local or national institutions. There have been many studies on the implications of national culture for management practice. For example, writers such as Hofstede (1991) argue that people of a particular nationality share a collective national culture, a sort of mental programming which shapes their values, attitudes, perceptions, behaviour and competences. Theories of organisations reflect the cultural environment from which they originate, so “there can be no guarantees that management theories and concepts developed within the cultural context of one country can, with good effect, be applied in another” (Morden 1999: 20). However, there has been relatively little written so far on the specific implications of national culture for diversity management.37 Within the human resource management and organisational literature there is an expanding interest in cross cultural aspects of organisational behaviour (Adler 1997). Questions are asked as to whether there is just one basic and universally applicable ‘human resource management’, or whether we should talk about a variety of nationally specific models (see Harzing and Ruysseveldt 1995, Clark 1996). The same question needs to be addressed with regard to diversity management. Are local or national culturally-rooted values a constraint on the development of diversity management?

One example of such a cultural constraint might be the ‘particularism’ which is characteristic of some parts of Europe. A family-based particularism is said to be common in areas such as the south of Italy, Greece and Spain, and is a phenomenon which is “characterised by the elevation of family bonds above all other social loyalties” (Mutti 2000: 582). In a society where this carries through into

37 One textbook which does address US and European differences with regard to diversity management is Kirton and Greene 2000.
organisational practices it will have implications for policies targeted to produce a more diverse workforce. For example, trade unions will often have formal or informal agreements with employers which prioritise their own family members for jobs, and thereby exclude newcomers. In Nice, in the south of France, there was until recently an agreement between the trade unions and public transport employers that priority for all new jobs on the buses went to the children of existing bus drivers. The bus company began to have problems on the buses with some immigrant young people and decided that that the problem might be helped if they were to recruit some people of immigrant background. However, the trade union agreement initially made it difficult for the drivers to accept this new scheme to prioritise the recruitment of people of immigrant background, until eventually a new agreement was made which reserved 50 per cent of jobs for the family of drivers, and 50 per cent for external recruitment (Wrench 2000a). This type of family recruitment is a clear example of indirect discrimination, and is not compatible with an equal opportunities or diversity management policy.

Is this factor of particularism to be considered a trait of national culture in the sense used by Hofstede, with inevitable implications for organisational practices like diversity management? Or is there a danger of overstating the implications of such culturally-based value differences? Hofstede's work has been criticised as being rather too simplistic, in, for example, reducing the cultural identity of a society to a standardised score on individual responses to series of statements, ignoring conflicting identities which exist in societies, and underplaying the rate of historical change (O'Reilly 1996: 10). For example, in certain regions and industries in the UK there has also been a similar historical tradition of family priority in recruitment, but this type of tradition was fought against and removed by the political mobilisation within unions of ethnic minority workers. The fact that such prioritisation of family members has changed over 20 years from being considered 'normal' to being considered morally unacceptable was shown in the mid 1990s when the Transport and General Workers Union insisted that its drivers' section at Fords abandon such a policy even at the risk of alienating and losing 200 union members (Purkiss 1997). Clearly, values, traditions and associated practices can be affected by political action and can change over time. There is a danger
in giving too great a determining role to values alone. When looking at any differences within the EU in organisational anti-discrimination practices we need to consider the interaction of a range of relevant variables. Certainly national culture or national value differences are likely to be among these variables, but these need also to be located in the context of social institutions. As O’Reilly puts it, values on their own are not enough to understand different working and organisational practices – “Values need to be rooted into the social and economic structure of a given society”. (O’Reilly 1996: 9). We need to observe how local or national cultural and value differences shift over time, and how they are reinforced, undermined or manipulated by political developments.

This section therefore suggests some examples of the sorts of institutional, cultural and political factors which may act as influences or constraints on the development of American-style diversity management in Europe. There is not the space here to list all of the intra-European differences of culture, history and institutions which might have some relevance to diversity management, but we can consider a number which spring to mind as the sorts of factors which might be relevant.

Differences of national context

There may be elements within each of the six levels of organisational anti-discrimination practice which make them less likely to find a sympathetic environment in different EU countries. For example, one central component of the practice of diversity management (level 6) is the identification and celebration of ethnic diversity at the workplace. Yet in some parts of Europe the very idea of this might be seen as unacceptable. Bourdieu and Wacquant, for example, criticise the ‘cultural imperialism’ inherent in the assumption that American academic ideas can be imposed on non-American environments. For them, an example of such ‘cultural imperialism’ is the American imposition of the word ‘minority’ with all its unstated assumptions and pre-suppositions that “categories cut out from within a given nation-state on the basis of ‘cultural’ or ‘ethnic’ traits have the desire or the right to demand civic and political recognition as such.” (Bourdieu and
Wacquant 1999: 46, 51). For some people in France the very word 'diversity' has unacceptable overtones. The American historian Nancy Green, when describing the French discourse on immigration, notes that some French writers see that the US is no longer the immigration 'melting pot' it once claimed to be – they argue that "the United States has renounced its literal melting pot to follow a dangerous path of diversity, which France should in no way copy" (Green 1999: 1199). The phenomenon is summarised by Prasad and Mills (1997: 16) "Today ethnicity is worn proudly as a badge of honour, (……) preventing the easy assimilation of different ethnic groups into something loosely defined as American". Green sums the French view up thus "As seen from across the Atlantic, then: the melting pot is dead (in the United States) long live the melting pot (in France)" (Green 1999: 1204).

There are differences in the degree to which policies against racism and discrimination have as part of their approach a practical recognition of ethnic categories. The French idea of its national community does not sit well with the recognition of ethnic or immigrant minorities within it.28 According to Banton, "The French see their country as a political community which could be undermined were they to recognise differences based on ethnic origin in the relations between citizen and the State" (Banton, forthcoming). Thus in France the emphasis is on broader "equal rights" policies as a means of avoiding discrimination for all citizens and workers, and initiatives to encourage the recruitment of migrants have been phrased not in terms of 'anti-discrimination' or 'anti-racism' policies for migrants, but as egalitarian approaches guided by a universalistic ideology (De Rudder et al. 1995). To talk of measures in 'Anglo-Saxon' equal opportunities terms runs counter to established philosophies of universalistic treatment, with a resistance to dividing up the targets of policies by ethnic background. Therefore, in France, practices which benefit ethnic minorities are more likely to do so indirectly, without being designed in ethnically-specific forms. The British, on the other hand, have a much weaker and more complicated conception of citizenship and the national community, which has not

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28 For a discussion of how German conceptions of citizenship and national ethnic community similarly discourage official recognition of immigrants as distinct ethnic minority groups, see Piper 1998.
been threatened by the recognition of ethnic categories or ideas of multiculturalism. Discussion on the forms that 'multi-culturalism' might take are a regular part of public debate in some sectors, and equal opportunities policies often operate in ways which take practical account of categories of ethnic difference (Jenkins and Solomos 1987, Blakemore and Drake 1996).

Thus the French context seems unsympathetic for some aspects of diversity management and also for some activities at level 5 – organisational equal opportunity policies with positive action. One important component of both these levels of activity is the audit – counting the ethnic origin of the organisations’ workforce in order to identify discriminatory processes, and perhaps in order to use anti-discriminatory positive action measures such as setting targets to reflect the local ethnic mix in the workforce. Whereas in the UK a question on ethnic background forms part of the official Census, and ethnic monitoring within organisations is often used to evaluate the progress of policies, in France the recording of 'racial' or ethnic origin in official or private registration runs strongly counter to social and legal norms. It is not only France where there are problems of this sort. It is difficult to do this in Denmark, and even in the Netherlands, which is a country with one of the strongest records of equal employment opportunity and diversity management practices, there has been in recent years considerable opposition to the practice. In the context of a 1994 law that was being introduced to encourage the proportional labour market participation of ethnic minorities, a "major bottleneck" turned out to be the issue of identification and registration. The chairman of one of the most influential employers organisations stated that everyone with some awareness of what happened in the second world war had to oppose any form of ethnic registration (Glastra et al. 1998: 170). A Swedish diversity management consultant described the discussion on ethnic monitoring and targets as something of a "heated debate" in Sweden. Opponents in Sweden also draw on the argument "What if the nazis got hold of this?", but she felt that people were hiding behind this argument – "It's just a way of hiding the fact that you don't really want it" and avoiding the real issue, namely "that people don't get jobs". In her experience the immigrants themselves in Sweden generally had no objections to this sort of record keeping – "they are usually very
positive because they realise that 'this is something for us - the information is not being used against us'”. She recognised that this gives rise to problems regarding diversity management in Sweden because of the fact that in the (US) diversity management literature, monitoring is quite important. “What goals are you going to have in your programme if you can’t measure? If you are trying to increase the immigrants you recruit, or improve those in managerial grades, sooner or later you have to measure something.” There are thus wide variations within Europe with regard to the acceptability of some important components of diversity management or equal opportunity practice.

Levels 4 and 3 in turn emphasise tackling everyday discrimination and racism. There may also be national differences in the acceptability of these activities. The concept of racism itself can be expressed differently between European countries, and this can have corresponding implications for the character of measures to counter racism and discrimination. We can illustrate this by contrasting again the cases of the United Kingdom and France. It is suggested by Michael Banton that policies in France start with the assumption that the causes of racism lie within the realm of ideas, and that the first priority is therefore to penalise incitement to racial hatred. Official discourses on racism are concerned with phenomena such as racial attacks, attack on mosques or Jewish cemeteries, or the incitement to racial hatred. Correspondingly, the policing of the press and publications regarding racism is much stricter than it is in Britain. In Britain, official policy makes no similar usage of the concept of racism but emphasises action against discriminatory behaviour in a rather pragmatic approach (Banton, forthcoming). Thus it may be the case that level 3 anti-racist activities find a more sympathetic context in France than level 4, whereas in the UK people may be happier with a pragmatic anti-discrimination approach.

It might be predicted that Level 2 – making cultural allowances – is relatively uncontroversial, and that examples would be found easily in most member states. However, it could well be that in a country such as Denmark people would be happier to see policies against racism or discrimination than they would at level 2. The practical recognition of ethnic culture, and the general discourse of multiculturalism, seem to be problematic areas in Denmark, where it is very difficult to find even
basic examples of multicultural allowances, such as allowing Muslim women employees to wear the headscarf, or allowing Muslim workers to take Muslim rather than Christian religious holidays.

To understand better some of these national differences we need to look further at some of the institutional differences between EU countries.

Citizenship and legal status

One important factor which will have direct implications for the acceptability and relevance of diversity management in an EU country is the legal status of ethnic minority workforce within it. The working population of the EU can be divided into five main categories in terms of legal status (Wrench 1996: 3)

1. Citizens living and working within their own country of citizenship.
2. Citizens of an EU Member State who work in another country within the Union (EU denizens).
3. Third country nationals who have full rights to residency and work in a Member State (non-EU denizens).
4. Third country nationals who have leave to stay on the basis of a revocable work permit for a fixed period of time.
5. Undocumented or 'illegal' workers.

The above five categories reflect formal status, and a continuum of rights ranging from full rights and privileges of citizenship in group 1 to virtually no rights in group 5. It is clear that the relevance of a diversity management approach in any particular country will differ according to which categories most of its migrant and minority ethnic workers fall in to. It will be most relevant to EU countries where migrants and ethnic minorities are skewed towards the top groups of the five legal categories of worker. Here, the immigrant population is likely to be longer established and issues of the 'second generation' are important, with concern over the unjustified exclusion of young people of migrant descent from employment opportunities by informal discrimination on 'racial' or ethnic grounds, and their over-
representation in unemployment. In countries where most migrants and their descendants are found in category 1 legal discrimination in employment against non-citizens does not constitute a major problem, and a major part of anti-discrimination activity concerns tackling the informal discrimination which in practice reduces the opportunities of minority ethnic workers. Many components of an equal opportunities or diversity management policy aim to address such informal discrimination.

In some European countries, a high proportion of ethnic minority workers fall into category 3, suffering not only informal racial discrimination but also some formal legal discrimination. The labour market rights of non-EU denizens vary considerably between different European counties. For example, in some countries, nationals of non-EU countries, even when legally permanently resident and lawfully employed within the country, are excluded from a whole range of jobs, usually in the public sector, and may be entitled to lower levels of unemployment benefit. It may be that priority for filling apprenticeships is given to national before a non-national. In countries of southern Europe immigrants are more likely to be over-represented towards the bottom of the five groups, and the legal differences between the immigrant population and the national majority are even greater. Category 4 workers are often actively preferred and recruited because they are more vulnerable and less able to resist exploitation in terms of work intensity or working hours. In conditions where legal discrimination exists, a diversity management approach would seem to be premature.

An example with regard to category 4 would be Austria. Austria remains firmly in the 'guestworker' model with regard to its immigrants, who remain on a range of different work and residence permits. Although this has not kept immigrants from settling, it leaves the right to end their residence in the hands of the authorities, and constrains their working lives with restrictions not applicable to Austrian workers. Legal restrictions on immigrants ensure that large sections of immigrant workers remain complementary to native workers, and do not endanger their employment prospects (Gächter 1995). Even immigrants with a so-called 'permanent' work permit risk losing it if they have a period of unemployment, and become treated as
new immigrants again. This keeps immigrant workers in a much weaker position than their Austrian co-workers. This weakness in compounded by the fact that foreign workers are not able to be elected to be a member of a works council (Gächter 1997). This leaves whole sections of employment where immigrants are concentrated without proper representation at work. In these circumstances, anti-discrimination practice will take on a very different form to one in a country where such restrictions do not apply.

For example, one of the Austrian case studies for the European Compendium of Good Practice (see Section 3) described the only instance in the private sector in Austria where a deliberate attempt was made to circumvent this legal discrimination with regard to works councils. The case was a textile company where it had been the tradition for each department to be represented on the works council, and where, in the finishing department, where less than 10 per cent of the 67 staff were Austrian nationals, it was not possible to find a candidate. Through a creative exploitation of a loophole in the law, the company managed to get a Kurdish man on to the works council. The company then signed a separate agreement which stated that this man was to be treated as if he had the same rights and duties as a regularly elected works council member. One of the contextual factors in this case was that the head of personnel had recently joined the company from Germany, where the right for foreigners to be elected to works councils had existed since 1972, and so for him the idea did not seem at all unusual or threatening. "At most he regarded the ban itself, and the elaborate route to circumvent it, as somewhat bizarre. His attitude undoubtedly helped the whole project" (Gächter 1997). This case illustrates how fighting discrimination, is, in the context of workers in the bottom groups of categories, just as likely to be fighting legal discrimination as the more conventionally understood organisational measures against racial discrimination.

In countries where a major proportion of immigrants are found in category 5 – undocumented workers – then diversity management is even less appropriate as an anti-discrimination measure. To talk about 'ethnic monitoring', 'positive action' or 'valuing diversity' in an environment where immigrants are legally constrained into taking jobs others don’t want, in worse conditions and at lower pay, or where large
numbers of undocumented workers suffer intense exploitation, would be entirely inappropriate. One of the Spanish case studies originally submitted to the European Compendium of Good Practice (Cachón 1997) exemplifies how 'preventing discrimination' in the context of the widespread use of undocumented labour can be very different from elsewhere. This was a small agricultural enterprise in Saragossa, a province in the Aragón region of Spain. In this area, the fruit and vegetable farms which have developed on irrigated land employ large numbers of immigrant workers, since local agricultural workers have moved to other sectors to find better pay and conditions. The case study was an enterprise growing tomatoes, melons, onions and cereals, using immigrants for the labour intensive work. The owners operated according to a number of principles, many of which enable them to be seen in the Spanish context as 'good practice' against discrimination. The enterprise always hires legal immigrants, although they have frequently been approached for work by undocumented immigrants, and the employers take responsibility for all the immigrants’ administrative formalities with the Provincial Employment Office. They hire immigrants of the same nationality (Moroccans), who are always men, aged between 20 and 40, and these are recruited through the networks of friends and relatives of existing workers. When one of their workers has a relative still living in Morocco who wishes to come to work there, they assist with the provision of relevant documents. The pay, contract of employment and working conditions of the Moroccans are always the same as those of the Spanish workers employed by the same enterprise. The enterprise provides accommodation for its workers, including a purpose built house which can accommodate 25 workers. Finally, the owners make allowances for the Moroccan workers culture – they assume that output will fall during Ramadan, and allow workers to return home for important feast times in the calendar.

