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THE DEVELOPMENT OF DIVERSITY MANAGEMENT IN EUROPE:  
CONVERGENCE OR CONSTRAINTS ?

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## **The development of diversity management in Europe**

In the light of evidence of the growing adoption of diversity management policies by employers in an increasing number of European countries since 2000, this paper raises the following question: will the development of diversity management in EU member states follow a relatively uniform trajectory because of commonly experienced demographic, economic and market pressures, or will the historical, cultural, political and institutional differences which exist amongst EU countries, (and between the EU and the US) have a determining impact on the adoption, content and mode of operation of this particular management practice in Europe?<sup>1</sup>

It should be noted that although the practice of diversity management encompasses a wide range of variables of ‘difference’, this paper approaches diversity management from the point of view of those who are interested primarily in the dimensions of ‘race’ and ethnic origin, and the related issues of equality and employment integration. Whilst the practice of diversity management is by definition multi-dimensional, the dimension of ‘race’/ethnicity is often near the top in priority for managers in organisations. This is also the ‘angle’ which has perhaps most stimulated 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,<sup>2</sup> and the important role that integration into employment plays in this. The communities established by post-World War II labour migrants in western European countries have long been over-represented in long-term unemployment or in poorly-paid, insecure and generally less desirable work. Diversity management is seen by some as a useful tool to aid the better ‘integration’ of such minorities.

### **Two European Commission reports**

Two reports by the European Commission have provided insight into European developments in diversity management. In 2003 the European Commission published a report entitled *The Costs and Benefits of Diversity*, a study on the methods and indicators to measure the cost-effectiveness of diversity policies in enterprises (European Commission 2003). This investigation included a survey of 200 companies in four EU countries, and eight case studies of diversity initiatives in six EU countries. The report concluded that the ‘business case’ for investment in workplace diversity in Europe is somewhat fragmented and at an earlier stage of development than in, for example, the US and Canada, but that ‘a potentially powerful case for investment in workforce diversity policies is beginning to emerge’.

Two years later came a second report by the Commission *The Business Case for Diversity: Good Practices in the Workplace*, published in 2005. The aim was to select and analyse successful and innovative examples of good practice in diversity management implemented by employers and businesses across the European Union, as ‘part of the Commission's ongoing efforts to promote diversity in the workplace and combat discrimination across the enlarged European Union’ (European Commission 2005: 9). Two surveys were made of companies in 25 EU Member States, producing a total 919 responses. The first survey used the European Business Test Panel (EBTP) to administer an on-line questionnaire to investigate diversity awareness and practices of member companies across all areas of diversity. The EBTP is a panel of around 3000

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<sup>1</sup> The focus of this paper is on the countries within the European Union, and therefore the terms ‘Europe’ or ‘European countries’ is employed only in this restricted sense

<sup>2</sup> The phrase ‘immigrants and ethnic minorities’ is used to cover visible minorities in Europe who are potentially subject to social exclusion and discrimination. In practice, this will cover mainly the post-World War II immigrants and refugees from outside Europe, and their descendants who often, but not always, have citizenship rights in an EU member state. However, some ethnic minority groups subject to discrimination may also come from within Europe, such as the indigenous Roma.

businesses from 25 EU Member States, plus Norway, which is designed to be statistically representative of businesses throughout the Union. The questionnaire was circulated to around 3000 panellist companies, and generated 798 responses, a 26.6 per cent return.

The responses give some clues as to the state of diversity awareness and diversity management practice across EU Member States in the middle of the first decade of the 21<sup>st</sup> century. Almost half of all the EBTP survey businesses that responded to the survey were actively engaged in promoting workplace diversity and integration. Of all the business benefits of diversity policies, one of the most important was reported to be resolving labour shortages and recruiting and retaining high quality staff. Among the 798 respondents of the EBTP survey it was the single highest scoring benefit. It was also evident from the case study examples that internal diversity was leading to marketing and product developments that cater for new market segments.

The second survey used questionnaires and in-depth interviews to identify examples of good practice in workplace diversity in the areas of 'race' and ethnicity, age, sexual orientation, disability, and religion or belief. An initial questionnaire was sent to around 3000 contacts across Europe, covering companies of various sizes and from different industrial sectors. The questionnaire invited them to participate in the research and submit their diversity initiatives. A total of 121 submissions from companies were received. Then 58 companies with promising practices were invited to complete a more detailed questionnaire outlining their diversity initiative. Following this, on-site visits and interviews were conducted with 28 companies to get additional information about their diversity practices. The authors of the report concluded that companies are making 'steady progress' in the implementation of diversity and equality policies in Europe.

