

EMEA DIVERSITY NEWS 53 EDITORIAL

by Michael Stuber, Owner Manager



GOOD, BEST OR INNOVATIVE D&I WORK? HOW LOW EXPECTATIONS LIMIT THE DEVELOPMENT OF OUR FIELD

After 20 years of Diversity Management, the list of standard, must-have programmes has become longer and longer, while the search for best practices – in the true sense of the word – has become tough. For one part, we should be glad about this development as it illustrates that D&I is now much more common than it was one or two decades ago. This in itself creates a situation where the majority of organisations follows similar – or at least comparable – approaches. Also, the expectations from management have developed over time. While in the beginning, a few farsighted supporters enabled pioneering initiatives they nowadays request solid programmes that cover a few key areas. Common foci include recruitment, development and retention – the HR agenda – and some support-type of approaches like mentoring, networks or events. D&I, today, is one out of several dozens of topics top executives have an eye on and we were tempted to thank ‘quota politics’ for putting Diversity – or more frankly only Gender – on their agenda. Now we discover that the current paradigm is limiting the development – and the quality – of D&I programmes.

While executives have learned about the broader business case for Diversity Management, their first and foremost objective is to satisfy external expectations – from politics or supervisory boards or candidates or or or... This results in a focus on those initiatives that directly relate to the (perceived) expectations. Unfortunately, this results in a limitation of the scope of most programmes which can be best described as ‘solid’ while we see very few programmes that strictly focus on business-related objectives. Equally sad is the fact that we do not see many programmes that aim at actual changes of the existing situation, specifically including the corporate and the leadership culture. In total, the strong external expectations result in limiting internal efforts to providing solid programmes and structures. What is needed, though, is an agenda with two priorities: **Value-added** and **progress**. In order to rigorously focus on adding value, programmes need to combine positive attitudes and proactive inclusion to generate tangible benefits. In order to achieve measurable and sustained progress, you need to do many things differently than in the past: changing processes & structures, incentives & direction and of course, leadership & culture. This paradigm shift will at the same time allow us to create new, truly innovative practices. It is up to us to provide executives with the right kind of information for them to broaden the scope and raise expectations to the next level.

Michael Stuber

EMEA DIVERSITY NEWS 53

PUBLIC EDITION

Summer 2014
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DIVERSITY DIMENSIONS

ENAR maps omnipresent racism and discrimination across Europe

Less chances to get a job, lower wages, fewer career perspectives and harassment – discrimination in employment has many faces across Europe. According to a new report by the European Network against Racism (ENAR), ethnic or religious minorities are systematically disadvantaged in European countries. So called third-country nationals, Muslims, Roma, people of colour and especially women within those groups are more than just minorities: every eighth person in the EU belongs to one of those groups and suffers from various discrimination experiences in employment. The financial and economic crisis has increased the gap between migrants and the native population, i.e. harmed migrants disproportionately. By publishing 22 national reports as well as an overarching and summarising shadow report, ENAR wants to offer an alternative perspective to governmental or academic data on the issue and thus fill gaps in official reporting.

The latest report names several specific examples for different types of labour discrimination in EU-countries. In Spain, African migrants are twice as likely to be unemployed as people from the majority population. In the United Kingdom, people with foreign sounding names are a third less likely to be shortlisted for jobs than people with ‘white British’ sounding names. In France, applicants who live in socially disadvantaged areas face discrimination. In Italy, 34% of foreigners are employed as unskilled workers compared with 8% of the majority population. In Finland and Belgium, the unemployment rate of migrants is three times higher than unemployment within the native population. Unfortunately no positive exceptions of this pattern can be found in European countries.

To make things even worse ENAR does observe a lack of political will to tackle discrimination in employment. While EU legislation prohibits discrimination in employment, gaps remain with regard to national implementation and protection mechanisms. Politicians as well as the companies “should realise that discriminating and excluding individuals from jobs results in a huge waste of talent and skills, of human and financial resources, and ultimately affects progress and the well-being of all people living in Europe”, ENAR’s chair Sarah Isal said in a statement. In order to improve the situation ENAR provides recommendations to employers, civil society organisations and national governments among others. Companies should develop clear-cut internal policies, run process audits and monitor outcomes. “Companies must realise that ethnic minorities add similar value as their recognised international talent. In a next step, they need to understand which parts of their culture should change in order to accommodate more diversity”, adds Diversity pioneer Michael Stuber.

