

Diversity

– Utilising Diversity as an Enhancement

Human resources management increasingly concentrates on companies' core business. Considerations of turnover and cost dominate business as management sees itself confronted with far-reaching changes in the economy. At the same time, society and with it labour markets, workforces, sales markets and even financial markets are undergoing dramatic changes towards increased differentiation and individualisation. This is where diversity comes in – enabling the utilisation of the growing variety of all stakeholders to better achieve business objectives in the face of a changing economic environment.

Variety, in the sense of diversity, can relate to similarities and differences, to what individuals bring with them – e.g. in characteristics and patterns of behaviour – but also to groups of employees and their origins and qualifications. Diversity depends on variety in the workforce: Workers of different sexes, age groups, nationalities, skin colours, languages and religions, healthy and disabled workers work together and therefore reflect within the company the diversity of the market, enabling a business to survive more successfully against the competition.

Monocultures no longer sustainable

In Europe, some of the long-lasting challenges facing companies have been addressed by a company philosophy which originated in the USA. There are permanent key issues which demand ever new strategies, requiring above all diversity and variety.

In view of European integration, the enlargement of the EU in eastern Europe and globalisation, the aim will be to exploit the cultural diversity of the labour and sales markets and to create international structures and co-operation. Company success will increasingly depend on co-operation with competitors and business customers, with other organisation cultures and the consideration of various attitudes and cultures in communications – external and internal.

Different corporate cultures may be advantageous in strategic alliances, in close co-operation for just-in-time solutions, outsourcing or other types of networking. Moreover, the diversity of the partners and their different needs and strengths ensure success in co-operation projects involving mergers and acquisitions.

Particularly in difficult economic times when there is a shortage of resources, the growing pressure from “shareholder value” on costs, productivity and market success requires the optimum utilisation of the entire – diverse – potential available from all employees. This resource of diversity must also not be underestimated in the marketplace and among customers.

EfH Guideline – Watchpoints

1

Successful diversity management relies on target group accuracy and participation. Systematically oriented to specific needs of a diverse workforce, workers at all levels are involved as early and completely as possible in the needs survey, analysis and implementation of improvement measures.

2

As the various areas of diversity are in some cases severely tainted with controversial values and general principles, it is crucial to clearly highlight the contribution towards achieving core objectives in an organisation from the very outset (business case). A clearly laid out, consistent and approved communications policy creates the framework for broad participation and acceptance of the business case, in particular among executives and middle management.

3

Flexible and worker-oriented measures of work design, together with culture and executive development measures, form the heart of all efforts to successfully implement diversity practices in organisations today. This includes flexible working time regulations and work design to suit a particular target group.

4

If diversity-friendly leadership and management behaviour is to be spread throughout companies at all levels, not only appropriate standard qualifications have to be offered, but also performance and success measurements must include appropriate criteria which make the results of leadership and management behaviour transparent.

In practice, a corporate culture based on partnership is the driving force behind successful diversity management.



“What worked for us and made us successful in the past will be quite different in the future. Those organisations that really understand how to manage diversity successfully will enter this new century with a major competitive advantage.

It is only in this way that every individual in the organisation is put in a position where he/she can contribute his/her full potential.”

Penny de Valk,
Ceridian Centrefile Ceridian House,
Great Britain

The strengthening of corporate identity, for example through diversity-oriented values which highlight the company’s profile, improves competitiveness in times of concentration and consolidation. Diversity acts as an image factor and helps companies to become an “employer of choice” in the “war of talents” and ultimately win the “best” for themselves.

Adaptability and efficiency in a company are put to the test above all during organisational changes. Here, key factors are not only the smooth introduction of new processes or job contents and the effective co-operation in employee teams (e.g. with different training and experience, ways of thinking and acting, communication and leadership styles). The basis is the active respect of diverse people as well as an open, fundamental attitude to change. In this way change can be exploited productively – to the company’s benefit – allowing for the potential of all those involved.

Social change, marked by rising ethnic and cultural diversity, a new relationship between the sexes, a change of generation and demographic development, describes at the same time the resultant trends impacting on the labour, sales and financial markets, business partners and not least company workforces.