Of course there are limitations to the degree to which the EBTP survey can be seen as 'representative', because those who responded were probably more likely to be those with diversity management policies in the first place. But it does provide a further indication of the growing awareness of the subject in European business, and it can also give a suggestion of the countries in which it is most and least common. For example, it is noticeable that countries from Southern Europe accounted for only seven per cent of the replies. Similarly, regarding the second 'good practice' survey, most of the 121 submissions came from the member states of northern Europe in the 'old' EU15. Of the named participating companies, as set out in the Annex to the report, the largest number, almost a third, came from the UK. The next largest numbers in EU countries came from Spain, Germany and Belgium, followed by France, the Netherlands and Sweden. In general the level of responses and good practice submissions received from companies based in the ten new EU member states and from southern Europe was relatively low. It is also noticeable that most corporate diversity initiatives were still focused mainly on gender equality issues. Of the 19 examples which appeared in the report as case studies, less than half included ethnicity as one of the criteria of the policy. Five of the 19 case studies came from the UK, and four of these five covered ethnicity, whilst none of the three German cases did.

In 2003 Point and Singh carried out an analysis of statements on the websites of 241 'top' companies in eight European countries – Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK – in order to see if they used the word 'diversity', and how they defined it. Companies in the UK were the most likely to show a commitment to diversity on their websites, with nearly all of the top 50 companies doing so. Of the other EU countries, just over half the German companies did, followed by the French and Dutch with over a third, and the Swedish with just under a third. The lowest proportion was found in Finland, with one fifth. The most frequently cited dimension of the policies was that of 'gender', followed by 'culture'. French and German companies used the broader notion of 'culture' whilst UK companies referred instead to 'race and ethnicity' (Point and Singh 2003: 756).

## Encouragement measures

Thus the limited but increasing information from a number of surveys suggests a growing but rather 'patchy' development of diversity management in Europe. In this context, a number of initiatives for encouraging employers have developed, both at a national and EU level (EUMC 2005, EUMC 2006a). For example, in Belgium in December 2005, approximately fifty employers (representing almost 150,000 employees) active in the Brussels-Capital Region signed a 'Charter for Diversity'. In 2005, the Interministerial Conferences on integration and employment developed a new instrument to promote equality in the labour market, the 'diversity trademark', to be awarded to companies in Belgium that can clearly demonstrate the practical ways they promote diversity within and outside their organisation. This is similar to the MIA prize for diversity in Denmark, instituted in 2003 and now awarded annually to companies by the Danish Institute for Human Rights (Nour and Thisted 2005: 19). Also in Belgium, in 2005 the *Cel Kleurrijk ondernemen/Cellule entreprise multiculturelle* [Unit colourful enterprising] was created in the Federal Administration to persuade and advise employers and company directors on how to develop diversity management in their companies. In the same year a comparable organisation was set up for the federal public sector, the *Cel Diversiteit/Cellule Diversité* [Unit on Diversity], responsible for the implementation of the Diversity Action plan 2005-2007. An encouragement measure from Ireland is the project DAWN, the Diversity at Work Network<sup>3</sup> whose objective is to help local business communities to create an 'intercultural environment' in the workplace that targets minority ethnic workers, and develop a 'whole organisation' approach to diversity policies. According to the Centre for Diversity and Business, an Italian management training institute 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. There are also encouragement measures at EU level. For example, the European Commission runs an EU-wide campaign 'For Diversity – Against Discrimination' in order to raise awareness and stimulate debate on diversity issues.

## A European convergence towards diversity management?

From the evidence above it seems reasonable to conclude that there is a steady spread of awareness and activities under the broad heading of diversity. In the light of this, 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, one on equal treatment of people irrespective of race or ethnic origin (the Racial Equality Directive) and one establishing a general framework for equal treatment in employment and occupation (the Employment Equality Directive) require the establishment and maintenance of a minimum level of protection against discrimination in employment. The directives were adopted in 2000 and needed to be transposed by the 15 EU member states by 2003, and by the new 10 member states by 2004.<sup>4</sup> EU member states needed to revise their existing laws or introduce new ones in line with the requirements of these directives. Furthermore, Article 13 of the Racial Equality Directive states that member states must designate a body to promote equal treatment, and to provide legal standing for relevant organisations to support victims of discrimination in pursuing their complaints. All this is likely to put pressure on employers to adopt anti-discrimination procedures themselves, and diversity management is

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<sup>3</sup> Equal Community Initiative in Ireland, <http://www.equal-ci.ie>

<sup>4</sup> Regarding the Employment Equality Directive, there was an extended period for transposition in relation to its provisions on disability and age.

likely to be seen as an acceptable way of doing this. Indeed, the authors of the European Commission's 2005 report *The Business Case for Diversity* conclude that it is reasonable to infer that recent EU antidiscrimination legislation has had a considerable impact in promoting action in this field.

However, more than this, there could 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. O'Reilly points out that 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 indicated by O'Reilly, as being '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 holistic 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 organisations 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, 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.<sup>5</sup> 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?

