

## **ANOTHER UNTAPPED POTENTIAL**

### **Managing Diversity in Europe**

#### **WHY AND HOW TO DO IT AND WHAT TO AVOID**

*Why should the benefits of Managing Diversity be limited to the U. S.? While quite a few companies claim to have a global vision for Diversity, only few have developed profound strategies to include Asia-Pacific or Europe/Middle East/Africa in their efforts. Considering the obvious Diversity of Nationalities and cultures, e.g. in Europe, it's amazing how overlooked the potential of actively valuing differences has been – on both sides of the Atlantic, that is. But U. S. – based Diversity work does not easily translate into a European context, where the historical, cultural and the business environment is simply very different. However, the benefits and the strategic advantage through Diversity can be substantial, especially for the pioneers in European Diversity, which are still to be named.*

#### **The situation: Negative Responses**

“Oh, yet another U.S.–initiative” might be one of the most common reactions to Diversity when first presented in Europe “Is this the new flavor-of-the-month-HR-program?” Some global, mostly U.S.–based companies have started Diversity work in Europe – with few positive results so far. The statement “We don't have many ethnic minorities here” illustrates the lack of mutual understanding, as does “This political correctness is not needed here”. Although, theoretically, it could have been the Europeans who could have ‘invented’ Diversity, the resistance to accept the issue is real. This comes as no surprise, taking into account that the times when national, ethnic or religious wars have shaken Europe are not yet all over. So for many Europeans, differences are dividing people into categories – by default. But political efforts and a new European-minded generation have initiated ‘European integration’, and the whole continent is becoming increasingly united – in Diversity.

#### **There is a European Business Case**

Europe is like a big patchwork, but it is in a state of flux. The changes are clearly ‘external drivers’ for Diversity: The demographics of the labor markets and that of consumer markets are changing, as are societal and cultural values, attitudes and preferences. Nearly all those trends proof that existing monocultures are decreasing while individualism is on the rise. Companies in Europe must pro-actively address these changes.

Already today, most international companies have European organizations that stretch across national borders. Consciously managing differences will help them generate more synergies.

Additionally, the strategic value of launching Diversity in Europe must not be forgotten: While Diversity work is increasingly seen as a must in the U.S., it serves as one of few differentiators on the other side of the Atlantic.

However, one aspect won't have the same relevance in Europe than in the States: It's not legal compliance that will force companies to ensure unbiased systems and procedures. Only few countries have strict Diversity-related legislation, but the European Union is moving in this direction.

### **Different issues around Diversity in Europe**

When approaching European colleagues about Diversity, this is already an issue in itself. Differences between the European business culture and the American will result in different understandings of Diversity. Moreover, European employees often point out that they don't feel totally valued and respected in a US-dominated culture. Actually, this must be included in regional approaches for Diversity right from the start.

The concept of the six core dimensions of Diversity will help you present a coherent framework for Diversity word-wide: gender, ethnicity, age, ability/disability, sexual orientation and religious beliefs are universally relevant, fundamental factors. They are also currently used by the European Union to develop anti-discrimination initiatives (new Article 13 of the European Treaty, employment initiative EQUAL).

In addition, nationality will play a major role in the European arena. National stereotyping is maybe the biggest challenge for Diversity work in Europe. Different languages, educational and legal systems are supporting the segregation within Europe while national systems fear losing their power.

This has two implications for European Diversity initiatives: First, be sure to have implementation strategies that reach across national borders to avoid national blockades. Second, be sure to have national strategies that address issues of specific relevance in a country. Ethnicity is one of those issues that vary significantly across Europe (former colonies, guest workers), religion being another one (catholic vs. protestant in Northern Ireland, Muslims).

### **Getting started in Europe**

To position Diversity in the right context, the single most important step is to identify the linkages of Diversity with the concrete business objectives, key strategies, and with the most pressing business challenges *in the region*. This, in combination with earlier considerations, will complete your European business case for Diversity and help to identify the right Diversity objectives to be pursued.

So, some of the work on the global level is duplicated on regional and may be national levels; the corporate vision serves as an umbrella that aligns partly different regional frameworks.

Some companies were thinking that their global Diversity efforts would almost automatically spread throughout the organization. Others simply set Diversity-related objectives for

European organizations. In some cases, European managers were sent to American Diversity awareness training or such training was rolled out in Europe.

All these attempts failed because they did not sufficiently address the actual audience – e.g. according to the above mentioned issues. Nor did they take into account that there is almost no basic awareness for Diversity among Europeans, so that most emotional techniques won't work. Additionally, those initiatives resulted in a significant waste of resources and they even harmed Diversity in general: 'This is not relevant for us – not an issue here'. Re-launches can be very difficult under such circumstances.

### **Aiming at real change**

Successful strategies combine top-down with bottom-up approaches, and carefully link different building blocks of the implementation: training, communication, mainstreaming.

Number one priority should be what has become common in the States: The accountability to get involved in Diversity must be included in MAPs / scorecards. The commitment will often start in the States and cascade through the European business managers to national and local levels. Certainly, a detailed synchronization with the national implementation processes (e.g. training) will be necessary.

Communicating around Diversity also needs to be done on both a European and on the national levels. Key messages include the specific European understanding of Diversity and the related business case. National communication will take into account the specific issues.

Mainstreaming Diversity into HR and marketing / communication must be arranged according to the organizational arrangements.

### **Most common mistakes to be avoided**

As EEO/affirmative action created significant backlash in the States, nearly all companies define Diversity in an all-inclusive way. But quite a few strongly focus their actual European work on women and ethnic minorities. This undermines the comprehensive character of Diversity and creates a lot of resistance from 'the other sides' respectively. It is vital for the success of Diversity in Europe to avoid the perception of preference for special groups of any kind.

Another big problem tends to be the lack of resources and strategy on the European level. Some companies expect one person or a group of volunteers – equipped with marginal budget – to handle all the European complexity. At the same time, results are requested within months. This situation leads to specialized stand-alone projects – at the cost of strategic planning and long-term commitment needed to change complex organizations.

Finally, too many European initiatives have relied on training being the major or only implementation tool. Whenever top-down-accountability and multi-faceted communication is neglected, the outcome of training won't be sustained.

### **Last Words**

Extending Diversity efforts to Europe provides enormous potential but requires to review existing approaches to Diversity, and to develop a regional understanding and business case. The implementation strategy must contain both divisional and national tactics, and a variety of tools to introduce Diversity into the organization. Top-down accountability rooted in the States should be combined with grass-root-like involvement of employees.

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