Viewed from outside Spain, this enterprise may not look like a an exemplary case of 'good practice' against racism and discrimination, and some of its practices are the complete antithesis of good diversity management. However, this case study has to be seen in the context of the fact that a large proportion of agricultural workers in Spain are 'illegal', living and working in appalling conditions (Cachón 1999), and
that this factor itself can foster racism. This is demonstrated by the incident which happened in February 2000, when the worst outbreak of racist violence in Spain’s recent history occurred in El Ejido, a small Andalusian town of about 50,000 people and 15,000 immigrants from Morocco and Algeria working in the agricultural sector. Three days of violence and arson against immigrants and their houses, cars, shops and mosques, sparked off by the murder of a Spanish national, left 56 people requiring medical attention. Many of the immigrants worked illegally, grossly exploited for poor wages and living in appalling conditions. A trade union spokesman stated “They are working and living in nineteenth century conditions. It is terrible. They live in caves, tents - they have no drinking water, electricity or hot water. Employers like them because they can pay low wages below the agreed levels. They are often single men and nothing has been done to foster their integration in the locality” (Wrench 2000: 18). The racist incidents were seen to be directly related to the employment of ‘illegal’ workers - as one commentator put it “the demand for cheap manual labour generates the vicious circle of illegal immigration, underground employment, segregation and racism (....) Co-existence with people that live and work in subhuman conditions is obviously not easy”.

Migrant workers such as agricultural workers in Spain on temporary contracts are segregated from Spanish workers, doing unpleasant jobs that the locals don’t want to do. The areas where large numbers of immigrants work on temporary contracts were traditionally untouched by equal employment opportunity or conventional anti-discrimination policies, and in such circumstances diversity management policies are similarly irrelevant. However, the continuance or extension of a ‘gastarbeiter mentality’ into higher status jobs in the normal labour market does have implications for diversity management. For example, in 2000 there was a German initiative - dubbed Germany’s “green card” scheme – which aimed to alleviate its information technology shortages by inviting computer experts from countries such as India to live and work in Germany for up to five years. This, according to one commentator was “helping to sustain the old myth that one day, if circumstances change, the foreigners may all go and leave Germany to

29 Eironline, www.ciro.eurofound.ie, April 2000
the Germans. The green card holders are ultimately modern, hi-tech guestworkers” (Guardian 31 October 2000).30 This kind of policy does not sit well with the sort of organisational culture which is supposed to be fostered by diversity management – a heterogeneous pluralistic culture where all differences are valued – when sections of ethnically-differentiated workers are marked out in a legally inferior position to their colleagues.

National myths and political discourse

There are important differences in “national myths” which have implications for the acceptability of policies relating to immigrants and ethnic minorities. In countries such as the USA, Canada and Australia, which have been built on immigrants, the idea of immigration has been a relatively positive theme in national development. European countries, on the other hand, see their cohesion as coming from nationality or ethnicity rather than the ‘strength through diversity’ which is associated with traditional immigration countries. It has been noted by others that someone in the US who would be called a “second-generation American” would be called in most European countries a “second-generation immigrant”. One difference between the European and American context is that in America there is an assumption that immigrant populations will eventually become full and equal members of society, and that certainly their children born on American soil will become American citizens. This is not so in some European countries where citizenship is made difficult to acquire for immigrants of long-standing legal residence, and even for their children born in that country.

There are clearly great differences, historically and culturally, within Europe in national responses to immigration and ethnic diversity. Castles (1995) provides a categorisation of such responses, which includes differential exclusion - immigrants are seen as guestworkers without full social and political rights, assimilation - immigrants are awarded full rights but are expected to become like everyone else, and

30 In 2001, after the scheme generated far less recruits than was hoped, a government-appointed commission recommended that a proportion (20,000 workers a year) of those highly skilled workers required should be given permanent right of abode in Germany (Guardian 5 July 2001).
pluralism/multi-culturalism - immigrants have full rights but maintain some cultural differences. Castle's model has been subsequently modified by Kirton and Greene (2000: 237) as follows:

Differential exclusion
Immigrants are seen as guest workers (gastarbeiers) without full social and political rights. Citizenship is defined by descent. Naturalization is possible for non-nationals but requires the renunciation of other citizenships and evidence of meeting the criteria for the national way of life and affiliation to the country. Civil society is suspicious of ethnopluralism. This categorizes Germany, Austria, Switzerland and Belgium. For example, until the end of the 20th century the ethnic nature of citizenship in Germany continued to be based on definitions of kinship and race as established by the Nuremberg Laws.

Assimilation
Immigrants are awarded full rights but are expected to assimilate to cultural norms. Citizenship is defined by a mixture of birth in the country, descent and residence. Unlike the differential exclusion model, citizenship is linked to a territorial community rather than based on descent. Dual nationality is not encouraged. This categorises France, Denmark, and the UK in the 1960s. In France, for example, the universalist approach discourages the identification of ethnic origin in social policies.

Pluralism/multiculturalism
Immigrants have full rights but maintain some cultural differences. Citizenship is based on a mixture of descent, birth and residence. Dual nationality is allowed. Unlike the differential exclusion and assimilation models, different group identities are officially recognized. The accommodation of different ethnic cultures and norms is encouraged although requires a basic loyalty to the nation. This categorizes the Netherlands and Sweden. In the Netherlands, for example, a pluralistic approach allows separate institutional provision (e.g. trade unions, schools, universities, political parties) for people with different religious and secular worldviews.

Pragmatist pluralism
Immigrants have full rights and maintain some cultural differences. However, there is a lack of a defined policy perspective. A civic nation (rather than an ethnic nation as with the differential exclusion model) exists in which emphasis is placed on the accommodation of different groups. This is similar to the pluralist model but has come about in a de facto way rather than legally defined. Citizenship is officially based on birth but naturalization is available for those legally resident for a number of years, and dual nationality is allowed. This categorizes the UK since the 1970s (Kirton and Greene 2000: 237).

The question for this report is whether we should expect to find certain important elements of organisational anti-discrimination policies, such as positive action and 'celebrating diversity', only in the context of the third or fourth categories, as they would not seem to sit naturally in the context of an 'assimilationist' or 'gastarbeiter' approach. Certainly this might be expected to be the case if reality reflected exactly these categories within each country. However, these are 'ideal' types, and in reality there has been some tensions within them and some practical leeway. Castles states that the differential exclusion model was based on the desire to prevent permanent settlement, and has proved hard to maintain because it leads to social tension and contradicts the democratic principle of including all members of civil society in the nation-state. In Germany there has been something of a shift from this model to assimilation policies in some areas, and some multi-cultural policies in education. (Probably Austria remains as a purer type of this model than Germany – Gächter 1995.) In France, probably the best example of the assimilation model with its republican tradition of "equal treatment for all", there has been a move to some elements of the pluralist model, and this has led to some difficulties because of contradictions between explicit goals and actual policies. Also in France in 1993 there was a move towards in the other direction towards a harder gastarbeiter model when the Pasqua laws reversed measures which previously allowed migrant workers to renew their permits at regular intervals and allowed citizenship after a certain period of years, thus rendering illegal thousands of previously legal migrant workers (Kirton and Greene 2000: 238).

Nevertheless, these positions are often directly reflected in national political discourse. In the UK, Sweden and the Netherlands there has
long been a sort of recurring lip service paid to multiculturalism by political leaders. Back in the mid 1960s a British Home Secretary had referred to the integration of immigrants as implying the acceptance of ‘cultural diversity’ at the same time as ‘equality of opportunity’ in an atmosphere of ‘mutual tolerance’ (see Rex 2000: 202). In October 2000 an independent think tank produced a major report called “The Future of Multi-Ethnic Britain”, the aim being “to propose ways of countering racial discrimination and disadvantage and making Britain a confident and vibrant multicultural society at ease with its rich diversity”. The report, which was launched by the British Home Secretary, recommended that Britain should develop both as a community of citizens and as a “community of communities” (the pluralist view) (Parekh et al. 2000). And in 2001 the British Foreign Secretary made a speech stating that the British are not a ‘race’ and Britishness cannot be defined in terms of race or ethnic background. The speech was described in one newspaper as “one of the strongest defences of multiculturalism made by a Government minister” (Guardian 19 April 2001). The Netherlands has also had experiences of official dabbling in multiculturalism. Policy in the Netherlands in the 1970s was encapsulated in the phrase “the integration of ethnic minority groups while retaining the cultural identities of their countries of descent” (Glastra et al. 1998: 168). In regard to Sweden, Westin (2000) shows how in the 1970s the “traditional unreflected policy of assimilation” gave way to policies which entailed an acceptance that Sweden was turning into a multicultural society, facing a future of “cultural pluralism” (Westin 2000: 20).

Of course, this should not be overstated. In Britain there have been sectors of opposition to the idea of a multicultural society,31 and in the Netherlands has been some government retrenchment from earlier positions (Glastra et al. 1998: 168), whilst some people interpret Sweden’s brand of multiculturalism as “a less brutally presented assimilation policy” (Westin 2000: 39). Thus there are paradoxes and counter-tendencies in those European countries which fit closest to the

31 In the UK there was some hostile public reaction to the Parekh report, particularly after many British national newspapers misleadingly fed their readers an invented story that the report had concluded that in a truly multicultural society the word ‘British’ would have to be dropped.
'pluralist' ideal types. Nevertheless, imperfectly though these 'multicultural' ideologies are expressed in practice, they do provide a more sympathetic political context for organisational equity policies for immigrants and ethnic minorities than a country such Germany, where the official line was maintained for 20 years or more, against all the evidence, that "Germany is not a country of immigration", 32 or Denmark today, where much public discourse remains crudely assimilationist. Although there are contradictory examples in practices, the ideologies relating to the 'ideal types' set out by Castles often remain in official discourse, and are directly reflected in how policies on the treatment of migrants and ethnic minorities are expressed. The contrasting associated national 'myths' in Europe do provide very different contexts in which organisational policies are located.

**Political impediments to diversity management**

Thus it seems that in some European countries the national political discourse does not provide a particularly sympathetic environment for the adoption of diversity management policies by employers. Indeed we can go so far as to say that in some circumstances it may militate directly against it. An example of the latter is Denmark. In recent years, 'cultural racism', rooted in ideas that Europeans - or Danes - are culturally superior, has become a widespread and deep-rooted aspect of Danish public debate, in the context of an unthinking crude assimilationism. Cultural racism has become a normal part of Danish political and media discourse (Schierup 1993). "Public racist slurs have become commonplace (and legally tolerated), and political parties across the spectrum have adopted cultural racism as an integral part of their platforms" (Wren 2001: 146). Right wing politicians in Denmark play on public fears that foreigners will flood into the country and take advantage of the Danish social welfare system. Mainstream political discourse on the subject of immigrants and refugees has shifted markedly to the right in recent years, and the views of right wing politicians which were once considered extreme or racist are now

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32 In 2001 the government-appointed Stüssmuth commission called on Germans to abandon the 'fiction' that Germany is not a country of immigration (Guardian 5 July 2001)
uttered by "respectable" people in mainstream organisations. In 2000 the (Social Democratic) Minister of the Interior felt the need to forcefully reassure the public that "Denmark will never be a multicultural society". Although Muslims constitute a major portion of the immigrant community in Denmark, in 2001 attempts to open the first Muslim burial ground in the country were blocked, dismissed by one politician as "another example of Islamic fundamentalism" (Copenhagen Post 19-25 October 2001). The November 2001 general election was fought in a climate of anti-immigration rhetoric, with the new successful government promising to "do something about the immigrants".

This climate is inevitably reflected in the practices of labour market actors. A study conducted on behalf of the Danish Board for Ethnic Equality in 1995 found evidence that many Danish companies would not take on second generation immigrants as trainees who may "irritate customers or colleagues", "lack the Danish sense of humour", or "do not understand workplace jargon". Investigations using matched-pair testing show that young and well qualified Danish ethnic minorities are being denied job opportunities on the grounds of their name alone (Hjarnø and Jensen 1997). According to a survey of 1200 private employers conducted by the Ministry of Labour in 2000, 25 per cent replied that they would not under any circumstances hire a refugee or an immigrant to work in their firms (Copenhagen Post 3-9 March 2000). There is also evidence of a lack of tolerance of cultural differences once ethnic minorities are in employment. Hospitals have instructed their Muslim staff not to wear their head covering at work "on grounds of hygiene" (Jyllands-Posten 6 August 1996). During 2000 several stories in Danish newspapers concerned major department stores or supermarket chains where the policy was to refuse to allow Muslim employees to wear the headscarf at work. In recent years an extra and paradoxical dimension has been added to this picture. Employers in Denmark are beginning to suffer labour shortages, and in particular, a severe shortage of skilled labour. Yet the negative social climate for immigrants, and the associated discrimination they face, means that highly qualified immigrants and refugees remain unemployed. In 2000, a number of media stories reported that the unemployment record for immigrants in Denmark was the one of the
worst in the EU, and that highly qualified immigrants were despairing of ever finding appropriate work in Denmark and were moving to other countries to work, thus taking from Denmark skills it cannot afford to lose.

The climate of political discourse in Denmark is reflected in public opinion. In an EU-wide survey carried out in 2000, 32 per cent of respondents in Denmark stated that they found the presence of people of another religion disturbing. This was the highest of any EU country, with the average for the EU citizens in general being only 15 per cent. According to the director of the European Union Monitoring Centre on Racism and Xenophobia, whilst the result of the survey is generally positive, “it also underlines that in countries where populistic political parties use religion as an argument in their political campaigns, the impact on public opinion is very strong”.

According to some practitioners, the climate of discourse from the government and other politicians has had a direct negative impact on the development of diversity management. One result of this is that in Denmark the private labour market seems to be ahead of the public one when it comes to diversity issues. As mentioned earlier, an organisation called “Foreningen Nydansker” was set up in June 1998 by a number of large businesses with the aim of influencing public debate and setting a ‘positive agenda’ in the business community regarding the employment of ‘new Danes’. However, activists in this organisation report that they are “swimming against the tide” when trying to promote more broadly a diversity management consciousness. One reported that when he meets with employers to discuss with them the possibility of adopting diversity management policies the employers reply that the government has pronounced that Denmark is not a multicultural society, and that “government integration polices will make Danish people out of the immigrants”. Therefore, say the employers, “why do we need to introduce policies which make allowances for cultural differences when in five years there won’t be any?” He also reported that those employers who might be sympathetic to taking on more immigrant employees were concerned about customer reaction, and concluded “As

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33 Equal Voices No. 4, 2000, EUMC Vienna
long as the politicians won’t put any demands on the Danes, then companies can’t put any demands on the customers”.

Thus we can see some of the implications of the variety of contexts which exist in Europe. Sometimes employers and their organisations are resistant to the very idea of organisational anti-discrimination policies, in some contexts the notion that such policies can be constructed using the dimension of ethnic origin goes against the grain of public debate, sometimes political leaders take the initiative in pressing employers to adopt diversity policies, whilst elsewhere politicians actively hinder the desires of employers to adopt them.

**Trade unions and diversity management**

It is not only the wide variety in attitudes and actions of employers and politicians which is relevant to the spread of diversity management. What about trade unions? One criticism made of American models of diversity management has been that they have focused too strongly on management action and neglected trade union influences (Berg and Håpnes 2001). Whilst a strong commitment by senior management is an essential element – almost a defining feature – of diversity management, an over-strong emphasis on management reflects the US situation of relatively low levels of unionisation. In Scandinavian countries, by contrast, unionisation is very high, and there is a tradition of consultation and agreement between employers and unions on issues of major significance to the organisation. In their study of diversity practices in Norwegian companies, Berg and Håpnes show that in private sector companies a close collaboration between management and employees was considered to be very important for the success of integration processes for ethnic minority employees. Similarly in Denmark unionisation lies somewhere between 80 – 90 per cent, in the context of a strong tradition of collective bargaining. Employers who do not observe agreements, for example, on pay, can be held to account and this has been a major source of union power (Scheuer 1992). The trade union monopoly in representing employee interests in the labour courts is also a major advantage in attracting members (Lind 1995), as is the link between being a member of a union and membership of an unemployment insurance system. Thus in a country like Denmark it is
hard to imagine the development of diversity management policies in organisations without union participation. The largest white collar union in Denmark, HK (the Union of Commercial and Clerical Employees), has recently adopted an ambitious ethnic equality programme which includes working to ensure that the contents of local and central collective agreements promote ethnic equality. In 2001, research commissioned by HK from independent consultants\textsuperscript{34} was used by the union to argue forcefully in favour of diversity management as a way of improving the competitiveness of companies by making it easier to recruit scarce labour.