For example, 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 organisational practices it will have implications for policies targeted to produce a more diverse workforce. For example, trade unions may 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 reported in the late 1990s an agreement between the trade unions and public transport employers that priority for all new jobs on the buses should go to the children of existing bus drivers. The bus company began to have problems on the buses with some young people of immigrant descent 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 2000). This type of family priority in 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 based 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 trade 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.

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<sup>5</sup> One textbook which does address US and European differences with regard to diversity management is Kirton and Greene 2000.

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 paper therefore suggests some examples of the sorts of institutional, cultural and political factors which may act as enablers or constraints on the development of American-style diversity management in Europe. There is insufficient 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. These national differences in variables relevant to the development of diversity management can be related to legal, cultural or political regularities within member states.

### **Differences of national context**

There may be elements within some of the various levels of organisational anti-discrimination practice which make them less likely to find a sympathetic environment in various EU countries. For example, one central component of the practice of diversity management 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.

### **The example of France**

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 in the US 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'. This is a development which would be seen as unacceptable by many in France. 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 entail, 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.

The principle of French policy is to be 'colour blind'. No 'minority' policies exist, nor the very idea of minorities. According to this approach, multiculturalism or ethnic cultures should remain in the private sphere, and should not be recognised in the public domain (Schnapper et al. 2003: 15).

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. This contrasts with the British situation, where there is a much weaker and more complicated conception of citizenship and the national community, which has not been threatened by the recognition of ethnic categories or ideas of multiculturalism. Discussion on the forms that multiculturalism 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 (Blakemore and Drake 1996).

### **Differences in ethnic monitoring**

It is clear that the French context is unsympathetic for some aspects of diversity management and also for some other activities within organisational equal opportunity policies with positive action. One important component of these policies 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. As the International Personnel Management Association put it, when describing 'best practices' in diversity management in the US, 'Best practice organizations utilize workforce data and demographics to compare statistics reported for the civilian labor force. Occupations with under-utilization are identified and goals are established to reduce the under-utilization' (Reichenberg 2001: 2). However, 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. 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 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?' She recognised that this reluctance 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.'<sup>6</sup> The dilemma is summed up by Favell:

There is a profound moral truth in the French refusal to actually recognize any French citizen of non-national 'ethnic' origin as such in official statistics, because the recognition itself can indeed be a form of inequality or discrimination. ... Yet, on the other hand, no policy can be devised for systematic integration of foreign-origin groups until the nation-state begins to collectively recognize and classify minorities

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<sup>6</sup> Personal interview March 2001

of ethnic origin, with special claims – targeted policies, resources, legal allowances, etc. – that follow from this (Favell 2003: 29)

There is great variety within the EU in the degree to which a member state's census or national population register is useful for identifying racial/ethnic inequality, or for operating and judging the effectiveness of anti-discrimination activities. In the UK ethnic monitoring within organisations is often used to evaluate the progress of policies, and these organisational statistics can be compared and related to, for example, national statistics on the ethnic breakdown of the locality. This is possible in the UK because a question on ethnic background has formed part of the official census since 1991. In Ireland, a similar question was added to the census for the first time in 2006. However, in this, the UK and Ireland form an EU minority. In some other countries their official population data registers whether the individual's parents were born abroad, making thus possible the identification of second generation immigrants, but no more than this. In most of the 10 new member states which joined the EU in 2004 there is a question on 'nationality' which is understood more in ethnic terms than in terms of citizenship, and can be used to identify members of long-standing national minorities within a country's borders (for example, Hungarians in Slovakia). However, these are incapable identifying more recent immigrant groups. Most of the remaining countries ask only about citizenship and place of birth. This means that in most EU countries official data is of limited use for the purpose of identifying groups subject to racial/ethnic discrimination, and evaluating measures against it (see European Commission 2007; Makkonen 2007).

### **Further national differences**

Clearly, there are wide variations within Europe with regard to the acceptability of some important components of diversity management or equal opportunity practice. There may also be national differences in the acceptability of activities in other ways. 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 1996). Thus it may be the case that anti-racist activities find a more sympathetic context in France, whereas in the UK people may be happier with a pragmatic anti-discrimination approach.

It might be predicted that one part of diversity management policies – making cultural and religious allowances for minorities – is relatively uncontroversial, and that examples would be found easily in most member states. Evidence submitted to the EUMC in the 2000s suggests a growing willingness to make allowances for cultural and religious differences in European companies. For example, in Belgium, in March 2005, the Centre for Equal Opportunities and Opposition to Racism presented a report on 'Active public expressions of religious and philosophical convictions', based on surveys in organisations in both in the public and private sector, suggesting that employers generally saw little problem in making such allowances (CEOOR 2005). In Germany some of the larger international companies come to agreements with Muslim employees regarding religious holidays, enabling them to take those days off or can take unpaid leave.<sup>7</sup> In Ford (Cologne) special spaces for prayer have been set up for Muslims in order

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<sup>7</sup> DGB Bildungswerk/Migration und Qualifikation, chapter 4.3.1

to enable them to pray at the workplace, attention is paid to the special needs of Muslims concerning the food that is offered in their canteens, and the canteens remain open after sunset during the time of Ramadan (Cözmez 2002).