Female CEOs in the UK: Nothing more than cheap talk?

Presumably few big companies operating in the EMEA region would deny women the talent to lead a company or serve as a CEO. In fact, most companies are verbally active in the field of gender

equality, in some countries additionally stimulated by quotas. Strangely enough the number of women in leading positions is still smaller than it should be after years of Gender statements and programmes. A recent study published in the Economic Journal questions the official stance of many companies as cheap talk or tokenism, at least for British cases. The percentage of female CEOs on the boards of UK's biggest FTSE 350 companies increased from about 2% in 1996 to 8% in 2010. The study uses this result to claim a lack of process but other experts recognise a clear trend in the right direction.

The researchers from the Universities of Edinburgh and Sheffield detected a relation that might explain the underperformance of British companies concerning gender equality in boardrooms. The probability to appoint a female director amounts to 20% if the post was vacated by another woman before; however, if a man had held the post the likelihood fell to 10%. Obviously the gender of the predecessor co-determines whether a woman can get a position or not. At least male and female CEOs are paid equal wages, while for non-executive directors pay gaps of about 8% can still be found. Embarrassingly, the reports says that women have at best a 20% chance of being made a non-executive director.

UK companies are not bound to any national quota, in 2011 the 100 biggest companies (FTSE 100) agreed on a voluntary 25%-target and currently reach a female share of about 19%.

ORGANISATIONAL STRATEGIES

Healthy, motivated, productive: Maintaining work potential up until old age

Some employees are striving to work longer than regulated by national pension laws. Other employees prefer to quit work earlier, but are obliged to continue working. Individual decisions will become more difficult in future. An increasing life expectancy and falling birth rates in most developed industrial countries force us to work longer than ever before. Germany is especially vulnerable to demographic change. Facing this irrefutable trend, German companies in the metal and electrical industry assigned a project to Karlheinz Sonntag, organisational psychologist from Heidelberg University, to design measures how to preserve high productivity of elder employees. The resulting 68-page study 'Employees potential in the light of a prolonged working lifetime' provides background information and useful hints for employers as well as employees.

In order to reach a long lasting professional collaboration both sides, employers and employees, need to take over responsibility. Employees should acknowledge the importance of an active life, full of sports, extra-professional interests and commitment, self-responsibility and a high level of health awareness. Reduced sensory and cognitive skills due to ageing do not necessarily have to lead to deteriorations in performance. Older employees score on other qualities and deserve the employer's appreciation. They have many years of experience and expertise at their disposal, are

more resilient to stress than younger employees and give the company and its business stability and continuity. Executives can foster motivation and commitment of those employees through respect and an unbiased support. The successful integration of older workers can lead to improvements in sales, cost reduction and earnings, as well as a reduction in staff turnover and recruitment costs as further studies demonstrate.

Companies, on the other side, need to provide a stimulating work environment and flexible working formats; the integration of professional and individual private life designs will provide a big additional advantage. Productivity expectations, time pressure and low autonomy increase the risk of illnesses, and companies should therefore actively incorporate age-specific features such as individual time schedules, an active inclusion of prior knowledge and experience and the relief of memory in learning and work processes into daily work routines. Negative stereotypes and prejudices towards age and ageing showed – just as stereotypes about gender, ethnicity or disability – negative effects on motivation and productivity, and therefore should be reduced to a minimum. Companies that recognise their workforce as the most important resource and promote individual potential will benefit of healthy, motivated and successful employees – no matter how old they are.

How to use flexibility as a key to business success

Recruiting, retention, promotion – flexible working provides a powerful tool for HR departments in each of the elements of the value chain. A couple of recent surveys in several countries among young graduates and professionals confirmed the central importance they place on flexibility and a broadly interpreted work-life-balance. An Irish research conducted by workspace provider Regus, adds to the picture. Regus interviewed business owners and executives across the country and found that nearly three out of four respondents believe in the improvement of staff turnover and recruiting of the best talents based on flexible working. They also think that staff loyalty increases with work/life-balance, namely a majority of workers would turn down a new job that does not allow for flexible working