However, just as employers' groups and politicians across Europe vary in their receptiveness to diversity policies, so can trade unions. Historically there have been very different national responses by European trade unions to immigrants and ethnic minorities in their countries (Penninx and Roosblad 2000). Is it possible that some trade unions will be unsympathetic to notions of cultural diversity on principle? In France during 1990s the right wing anti-immigrant Front National managed to take over local union control in some parts of the country, and in Italy, in October 2000, the trade union connected to the Lega Nord, a similarly right wing and anti-immigrant political party, for the first time gained more votes than other unions in the elections for worker representatives in a major company (the Michelin plant in Piedmont). Trade unions associated with right wing political parties are likely to have little time for the concept of diversity management. Yet it is not only from the Right that unions can oppose diversity management. In 1997 a motion was passed at the Black Workers Conference of the UK Trade Union Congress opposing the trend towards diversity management in British companies. In order to better understand how there can be resistance to diversity management from bodies representing both the Left and the Right ends of the political spectrum, we need to explore some of the critiques which have been made of diversity management. This will be done in the next section.

\textsuperscript{34} IntegrationsStatus 1\textsuperscript{st} quarter 2001, Catinet
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Critiques of Diversity Management

One of the aims of this report is to clarify the field for future research on diversity management, using classifications and typologies to assist in this. As a further stage in this task it might be useful to classify critiques of diversity management. There now exists a body of critical literature on diversity management deriving from a wide spectrum of political and academic positions. It is not feasible here to provide a comprehensive overview of this material. Instead, the aim is to select certain examples, each of which exemplifies a characteristic type of critique, and use these to construct a classification of critiques under a number of different headings. This exercise is useful in order to help us clarify the critiques, which come from widely different, and sometimes apparently quite incompatible, standpoints. In doing this it also helps us to understand the nature of diversity management. Of course, this classification is inevitably a somewhat imprecise exercise, and the boundaries between some classifications are clearer than between others.

The classification sets out the critiques in order of the ‘severity’ of their implications for diversity management. At the beginning of the list are critiques which are not fundamental in their implications, and which are compatible with the continuing practice of diversity management. Some come from within a business paradigm, and aim to raise our understanding of diversity management, challenge some of the over-optimistic generalisations about it, or improve the practice of diversity management, but without calling into question its continuing existence. Then follow a group of critiques which ask more serious questions about the intrinsic nature of diversity management, particularly in comparison with earlier employment equity approaches. Finally, come
more radical critiques which question the basic premises of the whole diversity management approach, and which identify the development of this organisational practice as a negative or retrograde step.

The first category of critiques are classified as ‘non-fundamental’. One critique sees diversity management as a reflection of a sectional interest of one particular occupational group; others find that the benefits of diversity have been exaggerated, and that diversity in a workforce or workgroup should not be assumed to be beneficial in all circumstances. Finally, from a number of sources come criticisms of the bad practices that have taken place under the name of diversity management.

The second category of critiques are classified as ‘equal opportunities critiques’. These come from people who are sympathetic to earlier equal opportunities or anti-discrimination approaches but who have particular criticisms of aspects which are intrinsic to the diversity management approach. Here, diversity management is seen as undermining previous approaches to combating racism and discrimination, such as legal measures or activities by trade unions. It is criticised for being a ‘soft option’, for diluting the racial and ethnic focus of equality activities, and for replacing a moral imperative by an economic one.

The third category of critiques are classified as classified as ‘fundamental’. One accuses diversity management of perpetuating a major intellectual fallacy, namely the reification of the concept of ethnicity. Other critiques in this section can be categorised as ‘political’, coming from both a Right and Left perspective. Whereas the former identify the ideology as a hangover from the misguided era of ‘progressive’ social engineering, the latter see it as neglecting structural determinants of inequality, and obscuring and mystifying inequalities of power. The apparently progressive aspects of diversity management are seen as a veneer which helps to maintain the status quo, and the ideology is seen as compatible with, and a reflection of, the new Right, economic liberalism and neo-conservative political forces.
Non-Fundamental Critiques

These are examples of critiques that demonstrate that we should not simply accept diversity management at face value, as portrayed in a standard human resource management textbook, but that we should look a little more critically at its origins, philosophy or claims. However, these are not fundamental or 'radical' critiques, because at the same time these arguments leave open the possibility that diversity management itself does have intrinsic merit and can be valuable for the organisation.

Diversity management as a sectional interest

The critique by Kelly and Dobbin (1998) portrays diversity management not simply as a neutral management practice adopted in response to the objective needs of a changing organisational world, but rather as something which has developed in order to serve the sectional interests of one particular occupational group. They trace the development of diversity management in the US in the 1980s in the context of the political assault on equal employment opportunities/affirmative action (EEO/AA). They outline four stages in American employers' response to AA and EEO law. First, in the 1960s, the ambiguity and weak enforcement of these laws led to few changes in employers' practices. Then, between 1972 and 1980, increased federal enforcement led employers to pay closer attention to anti-discrimination law, and during this period they started to hire EEO/AA specialists to devise strategies to comply with the law. In so doing, "employers created internal constituencies that championed EEO/AA measures".

The third stage was in the early 1980s when the Reagan administration began to criticise EEO/AA programmes and curtail enforcement. This was a time of 'backlash', with reverse-discrimination suits and state-level anti-affirmative action movements. However, despite this undermining of EEO/AA, many employers continued with the anti-discrimination practices that they already had in place, and EEO/AA specialists began to emphasise the efficiency gains that had followed the adoption of these earlier EEO/AA practices. Fourthly, after 1987, when the legal future of affirmative action remained
uncertain and courts continued to ‘chip away’ at the law, EEO/AA specialists transformed themselves into diversity managers and promoted a range of human resource practices aimed at maintaining and managing diversity in the workforce (Kelly and Dobbin 1998: 963).

In the 1980s and 1990s ... managerial and professional networks collectively constructed antidiscrimination practices as means to improving efficiency, at first by touting the gains associated with formalizing hiring and promotion and later by touting the gains associated with using a diverse workforce to serve a diverse customer base. EEO/AA practices were soon recast as the diversity management component of the new human resources management paradigm. Practices designed to achieve legal compliance were retheorized as efficient when the original impetus for adopting them was removed (Kelly and Dobbin 1998: 962).

Kelly and Dobbin draw on the theoretical work of Selznick (1949, 1957) to show how an “internal constituency” in the organisation - in this case, “staff members whose positions, paychecks, and professional identities depended on the continuation of EEO and AA efforts” - managed to reinforce an organizational programme that seemed to have outlived its original purpose by re-theorising existing practices in new ways.

The next critiques are also ‘non-fundamental’, in that they are arguments from a perspective which does not reject diversity management in principle, but which criticise the fact that its claims are over-exaggerated, or that in practice it may be carried out badly. These critiques ask for a more realistic approach to diversity management.

Diversity benefits overstated

One of the main claims of diversity management which has come under critical focus is the assumption that diversity automatically brings benefits to the organisation and workforce in terms of, for example, the increased productivity or creativity of diverse work groups. An American review of the literature (Williams and O’Reilly 1998) concluded that the “diversity is good for organisations” mantra has been overstated. For example, they argue that most of the research which supports the claim that diversity is beneficial for groups has been conducted in a laboratory or classroom setting. Laboratory studies neglect the variable of time, and research in short-lived groups is not a
strong foundation for judging the effects of diversity in a real organisation. The smaller number of studies which have looked at groups in an organisational context show a less optimistic view, with evidence of stereotyping and conflicts within groups. Some field studies have shown that race and gender diversity can have negative effects on group processes and performance (Williams and O'Reilly 1998: 80). After reviewing the literature, Williams and O'Reilly conclude that, under ideal conditions, increased diversity may have a positive impact through, for example, the increase in skill and knowledge that diversity brings. However, they argue that the preponderance of empirical evidence suggests that diversity is most likely to impede group functioning, and conclude:

Unless steps are taken to actively counteract these effects, the evidence suggests that, by itself, diversity is more likely to have negative than positive effects on group performance. Simply having more diversity in a group is no guarantee that the group will make better decisions or function effectively. In our view, these conclusions suggest that diversity is a mixed blessing and requires careful and sustained attention to be a positive force in enhancing performance (Williams and O'Reilly 1998: 120).

Therefore, for Williams and O'Reilly, "The challenge is to develop ways to accommodate these tendencies so that their negative effects are attenuated and the positive effects of diversity can be achieved" (Williams and O'Reilly 1998: 121).

Similarly, a later literature review by two American scholars (Wise and Tschirhart 2000) found that many of the promises and claims of diversity management for improving group and organisational performance could not be said to have been rooted in the findings of empirical research. They started their review from the position that "empirical evidence about the consequences of diversity in work organisations is limited, and many of the existing studies present conflicting and inconclusive findings". Wise and Tschirhart argue that managing-for-diversity practices cannot be informed by results of studies that link characteristics of people in an organization with outcomes, without paying any attention to the interactions of these people and the causal connection of the interactions to the out-comes. For instance, they argue, members of different racial or ethnic groups
may be found in the same organization, but they may have little interaction as a consequence of occupational segregation or other factors - the overall diversity of the workforce has little relevance to task outcomes. To understand how to manage for diversity, "we need studies that examine process and outcome consequences of the collective involvement of workers with perceived differences in a task setting and studies that explore the effects of different situational or contextual factors on organizational or group outcomes" (Wise and Tschirhart 2000: 387).

Wise and Tschirhart critically examined 106 empirical findings from 33 studies of the outcomes of diversity. For one thing, they found that the generalisability of many of the findings was limited due to the use of students as research subjects - 26 per cent of the studies did this. Generalisability was also compromised by the fact that in so many of the studies the interpersonal interaction that was studied was artificially constructed. They argue:

Artificial scenarios ... cannot duplicate ... critical factors such as organizational size, structure, technology, and organizational communication mechanisms. In addition, artificial scenarios lack the historical, political, instrumental, and emotional contexts that real managing-for-diversity programs must address. The simulations have no real consequences for personal well-being and do not put at risk an individual's personal need fulfillment" (Wise and Tschirhart 2000: 391).

Another important criticism of many studies is that some scholars and practitioners mistakenly believe that the results for one dimension of workplace diversity can be assumed to apply to other dimensions. For example, "effects of sex diversity on performance ratings are not generalisable to racial diversity, yet many people have assumed that they are" (Wise and Tschirhart 2000: 39). Another weakness in the research literature affecting the utility of diversity research is the limited use of time-series studies. They argue that "longitudinal research is especially important in the area of managing for diversity because the processes of mutual accommodation and integration that are considered critical to effective diversity management take time to develop." There are only a handful of studies attempting to assess the consequences of diversity over time and these studies suggest that initial observations are quite different from those obtained at a later
point. For example, they argue, “homogeneous groups may appear in
the initial observations to operate with less conflict or be more efficient
at problem solving, but subsequent observations may show that there
are no differences between homogeneous and heterogeneous groups”.
Therefore, they conclude, if it is true that the consequences of diversity
for small-group performance change over time, “then research based on
a single observation can be applied only to work groups sharing the
same stage of development” (Wise and Tschirhart 2000: 392). In
conclusion, Wise and Tschirhart summarise that “Given the weaknesses
in the body of research on diversity, we can draw no firm conclusions
for public administrators. We cannot claim that diversity has any clear
positive or negative effects on individual, group or organizational
outcomes” (Wise and Tschirhart 2000: 392)

It should be recognised that Wise and Tschirhart deliberately
restricted their enquiry to ‘hypotheses testing’ research published in
scholarly journals, so as to maintain a minimum standard of quality in
the research that they were reviewing. Their findings should not be
taken to mean that there are no demonstrable benefits of a diverse
workforce, or of managing for diversity. The evidence for this tends to
be of another kind, namely the material within the case studies to be
found in the diversity management literature. And as one Danish
diversity management activist put it “The fact that diversity
management advantages are not scientifically proven should not worry
us disproportionately – most human resource management is based on
things that are not proven”. The value of Wise and Tschirhart’s work
is to warn against the distortion and over-statement of academic
research on diversity.

Diversity benefits overgeneralised

A criticism related to the previous one concerns the assumption that
diversity in a workforce or work groups is beneficial for all
organisations in all circumstances. Broomé, Carlson and Ohlsson
(2000, 2001) introduce an “input-transformation-output” model to
demonstrate that the opportunities and risks of ethnic diversity for an
organisation are not uniform. Thus the opportunities and risks of

diversity for an organisation can be grouped by reference to three headings. The first is the input to the organisation, for example materials and personnel. Input questions for an organisation concern the utilisation of a larger potential workforce and a wider pool of talent to choose from. As a rule, they argue, this signifies increased opportunities for the organisation but hardly any risks. The risk that an individual organisation runs if it intends to remain ethnically homogeneous is of selecting from a smaller supply of labour or a smaller pool of talent. Broome et al. state “For the majority of organisations, which of course are small, such a risk must be regarded as relatively little, as the net labour market supply changes slowly and a sufficient labour supply exists from the majority population.” However, they argue, for large organisations, or for entire branches or sectors of the economy, the analysis works out quite differently. (This is no doubt one reason why it tends to be the larger organisations which more readily embrace diversity management.)

The second heading is the organisation’s internal functions, for example the division of labour, technology and management. In this case, there are clearly both opportunities and risks of diversity which can influence the internal life of the organisation and its way of functioning and working. On the one hand there might be increased flexibility, creativity, employee loyalty, openness, criticism and knowledge transference; on the other, there might be communication problems, ethnocentrism, ethnic conflicts, stereotyping, culture clash, or reduced trust and openness.

Broome et al. argue that it is important to differentiate which firms or parts of a firm have need of increased creativity, increased critical scrutiny, increased flexibility, increased knowledge transference and other possible effects of ethnic diversity of the workforce. For example, least sensitive to ethnic diversity is the production of goods, where there is likely to be a high degree of uniformity of production. Therefore “the risks with the negative aspects of diversity of staff are therefore relatively small, since the need for communication on the job is limited. But the benefits are relatively small too. Goods production is determined for the most part by the given production process and affords no scope for creative change in the short term.”
However, this is not the case for service production, which involves a higher degree of adaptation to the customer and the outside world compared with goods production. Although much service production aims, like goods production, for a uniform production process — “Macdonaldisation” — it is still the case that in much of service production, meeting with and adapting to the customer affords scope for creativity. Therefore, they argue, entrepreneurs in service production evaluate the diversity package of opportunities and risks more closely than entrepreneurs in goods production do. “Deliberation over the work team’s composition is therefore a more important issue to the service-producing than to the goods-producing firm, deliberation in which the need for the opportunities of ethnic diversity is weighed against the risks involved.”

The third heading is the output from the organisation, for example goods and services. With regard to output variables, better customer service, increased market knowledge and contact, and better image in society, can all be the effects of increased ethnic diversity in a firm. Looking at the example of Sweden, they conclude from the assortment of firms which cultivate immigrants as a home market that it is in service activities that opportunities for diversity are most clearly discernible. This has to do with the character of service activity, which is often performed in direct contact with the customer. Therefore, they argue, success at the job is more dependent on the seller’s knowledge of the customer and the customer’s impression of the person who performs the service than is the case in selling goods. From their own observations in Sweden, Broome et al. conclude that the private sector has generally not yet embraced internal ethnic diversity as a way of accessing the Swedish ethnic minority markets.

The analysis of Broome, Carlsson and Ohlsson provides an understanding of the variables which must be taken into account in order to come to conclusions about the positive and negative effects of ethnic diversity in organisations, and guards against idealistic overstatements such as “diversity is good for business”. With regard to the internal functions of the organisation in particular, they warn:

It first has to be realised that the good aspects of ethnic diversity do not come alone but are always accompanied by the more risky aspects of diversity, such as increased conflicts, worse communication,
diminished security and openness, culture clashes and stress. Firms accordingly weigh the good against the bad, which many times turns out to the disadvantage of ethnic diversity (Broomé et al. 2000: 16).

This conclusion is consistent with the analysis of Audretsch and Thurik (2000) who also modify the over-simple ‘diversity is good for business’ assumption. They argue that there are circumstances when a lack of diversity in a work population can have advantages. To the extent to which individuals in a population are identical, the costs of communication and transactions are minimised, with a higher probability of knowledge “spilling over” across individuals within the group. However, the disadvantage is that in a perfectly homogenous population, new ideas are less likely to emerge from communication across individuals. Diffusion might be promoted, but not innovation (Audretsch and Thurik 2000: 49). This is because “reasonable people confronted by the same information may evaluate it very differently, not just because they have different abilities, but because each has had a different set of life experiences which shapes the decision making process” (Audretsch and Thurik 2000: 48). In a diverse group communication may be more difficult, but it is more likely to produce innovation.

This phenomenon has implications according to the predominant mode of economic activity in an economy. Audretsch and Thurik contrast traditional routinised economic activity with knowledge-based innovative activity, and argue that homogeneity is more conducive to routinised economic activity whereas diversity is more conducive to knowledge-based innovative activity. Globalisation has now increased the significance of diversity management for North American and Western European economies. This is because the effect of globalisation has not only been to produce more diverse workforces and markets, but also to shift the comparative advantage of North American and Western European nations away from routinised economic activity towards more “knowledge based search activity”. In such an entrepreneurial economy, the “knowledge spillovers” within a diverse work population more than offset the other costs of a heterogeneous population.