Nevertheless, there are some countries where the practical recognition of ethnic minority culture and religion in the workplace may be problematic. For example, in Denmark, according to an NGO working for the better labour market integration of immigrants, in the early 2000s it was extremely difficult to find even basic examples of multicultural allowances, such as allowing Muslim women employees to wear the headscarf or *hijab*, or allowing Muslim workers to take Muslim rather than Christian religious holidays. Although by the middle of the 2000s some of the larger Danish companies were providing rooms in which Muslim workers could pray, the situation was still described in 2005 as one of ‘massive discrimination in Denmark in the religious area’ with most companies considering themselves to be ‘religion-neutral zones’ (Zarrehparvar and Hildebrandt 2005: 65). The wearing of the *hijab* remained a controversial issue, and in 2005 the Supreme Court of Denmark decided that the dismissal of an employee of a supermarket for having worn a headscarf for religious reasons in disregard of company clothing rules did not amount to indirect discrimination because the clothing rules were ‘objectively justified’.<sup>8</sup>

Making active allowance for cultural diversity is a standard component of diversity management policies, indicating that such diversity is positively valued. Similarly, in a diversity policy the linguistic variety associated with workers of different cultural backgrounds is seen as something positive for the organisation. Yet in Denmark in 2006 it was reported that several major Danish companies, including a bus company and supermarket chain, had forbidden their employees to use any language other than Danish when dealing with customers, even when the clients come from the same ethnic minority origin as the person on the check-out, or as the person driving the bus.<sup>9</sup> Such a regulation represents the complete opposite of a diversity management approach, where the ability of staff to serve customers in their own language is regarded as an asset to the organisation.

### **Policies on the wearing of symbols of religious faith**

There is great national variety within Europe regarding the right of employees to wear the headscarf at work. In the UK, this is generally not defined as a ‘problem’ or seen to be a public issue. This contrasts with Germany, for example, where each state or ‘Land’ has the right to pass a law prohibiting the display of religious symbols by state officials in public service, including teachers. Thus legislation banning the wearing of headscarves by teachers has been introduced in Saarland, Baden Württemberg and Lower Saxony.<sup>10</sup> However, in Saarland and Lower Saxony Christian and Jewish symbols are excluded from the bans. Similarly, in 2005 a draft law by the Hessian state parliament would ban headscarves in civil service employment which again would not apply to Christian and Jewish symbols, in the context of the ‘Christian and Humanist influenced occidental tradition’ of the State of Hesse (EUMC 2005).

Among EU member states there is also wide variety in approaches to the display of religious symbols in the education sphere (EUMC 2005, 2006a). Legislation prohibiting the wearing of headscarves or other identifiers of religious faith by pupils in schools have been or are being introduced in a number of member states, most notably in France, where the law on the application of the principle of secularity in schools was adopted in March 2004.<sup>11</sup> This bans the

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<sup>8</sup> Supreme Court UfR 2005.1265H

<sup>9</sup> Metroxpress 4. January 2006.

<sup>10</sup> At the time of writing it was reported that a similar law was being planned by the state parliament in Bavaria.

<sup>11</sup> Law no. 2004-228 of 15 March 2004 (JORF no. 65 du 17 mars 2004 page 5190)

wearing of signs or clothes ostensibly manifesting religious beliefs of any kind. Whilst policies regarding pupils in schools are not directly the concern of diversity management policies in employment, it has been reported by French Muslims that the ban in schools was a signal for a more general resistance to the wearing of headscarves in employment (EUMC 2006b).

Such national differences in policies seem to be reflected in public opinion. In a public opinion survey in 17 countries in 2005, in answer to a question on whether there should be a ban on the wearing of headscarves by Muslim women in public places including schools, 78 percent of respondents in France and 54 per cent in Germany saw this as a 'good idea', compared to only 29 per cent in Great Britain.<sup>12</sup>

### **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. This includes people of immigrant origin who have become naturalised.
2. Citizens of an EU Member State who work in another country within the Union (EU denizens).<sup>13</sup>
3. Third country nationals who have full rights to residency and work in a Member State (non-EU denizens).
4. Third country nationals whose employment in the country is constrained by a revocable work or residence permit, often for a fixed period of time. (This could include refugees who have been given permission to work.)
5. Undocumented or 'illegal' workers. (This may include asylum seekers whose application for refugee status is pending, or has been rejected.)