As a consequence, work/life-balance seems to be the decisive factor when it comes to picking a certain job offer or stay with an employer. The IBM Smarter Workforce Institute found evidence for a relation between the usage of flexible working and promotion. Flexible working removes barriers, enables the best talents to come to the very top and increases the productivity of the workforce. Multi-location-working and flexi-hours are the two key concepts. If the staff is allowed to work from home or another third place and adapt the working hours to required work tasks and private plans, a more balanced life is the result. This typically causes employees to feel healthier, more energised and motivated. Nevertheless companies need to think about keep-in-touch measures in order to avoid weakening connections to employees. It was only last year when Marissa Meyer, CEO of IT-giant Yahoo, announced the abolishment of home-office regulations for such reasons. According to Ms. Meyer face-to-face contacts and direct communication could not be easily replaced by technical means and isolated home-office workers were missing productive contact with

their colleagues. Clarity about work results and a certain degree of supervision are more difficult in a decentralised workforce.

The German Microsoft branch thinks the other way round. The company announced in summer 2013 the shutdown of three German locations, offering the staff to move to another location or work full-time from home-office. This illustrates how flexibility and autonomous working might also serve as tool to execute tough decisions. Employees and applicants should therefore look carefully at underlying motivations for work/life-balance and look for companies that truly believe in flexibility as a supporting tool for their employees.

POLICY DEVELOPMENT

A pathetic display for European societies: Roma suffer from social exclusion

Just recently ago, the French President François Hollande as well as his prime minister Manuel Valls expressed their deep indignation and condemnation facing the cruel kidnapping and abuse of a young Roma in a Parisian suburb. Roma in France and other European countries are especially vulnerable to all forms of discrimination (→ Diversity Dimensions: ENAR-report); moreover French Roma are under pressure from the current left as well as the previous right-wing government, which started some years ago with a form of ‘deportation’ of Roma to Romania and Bulgaria. In 2014 a report on the state of implementation of the Racial Equality Directive and the Employment Equality Directive in the 28 EU Member States published by the European Commission critically assesses the current situation and identifies a lot of improvement in many areas as it relates to Roma issues.

In late 2013 the EU member states had adopted unanimously a Commission’s proposal on Roma integration, the first comprehensive EU-level instrument for Roma inclusion. The recommendations cover four national Roma integration strategies: access to education, employment, healthcare and housing. Nevertheless, progress seems to be rare while old patterns prevail: A Slovakian court recently mandated schools to end segregation in education and teach Roma and non-Roma children together. In the meantime the European Commission and other parties are fighting against a 2 metre wall in the Slovakian Kosice, separating the Roma district from the city! In Spains third’s biggest city, Valencia, the City council continues to pursue plan to knock down a 100 year-old neighbourhood which they have been neglecting for 30 years and which is now mainly populated by Roma. Often, Roma citizens are accused of being unwilling to integrate in local communities while integration projects in 50 French communities refute this as a false argument. Obviously, there is still a long list of things to do in the work against Roma segregation and social exclusion in Europe.

EU policy for women with disabilities: Between Praise and Criticism

In the European Union a constantly growing group of 80 million people is handicapped, just the same number of people that is living in the most populated EU country, Germany. More than 50% of the disabled Europeans are female, representing 16% of the overall female population in the EU. A report on women with disabilities, published by the European Parliament (EP) in late 2013, aimed at improving the physical, intellectual and social environment for those girls and women and came in for praise by the European Disability Forum (EDF). Just recently, EDF criticised the European Commission for another report on the implementation of the UN Convention on the Rights of Persons with Disabilities, launched at the beginning of June 2014. The policy field therefore deserves a closer look.

In the course of 2012 EDF, an independent NGO that focuses on Disability matters, was invited by the EP to present its views to Members of the Committee on Women's rights and gender equality. The self-declared front runner for disability right took its chance and made it clear to the Parliament that the EU and its 28 member states should undertake all appropriate steps to protect disabled women and girls at home and abroad and facilitate their access to society, politics and the economy through EU-based assistance and support.

General declarations can be found next to specific recommendations within the 2013 report. In the future, EU member states have to ensure that women and girls with disabilities enjoy equality before the law and are entitled to equality of legal protection and legal benefits. EDF demands the general inclusion of disability in all measures and policies on gender diversity as well as specific programmes for women with handicaps. The parliament urges the European Commission to develop a gender approach in the context of the European Disability Strategy 2010-2020. EU finance tools like the Structural Funds should be used to increase accessibility and non-discrimination for women and men with disabilities.