A similar message come from a study of Norwegian companies by Berg and Håpnes, who conclude “it is vital to adopt a critical stance to
the most idealized messages in a diversity philosophy” (2001: 6). They provide the example of one company where diversity could be seen as directly relevant to profits, and another where it was irrelevant. In a bakery company with 150 employees of whom 10 per cent were immigrants, they found evidence of how ‘diversity pays’. The company was experimenting with product development and innovation, and the immigrant workers were being drawn on because of their different experiences and knowledge about various baking traditions. Their contribution to these new products was positive for the business and had also raised the status of the immigrant employees themselves, who felt that their own backgrounds and culture were now better appreciated and understood. On the other hand, an industrial printing company with about 20 per cent immigrant workforce afforded little opportunity to demonstrate the benefits of a diversity approach. There was no use for employees with different linguistic skills as the bulk of its products were destined for Scandinavia, and the entire production process was automated to a degree that made it difficult to see how ethnic differences could be drawn on and profitably exploited either in the production process or in the organisation of work. In this case the management did hold the view that the company workforce should reflect the ethnic composition of the local community, and they recruited immigrants accordingly, but this was not driven by a diversity philosophy but rather by notions of the equal treatment of people and the fair distribution of work. Berg and Håpnes conclude that “a shortcoming of many presentations of the ‘Managing Diversity’ perspective is that there is inadequate reflection on the great variation that exists between companies” (Berg and Håpnes 2001: 5).

A further qualification is made by Wise (2000), who emphasises the importance of recognising that “the diversity which matters” is both contextual and perceptual. An example of the former is that heterogeneity in the workplace will have different implications in an individualistic society such as the United States as compared to a more collective society such as Japan. The latter refers to the fact that one particular dimension of diversity – e.g. religion - may be salient for work groups in one context, and have no significance at all in another. In the same way, the perceived significance of ethnic diversity may vary tremendously in different contexts (Wise 2000: 12).
Diversity done badly

The above critiques of diversity management have served to modify the over-optimistic claims and over-generalisations that have been associated with the practice. The next criticisms are of a different order, by people who feel that diversity management has been harmful through its inappropriate application by practitioners.

Bendick et al. (1998: 19) in their review of American antidiscrimination training for the ILO, quote a team of American management consultants:

In 1995 alone, there were as many as 5,000 self-proclaimed experts selling their wares as diversity trainers and consultants. ... In spite of its positive intent, it is unrealistic to think that with three to five hours of diversity training, complex sociological and cultural principles could be clearly understood, much less applied to all interpersonal relationships. Social conflict was created from the attempt to deal publicly with sensitive social and personal issues better dealt with elsewhere. ... Because a large number of diversity trainers were women and members of minority groups, many personal agendas, minority platforms, and social conflicts were frequently major portions of the programme..... White males report that they are tired of being made to feel guilty in every discussion of diversity. They are tired of being cast as the oppressors... In addition members of the group that already felt oppressed left the diversity programme feeling even more vulnerable and victimized (Hemphill and Haines, 1997: 3-5).

A diversity trainer described in the Washington Post in 1995 the problems and resentment which arose in companies which had experienced bad diversity training:

Diversity professionals have brought this upon themselves, when they have been careless and reckless in what they ask people to do, some of it even outrageous ... And because too many employees are beginning to feel these courses cross the line, diversity training - including the good training - is getting a bad name and a very bad impression with the public. (Washington Post, 5 February 1995)

Some American commentators hold a somewhat cynical view of the 'diversity industry', which blossomed and expanded quickly in the US during the 1990s. "'Diversity' is the buzzword paying the rent of countless consultants" ... "Many consultants are wiping the dust off their old (Equal Employment Opportunity Commission compliance) presentations and rushing to the marketplace with 'diversity' programs"
(cited in MacDonald 1993). There are allegations of hasty, ill-thought out and even counter-productive training. In some cases trainers have been criticised for ‘sensitivity sessions’ which, for example, reduced a white female participant to tears after she had been highlighted as an example of ‘privileged white elite’; other criticisms were aimed at trainers who asked participants to furnish stereotypes – e.g. of Anglo-Saxon males, Jews, Hispanics and blacks - and then encouraged groups of participants to denounce each other (MacDonald 1993: 24).

Bendick et al. (1998), describe one bad example:

For several years, the United States Department of Transportation [DOT] provided the most egregious example of how not to conduct diversity training. In the name of exposing racial and sexual prejudice, DOT trainers continually subjected employees to what amounted to psychological abuse. The sessions, suspended in 1993 after outraged complaints from employees, included a gauntlet where men were ogled and fondled by women. Blacks and whites were encouraged to exchange racial epithets, people were tied up together for hours, and some were forced to strip down to their underwear in front of co-workers. Trainers also verbally abused participants, referring to one obese employee as "muffin queen" (Bendick et al. 1998: 79).

Some critics have complained that the diversity industry was better at inducing guilt than improving relations. The Washington Post (5 February 1995) describes how in response to cases such as these, one diversity training consultant now specialises in repairing the damage of bad diversity programmes.

However, although these criticisms are damaging, they are still do not constitute a ‘fundamental’ critique of diversity management, as they do not lead to the implication that diversity management is intrinsically wrong – only that bad diversity management is wrong. There are far more serious critiques of the diversity management approach, particularly in its application to ethnic minorities, which do not arise simply from experience of ‘bad’ diversity management but which are rooted in assumptions which call into question some of the basic principles of its operation.
Equal opportunities critiques

There are a number of critiques of diversity management which stem from quarters that are not unsympathetic to equal opportunities or affirmative action approaches, but which are suspicious of some of the specific characteristics of the diversity management approach to employment equity.

Undermines trade union approaches

The British trade union confederation — the TUC — holds each year a national Black Workers’ Conference. This is a conference where issues relating to black/ethnic minority members are aired, with all unions affiliated to the TUC allowed to send representatives. At the 1997 conference the following motion was passed:

Conference notes with concern the increasing trend amongst personnel and human resource management practitioners to seek to replace existing equal opportunities polices and procedures with those titled managing diversity or mainstreaming.

Both of these stress the perspective of the individual within the employing organisation, rather than focussing on the promotion of equal opportunities strategies, or on challenging discriminatory practices and outcomes.

Accordingly, the Conference called on the TUC Race Relations Committee to support initiatives that expose the inadequacies of “managing diversity” and “mainstreaming”, and to work with all unions and other organisations who are actively encouraging effective policies and proposals to improve racial equality.

As we saw in Section 3, the ILO comparison of anti-discrimination practices indicated the dominance in the UK of an established tradition of pragmatic anti-discrimination approaches. People who have been active in equality struggles within the British trade union movement often see a move to diversity management as a retrograde step, in a context where there are already a great number of anti-racist, anti-discrimination and equal opportunities initiatives underway. Typical of these activists is a national officer with a major Civil Service union, who was very critical of the wording of an agreement between the Cabinet Office and the Civil Service unions, which states that the
parties will “work jointly for a Civil Service that supports and values diversity”. On the employer’s side they will support initiatives that “provide relevant training to encourage members to acquire the skills to manage effectively a diverse workforce”.36 This activist interpreted this as the employer avoiding what the union saw as important, in that “whilst the trade union calls for racial equality, the employer is primarily calling for a recognition of diversity and a reduction of the issue to a management problem…” For this union official, the diversity approach “does nothing to challenge the basis of race discrimination. It merely suggests that recognition of diversity and an improved ability of managers to factor this into decisions and actions will provide improved service outcomes”. He concluded that “The partnership approach, embodied by Managing Racial Diversity, rarely seems to acknowledge the existence of racism and places questions of ‘disadvantage’ as merely being managerial problems that can be ‘fixed’” (McKenzie 2000).

Consistent with this trade union criticism are the findings of a survey into the range and type of anti-discrimination training in the UK, carried out under the co-ordination of the ILO (see Section 3). This found that the responses of trade unionist trainees to diversity management training seemed to be more critical than other trainees, with people on trade union courses much more sympathetic to the types of training which are focussed more specifically and directly on tackling racist and discriminatory behaviour. In the words of one trade unionist respondent, diversity management was just a new way of “masking exploitation” (Taylor et al. 1997: 62).

One reason for British trade union activists’ opposition to diversity management may well be precisely because the emphasis on culture could be seen to divert policies away from an anti-racism’ or ‘anti-discrimination’ approach, which in Britain has been associated with a straightforward ‘black-white’ dichotomy, until recently the dominant paradigm in British race relations. This is at a time when the paradigm is increasingly being questioned: “Blackness defined as the common experience of oppression by non-whites has given way to a myriad of externally imposed or self-asserted ethnicities” (Ranger 1996: 1). Some

36 Public and Commercial Services Union Partnership Working in the Civil Service
London 2000. p. 6
commentators deplore this development. Aziz Al-Azmeh sees that “the recent transition, most specifically in Britain, from structural considerations of immigration to a culturalist notion of ethnic diversity” has had the double effect of “breaking up the solidarities of oppression and of mystifying a ‘social reality of stunning diversity’. False constructs of community, defined in terms of religion/culture have emerged from this interaction of involution and ideology” (Al-Azmeh 1993: 1-3, cited in Ranger et al. 1996: 1). The implications of the trend to pluralistic ethnic identities in the context of diversity management will be discussed in more detail later.

Undermining legal approaches

Another reason why some activists are suspicious of the spread of diversity management is that it might complicate or undermine battles that are still being fought in Europe for stronger legal measures, both at national and EU level against racism and discrimination in employment. These suspicions might be reinforced by the example of New Zealand, where the embracing of a diversity management approach by employers’ interests was interpreted as a conscious strategy to avoid the imposition of tougher measures. In the early 1990s a new equal employment opportunities trust was set up in New Zealand with the aim of educating the private sector into “making the most of a diverse workforce”. In the eyes of many equal employment opportunity practitioners the trust was established in order to enable a back-down from the introduction of potentially tough equal opportunities legislation at a national level. Thus the concept of managing diversity was seen as the acceptable “soft option” (Jones et al. 2000).

There are currently developments in Europe in the direction of stronger legislation against racism and discrimination. In 2000 the EU Employment and Social Affairs Council of Ministers adopted the proposal for an EU Racial Equality Directive, and a Directive on Equal Treatment in Employment. For the first time member states are required to introduce or improve legislation on this topic, and designate a body for the promotion of equal treatment.\(^3\) National governments were given a three year period to set up bodies for the promotion of equal

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\(^3\) Equal Voices European Monitoring Centre on Racism and Xenophobia, No.2 2000
treatment and establish adequate enforcement procedures and sanctions regarding those who discriminate unlawfully. In practice there will be a degree of flexibility and leeway in each different national arena in the transposition of this requirement. As Lappalainen (2001: 3) observes, "Hopefully ... there will be an interest in creating not only laws at the Member State level that fulfil the EU's minimum requirements, but laws that effectively counteract discrimination on the basis of irrelevant factors". But as Mark Bell writes, in practice there is a risk that there will emerge diverse and inconsistent interpretations of the directive. "The trade off between precision and distortion is a recurrent dilemma in EU law, but it reinforces the need for vigilance in monitoring how Member States transpose the Directive" (Bell 2001: 52). At a time when long-standing arguments for stronger legislation and enforcement measures in Europe are, apparently, at last being heard, there are those who are suspicious about the simultaneous spread of a business philosophy like diversity management which can be drawn on by those who might wish to dilute these national responses by arguing that 'softer' or minimalist responses will now be adequate.

A soft option

This leads us to another reason why equal opportunities activists are suspicious of diversity management, namely the fear that diversity management might be used to prioritise 'soft' rather than 'hard' equal opportunities practices. The problem is that diversity management in practice can mean many things. It can be little more than a desire to celebrate cultural diversity, or it can incorporate the full range of previous equal employment opportunities and affirmative action measures. As we have seen with the typology in Section 3, we can conceive of a range of different levels of anti-discrimination and equal opportunities measures in organisations, with at the 'soft' end measures such as the recognition of cultural differences at work, and at the 'harder' end the setting of targets, the use of positive action, or even the adoption of some forms of preferential treatment. It is possible that diversity management can be used to give the impression that an organisation is doing something for excluded groups whilst avoiding many of those aspects of anti-discrimination and equal opportunities activities which are likely to be less popular with employers. For
example, employers might be more receptive to the provision of "cultural awareness training" and less receptive to positive action measures such as targets to produce a workforce which reflects the ethnic make-up of the locality, anti-discrimination training to modify the behaviour of white managers and employees, or strong internal anti-harassment initiatives. If a diversity management approach consists of little more than celebrating cultural diversity, it will sidestep many of the 'harder' elements which have existed within a broader equal opportunities and affirmative action approach.

In the US there is evidence that there was a back-tracking towards softer measures amongst American employers at a time when affirmative action was first under attack in the US, and when diversity management was taking off. Kelly and Dobbin note that during the late 1980s, although employers were maintaining their procedural safeguards against discrimination and their EEO/AA staff, they curtailed their most proactive affirmative action measures, with fewer special recruitment programmes for women and minorities than there had been ten years earlier and fewer special training programmes. There were also fewer employers with affirmative action plans (Kelly and Dobbin 1998: 971). They argue:

It seems clear that employers have reduced their commitment to the targeted recruitment and training programs that they adopted in the 1970s under the OFCCP's\(^3\) guidelines for affirmative action. These were among the most aggressive efforts employers made on behalf of women and minorities, but they were among the most likely to face legal and political challenges and employee backlash, and thus became candidates for deinstitutionalization.

Kelly and Dobbin raise serious questions as to what the long-term consequences of this change will be, and whether the "weakened version of affirmative action" found in current diversity management practices will improve the prospects of women and minorities in the future, particularly in the light of a 1995 study which showed that diffuse diversity policies and programs were much less effective than measures that specifically target women and minority groups (Konrad and Linnehan 1995).

\(^3\) Office for Federal Contract Compliance Programs
**Dilution of the ethnic focus**

Another concern amongst equal opportunities activists is that diversity management dilutes policies against racism and ethnic discrimination by mixing them with policies relating to other groups. For advocates of diversity management, its advantage is that it broadens the appeal of equal opportunities by moving it away from policies for racial and ethnic minorities to the inclusion of other groups. For example, according to one major UK retail employer, the broader diversity approach has made equal opportunities easier to sell within the company: "When the emphasis was on gender and race, many employees felt excluded. Now with a broader and more inclusive agenda, the policy is accepted as just being about people and what is best for the business" (Equal Opportunities Review no. 81, September/October 1998). But a strength from one perspective is a weakness from another. Critics say this does not allow for the fact that some groups have suffered historically from much greater prejudice and exclusion than others. Some have been marginalised for generations with strong and negative social meaning attached to the traits they possess as a group, and this will not necessarily be the same for all those groups considered to fall into the diversity calculus.

In the US the vice-president of the National Association of African Americans in HR stated that "You dilute (race), and you'll be pushed back down the ladder because you've got other groups that are competing for the spotlight" (Grossman 2000). In the same article a management professor from Arizona State University also argued that diversity takes away from race - "If I were trying to significantly improve race relations, I would not advocate such a broad approach." Daniels (2001) complains that the move to diversity "pushes race to the fringes". She gives the example of Federated Department Stores in America whose diversity initiative six years ago covered two groups, women and minorities, and now covers 26, including seniors, homosexuals, atheists, and so on. How can African Americans and other minorities benefit, she asks, when the same human resource chief who handled just two programmes now administers 26? In America there are those who see diversity's broad approach as a tactic to de-fuse the black struggle for employment equality precisely because it was the
'race' angle which was most unpopular with employers. Thus, for example, the diversity chair of the Society for Human Resource Management was quoted in its journal as saying "Race was a sacrificial lamb to launch diversity and make it palliative to corporate America. And who is corporate America? White males. And they don't want to hear about race" (Grossman 2000).

The broader diversity arguments are softer, more acceptable than the old arguments, yet some in America oppose them for precisely this reason, given that the reasons for the old arguments still remain - the fact the some social groups suffer far more discrimination and denial of opportunities and general social injustices than others. For example, in 2001, when defending in a federal court its practice of admitting minority students with lower test scores, the University of Michigan did not use traditional arguments regarding social justice and race and ethnicity. Instead it argued that it was benefiting white students by providing them with a diverse educational environment containing large numbers of minority students. A spokesperson for the university stated "Race matters in our admissions process. It matters because we know when we bring together a diverse student body, we get educational benefits" (USA Today 6 February 2001). The American academic Amitai Etzioni saw this approach as somewhat disingenuous, arguing that "Michigan and company would do best if they stuck to 'old' arguments. Some social groups suffered - and are still suffering - from gross injustices" (USA Today 6 February 2001).