The above five categories reflect formal status, and a continuum of rights ranging from full rights and privileges of citizenship in group 1 to the least rights of all 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

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<sup>12</sup> Pew Global Attitudes Project: Islamic Extremism – Common Concern for Muslim and Western Publics, 14. 07.05

<sup>13</sup> Regarding category 2, in theory a citizen of one member state should have open access to employment in another member state. However, many countries maintained restrictions on the employment of nationals of the member states who joined in or after 2004.

the opportunities of minority ethnic workers. Many components of an equal opportunities or diversity management policy aim to address such informal discrimination.

Regarding category 2, in theory a citizen of another member state should have open access to employment in another member state. However, many countries maintained restrictions on the employment of nationals of the member states who joined in or after 2004.

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 countries. 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 only to lower levels of unemployment benefit. 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.

Examples with regard to category 4 would be Slovenia and Austria. In Slovenia access to the labour market for third country nationals is regulated by a restrictive quota policy, directing non-nationals into the jobs with lower wages and poorer working conditions that are avoided by nationals, and allowing them only temporary contracts. Austria has retained a 'guestworker' approach 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 2000). 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 was compounded by the fact that until 2006 foreign workers were not able to be elected to be a member of a works council (Gächter 1997). This left whole sections of employment where immigrants were concentrated without proper representation at work. In such circumstances, anti-discrimination practice or diversity 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 described the only instance in the private sector in Austria where in the 1990s 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. Given the continuing and dominating effect of legal restrictions on immigrant workers in Austria, it is perhaps not surprising that a telephone survey conducted in July 2005 among Austrian top managers working for companies with more than 250 employees showed that diversity management was 'not at all on the corporate agenda' in Austria.<sup>14</sup>

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 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 undocumented, 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 2004: 79). The racist incidents were seen to be directly related to the

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<sup>14</sup> *Der Standard*, (07./08.01.2006), 'Human Resources sind Zukunftsthema', p. D2

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’.<sup>15</sup>

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 the Germans. The green card holders are ultimately modern, hi-tech guestworkers’ (*Guardian* 31 October 2000).<sup>16</sup> 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- or nationally- differentiated workers are marked out in a legally inferior position to their colleagues.

### **National myths and political discourse**

Whilst the above differences are related to clearly differentiated legal variations in status, there are equally significant variables of national ideology, culture and politics which are relevant to the dissemination of diversity management.

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’.) The different views of the nation are summed up by Favell as follows:

In Europe we are talking about tightly bounded and culturally specific nation-states dealing in the post-war period with an unexpected – but still not very large – influx of highly diverse immigrant settlers, at a time when, for other international reasons, their sense of nationhood is insecure or in decline. It is a problematic very different to those faced by the US or Australia, whose histories and sense of nationhood have always been built on immigration. Europe, rather, faces a problematic where the continuity of nation-building is perhaps a much more significant fact than the multicultural hybridity that is sometimes sought for in these other, newer ‘model’ nations (Favell 2003: 30).

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<sup>15</sup> Eironline, [www.eiro.eurofound.ie](http://www.eiro.eurofound.ie), April 2000

<sup>16</sup> 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).

One difference between the European and the US context is that in America there is an assumption that immigrant populations will eventually become full and equal members of society, and that their children born on American soil will become American citizens. This is not so in some European countries where the acquisition of citizenship is made difficult for immigrants of long-term residence, and even for their children born in that country.

There are also great differences, historically and culturally, *within* Europe in national responses to immigration and ethnic diversity. Castles (1995) provides an 'ideal type' categorisation of such responses, which includes *differential exclusion* - immigrants are seen as guest workers without full social and political rights, *assimilation* - immigrants are awarded full rights but are expected to become like everyone else, and *pluralism/multi-culturalism* - immigrants have full rights but maintain some cultural differences.

The implications of Castles' model will be explored next, drawing on modifications by Kirton and Greene (2000), and extra material from Bryant (1997), and Wren and Boyle (2002). First, the categories need further explanation.

### *Differential exclusion*

Immigrants are seen as guest workers (gastarbeiters) without full social and political rights. Citizenship is defined by descent. Naturalisation 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 ethno-pluralism. Historically this categorises Germany, Austria, Switzerland and Belgium. In Germany, the guest worker approach fits into the idea of a German nation not as political entity confined by territorial boundaries, but as a 'Volk-centred ethnocultural' entity, where access to citizenship is based upon biological descent or *jus sanguinis* (see Heckmann 2003). This has allowed ethnic Germans who have never lived in Germany - for example those from Eastern Europe - access to citizenship rights more easily than second and third generation Turkish migrants born and educated in Germany. Until the end of the 20<sup>th</sup> century the ethnic nature of citizenship in Germany continued to be based on definitions of kinship and race as established by the Nuremberg Laws. Wren and Boyle in 2002 summarised the relationship of foreign workers with Germany as 'highly ambivalent', with liberal admission policies, and a relatively relaxed asylum policy, but denial of citizenship rights.