Nevertheless, EDF is not satisfied with the new Commission report. In contrary to the procedure in the EP the Commission did not involve civil society in the evaluative report, according to EDF. Even though the report outlines adopted measures, it does not include an assessment of their actual implementation and of the available budget. Moreover the report does not address the diversity of persons with disabilities, by generalising living circumstances and needs of disabled Europeans it misses the important point of addressing different groups with different measures.

BUSINESS CASE

Skilled worker shortage: Tap into underutilised potential through D&I

The German labour market is heading towards serious problems. This is the opinion of a majority of the German population and 42% of business owners are currently worrying as well about the looming skilled workers' shortage. The German Chamber for Industry and Commerce (DIHK)

interviewed German companies of all sizes for a labour market report, drawing a very detailed picture based on 20,000 filled in questionnaires. The report states that in particular the potential of women and older people are neglected; the same applies for about 1.4 million young Germans without a professional qualification and also for many foreign specialists. One solution to address skill shortages would be to tap into those underutilised potentials, the report says.

A majority of all German SMEs is complaining about vacant positions and skill shortages and the lost revenue due to this phenomenon is estimated to €31 billion. Nevertheless, the pool of potential workers is large: According to the federal German government only 50% of the people in their sixties are working, and 50% of women is working only part-time. In addition, foreign specialists and Germans with a so-called migrant background are often having hard times to find a job, even if they are well educated.

In the UK the same waste of potential can be observed. Even though the British society is rich of diverse talents, the leaders of its biggest companies are predominantly male and white. The Green Park Group recently launched an analysis of gender and ethno-cultural diversity across the 10,000 most senior employees within the FTSE 100. Among the Top 3 positions within those companies (Chair, CEO, CFO) less than five per cent are female and only ten out of 289 posts are held by ethnic minorities! The next layers (Top 20) within the companies are a little more diverse, every fifth executive within this group is female. Green Park is also observing a tremendous neglect of migrant potential as a majority of FTSE 100 companies does not employ a Top-20 leader with an ethnic minority background at all.

The German labour market report recommends the expansion of dual education programmes and especially further training programmes for older employees and professionals with migrant background.

Growing talent supply in the Middle East as a solution for Western talent gap

The Middle East is known as region with huge economic potential, a wealth of resources and repeating political tensions. However, countries in the Middle East might emerge as a new talent pool, a recent global research study by Towers Watson and Oxford Economics indicates. According to the report 'Talent 2021', the Middle East will produce an increasing number of skilled workers during the upcoming decade. The report also described technological advances and a growing number of university graduates in the region. The results are based on in-depth interviews with leading multinational companies and surveys with more than 350 HR executives from around the world.

The report expects to observe two trends until 2021: While the Middle East region is expected to see an outstanding growth of more than 13 percent in the volume of talent demanded by businesses in the region, the talent supply will exceed the demand by between 0.1 percent and 0.6 percent per year. The opposite holds true for the American and European countries. The report expects to

observe a talent gap in those parts of the world; estimates of the talent shortage in Western Europe range between 0.4 percent and 1.1 percent per annum. The growing talent supply in the Middle East therefore offers companies some possibilities to satisfy their talent demand.

Recruitment experts at London Business School already stated that competition for talent between Qatar and the UAE is becoming fiercer, especially in infrastructure projects. Talent import cannot be compared to resource import concerning the complexity and preconditions necessary for successful exchanges. “Companies need to create an open-minded surrounding for incoming employees from different regions”, Diversity expert Michael Stuber recommends. “The talent transfer will only help companies if they run effective Diversity programmes to facilitate positive understanding and Inclusion. Otherwise diverse workforces will not perform.” Companies should take into account religious and ethnic characteristics as well as language barriers – and of course Gender as an additional dimension.

MEDIA & BITS

International Women’s Day 2014: Celebrating and promoting Gender Equality

The annual International Women’s Day is an excellent opportunity to raise awareness for positive developments, best-practices and still persisting barriers in the field of Gender. In March 2014, more than 1,300 events were organised by companies, women's groups, schools, governments, charities and individuals from all around the world, showing the richness and creativity of the global Gender movement.