Thus the diversity approach has been criticised for allowing people to choose the parts of the diversity mix that they like, and under-emphasising or disguising what they don't like. However, the precise content of what is liked and not liked can change in different contexts. When in different circumstances it is the gender angle which is unpopular, then a diversity discourse can underplay this too. Berggren (2000) describes how in the late 1990s there was increasing pressure put on the Swedish armed forces to improve the representation of women. In particular the Swedish government made it clear how dissatisfied they were with the low proportion of women officers. However, this was in the context of what Berggren describes as "a very strong opinion among men that only men can serve in the armed forces", a resistance which was found at all levels in the armed forces.
Thus, Berggren argues, there was a need for an internal discourse to neutralise the threatening external discourse. He states “As the Armed Forces realised that it soon had to take actions on the issue of their minority problem, that is the question of gender integration, it became important to redefine the meaning of minority.” Unless the meaning of minorities within the Armed Forces was redefined to mean something else than gender, the Armed Forces would be forced to take actions to actually increase the numbers of women in their ranks, something they wished to avoid. In this context “A trend in contemporary management literature was the concept of diversity, which suited the Armed Forces purpose extremely well. Instead of focusing on gender only, diversity in terms of race, ethnicity, age, ethnical background, professional background etc. is focused.” Therefore a project which originally had aimed to produce a change in attitudes among male officers in order to increase the number of female officers ended up with discussions about “how good it is when cultures in general and ethnical cultures in particular meet” (Berggren 2000: 9).

The reason why this is unproblematic for the armed forces is that in reality there is no ethnic diversity within the armed forces, so everyone can agree that multi-ethnicity is a good thing. For Berggen the problem with the concept of diversity is that allowed those in power to define what aspects of diversity are relevant, and those that are not.

The gender example shows that there is no logical reason why it should always be ‘race’ or ethnicity which is underplayed, although the literature suggests that in practice these are the aspects which are most likely to be unpopular with employers. It is more accurate to say that a diversity approach with its mix of categories is likely to be seen a potentially undermining any binary division – black/white, male/female, etc. - which makes it politically unpopular with activists who are fighting on that particular frontier. This can be seen in New Zealand, where the mode of thinking about ethnic difference in organisations was one of bi-culturalism, based around a metaphor of partnership between the Maori and majority population. Thus in this case too, the onset of diversity management and the associated ‘multi-cultural’ approach was seen as a threat by Maori equal opportunities practitioners (Jones et al. 2000).
Moral arguments

One rather profound criticism of diversity management is that it removes the moral imperative from equal opportunities actions. Arguments for the introduction of equal opportunities and affirmative action policies relate to equality, fairness and social justice. Critics argue that diversity management has moved equal opportunities away from a moral and ethical issue and turned it into a business strategy. Miller (1994) sees this in the context of the push by management consultants to reconstitute equal opportunities in the management language of the 1990’s. For Miller, the shift from an equality to a diversity perspective is symptomatic of a de-politicisation of social relations in much of the management consultancy literature on equal opportunities. “This remoulding of equal rights to capture and contain it within a market model has all but expunged the political meaning of positive action” (Miller 1994).

Whilst this development is seen as an advantage by many people, in that it increases the likelihood of the adoption of the policies by employers, others see it as a long term weakness. The problem is that fighting racism and discrimination will now only be seen to be important if there is seen to be a business reason for doing it. With a diversity management approach, racism is indeed argued to be unacceptable, but only when it is recognised that the outcome of such racism leads to inefficiency in the utilisation of human resources. If a change in market conditions means that racism and discrimination do not lead to inefficiency, then there will be no longer any imperative to combat it. In the American context, Kelly and Dobbin warn:

Perhaps diversity management will succeed in winning over middle managers because it embraces an economic, rather than political, rationale. But precisely because it is founded on cost-benefit analysis rather than on legal compliance, perhaps diversity management will come under the ax of budget-cutters when America faces its next recession (Kelly and Dobbin 1998: 981)

An apparent illustration of the danger of leaving employment equity initiatives to business rationales can be seen in an article in the British newspaper, the Independent, in 1993 entitled “Employers prepare to ditch equal opportunities at work”. The article refers to the main employers organisation in the UK, the Confederation of British
Industry, and quotes a ‘confidential report’ by senior CBI officials which suggested that the CBI was preparing to abandon support for equal opportunities because “rising unemployment has reduced the need for employers to concern themselves with getting previously under-represented groups into the labour force and improving their levels of skill.” Previous CBI policy had been based on a report in the 1980s which had predicted a ‘demographic time bomb’ which would lead to a shortage of young people in the labour market. The new report stated that the demographic time bomb had now been defused, with the result that “Clearly some of the business arguments for accessing and advancing previously excluded groups ... become less relevant” (Independent 14 February 1993).

The difference is that equal opportunity legislation, and the legal endorsement of positive/affirmative action, were introduced as means of social engineering, in order to produce a more equitable society. In contrast, diversity management is an organisational policy with business motives. If it is adopted widely it may indirectly produce a more equitable society as a side consequence of the actions of individual companies. But in theory, within any individual organisation, it could just as easily work in the opposite direction, and produce the opposite effect. We can see this if we use the parallel example of women in management, taking the example of a Swedish case study (Sundin 2000). Sundin describes a retail company consisting of small stores selling sweets, newspapers, tobacco, flowers and other general goods. Employees are mainly women, who fill the posts of shop managers and the regional sales managers who form the link between the individual shops and the district central office. The company initiated a diversity policy to enhance the “competence and flexibility” of the company. Given the existing female dominance, one of the immediate goals was therefore to recruit more men. By a diversity management logic this could produce the benefits of a more diverse and possibly creative workforce. However, at the same time it could go in the opposite direction of a national goal to improve the proportion of women in management and higher status occupations and thereby produce a more equitable society. A national or local government policy of positive/affirmative action could put pressure on an individual employer to set targets for the long term recruitment of more women
managers, in pursuit of the social goal of a more equitable society. However, as the Swedish case study shows, it is possible to conceive of an organisationally-based diversity policy which operates in precisely the opposite direction.

Thus, although some see the use of diversity management as an acceptable substitute for more 'political' interventions such as affirmative action, others see this as a more worrying development which reflects a broader trend at a societal level, namely, the intrusion of the market into areas where previously there was action by democratically elected government. As Hobsbawn writes:

Market sovereignty is not a complement to liberal democracy; it is an alternative to it. Indeed, it is an alternative to any kind of politics, as it denies the need for political decisions, which are precisely decisions about common or group interests as distinct from the sum of choices, rational or otherwise, of individuals pursuing private preferences (Hobsbawn 2001).

For some critics, serious questions must be raised about whether individuals within organisations pursuing private preferences constrained by the market can be left to be the custodians of employment equity practice.

**Fundamental critiques**

The previous point leads to the next category of critiques, the more fundamental and often political criticisms which question the whole basis and existence of diversity management. Here diversity management is criticised for the fallacy of ethnic reification, which appears to be intrinsic to the approach. It is also attacked for neglecting the structural determinants of inequality, and obscuring and mystifying inequalities of power, with the ideology identified as helpful to economic liberalism and neo-conservative political forces. Most of these 'political' critiques can be categorised as left/radical, although there can be found some from a right/conservative end of the spectrum too.
Reification of ethnicity

One critique is that a diversity management approach is rooted in a major intellectual fallacy, namely the reification of ethnicity. One of the initial appeals of diversity management has been that it takes the concept of ethnic culture and uses it in a positive rather than negative way. Previously, the concept operated to the disadvantage of excluded groups. For example, Soininen and Graham (1995) describe the expansion of new types of job in Sweden which involve the delegation of responsibility, a stress upon individual initiative and a greater reliance on teamwork, leading to an increase in the importance of communication skills and 'social competence'. Some authorities have seen this as an understandable justification for not employing people from other ethnic backgrounds, because, for example, they may lack the knowledge of and familiarity with functioning in a Swedish environment which is part of this 'social competence' (Soininen and Graham 1995).

In theory, a diversity management approach could reverse this. Instead of cultural difference acting as a liability and a barrier to the equal opportunity of ethnic minorities, it could in some circumstances be seen by employers as a desirable trait, and become for the holder a positive asset. However, critics say that the approach of diversity management still operates from an unnaturally exaggerated and reified view of ethnicity and culture. By emphasising the differences of ethnic identities and cultures in the ideology of diversity management there is a danger of simultaneously transmitting and perpetuating a view of the permanence and immutability of cultures and at the same time reducing ethnicity to simplified constructs which can be easily summarised and transmitted in management training sessions. The potential excesses of this approach are easy to see. For example, in one of the most recent US surveys of training in the anti-discrimination/equal opportunities field, carried out under the earlier mentioned ILO programme, the researchers found an independent training provider whose training "describes Hispanics as family oriented rather than work oriented and then explains to employers how they can motivate their Hispanic employees by appealing to these family interests" (Bendick et al. 1998: 79). Another American diversity management trainer teaches that
blacks "react quickly to changing situations", as evidenced by their style of playing basketball (The New Republic, 5 July 1993). A European diversity management consultant expressed his exasperation at the over-emphasis on culture by some practitioners: "I've heard of Norwegians going to Palestine just to learn how to treat Palestinians in Norway fairly. This is completely unnecessary - you just need to ask them!".

Many people argue that it is erroneous and fallacious to regard ethnic cultures as identifiable and unchanging systems of shared values and attributes attached to particular groups. As one Swedish academic put it, when discussing multiculturalism and diversity in Sweden, the problem with diversity management is the "conservative, essentialised and static" perceptions that become associated with the concept of diversity.

The existence of differences among people due to their national origin thus becomes an axiom which requires no verification. Furthermore, inasmuch as individuals are still defined in relation to their "home" countries after two or even three generations, the importance of actual living conditions in Sweden is neglected. This makes the message of ethnic diversity not only static and conservative, but also a message that contributes to essentialising differences on the basis of ethnicity (de los Reyes 2001a: 171).

Critics say that diversity management therefore continues to reify ethnicity and present an exaggerated view of the importance of cultural differences, fallacies which were drawn on as arguments for excluding ethnic minorities in the first place. Furthermore, some people may not wish to be categorised by their ethnic origin. In their study of diversity in Norwegian organisations, Berg and Håpnes observe that some individuals may find it burdensome to be defined as a carrier of particular cultural characteristics. "In several of the companies we visited, many of the migrants emphasised that they did not at all wish to be 'marketed' as very different from Norwegian-born employees (Berg and Håpnes 2001: 6).

The implicit 'essentialism' within diversity management discourse is one of the points made in a major critique of diversity management by

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39 Personal interview, June 2000
Lorbiecki and Jack (2000). They argue that the view that social identities are fixed and unchanging, as so often implied in diversity management texts, is contested within the academic discourse of cultural studies. They draw on the work of Grossberg (1996) to suggest that notions of the self are inextricably bound up in questions of identity formation and the struggle over two models of the production of identity. The first model assumes that there is some intrinsic and essential content to any identity, defined either by a common origin (e.g. place of birth, racial heritage) or a common structure of experience (e.g. being a woman, black, old, gay or disabled). “The majority of discourses on diversity management would appear to fall into this category since they commonly use essentialist divisions to signify diversity.” Although there are often contestations against the negative images within this mode of identity formation in order to replace sexist, racist, ageist, homophobic or disabled stereotypes with positive ones, as in the early days of the women’s and black power ‘liberation’ movements, this struggle simply replaces one fully constituted, separated and distinct identity with another (Lorbiecki and Jack 2000: 26).

The second model rejects the possibility of fully constituted, separate and distinct identities based on a universally shared origin or experience and argues that identities are always temporal and unstable. Lorbiecki and Jack argue that although Grossberg’s (1996) second model of identity formation paves the way for an appreciation of multiple identities, these identities will still be constrained by certain discursive practices, such as diversity management discourses, which adhere to the notion that identities are monolithic and fixed.

The debate over the nature of identity perhaps constitutes another argument as to why diversity management may find a more sympathetic context in the US than in some European countries. For example, Herbert J Gans describes “the re-emergence of symbolic ethnicity” in the US, and writes that larger society seems to offer some benefits for being ethnic. “Americans increasingly perceive themselves as undergoing cultural homogenization and whether or not this perception is justified, they are constantly looking for new ways to establish their differences from each other. ….. Ethnicity, now that it is respectable and no longer a major cause of conflict, seems therefore to
be ideally suited to serve as a distinguishing characteristic." (Gans 1996: 153).

In the debate within sociology and anthropology on the significance of identity and ethnic culture, there are those who criticise the 'primordial' view of ethnicity which has been associated with a traditional anthropological approach. In an article called "the poverty of primordialism" Eller and Coughlan (1996) write of the fallacy of seeing ethnic phenomenon as things which are ascriptive and inflexible. Far from being self-perpetuating, ethnic identities "require creative effort and investment". In other words ethnicity is "a socially constructed variable definition of self or other, whose existence and meaning is continuously negotiated, revised and re-vitalised" (p.46). The primordial approach to ethnicity is "taking phenomena that are simply 'already existing' and 'persistent' and reifying and mystifying them into things that are 'natural', 'spiritual' and 'have always existed and always will'" (p. 50). It is therefore a fallacy to see ethnicity and its associated cultural characteristics as 'givens', between which the interactions can be regulated by inter-cultural management or diversity management techniques.

On the other side there are those who argue that it is too dismissive simply to see ethnic identities as some sort of arbitrary false consciousness. They argue that ethnic phenomena are 'real' enough to make it necessary to take ethnicity into practical account, but without going to the extremes of the primordial fallacy. Furthermore, people from different ethnic backgrounds who, under the black/white paradigm, were all put in one category are now recognising a multiplicity of identities, and understanding that 'blackness' is not the only 'mode of resistance' - ethnic identities can also provide cultural 'modes of resistance'. Stuart Hall is one who sees the old 'black/white' dichotomy as no longer adequate. "It is not possible to occupy black identity at the end of the twentieth century in the heart of Europe in that monological way" (Hall 1996: 113). Whilst Hall would not agree with the simplistic, static and perhaps essentialist view of ethnic identity and culture found in some training manuals for diversity management, he represents those scholars who argue that although ethnic cultural identities are shifting, negotiated and highly contingent, they are nevertheless important phenomena which endure over time and cannot
be dismissed as merely superficial and arbitrary. In this sense, to make no allowances for ethnicity in organisational and social policies can be a kind of discrimination.

Whilst the criticism over ethnic reification is primarily an academic criticism, there are other serious criticisms which relate more to political disagreements over the nature of society. These political critiques can categorised as originating either from the Right or from the Left of the political spectrum.

**Critiques from the Right**

Critics under this heading also tend to be critics of earlier equal opportunity and affirmative action approaches. Lynch (1997) writes:

> The ambitious organization change masters astride the diversity machine have far more in mind than limited reforms. They are extending affirmative action's top-down hiring campaign into a broader multi-cultural revolution in the American workplace and beyond. Both the ends and the means of this policy movement pose a substantial threat to the values of the generic liberalism enshrined in modern American law and culture: free speech; individualism; nondiscrimination on the basis of ethnicity, gender, or religion; equality of opportunity; equal treatment under universalistic laws, standards and procedures; democratic process; and above all, a sense of national unity and cohesion ...(Lynch 1997: 32).

Lynch laments the spread of “the diversity machine's ideology of proportionalism, identity politics and cultural relativism” which he sees as a blend of “social science and ideology” transmitted and promoted by diversity advocates aided by powerful allies in corporate boardrooms and in the White House. For Lynch, “Marx's class struggle between the bourgeoisie and the proletariat has been converted to identity politics’ cultural war between white males and everyone else” (Lynch 1997: 33). He dismisses the diversity advocates depiction of white male culture, for example, as too simplistic. It confuses ‘white male values’ with those of the values and norms of the upwardly mobile middle classes across many nations of the world, and at the same time neglects the wide range of variation that exists within the allegedly monocultural white male category. He also sees the demographic projections about the diminishing size of the white American population to be grossly exaggerated. Behind the diversity
drives he sees corporate and government leaders and a “relatively small class of ‘knowledge workers’ or ‘cognitive elite’ who are increasingly distant from the opinions of the masses. For Lynch, “The urge to management rationally and assuage morally the tensions caused by immigration, ethnic relations, and social change dates from the Progressive era’s fascination with behavioural and scientific reform”. Indeed, “the urge to manage diversity in specific organisations often masks the urge to manage society itself” (Lynch 1997: 42).