### *Assimilation*

Immigrants are awarded full rights but are expected to assimilate to cultural norms. Unlike the differential exclusion model, citizenship is linked to a territorial community - the principle of *jus soli* - rather than based on descent. Dual nationality is not encouraged. This categorises France, and elements of this have been found in the UK in the 1960s. In contrast to the German model, the French state is conceived of as a largely political rather than a cultural entity, where political unity and not shared culture constitutes the nation. This allows 'others' to be incorporated with relative ease, and citizenship can be achieved through birth and residence. It is assumed that this assimilatory approach allows people to 'become French', and the universalist approach discourages the identification of ethnic origin in social policies.

### *Pluralism/multiculturalism*

Immigrants have full rights but maintain some cultural differences. Dual nationality is allowed. Unlike the differential exclusion and assimilation models, different group identities are officially recognised. The accommodation of different ethnic cultures and norms is encouraged, although requiring a basic loyalty to the nation. This has categorised the Netherlands and Sweden. In the Netherlands, for example, a pluralistic approach allowed the development of separate institutions, such as schools, trade unions and political parties, for people of different religions. Thus the concept of minority groups was relatively easy to incorporate into Dutch society due to this pre-

existing 'pillarisation', or 'living-apart-together' framework. (Wren and Boyle 2002). 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). As in France, citizenship rights are based on principle of *jus soli*, and Dutch citizenship has been relatively easy to obtain. In Sweden citizenship is also relatively easily obtained. Immigrants were encouraged to settle permanently and become part of Swedish society, with the state promoting various integration policies in the context of an overall policy of multiculturalism. 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).

Kirton and Greene (2000: 237) classify Britain since the 1970s as 'pragmatist pluralism'. This is similar to the pluralist model but has come about in a *de facto* way rather than being legally defined. Immigrants have full rights and maintain some cultural differences, but this is in the context of a lack of a defined policy perspective. It is aided by the fact that 'British' has always been a composite identity, and is therefore easy to extend to other groups' (Bryant 1997). References to multiculturalism can be found in British political debate as far back as the mid 1960s, when a British Home Secretary 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 general acceptance of multiculturalism in British public opinion is reflected in a survey in the UK conducted by MORI in August 2005, (one month after the 7<sup>th</sup> July bombings in London by Islamic extremists), where 62 per cent of respondents agreed that 'multiculturalism makes Britain a better place to live' (Jedwab 2005: 95).

The word 'multiculturalism' can be used in different ways. It may be used just to describe a demographic condition whereby a country is 'multicultural' just by the presence of people whose origins are elsewhere. More usefully, it is used to describe a condition in opposition to 'assimilation' so that immigrants are not expected to discard all their own values and practices and become like the majority. The term is associated with mutual tolerance, and rights to preserve aspects of cultural heritage and language, to maintain religious and cultural institutions, and to engage in religious and cultural practices, in the context of equal treatment and equality before the law (see Vertovec and Wessendorf 2005).

### **The relevance for diversity management**

The question here 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 category, pluralism/multiculturalism, as they would not seem to sit naturally in the context of a dominant '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. For example, 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. In 2001 the government-appointed Süßmuth commission called on Germans to abandon the 'fiction' that Germany is not a country of immigration (*Guardian* 5 July 2001). The new German immigration reforms, adopted by the German parliament in March 2002, cover new measures for actively recruiting immigrants, and for the first time define Germany as an immigrant-receiving country. In this, Germany is moving away from the old 'guestworker' model towards a more 'universalistic' model. (Probably Austria has remained as a purer type of this model than Germany – Gächter 2000.)

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. 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). In the Netherlands there has been some serious government retrenchment from earlier multicultural positions, culminating in a much-criticised integration bill proposed in 2005, and in Britain in 2006 there were moves by political leaders questioning pluralist conceptions of society and introducing the discourse of assimilation and 'core values'.

Thus there are inconsistencies and counter-tendencies in those European countries which fit close to the 'ideal types'. Nevertheless, imperfectly though the 'multicultural' ideologies are expressed in practice, the countries where they are expressed have provided a more sympathetic 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', or Denmark, where much public discourse remains assimilationist. Although there are contradictory examples in practices, the ideologies relating to the 'ideal types' set out by Castles often remain in public discourse, and are directly reflected in how policies on the treatment of migrants and ethnic minorities are expressed. As Schnapper et al. (2003: 15) state: 'Ideologies have an effect on reality. They are transformed into legal and institutional measures which influence everyday life and are internalised by the population.' The contrasting associated national 'myths' in Europe do provide very different contexts in which organisational policies are located.