The African continent displays interesting examples for gender commitment, often focusing on the elimination of inequalities that harm economic progress or social balance. In the Gambia, the office of the Vice President and ministry of Women's Affairs opened a two-day international conference. The first lady of the Gambia, Zineb Yahya Jammeh, delivered a speech at the opening ceremony demanding the African governments to invest in education and training of young boys and girls in order to drive Africa's modernisation and development in all spheres. Zineb Jammeh stressed the negative impact of Gender inequality on personal development and well-being, but also on National development. Liberalisation will not only favour young women but also enable talented young men.

The African Development Bank (AfDB) celebrated the International Women’s day with a focus on financial inclusion. An equitable access to education and financial services plays an important role in decreasing the vulnerability of poor people. According to the AfDB, more than two-thirds of the adult population have no access to formal financial services in many African countries. Financial exclusion is highest among women, youth and the very poorest segments of society. As long as the financial resources are unequally distributed, Gender equality cannot be achieved in African countries.

Barilla's homophobic statements result in reputational downslide

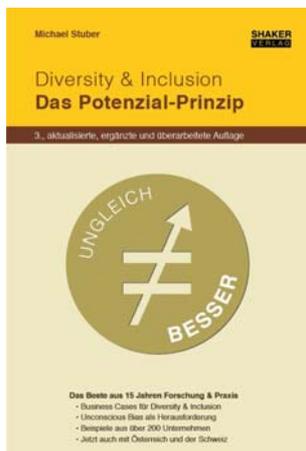
As a consequence of Barilla's chairman, Guido Barilla, making homophobic statements during a live interview the concrete damage of his words become evident. He said he would "never do [a commercial] with a homosexual family" and if gays did not like this, they could buy somebody else's pasta.. Since then, the company fell 21 ranks in the list of the World's Most Reputable Companies, sponsored by Forbes. After undergoing an outcry about the discriminating faux pas in social media and a boycott petition with 85,000 signatures, the company had apologised and used US experts to facilitate contacts. But the perceptions of the consumer had already been spoiled and could not be fixed. The company ended up at 55th in the Forbes rating.

The survey measures companies' consumer reputation in 15 countries around the world and covers the attitudes of the most important stakeholder for B2C-companies. Guido Barilla's remarks sent the company's reputation plummeting in the U.S., U.K., India, Australia and Brazil, while the effect was much lower in countries like China, Germany and Spain. Apparently many, but not all consumers react strongly to discrimination. If they only were more aware that it could be their own employer showing hostile attitudes ...

NEWS ABOUT US

Comprehensive Book on D&I for Germany, Austria & Switzerland

What do you need to know to implement Diversity & Inclusion successfully? Which insight is relevant, which example is inspiring and which learning will really help? All these questions needed to be answered when Diversity pioneer Michael Stuber worked on his latest revision of what was the first comprehensive book on Diversity when the first edition was published back in 1994. The 3rd edition was presented on the 2nd Diversity Day in Germany and it boasts 300 pages of well-researched data, hundreds of corporate practice examples and a number of current models that support the implementation of D&I. The all-round book covers everything from basics about why we need diversity and how differences can systematically create value through the various approaches to introduce the topic in the organisation: cornerstones, top-down and bottom-up introduction as well as thematic approaches. The book also presents two completely new chapters on barriers and biases and on strategic implementation. A multi-parted chapter looks at the integration of D&I in various corporate processes (HR, communication, marketing, purchasing). "Diversity & Inclusion: The Propelling Potential Principle" has every right to claim what the tagline promises: The best of 15 years of research & practice.



What our CEO Clients say ‘about us’: Infineon

“With their competence and experience, European Diversity has significantly contributed to the successful development of Infineon's Gender Diversity Network. In three workshops with the entire network and through intense collaboration with HR, we succeeded in clarifying roles, design strategies and define actions. Michael Stuber's external perspective and his ability to capture and address company specifics were major assets in the constructive development process of solutions. His refreshing, to-the-point humour is a welcome added-value.”

Dr. Monika Kircher, CEO, Infineon Austria (March, 2014)

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Published by **European Diversity Research & Consulting**, a pan-European service provider centred on adding value in the field of Diversity Management and Marketing. With 15 years of experience helping international companies in EMEA build effective, high-impact diversity and inclusion initiatives, we have quickly become the go-to, full-service source for research, communication and training in D&I.

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