One type of conservative critique comes from those who resist anything which moves away from the old assimilationist, ‘melting pot’ approaches to American society. An example of this type would be that Denton (1997), an American Professor of Management, in his article “Down with diversity (at least some of it): a case for cultural identity”. Denton emphasises the importance of cultural identity on a national level, and draws on a historical example to make his point. He contrasts the long-lasting Chinese empire, with its emphasis on creating a common cultural identity, with Confucian philosophy at the centre of it, with the short-lived Ottoman empire, whose greatest weakness was that it had no common cultural identity. From this example he concludes “An empire, nation or corporation that allows diversity can be asking for trouble” (p. 172). For Denton, the recognition and institution of divisions based on different ethnic identities will be a weakness, not a strength, for an organisation. “Diversity may promote innovation and fresh viewpoints but will ultimately destroy cultural identity” (p. 173).

**Critiques from the Left**

More common than critiques from the right are those from more of a left/radical perspective, and a common theme in these is that diversity management is an ideology which mystifies and obscures genuine social inequalities and ignores their structural bases. Kersten (2000) argues that diversity management appears to be a progressive development, with organisations voluntarily undertaking to create a diverse and welcoming environment that is supportive to all groups of people. “In this regard, it is very tempting to join the bandwagon and view diversity management as the final answer to our long-standing national and corporate problems of racism and exclusion.” However, she argues that the fault with diversity management is that it is too
simplistic. It presents a model that is relational rather than structural in nature, with its emphasis on aspects such as training, communication, mentoring and teamwork and excluding the more fundamental issues of structural equity and accountability. “This fails to take into account the deeply rooted nature of racial problems and ignores the extent to which such efforts are influenced by both the organizational and societal context.” She argues that even after diversity management programmes have been implemented, real problems of exclusion, conflict, harassment, and marginalisation continue to exist in organisations. In the diversity approach, the real issue of racism and other forms of systemic discrimination becomes trivialized and minimized. “Furthermore, diversity theory fails to locate racism in the very structure, ideology and process of the organization and the wider social culture at large. Rather, it presents a deceptively simple and cheerful remedy that covers rather than uncovers the problem at hand, an approach that ultimately may do more damage than good.”

Kersten sees that assimilation is still the prevalent norm in organizations, despite the rhetoric of diversity management. Minorities are still required to adapt to white male standards, although now the racial basis of these standards is more difficult to recognise since they are no longer presented in a clearly racialised form. “Organizational cultures are still characterized, though, by the basic assimilation themes of organizational fit, conformity, team play, adaptation, adjustment, the importance of the whole over the parts, and the primacy of efficiency, effectiveness, quality and whatever other overriding goals the organization may wish to insert into that picture.” Thus, Kersten argues, when the organization invites people “of difference” into its culture, it is the people and not the culture who are made to change – for example, to fit into the “neutral” organisational dress codes. Whilst organisations seem to have become more flexible in regard to accommodating “female” needs in relation to child bearing and rearing, in reality this simply means that they have developed separate “Mommy tracks” that allow women to meet family needs but also effectively removes them from the normal corporate promotion track. Similarly the common organizational tendency to allocate blacks and minorities to certain positions where they deal with other blacks and minorities (Affirmative
Action Officer, Diversity Manager, Community Relations) can also freeze their careers and maintain the existing structural segregation.

Furthermore, Kersten is highly critical of diversity management's "inclusiveness strategy" that incorporates white males as one of the many groups to be considered. She argues that rather than recognizing and dealing with the reality of racism, this strategy simply accommodates the dominant group. "This parallels the social-political shift in recent American history that seeks to portray everybody equally as "minorities", evident most clearly in the "white ethnic" movement. It also, and similarly, minimizes and denies the real differences in historical and contemporary experiences, and the extent to which "color blindness" is not and never has been a reality in this society" (Kersten 2000: 244). She concludes that diversity management presents a pluralist strategy that celebrates diversity for the "common economic good", while ignoring the structural and cultural racial biases that exist in the organization. It offers an apparent unity which obscures the genuine conflicting economic and political interest which exist between various groupings. Therefore, rather than presenting a new movement around differences, "diversity management represents a new version of a much older racial ideology that seeks to obscure real inequities in favor of a rhetoric of equality" (Kersten 2000: 245). She argues that diversity management must be seen as both reflecting and responding to changes in the larger social and political context in the US. "The emergence of diversity management has coincided with a general regressive change in the social climate that has included a political and a judicial withdrawal from a commitment to racial equity, as reflected in the renewed political debate around affirmative action, the judicial narrowing of affirmative action application, and the continued struggle around EEO funding." It is also reflected in the larger social conflict around race, as in, for example, the white male backlash and increasing incidents of racial hatred and violence.

The emergence and popularity of the diversity management movement can thus best be understood as the outcome of ongoing dialectical tensions that exist in our society - structural, economic, ideological and rhetorical in nature - and rather than resolving these tensions, diversity management offers a new ideological and mediated cultural response designed to contain, restrain and obscure the fundamental racial inequalities that are inherent in our society.
Two New Zealand academics who fall into the radical school in their critique of diversity management are Grice and Humphries (Grice and Humphries 1993; Humphries and Grice 1995). Whilst they understand that those who have an interest in employment equity may see the diversity management trend as an “opportunistic coincidence of organizational needs of business and moral principles of inclusiveness”, they caution against the “seductiveness” of the management of diversity (Humphries and Grice 1995: 18). These writers agree with the earlier mentioned ‘moral’ critique of diversity management, criticising its move away from arguments of justice.

The diversity argument is being couched entirely in economic terms and gives us no reason to see diversity management as anything other than an attempt by management to dissociate traditional EEO and AA arguments from arguments of equity and justice. As a consequence, arguments such as ‘managing diversity’ free up another area of decision making to managerial ‘truth’ and management prerogative and peripheralise arguments promoted to redress inequity or injustice. (Grice and Humphries 1993:15)

They see that the diversity management exponents, in their desire to distance themselves from AA and EEO, misleadingly represent them as having been “forms of favouritism not concerned with merit” – which is not the case. On the contrary, they have always stressed merit as a key consideration. (Humphries and Grice 1995: 21-22). By moving the discourse of diversity management away from the discourse of EEO it moves the focus away from categories of people who may be argued to have had a history of exclusion and therefore, by membership of that category, be deserving of some particular attention. The whole question of the injustice of the exclusion of anyone on any basis from the access to the security afforded through employment is sidestepped (Humphries and Grice 1995: 15).

In the light of Foucault’s argument that ‘discourse is the power which is to be seized’ (1984: 110), the shift in language from EEO to diversity presents a much greater shift than is initially apparent. In dispensing with the EEO discourse in favour of that of managing diversity, we are effectively rejecting the historical lineage of the EEO discourse in

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40 i.e. ‘equal employment opportunity’ and ‘affirmative action’.
favour of the managerialist diversity and, as such, providing support for the particular interests in favour of such discourse. Where EEO may be seen as an attempt to address the inequity of exclusion, managing diversity represents an attempt to maintain as many vestiges of this past exclusion as possible (Humphries and Grice 1995: 22).

However, the privileges of inclusion may be delivered to a more diverse group than in the past. The context of this is the New Right discourse of laissez-faire in relation to government activity, and a complete faith in market principles, so that external non-business constraints promoting equal opportunities are seen as illegitimate. In response to diversity theorists such as Thomas (1990), who states that previous equal employment opportunity and affirmative action policies which have focused on group membership are 'unnatural', they argue:

To Thomas, affirmative action is referred to as 'unnatural' because it interferes with the 'natural' functioning of a market comprised of competitive individuals aspiring for upward mobility. What Thomas doesn't say is that the categories natural and unnatural are equally the products of discourse. Anything can be defined natural or unnatural if you are in control of the parameters by which that categorising is based. The market is held up as the ultimate natural while things like intervention based on an ethical argument is held up as decidedly unnatural. (Grice and Humphries 1993: 17)

Thus despite having an appearance of concern with fairness, equality of opportunity and empowerment, "the economic argument underlying the discourse of managing diversity is unlikely to reduce the systematic disenfranchisement of groups of people from access to employment opportunities and economic security." (Grice and Humphries 1993: 22). Where inequality has been historically structured into social and employment relationships, and where a group has been systematically confined into low paying jobs for generations, then group structured inequalities in education and employment will simply persist over time. Only positive or affirmative action policies, it is argued, will shift this, rather than a 'celebrating diversity' approach.

In their second paper they argue that the individualising of diversity management in the move away from the categories associated with traditions of affirmative action and equal employment opportunity fits well with the trend to economic liberalism and the move in industrial relations away from trade unions and collective bargaining. Humphries
and Grice quote a representative of the New Zealand Employers Federation who argues that the focus on categories of people in the tradition of EEO and AA is outdated, and that people who are traditionally associated with such categories are better off pursuing success on an individual basis. For example, she argues, women are able to negotiate contracts which suit their individual and family circumstances. Humphries and Grice counter that, on the contrary, “evidence from other OECD countries ... indicates that gender equality is most likely to occur where there is high union density, centralization of wage fixing, and public expenditure on active labour market policies” (Humphries and Grice 1995: 21).

They argue that the management of diversity is more consistent with a liberal economic discourse precisely because it does not attempt to categorise people in the way found so unproductive by such interest groups such as the New Zealand Employers Federation. Because the focus is not on equalizing differences between groups but on responding to individual needs and aspirations, human diversity can be linked more closely to HRM models of labour control (Humphries and Grice 1995: 24). The management of diversity purports to value individuals as people while at the same time minimising their social identification with specific categories of alienated people. “This is a mental precondition for the acceptance of new social divisions between the core and the periphery. Responsibility is to oneself, the competitive individual, not to a group who may be (collectively) excluded. Loyalty is to be given to the employer, not traditional EEO categories of race or gender ...” (Humphries and Grice 1995: 30).

Although, under the banner of diversity management, the advances of previously excluded people into diverse occupations may be heralded by some as achievement of equity, “all is not what it seems. Advances into the managerial ranks by a limited number of women is no reason for optimism.” They agree with Calas and Smircich (1993: 77) that the increased opportunities for some individual women (perhaps achieved through the celebration of the very characteristics which once justified their domestication) may be “particularly useful ways to pacify emotionally the vast majority of workers ... who will have to adjust downward their expectations of better pay under globalisation”.

Humphries and Grice conclude that:

We are concerned that in the rapidly globalizing discourse of liberal capitalism “the discourse of equity” is being replaced with “the discourse of diversity”. We fear that “the discourse of diversity” is the discourse of pragmatics clothed in the garments borrowed from “the discourse of equity”. It is time to reclaim the garments. … Contemporary preferences for an economic pragmatism in the promotion of EEO and AA may mean that in the future communities may have little or inappropriate labour regulation and limited practice in public resistance to unfair exclusion from employment opportunities and the social necessities which increasingly are derived from them (Humphries and Grice 1995: 31).

A number of ‘radical’ American critics of diversity management can be found in the volume Managing the Organizational Melting Pot: Dilemmas of Workplace Diversity by Prasad et al. (1997). Cavanaugh makes a point also made by many others in the volume, namely that you cannot understand diversity management without understanding the present day American political context, in this case the “neoconservative racial project of ‘colour blind’ racial politics and ‘hands off’ policy orientation” (Cavanaugh 1997: 38). He argues that it is diversity’s “near-fabulous quality” that attracts suspicion. “How much faith can be invested in a discourse that assumes away, and thereby exempts from critique, the systemic nature of racial and gender construction in the contemporary workplace and American society at large?” (Cavanaugh 1997: 40).

For Cavanaugh, the concept of diversity provides management with an effective way to re-establish its competency. It says to important outside groups that business is out in front on the multicultural question because the new diverse workplace can be achieved without the conflict and politics associated with affirmative action. “In this way, workplace diversity aligns management thinking with the current “live and let live” policy orientation favored by powerful neoconservative interests”. The concept of diversity is useful because it has an inclusive and generous feel to it, suggesting a transcendence of sectional interest. And possibly most important, it resolves the problem of “Otherness”, which functions to “reassure management itself that it is still in the saddle” (Cavanaugh 1997: 40). Therefore, “celebrating workplace
diversity’ can be understood as a preemptive ideological project that aims to neutralize race and gender (the Other) before current demographic trends politicize them” (Cavanaugh 1997: 44).

Cavanaugh asks the question:

will the denial of the structural power imbalances that is called for in this thin psychological attempt to cure intolerance ... hasten the demise of racial and sexist hierarchies or operate to sustain them? Because of the suspicion that power-free discourses operate to separate the political and the economic (Giddens, 1991), it seems a bit premature to equate celebrating differences with celebrating equality (Cavanaugh 1997: 44).

The important point about a diversity management ideology is that although diversity may not always appear to “work” at one level (the instrumental), it can still be understood as smoothly operating on quite another (the symbolic) (Cavanaugh 1997: 34).

Lorbiecki and Jack (2000) use critical discourse analysis as the basis of their critique of diversity management. They start by quoting definitions of diversity management from the US and the UK which indicate that diversity management is an instrument or tool that uses people's diversity as the means of achieving economic goals - helping organisations survive, enhancing their economic performance and making a profit. The instrumental use of these diverse ‘human resources’ to achieve these organisational goals is only possible through mechanisms of control or compliance. In order to demonstrate how diversity management operates as an instrument of control or compliance Lorbiecki and Jack use critical discourse analysis to provide a reflexive interpretation of the definitions of diversity management.

They argue that critical discourse analysis yields a deeper understanding of diversity management by providing a socio-political interpretation of the words that are used. “This form of critical analysis conceptualizes words and sentences as micro-level forms of discourse, which index macro-level expressions of power relations within society as a whole”. This form of analysis, they argue, is useful in critiquing diversity management because it enables us to ask: “who is being constructed as different? For what purposes? And with what
consequences? But more fundamentally, it tells us something about the power processes invoked in the management of difference” (Lorbiecki and Jack 2000: 23).

One of the definitions of diversity management they quote comes from Kandola and Fullerton (1998: 8):

The basic concept of managing diversity accepts that the workforce consists of a diverse population of people. The diversity consists of visible and non-visible differences which will include factors such as sex, age, background, race, disability, personality and workstyle. It is founded on the premise that harnessing these differences will create a productive environment in which everybody feels valued, where their talents are being fully utilised and in which organisational goals are met.

Lorbiecki and Jack state that in this definition diversity is presented as being about fixed differences, “thus suggesting that there can be no movement either within or across visible or invisible boundaries.” They then turn to the use of the verb harnessing, normally used to describe the action of placing a bridle or rein on a horse, which is used in this text “as an index for the control of everyone so that none can escape.” The text then ends with organizations as the stated beneficiaries, “but who within them is to be better off: those managing diversity or those being managed?” (Lorbiecki and Jack 2000: 23). From their analysis of this and other definitions of diversity management, Lorbiecki and Jack identify a number of critical points regarding diversity management, its meanings and notions of difference.

First, managing, or management, is presented as the privileged subject which sees diversity as an object to be managed. Distance is therefore created between ‘those who manage’ and ‘those who are diverse’, so that they are split into two distinct groups, with the properties of diversity being located solely amongst ‘the managed’. Second, drawing a boundary around ‘the managed diverse’ group, allows diversity to be identified and controlled as it is located in one space, and it this group that subsequently bears the stigmatisation of difference (oppressed groups). Third, masking out the diversity of ‘those who manage’ is also a control mechanism because it serves to erase any questionable human differentials within this powerful group.

Thus debates on diversity, though couched in the language of tolerance, are really about managing the negative side effects of undiverted and
unaccepted diversity (p.24), but from the point of view of the most economically and politically privileged segments of society, who are, in the USA and the UK, “traditionally members of the white, male and non-disabled dominant group.” (Lorbiecki and Jack 2000: 23-24).

One thing common to the ‘left’ critiques of diversity management is that they all demonstrate the importance of the variable of power. A position consistent with this is taken by the Dutch author Koot (1997). He also sees that a ‘celebration of diversity’ approach can simply serve to mask genuine inequalities of power and interest. Koot states that diversity management theorists “want us to believe that it is better to start from differences, to accept these, and thus end up in harmonious collaboration. In my opinion, this point of view is rather idealistic, patronizing, and at times counterproductive. If differences are interrelated with inequality relations, tolerance … boils down to accepting the status quo” (p. 334).

The reality, according to Koot, is that “Those in power are usually in favour of tolerance and the less powerful simply want to have more power” (p. 316). In his view the way to reduce “cultural distance”, is not to emphasise, delineate and allow for differences in culture but concentrate on differences in power and conflicting interests (Koot 1997: 334).

Similarly, after presenting an overview of diversity management practices, Nkomo (2001) asks:

Is diversity management really just talking about respecting all individual differences? If so, this is problematic and cannot in its present form lead to inclusive organisations. There is a real danger in seeing differences as benign variation among people. It overlooks the role of conflict, power, dominance, and the history of how organizations are fundamentally structured by race, gender, and class (Nkomo 2001: 9).

