



An initiative of the European Union

Managing Diversity – what’s in it for business?



Benefits of diversity

For Diversity



Against Discrimination

Frequently asked questions | Guidance for victims | The right steps | Benefits of diversity | Recognising discrimination



New laws prohibit discrimination, harassment and victimisation of employees on the grounds of racial or ethnic origin, disability, age, sexual orientation and religion or belief. All organisations need to look at how they will be non-discriminatory across these different grounds.

But for many organisations complying with legislation is only a first step. By looking at how the diversity of people can be mobilised to create value and advantage, they can take another step to becoming “organisations of choice”. Many people now recognise that valuing and pursuing diversity is vital for organisations and individuals.

But having a diverse workforce does not automatically translate into positive benefits. Diversity must be effectively managed to reap the diversity “dividend”.

What do we mean by diversity?

As well as ensuring that people from different groups do not suffer discrimination, recognising diversity means understanding how people’s differences and similarities can be mobilised for the benefit of the individual, the organisation and society as a whole. Managing our diversity by ensuring fairness and equality is becoming not just a “good thing”, but an imperative in a changing and complex world.

What is putting diversity on the agenda?

It is not only the new legislation that is driving organisations to think about managing diversity. Other social and economic changes also play their part.

Demographic Change

All European countries have undergone (and are still undergoing) dramatic change in their populations and this affects the kind of people we employ; those to whom we deliver products and services; and those from whom we buy goods and services. For example:

- > Increasing numbers of women are entering the labour market and becoming entrepreneurs.
- > Migration has led to a multicultural and multiethnic population across Europe.
- > People with disabilities, gay and lesbian people, for example, are challenging stereotypes.
- > The average age of the workforce is increasing; there are fewer younger people in the workforce than older people.

These changes mean that traditional patterns of employment, consumption, and ways of thinking are becoming outdated. Successful organisations understand these changes and use them for their own benefit.

Changing expectations

There is growing evidence that people are concerned with the social and ethical dimension of their work and the way they consume products or use services. The idea that organisations should treat their employees fairly is one of the public’s main beliefs in this field. Employees also have higher expectations of their employers to be fair in what they do and to accommodate their needs through, for example, flexible working and “work-life balance”. The pace of change means that cultures, values, tastes and needs cannot be taken for granted. Increasingly those that invest or fund organisations expect to see diversity. Technology gives people greater access to information.

What are the benefits of managing diversity effectively?

Recent research with organisations across Europe shows how creating and managing a diverse organisation can provide real benefits, whether they are in the private, public or not-for-profit sectors, whether they are large or small. Diversity management strategies can help to create a link between the internal and external aspects of the work of an organisation. Whilst each organisation needs to work out its own priorities, these benefits can include:

- > Attracting, recruiting and retaining people from a wide "talent" base.
- > Reducing the costs of labour turnover and absenteeism.
- > Contributing to employee flexibility and responsiveness.
- > Building employee commitment, morale and "discretionary effort".
- > Managing better the impact of globalisation and technological change.
- > Enhancing creativity and innovation.
- > Improving knowledge of how to operate in different cultures.

- > Improving the understanding of the needs of current customers or clients.
- > Assisting in the development of new products, services and marketing strategies.
- > Enhancing the organisation's reputation and image with external stakeholders.
- > Creating opportunities for disadvantaged groups and building social cohesion.

Some examples of what organisations can do

Organisation 1

A financial services organisation introduced a range of flexible work options to take account of employees' needs to balance work and caring responsibilities, both for women and men, who may have different responsibilities at different stages in their career. This led directly to increases in women returning after maternity leave, measureable improvements in employee satisfaction and reduced labour turnover costs.

Organisation 2

Establishing a network of partnerships between local stores and disability groups raised the awareness of staff and improved services to the needs of disabled customers. Although inspired by the company's values to be a "good neighbour", sales to people with disabilities increased and the shopping environment for all customers was improved.

Organisation 3

Following the development and high profile launch of a diversity policy, along with an anti-harassment and "respect at work" programme, jointly with its trade unions, this engineering and technology company dramatically improved its graduate intake of women. They were able to recruit women into a field where traditionally women were a small minority.





Organisation 4

Aiming to increase its staff over 50 years old to reflect better its customer base, this sales company developed different recruitment methods, induction and programmes, and a range of working arrangements. Noticeable improvements in employee loyalty and reliability led to a reduction in recruitment costs and increased sales to older customers.

Organisation 5

Located in an area with a high proportion of ethnic minorities, this bank began to employ local staff speaking the language of the minority community, re-furbish its premises and develop links with minority owned businesses in the area. These actions, coupled with tailored products and communications, led to dramatic increases in turnover. Independent surveys showed the company was a valued part of the local area.

Organisation 6

Following the establishment of network groups for ethnic minorities, women, and gay and lesbian employees, this

public sector organisation was able to review the kind of services it was offering to different sections of the community. By using their skills and knowledge, the organisation was able to improve its delivery of services, communicate more effectively with a wider range of client groups and reduce waste created by lack of understanding.

Making it happen

Managing diversity is a journey, not simply a project! But there are some key areas you need to consider:

- > Identify and acknowledge the kinds of diversity that are important.
- > Work with different stakeholders to understand your own "business case".
- > Communicate what you are doing to employees, customers, clients, investors, funders etc.
- > Make sure that people know what diversity means to them and their work.
- > Review the impact of your diversity management strategy.
- > Develop policies and practices that reflect and implement your commitment to managing diversity.
- > Build the support and trust from people inside and outside the organisation.
- > Learn from others and benchmark what you are doing.

Above all, make diversity management a living part of your organisation!

This is one of a series of fact sheets aimed at providing basic information on European Union Anti-Discrimination Policies, and giving practical advice on how organisations and individuals can avoid and combat discrimination. To find out more about the EU-wide campaign "For Diversity. Against Discrimination." and information about the situation in your Member State, visit our website: www.stop-discrimination.info

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