### **Political impediments to diversity management**

Related to the above, 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 has become a normal part of Danish political and media discourse, in the context of an unthinking assimilationism (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 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'. The 2005 report on Denmark by the European Commission against Racism and Intolerance (ECRI) concluded with regard to the climate of opinion in Denmark that 'there is a pervasive atmosphere of intolerance

and xenophobia against refugees, asylum seekers, as well as minority groups in general and Muslims in particular. The media, together with politicians play a major role in creating this atmosphere' (ECRI 2006: 29).

According to some practitioners, the general climate of discourse from the government, politicians and the media has had a direct negative impact on the development of diversity management. One consequence of this is that in Denmark the private labour market has been ahead of the public one on 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 reported that they were '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 policies 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 long as the politicians won't put any demands on the Danes, then companies can't put any demands on the customers'.<sup>17</sup>

Thus we can see some of the implications of the variety of contexts which exist in Europe. Sometimes employers and their organisations have been historically 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 variety in attitudes and actions of employers and politicians which is relevant to the spread of diversity management, but also trade unions and employees. According to the European Commission's questionnaire survey on good practice in workplace diversity, referred to earlier in this paper (European Commission 2005), many of the 'good practice' companies identified support from trade unions, works councils and other staff groups and networks as a prerequisite for the successful implementation of diversity policies. 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

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<sup>17</sup> Personal interview September 2001

employee interests in the labour courts has also been 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 Denmark and other Scandinavian countries it is hard to imagine the development of diversity management policies in organisations without union participation.

At first sight it would seem that trade unions in Europe would on principle support diversity management and its principles of sensitivity to cultural diversity amongst their members. For example, in 2005 in Belgium the Flemish divisions of the national trade unions – the ACV, ABVV and ACLVB - initiated a project in the framework of the European EQUAL anti-discrimination programme to sensitise activists and union representatives on issues of diversity and non-discrimination on the shop floor.<sup>18</sup> However, just as employers' groups and politicians across Europe can 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 respective 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 (TUC) opposing the trend towards diversity management in British companies. In order to illustrate how national trade union movements can exhibit contrasting attitudes to diversity management we can turn to one comparison of trade unions in Europe, namely the UK and Denmark.

### **Danish and British trade union responses to diversity management**

This comparison highlighted the very different responses to diversity management exhibited by trade union ethnic equality activists in the UK and Denmark (Wrench 2004; Greene et al. 2005). Interviews revealed that in Denmark diversity management tended to be looked upon favourably, whereas in Britain it was regarded with great suspicion. Consistent with the opposition to diversity management expressed at the 1997 TUC national Black Workers' Conference, the interviews with the British trade union activists revealed attitudes ranging from scepticism to outright hostility to diversity management. Respondents saw it as a managerial strategy which took the anti-discrimination initiative away from trade unions, did nothing to challenge the basis of racial discrimination, and simply emphasised cultural diversity as a way of improving service delivery. The scepticism of the British trade unionists interviewed by Wrench (2004) was confirmed by Greene and Kirton (2003) who during the same period interviewed British trade union officials holding responsibility for equalities issues and also discovered a great deal of suspicion about the managing diversity rhetoric. The officials perceived 'diversity' to be purely a 'managerialist' intervention whereas 'equality' issues were more in the hands of the trade unions. One saw it as 'a cover-up or not really doing anything' and another described it as a 'softer term' which detracted from the equality agenda. A third felt that 'diversity is very easy as a window dressing and it's very convenient for management if you don't really want to do anything' (Greene and Kirton 2003: 9 – 10).

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<sup>18</sup> <http://www.colourfulworkshop.be>

In the Danish interviews there was no evidence of any such suspicion. All those who were aware of diversity management were strongly in favour of it, and saw it as the way forward in Denmark. For example, the white collar union with the strongest ethnic equality policy in Denmark was planning to convert its ethnic equality programme into a broader diversity policy. A respondent employed at one of the main institutes in Denmark responsible for providing training courses for trade unions was planning training on topics such as 'intercultural communication', 'diversity management' and 'the diverse working place', and emphasised 'I want to establish the foundation of diversity in everything we do here'.

### **Differing experiences of equality policies**

There seemed to be several factors which accounted for this difference in attitudes of trade union activists. Firstly, in Britain, unlike in Denmark, there has been a long history of ethnic equality and anti-discrimination measures in UK unions, with some bitter struggles having been necessary before getting to a stage where reasonably strong equal opportunities, anti-racist and anti-discrimination policies started to become accepted, both in the workplace and within the unions themselves (Wrench 1987). In the light of this experience, British equal opportunities activists seemed to be suspicious that diversity management might be a backwards step, used to selectively prioritise 'soft' rather than 'hard' equal opportunities practices, and avoiding positive action measures, for example.