This section of the report has set out a classification of the types of critiques of diversity management which have been found in the literature over the last few years. In the next section some of the implications of these critiques are discussed in the context of the development of diversity management in Europe.
Diversity, Discrimination and the Future

It has not been the aim of this report to provide original research evidence on diversity management in Europe. Instead the purpose has been to provide an analysis and organisation of existing material in ways that clarify our understanding of a subject area characterised by a lack of precision in the terminology used, an inappropriate attachment of terms to practices, and a body of critiques some of which stem from apparently contradictory ideas on the intrinsic nature of the subject.

As we saw in Sections 3 and 4, there is wide variety in activity within Europe in organisational measures for breaking down barriers to the integration of ethnic minorities and immigrants into employment. Diversity management is becoming increasingly embraced in more countries, and more organisational initiatives are attracting the label 'diversity management'. In order to help us understand the variety of responses in different countries it was decided, at the risk of some oversimplification, to set out a classification of levels or stages of anti-discrimination activity in organisational measures, leading up to the stage of diversity management. The six-fold typology aims to provide a point of reference for understanding and classifying activities, and a base for comparison of these activities between different national contexts.

A number of questions have been generated in the context of a growing interest in diversity management in Europe. For example, what are the implications of the differences between the US - the home of diversity management - and the EU, and in the differences within Europe itself? What we can learn from the existing critiques made of diversity management from different quarters? Are there issues generated in these critiques which guide us in further critical
exploration? Are there any fallacies or misconceptions exhibited by previous critics which help us to re-direct our own future work in this field?

Diversity management and combating discrimination

One important question concerns the status of diversity management as an anti-discrimination activity. As we saw in Section 5, some critiques of diversity management accuse it of constituting a retrograde step with regard to combating discrimination against immigrants and ethnic minorities. These criticisms have two dimensions – firstly, that diversity management is weak on fighting discrimination because of the nature of its intrinsic characteristics, and secondly, that diversity management can be used by certain interests to undermine alternative forms of anti-discrimination activity. The first criticism objects to a (perceived) emphasis on ‘soft’ approaches, such as celebrating cultural diversity rather than the ‘harder’ equal opportunity and positive action measures, laments the dilution of the ethnic focus with other dimensions of difference, and also objects to diversity management’s reliance on business arguments rather than on a moral stance on employment equity. The second criticism warns that the existence of diversity management can be used by those who wish to argue that businesses are already responding to ethnic equality issues, and therefore further national measures such as anti-discrimination legislation are unnecessary.

In order to explore more precisely how diversity management and other organisational approaches stand in relation to anti-discrimination, we need to examine the concept of discrimination itself. The international convention whose object is to prevent racism and racial discrimination is the International Convention on the Elimination of All Forms of Racial Discrimination, (ICERD) which was adopted by the UN Assembly in 1965. The first part of it defines what is meant by racial discrimination:

The term 'racial discrimination' shall mean any distinction, exclusion, restriction or preference based on race, colour, descent or national or ethnic origin, which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human
rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life (Banton 1994: 39).

However, this definition is rather too broad for our purposes. We need to refine a little more precisely the different types of discrimination that can exist in the sphere of employment, and then see how our six-fold typology of organisational anti-discrimination activity relates to these. One classification of types of employment discrimination has been suggested by Williams (2000). She conceptualises four main types of discrimination – direct or intentional discrimination, statistical discrimination, societal discrimination, and structural discrimination, with the final category sub-divided into three further types: indirect, past-in-present and side-effect discrimination. Building on Williams work, and adapting it in the light of the evidence on discrimination from European sources, I would like to suggest a re-organisation of the typology, the re-naming of one type, and the addition of a new type. Williams uses the term “direct or intentional discrimination” to refer to the “least misunderstood” form of discrimination, namely the exclusion of an individual from opportunities because of group-based characteristics to which stigmatic meaning is attached. I prefer to relabel this “racist/ethnicist discrimination”, and use the term “direct or intentional discrimination” as a heading which covers all of the first three types, as the second and third types of discrimination are in fact also both direct and intentional. This then distinguishes these three from Williams’ next three types which fall under the heading of “structural discrimination”, defined as forms of discrimination which cannot be reduced to any particular individual’s bias or actions. Finally, I add a seventh type, “opportunist discrimination”. Thus the new classification of employment discrimination consists of seven types:

Direct / intentional discrimination

(1) Racist/ethnicist discrimination
(2) Statistical discrimination
(3) Societal discrimination
Structural discrimination

(4) Indirect discrimination
(5) Past-in-present discrimination
(6) Side-effect discrimination

(7) Opportunist discrimination

These are explained as follows:

**Direct / intentional discrimination**

(1) Racist/ethnicist discrimination
This covers actions by racist or prejudiced people who hold and act on negative stereotypes about a social group. In terms of access to work, this is expressed through the refusal to recruit members of a social group, and within the workplace this category might be expressed through verbal or physical racial harassment, or through the exclusion from access to opportunities such as training or promotion. The category might simply be called ‘racist discrimination’ if we were to use the term ‘racism’ in the inflationary way that it is often used in practice today. However, if we want to use it in a more analytically precise way, then we should distinguish between the racist and ethnicist elements of this category. Racism refers to notions of superiority and inferiority according to perceived innate and natural traits of groups, whereas ethnicism is rooted in ethnic stereotypes, prejudices and perceptions of cultural difference, usually with overtones of superiority and inferiority. In reality, practices of discrimination may have elements or mixtures of both types, but it is important to maintain the analytical distinction between them, particularly when we are concerned with anti-discrimination practices. For example, it has been argued that ethnic stereotypes are more amenable to change by attitude change and educational measures, whereas in the case of practices rooted in racist attitudes, it is probably more important to use social control mechanisms (Heckman 2001).

Whilst the racist category probably covers the most direct and dramatic acts of discrimination, the ethnicist one can also include the
less dramatic, more ‘everyday’ examples of discrimination. For example, an insensitive or inappropriate handling of cultural differences by colleagues or superiors can have the effect of denying opportunities which are available to the majority workforce. Even these less dramatic forms of discrimination can still have the long-term effect of reducing the opportunities available to the victim. For example, in everyday workplace interactions, the majority group will often see their actions as culturally neutral, whilst the actions of those from minority backgrounds will be constantly interpreted in terms of their cultural origin. The normality of such frustrating workplace interactions can eventually lead to workers from ethnic minority backgrounds holding back from taking initiatives or from contributing to group decision-making processes.

(2) Statistical discrimination
This covers actions which are based not on personal racism or on prejudices about a social group held by the discriminator, but on perceptions of the minority group as having certain characteristics which will have negative consequences for the organisation. When an employer eliminates from consideration a candidate from a group which is not perceived to be as “profitable” as other groups, it is argued that such an attitude is a reflection of rational economic behaviour and is not to be confused with racism (for a discussion of this argument see de los Reyes 2001b: 106 - 107). However, as Williams states, there may be a ‘fine line’ between statistical discrimination and the first type of discrimination because often the employers’ assumptions about statistical tendencies in a particular group are incorrect. Nevertheless, it does constitute a qualitatively different category of discrimination to the previous one. For one thing, in this category the characteristic associated with the group could in theory be a positive rather than a negative trait -- for example, a group may be seen as exhibiting a tendency for entrepreneurship, which may nevertheless be inappropriate for the jobs being offered. Nevertheless, “even when the assumptions are borne out by the evidence, statistical discrimination treats individuals not on their merits but on the basis of group characteristics, and so violates the liberal principle of equality” (Williams 2000: 64).
(3) Societal discrimination
This is actions based on the fact that although a person may be free of hostility or prejudice, he or she is aware that other people have negative attitudes towards members of a social group. If an employer is aware that there is potential prejudice against an ethnic minority group amongst valued customers, s/he may avoid recruiting or promoting members of that group into a position where they will be in direct contact with these customers, such as sales representative. If an employer knows that a section of the workforce would be resistant to working alongside a member of an ethnic minority group, s/he may avoid hiring a member of that group to work in that section. If an employee of an employment agency knows that immigrants would not be welcomed by a particular employer, s/he may avoid sending an immigrant to be interviewed for a vacant position.

The differences between the above three types of discrimination can be illustrated simply by the three following examples. For racist or ethnicist discrimination the argument might be “I won’t employ Indians because they are lazy”; for statistical discrimination it might be “I won’t employ Indians because they will go off and start their own businesses”, and for societal discrimination it might be “I won’t employ Indians because my customers won’t like it”.

Structural discrimination

(4) Indirect discrimination
This is where apparently ‘neutral’ recruitment practices or work routines in practice discriminate against members of an ethnic group, e.g. recruiting employees through their family connections to the (predominantly white) current workforce. (If such practices are truly inadvertent they may be regarded as structural discrimination; alternatively, the practices could be disguised forms of direct discrimination of Type 1, 2 or 3.) Indirect discrimination is most easily understood with regard to recruitment. In the context of the workplace,
this heading could also include the passive adherence to company rules or traditions which do not allow for changed circumstances in the workforce. A rule of “last in, first out” when redundancies are made will disproportionately penalise an immigrant workforce of recent duration. Even the perpetuation of traditional practices such as inflexible dress codes, canteen menus or holiday rules can be potential factors of indirect discrimination in the context of a new multi-ethnic workforce. As was stated in Section 3, the implication of cultural diversity in a workforce may mean that “systems and procedures that are appropriate for some groups may be inappropriate or actually discriminatory if applied to other groups of people” (Stewart and Lindburgh 1997: 14).

(5) Past-in-present discrimination
This is where ‘neutral’ practices have greater negative impact on a minority group because of historical, rather than current, intentional discrimination. Williams describes this as “among the most pervasive and pernicious sources of structural discrimination” (Williams 200: 65). For example, if past discrimination has confined minority group members to inferior jobs, then patterns of structured inequality will persist well over more than one generation even after the current discrimination has been removed.

(6) Side-effect discrimination
This is when discrimination in one social sphere will generate inequality in another social sphere, even when there is no discrimination in the second sphere. For example, discrimination in housing or education can produce inequality in the sphere of employment.

A final category which does not sit easily within the other two groupings is:

(7) Opportunist discrimination
This is differential treatment, possible exploitation, based not necessarily on the racism or prejudice of the employer, but on the knowledge that the minority ethnic group is in a weak position in society and in the labour market (perhaps because of the effects of
154 John Wrench

racist/ethnicist, or past-in-present discrimination, or the kinds of legal discrimination described in Section 4) and can therefore be given inferior working conditions, paid lower wages, etc. (e.g. the exploitation of undocumented workers). This type of discrimination does not apply to recruitment, as employers in this category are only too willing to recruit such exploitable workers.

The research commissioned by the EU and the ILO in the 1990s (see Section 3) identified practices which could be clearly classified as racist, statistical, societal, indirect and opportunist discrimination in EU labour markets and workplaces. The next question is how diversity management and the other levels of activity in the typology relate to these types of discrimination. We should first remind ourselves of the headings:

1. Training the immigrants
2. Making cultural allowances
3. Challenging racist attitudes
4. Combating discrimination
5. Equal opportunities policies with positive action
6. Diversity management

In reality diversity management policies can include many of the elements of these different levels, or only a few. It was noted earlier that some ‘diversity management’ policies seem to consist of little more than celebrating cultural diversity, and there are questions as to whether this can be classified as an ‘anti-discrimination’ measure. Whilst some companies apparently see the core of their ‘diversity’ activities as making some sort of cultural allowances (level 2), this type of activity can be categorised as ‘anti-discrimination’ only inasmuch as it covers some of the elements of indirect discrimination (type 4). Direct anti-discrimination activities should include the activities categorised at levels 3, 4 and 5. Some diversity management policies do include the various anti-racist or combating discrimination methods at these levels. Clearly, organisational activities at levels 3, 4 and 5 are those which directly combat racism and discrimination, and elements of these taken together can in theory cover racist, statistical, societal and indirect discrimination. Relevant to side-effect discrimination (Type 6) would
be some of the organisational initiatives described in the *Gaining from Diversity* report in Section 3 (Stewart and Lindburg 1997), which included examples of activities outside the spheres of employment and the labour market. These could be community initiatives by companies in schools, or in community development programmes. Similarly in the European Compendium of Good Practice (Wrench 1997a) there was an example of an Italian employer who instituted an initiative to counter discrimination in the housing market on behalf of the company’s immigrant employees (Carrera et al. 1997). Such initiatives are in effect tackling *side-effect* discrimination— the employer recognises that discrimination against immigrants in the sphere of education or housing is having a direct negative impact on their employment opportunities or conditions.

We saw in Section 3 indications from the European projects of the 1990s to suggest that the most common components of policies which employers identified as ‘anti-discrimination’ or ‘diversity’ activities were actions at level 1—‘training the immigrants’. Is ‘training the immigrants’ to be classified as an ‘anti-discrimination’ measure? A first reaction is to argue that it is not. The simple provision of, for example, language training, is not normally considered to be an anti-discrimination activity. In most European countries it seems that providing language and other training for immigrants has been the first organisational response to the arrival of immigrants. Not only is this not normally classified as tackling discrimination, it often reflects just the opposite—a lack of consciousness of the problem of discrimination. It can occur as part of an implicit ‘deficit theory’, which sees ethnic inequality as primarily a human capital ‘supply-side’ issue, and often goes with an unwillingness to recognise and address the ‘demand-side’ problem of discrimination. In this context, such training activities are generally not classified as ‘anti-discrimination’.

However, further reflection suggests that perhaps a “training the immigrants” component within an equal opportunities or diversity management policy can be classified as anti-discrimination, depending on the context and the underlying rationale. There are a number of reasons why a broader definition of ‘anti-discrimination’ may embrace this activity:
Firstly, if the lack of language ability results in a lack of power in the labour market and a restriction of the ability to resist exploitation by moving to better employment, then the reduction of this power deficit by language training can be seen as tackling opportunist discrimination. Furthermore, language training might be understood as indirectly tackling racism in the longer term. For example, if a language or educational deficit results in members of a minority group being over-represented in inferior work or amongst the unemployed, then training can promote their broader and better employment, thereby tackling the roots of racism, and thereby racist/ethnicist discrimination, by undermining the idea that visible minorities are second-class citizens suited to second-class jobs.

Secondly, economic and organisational restructuring increasingly means that immigrant workers in Europe need language and communication skills that they did not require 20 years ago. If at a time of organisational restructuring a lack of language skills is used as an excuse to make redundant the immigrant workforce, then the provision of language training in this case can be defined as ‘anti-discrimination’, in this case anti-indirect-discrimination.

Thirdly, there is another way in which providing skills training for immigrants or ethnic minorities can be defined as anti-discrimination. If it forms part of level 5 activity, i.e. a positive action training programme, openly justified as a means of going further than the ‘level playing field’, as a way of compensating for past historical discrimination, then in this sense it is anti-discrimination, i.e. anti-past-in-present-discrimination.

This third point leads us to a more specific criticism of diversity management - that its weakness as an anti-discrimination measure is above all rooted in its lack of components which address the form of structural, historical discrimination known as past-in-present discrimination. What is the point of celebrating a diverse organisational culture when the long-term effects of historical exclusion mean that under-represented minorities are not in a position to take advantage of opportunities to join, or progress within, the organisation? The sort of position which attracts these criticisms is characterised by the authors of what is probably the best known textbook on diversity management in the UK, Kandola and Fullerton (1998). They emphasise that they see
no place for group-targeted positive action or affirmative action in a
diversity management approach. “Our view is that an approach whose
underpinning philosophy is the needs of the individual will
automatically be compromised when any actions are based purely on
someone’s supposed group membership” (Kandola and Fullerton 1998:
125).

If this philosophy represents an intrinsic aspect of diversity
management, then the criticism that it is weak on measures against
structural discrimination is indeed a serious one. However, it seems that
this stance is not necessarily shared by all diversity management
practitioners and advocates. For a further insight into a basic division
within diversity management approaches we can turn to the work of
Liff (1997). Liff starts with the question “Is managing diversity a way
of repackaging equal opportunity, strengthening it or undermining it?”
Part of the difficulty in answering that question lies in the “struggle for
ownership of the term managing diversity by those from competing
perspectives.” To help us understand the different versions of diversity
management she first clarifies the previous equal opportunities
approach. Underpinning this is the importance of treating people
equally, irrespective of their sex or ethnic origin. However, to eliminate
discrimination and promote equality it can be acceptable to recognise
social group differences. These can be expressed in positive action
measures to counter the effects of current or past discrimination. Such
measures try to ensure that everyone has the opportunity to compete on
the same basis, but ultimately they aim to produce a situation where the
individual’s race or sex is of no significance in regard to their treatment
and access to opportunities.