Not only is the (demographic) composition of society becoming more diverse, also the cultural conditions (values, attitudes) and the interface between people (communication, interaction) show distinctive trends towards individualisation and openness.

“Diverse workforces” pay off

There is a lot of evidence that companies which internally reflect the diversity of their external stakeholders are more successful than monocultural companies.

Diversity management, the change of a monoculture to an open, diverse organisation with a diverse workforce, pays off for the companies through a number of improvements and advantages. These relate both to external and internal success factors:

- ▶ Diversity improves market coverage (larger market shares, new market segments) and customer proximity (better customer relations).
- ▶ In relation to shareholders, diversity improves the rating and leads to greater attraction.
- ▶ Diversity strengthens the company in competition for the best employees through better access to broader (labour) market segments and improved staff image.
- ▶ It serves to maintain the stock price and increase public standing.
- ▶ Diversity boosts productivity (in qualitative and quantitative terms), increases loyalty and motivation and reduces absenteeism and staff turnover.
- ▶ Diversity improves co-operation and increases team productivity, creativity, the ability to solve problems and innovative capacity.
- ▶ The efficiency of the organisation as regards changes, complex structures, processes embracing several sectors etc. is increased.
- ▶ Diversity makes co-operation with other companies (cultures) easier.

“Managing” diversity

Even if the road to a diverse company is always an individual one, in practice it is increasingly being flanked by two different diversity strategies.

In order to contribute directly towards enhancing the company’s success through the optimum exploitation of diversity, some organisations rely on the systematic orientation of diversity to its business objectives, strategic requirements and challenges.

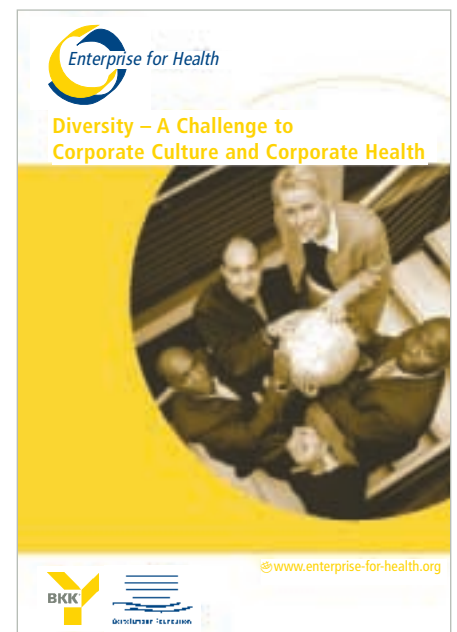
In other organisations, diversity is integrated holistically into the company systems in order to make the organisation fully compatible with diversity. With so-called diversity mainstreaming – similar to gender mainstreaming for gender issues – no additional infrastructure is required and the sustainability of the change achieved contributes towards safeguarding success.

Diversity mainstreaming in the HR sector is reflected, for example, in staff recruitment, staff development and at the level of employee relations (work-life balance). While staff recruitment systems are reviewed and modified with a view to their neutrality and transparency as regards different applicants, the incorporation of diversity issues into existing training programmes in the staff development sector represents an important strategy. Special programmes for diverse groups from the workforce – generally women, as well as ethnic or other minorities – safeguard their development through further training, their own networks or career pools. The integration of diversity into employee relations is reflected in some companies by dignity-and-respect programmes or anti-discrimination activities.

The area of “work-life balance” is particularly well developed. Flexible working time models and absenteeism guidelines, care and support programmes as well as assistance in looking after dependants, all support diversity objectives, supplemented by stress management and health promotion.

“The concept of ‘diversity’ as in the sense of differences between people infers that organisations should make allowances for existing differences between employees by tailoring or re-designing the work appropriately. For example in production, different forms of work patterns should be used to manufacture the same product (principle of differential work design).”

Prof. Dr. Eberhard Ulich,
Executive Project Co-Ordinator
of the EfH Network



The EfH brochure

Diversity – A Challenge to Corporate Culture and Corporate Health

is available for downloading at

www.enterprise-for-health.org