In contrast, the Danish trade unions have had no comparable experience of long-established equal opportunities or anti-discrimination policies. However, they have, in recent years, become increasingly conscious of the problem of ethnic discrimination in the labour market (for example, see Hjarnø and Jensen 1997; Møller and Tøgeby 1999) and the need to respond in some way. Not having had the same experience as British unions, they do not see diversity management as an alternative to, or something that will undermine, their previous efforts. Instead, Danish ethnic equality activists are more likely to see diversity management as a timely and positive development to get ethnic equality practices onto the agenda and help to break down the barriers to equal employment that exist within the Danish labour market.

### **Contrasting industrial relations traditions**

A second relevant factor is the different industrial relations traditions in the two countries. In Denmark industrial relations is characterised by greater cooperation and interdependence between the two sides, whereas in Britain conflict and confrontation are seen as more 'normal'. The characteristics of Danish industrial relations have been summed up as 'a highly organised labour market both on the employers' and the employees' sides, with widespread co-operation and consensus between trade unions and employers and their organisations' (Lind 2000: 146). In contrast, British unions have not had the political legitimacy and institutionalised cooperation of their Danish counterparts, and their overall stance has been characterised historically as 'a resistance to change and an adversarial posture in the workplace' (Edwards et al 1992: 5).

It seems that diversity management fits well into the 'consensus' way of doing things characteristic of Danish industrial relations, with an emphasis on consultation with management as a way of addressing problems such as racial inequality, in contrast with the more combative approach of fighting racism characteristic of British unions. Unlike in the UK, Danish unions are used to co-operating with employers far more, and many large Danish employers themselves also welcome the development of diversity management.

### **Different contexts of multiculturalism**

A third contextual factor which is important in understanding the difference in receptivity to diversity management between the two countries is the way that the concept of multiculturalism features in national discourse. As stated earlier, in Britain, political leaders will intermittently

endorse this concept; in Denmark, not only is there no official political endorsement of multiculturalism, but it is more likely to be actively and vehemently opposed. If we return to Castles three major categorisations of national differences in responses to immigration and ethnic diversity – the guestworker approach, assimilationism and multiculturalism (Castles 1995) - then we can classify the dominant approaches in the UK and Denmark respectively as multicultural and assimilationist. However, there is no reason to assume that the labour movements in each country will automatically agree with the dominant national discourse. For example, the trade union movement in Germany abandoned the ‘gastarbeiter’ view of immigration long before the German government did, and similarly did not embrace the government’s fiction that ‘Germany is not a country of immigration’ (Kuhne 2000). In Denmark, the labour movement activists’ opposition to the government’s assimilationist discourse has been expressed in a general *support* for the ideas of multiculturalism, and this is also consistent with a generally positive view towards the introduction of diversity management by union leaders. In the context of the extremely negative Danish political discourse on multiculturalism, 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. Furthermore, multiculturalism sits very well with a diversity management approach which celebrates the business benefits of a culturally diverse workforce. In Denmark, the embracing of a multicultural philosophy by unions is progressive in the context of a national debate where politicians generate an ‘anti-multiculturalism’ assimilationist discourse.

In contrast, in the UK, as stated earlier, a general ‘multiculturalism’ is relatively uncontroversial in comparison to some other EU countries, and for the union activists in Britain, a multicultural diversity management approach is contrasted not with ‘anti-multiculturalism’ in national discourse, but with an alternative ethnic equality approach, namely equal opportunities with elements of anti-discrimination and positive action. People who have been active in equality struggles within the British trade union movement see a move to diversity management as a retrograde, not progressive, step, in a context where there are already a great number of anti-racist, anti-discrimination and equal opportunities initiatives underway.

Therefore, in order to understand the differences in attitudes to diversity management between the union activists in the two countries we must be aware of these three sets of factors. Firstly, the different experiences of anti-discrimination activities prior to the entry of diversity management onto the scene pre-dispose them to exhibit very different responses to it. Secondly, it seems that the managing diversity approach favoured by the Danes and the combating inequality approach favoured by the British are respectively more consistent with the consensus and conflict dimensions of their industrial relations approaches. Thirdly, unlike in the UK, the dominant assimilationist, anti-immigrant and anti-multiculturalism discourse in Denmark by politicians and the media tends to produce a positive view of multicultural policies and the concept of diversity by trade union activists when they are opposing this discourse.

In conclusion, this comparison between just two EU countries can be used to make broader points regarding the development of diversity management, points which have been relatively neglected in the US literature. One is that European employers will need to recognise that the stances of trade unions are often going to be relevant and important considerations in their strategies for the adoption of diversity management. Another is to realise that trade union responses to diversity management may not be uniform across national boundaries, and that an understanding of this is aided by a sensitivity to the relevant historical, institutional, cultural and political differences of national context.

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