In contrast, managing diversity does encourage organisations to
recognise differences. However, there is more than one approach to
this. One way is to see differences as more or less randomly distributed
between individuals, and the other is to see the characteristics as related
to, for example, membership of an ethnic group. Thus there are two
main approaches to managing diversity. The first is where social group
equality is not accorded any specific significance as an object of
organisational policies, and where diversity includes a whole range of
things, not just ethnicity and gender. This is called the dissolving
differences approach.
However, there is another approach to diversity management – the *valuing differences* approach – which acknowledges socially-based differences, and allows policies which recognise gender or ethnicity. “These policies acknowledge socially-based differences and their significance for the perpetuation of inequality (Liff 1997: 14). This type could therefore very easily embrace some of the initiatives at other levels in the six-fold typology, such as extra training for under-represented groups, and positive action measures or even targets for the recruitment of under-represented minorities. Practitioners of this type argue that the problem with the individual approach is that “It allows for social difference but as yet has no well developed strategy for dealing with ways in which job structures and personnel practices have been shown to disadvantage women, ethnic minorities and others and to advantage white males systematically” (Liff 1997: 23).

Thus we can see that the diversity management approach has more variety than some critics acknowledge. And this also explains why some of the critiques in Section 5 seemed contradictory. Some were criticising a diversity management approach which they assumed to be the individualistic *dissolving differences* approach, and others were criticising a diversity management which they assumed to be group based *valuing differences* model. As an example of the former, the New Zealand critics of diversity management stated: “The problem is that there is no room for group claims with ‘managing diversity’, let alone claims for indigenous status as a difference which makes a major difference. Nor is there room for a collective, rather than an individualised concept of identity.” For these authors the problem is that “the vocabulary of managing diversity reduces all difference to equivalence” (Jones at al. 2000: 369).

Yet it is clear that for some versions of diversity management this is not so. In practice diversity management may attempt to embrace both the individual and group dimensions. For example, there was a rather revealing quote in an online debate hosted by the Chartered Institute for Personnel and Development, the professional organisation in the UK for personnel and human resource managers. In response to the question “What is your definition of diversity?” a director of human resources replied:
There are a number of definitions to describe diversity in the work environment. Primarily they fall into two categories: one focussing on the 'individual' and providing equality and fairness to every person, and a second focusing on 'group', for example, 'women' or 'ethnic minority', where the provision of equality and fairness is recognised in terms of meeting the needs of groups.

The challenge in the work environment is for diversity to mean valuing difference (all people are valued in their difference) while at the same time addressing 'group' characteristics and stereotyping, since many of the procedures, practices and employee behaviours that directly or indirectly discriminate are around stereotyping groups.41

Clearly this shows that in practice diversity management can be more complex and more flexible than many of its critics imply, and that its particular form in specific contexts must therefore be the subject of empirical investigation. For some observers, diversity management is a practice that distances itself from many of the earlier levels or stages, breaking itself from its roots in an entirely new approach, and carried forward by business dynamics. Others see it as simply a logical and more ambitious extension of earlier stages. Examples of the latter are Kirton and Green, authors of a UK diversity management textbook, who conclude from their reading of the existing research-based literature that “most academic commentators are sceptical about ‘managing diversity’ as linked to ‘business case’ arguments for equality and the ability of this approach to redress material inequalities. This is because of the contingent and partial nature of business case arguments with their reliance on the functional rationality of management ... as drivers of employment policy” (200: 7). Two British consultants who were interviewed for this report saw no necessary contradiction between the moral and business arguments. One of them, when asked whether she saw the ‘business’ or ‘moral’ argument as predominant, replied “You must use the two together. You can’t use diversity on its own. It is sterile”.42 In the words of Kirton and Greene, (2000: 7) “It ... remains important for diversity policy levers to grow from and on to existing equal opportunity policies, rather than replace them”.

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41 PM Online debate, www.peoplemanagement.co.uk
42 Personal interview, February 2002
The relationship of diversity management to equality legislation

The second order of criticism of diversity management with regard to its relationship with anti-discrimination activities is that it can be used by those who wish to argue against other levels of activity, such as anti-discrimination legislation. Again, we can see here that there is more variety in reality than the critics always allow for, and there are different views as to whether a diversity management approach is intrinsically incompatible with, a replacement for, or can co-exist with, strong legal and administrative measures for equality. The origins of the fears come from outside Europe. As we saw in Section 5, in the US context diversity management was interpreted by some as an acceptable ‘toned-down’ substitute for equal employment opportunities and affirmative action measures, which were then under political attack. In New Zealand it was seen as way of undercutting the demand for equity legislation before such legislation was introduced. Thus there are those who fear a similar syndrome in Europe. Yet it is by no means certain that diversity management is intrinsically incompatible with a strong legally-based approach, and some European commentators see the co-existence of diversity management and legal equality measures as not only possible but highly desirable. Unlike in the US, diversity management in Europe is taking off at a time when political opinion is moving towards stronger legal approaches, as reflected in the new EU directives (see Section 4). For some European commentators there are “thorny questions” about the easy co-existence of the two approaches (Glastra et al 1998: 173), but at least, they argue they do not necessarily exclude each other. As one UK director of human resources stated: “Diversity in organisations does need to be supported by legislation. This introduces a common minimum standard across organisations and indeed ensures an element of consistency in practices followed by organisations working in the same marketplace.”

The European diversity management consultants who were interviewed for this report saw no contradiction between diversity management and strong legislation. The UK consultant, herself from a earlier background of employment in a major UK company,

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43 PM Online debate, www.peoplemanagement.co.uk
emphasised the importance of legal pressure and employment tribunal cases in stimulating the adoption of diversity management policies, and welcomed the new EU directives as "a good way of getting things through the door".\textsuperscript{44} Those who talked about the spread of diversity management in the Netherlands and Sweden were clear that at that time the main driving force was labour shortages. However, there are times and circumstances when this driving force may not be there, and some SMEs in certain sectors are not at all worried about labour shortages. Hence there was a perceived need for other forms of external pressure. These can provide the original stimulus for diversity management which, when it is adopted, may then proceed under its own momentum. It is not insignificant that in the case of the American companies who were surveyed by Wentling and Palma-Rivas (see Section 2), all stated that their diversity programmes had started originally because of the pressure of the Civil Rights Act or movement, and the need to comply with affirmative action requirements.

The spread of diversity management could prove to be a stimulus for getting employment equity issues on to the agenda in Europe in places where more traditional approaches would not have been successful. However, the wider adoption of diversity management does not serve as a logical substitute for efforts to improve the legislative context on employment equity. Diversity management policies are not a replacement for strong and properly enforced legislation on access to employment and numerical representation. They can exist alongside, and contribute themselves to, anti-discrimination measures, but there are areas which still need to be covered by legislation. Indeed, the final category of discrimination — \textit{opportunist discrimination} — is primarily addressed through broader legislation and political activity.

Finally in this report we can turn to some questions which might be asked about the future of diversity management in Europe, on the basis of the discussion in the earlier sections of the report.

\textsuperscript{44} Personal interview, February 2002.
What activities are being developed under the banner of diversity management?

As we have seen, the term ‘diversity management’ can cover a variety of emphases and can contain many different mixes of anti-discrimination components and approaches. The six-fold typology can be used to clarify these. We have already seen that it is quite possible for one relatively simple initiative relating to immigrants or ethnic minorities to be classified as the organisation’s ‘diversity policy’. We saw in Section 3 the example of a Norwegian company whose “managing diversity” policy consisted of language training arrangements, recognising the dietary requirements of religious minorities, and allowing longer periods of unpaid leave so that non-European workers could take longer vacations when visiting their home countries. These fall into level 1 and level 2 activities on the typology. Alternatively, in the European Compendium of Good Practice, it was possible to find quite ambitious equal opportunities policies in organisations which did not use the terminology of diversity management. These embraced many of level 5 and level 6 activities, including a recognition of the organisational and business advantages, and yet the word ‘diversity’ was nowhere to be seen in their organisational literature.

One question we have asked is whether, when a genuinely new (and not re-labelled old) diversity policy is introduced, the organisational content of this is constrained by the differences of national context and experience. In the US context diversity management is the latest in a long history of organisational-level initiatives related to employment equity for minorities. Before the advent of diversity management there had existed for many years anti-discrimination legislation, contract compliance and affirmative action which had already improved the employment opportunities for members of previously excluded groups (Allen 2000). In most of Europe there is still nothing like laws and practices of the strength and variety found in the US. The level of experience and awareness of different policy initiatives in this field is much more varied across Europe than within the US. To what extent is this important? Will there be a convergence of organisational practice across the EU towards diversity management regardless, because of
commonly experienced economic and demographic forces? Or will national emphases of diversity management practices vary according to cultural and institutional differences, different traditions in dealing with ethnic diversity, or differences in previous experiences of organisationally-based equal opportunity policies?

'Cultural diversity' in the EU is becoming the shorthand term for the recognition of the need to employ immigrants and ethnic minorities, and the corresponding recognition of the business necessity of doing this. Compared to earlier European positions of colour blindness or the denial of discrimination, the spread of the discourse of cultural diversity represents progress, even if the primary motor of change is simply the issue of labour shortages. But this still does not indicate movement to the second part of our managing diversity, level 6, the 'managing for diversity' stage. Even in the UK, where diversity management has been embraced more rapidly than most other EU countries, it seems this stage is the last to be reached. According to one UK consultant, 'The real block at the moment is 'managing for diversity'. All the big companies are at that stage at the moment - they are grappling with it. The rest are not really at the starting point''.

In the long run, it is argued, this will be necessary, because the recruitment of a diverse workforce is not enough. To retain these workers and use them to best advantage, there will be the need to move towards managing for diversity and broader organisational change. As we saw in Section 2, the American companies soon found that they needed to introduce support systems, training programmes and other changes once they got past the first stage of recruiting women and minorities into the organisation.

The use of the typology enables a clarification and grouping of organisational practices, as well as a focus on the misuse of definitions, and the mis-labelling of practices. The circumstances of the use, abuse and non-use of the term diversity management are all areas of interest. It is an interesting question as to whether the 'misuse' of the term diversity management reflects little more than well-meaning ignorance, or whether it is related to specific factors of national context, or even

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45 Personal interview, February 2002.
whether it serves the sectional interest of a particular occupational or political constituency.

National context and the meaning attributed to diversity management

We saw how in the US the history of EEO/AA experience set the parameters for the debates on diversity management. The historical context in EU member states has been very different. How have equivalent factors affected the debate on diversity management in different countries? It is quite likely that the different national contexts into which diversity management is introduced can have implications not only for the particular form that diversity management policy takes, but for also the response to it by key actors. For example, if there are countries with a relatively well-developed history of equal opportunities and anti-discrimination practices, then from some quarters there may come criticism of the development because it may be seen as undermining some existing and valued practices. Hence as we saw in Section 5, many trade union activists in the UK see diversity management as a retrograde step in the UK context. Activities in the UK have passed through the whole sequence of ‘levels’, with some bitter struggles involving trade unions having been necessary before getting to a stage where reasonably strong equal opportunities, anti-racist and anti-discrimination policies have started to become accepted, both in the workplace and within the unions themselves. In this context equal opportunities activists do not always see diversity management as welcome.

On the other hand in a different context ethnic minority trade union activists may well see diversity management as a progressive development. For example, in Denmark, in contrast to the UK, the organised ethnic minority sections of the trade union movement generally see diversity management as a positive development which is to be welcomed, as a device to help to break down the tremendous barriers to equal employment that exist within the Danish labour market. Unlike in the UK, Danish unions are used to consulting with and co-operating with employers far more in workplace agreements, and many Danish employers themselves also welcome the development
of diversity management. It is not insignificant that in Denmark, the main trade union confederation, the LO, plus some of the larger Danish trade unions, are members of Foreningen Nydansker, the earlier-mentioned organisation called set up in 1998 with the aim of setting a 'positive agenda' in the business community regarding diversity practices in employment. Thus in the negative Danish political climate the promotion of diversity management is seen to be a positive development by ethnic minority and trade union activists as well as by many leading employers, whereas in the very different UK context, reaction to it is more complex. Thus our future examinations of the European experience of diversity management will no doubt confirm the point made by Prasad and Mills:

How workplace diversity is understood will, at any given time, depend on culturally relative, historically changeable, social interactions that are developed within contexts of political interaction and struggle (Prasad and Mills 1997: 18)

Critical discourse analysis and diversity management

The critiques of diversity management (Section 5) have put a number of things on the agenda for future research in the area. One is the potential of the technique of critical discourse analysis for clarification of the discourse of diversity management in European countries where it is expressed. The aim of critical discourse analysis in this context is to bring to the surface the hidden meanings, interests and power relationships which lie underneath the 'ordinary' and apparently neutral terminology of diversity management through a critical analysis of the words and sentences employed. This is something which could be done in different linguistic contexts across Europe. It would seem to be particularly important that such analysis is not restricted to the American and UK English diversity management discourse, particularly as the words employed in other languages may have very different overtones to their English equivalents.

Having said that, some critiques also demonstrate the fallacy of an over-reliance on critical discourse analysis. There is only so much significance that can be attached to a discourse analysis alone, and this is best tempered with data from observations, investigations and case
studies. For example, Lorbiecki and Jack's assumption about diversity management as an instrument of control or compliance is based on the analysis of words like ‘harnessing’ (from Kandola and Fullerton's definition of diversity management) seeing the metaphor of the horse as indicating that this means control of everyone, "so that no-one can escape". They judge the word ‘diversity’ itself is signifying “fixed difference” with no possible movement across physical boundaries. Diversity management critics also point to the use of the word ‘management’ itself as an indicator of one-sided power and control. Yet the problem of critical discourse analysis is that it may attribute too much significance to words and metaphors if the analysis remains at the level of discourse alone. Case studies and interviews with practitioners reveal a far greater variety and flexibility in reality than that suggested by the words which are seen to be significant by critical discourse theorists. Business practitioners of diversity management themselves state that they are not happy with the overtones of the word ‘management’ and prefer to suggest something more democratic. Diversity management texts talk about the flexibility of diversity categories and the shifting boundaries of what is ‘the diversity that matters’. Thus the insight produced by the analyses of critical discourse needs also to be complemented by information of real-world practice. The extent to which diversity management is just a disguised way of extending one-sided managerial control, or if it is a genuine way of attempting to increase human dignity at work is an empirical question, not simply a logical one, nor one that can be derived from discourse analysis alone.

Specific research questions

The discussion in this section has provided some broad themes to inform future research on diversity management in the European context. Some more specific questions are suggested below. Firstly, there should be further conceptual and theoretical clarification of the concept of diversity management. This is necessary to clarify the discourse and avoid much of the confusion which exists around the concept, as we have seen in this report. How many definitions are there? Are there conflicting definitions? Which aspects of diversity
management are logically essential and intrinsic components, and which are not? For example, some of the critics in Section 5 highlight negative aspects of the practice from the point of view of equality, but it is by no means clear that these are inevitable faults reflecting intrinsic and inescapable characteristics of diversity management, or whether they simply reflect the way it is implemented in some particular cases.

At the same time there is a need for case study explorations of the operation of diversity management in practice. Relevant questions will include:

- How do organisations conceptualise diversity management? What definitions do they use, explicitly or implicitly? Does this vary in different industries, sectors, or regions?
- What are the different emphases of diversity management practice in different European Union countries?
- Does this vary according to national differences in traditions in dealing with ethnic diversity, immigration, and employment integration issues for minorities?
- Are such differences superseded by traditions and approaches common in other countries in the case of multi-national organisations?
- What are the politics of diversity management — can it be appropriated or misused by certain parties and interest groups for their own sectional interests?
- Is a diversity management approach intrinsically incompatible with certain features of European labour markets — for example, the persistence of legally-based discrimination?
- What are the stated reasons of the key relevant labour market and organisational actors for embracing diversity management?
- What are the stated reasons for opposing diversity management practices?
- How is the ethics/business dichotomy regarding diversity management perceived? Are they seen as compatible?
- How is organisational culture defined and measured by those who wish to work towards a new diverse heterogeneous culture?
How do managers evaluate the progress and effectiveness of diversity management programmes?

What are the responses of organised labour to diversity management and how does this vary between different sectors or countries?

We have seen in this report that diversity management can have many forms and serve many interests. It confirms the suggestion by Prasad and Mills (1997: 13) that “the concept of workplace diversity itself may not hold uniform connotations, signifying different things to different groups and individuals within organizations and society”. The important point about diversity management is that it is ‘contested terrain’. Its essential characteristics are fewer, and its nature more varied, than many critics allow. It is the task of academic research to monitor, observe, explore and clarify the different meanings and forms it takes in Europe.
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