



# The Business Case for Diversity

Good Practices in the Workplace





# **THE BUSINESS CASE FOR DIVERSITY**

## GOOD PRACTICES IN THE WORKPLACE

**European Commission**

Directorate-General for Employment, Social Affairs and Equal Opportunities  
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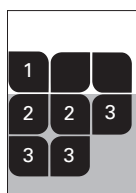


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## EXECUTIVE SUMMARY

An increasing number of European companies are adopting diversity and equality strategies, not only for ethical and legal reasons but also for the business benefits they are expected to deliver. Among the most important of these benefits are enhanced employee recruitment and retention from a wider pool of high quality workers, improved corporate image and reputation, greater innovation and enhanced marketing opportunities.

These are some of the key findings of this report, which examines the business case for diversity on the basis of feedback to two surveys (in total 919 responses) carried out during 2005 among companies in the 25 Member States of the European Union. The first 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. The second, complementary survey used an online questionnaire to investigate diversity awareness and practices of member companies of the European Business Test Panel (EBTP) across all areas of diversity.

### *Diversity initiatives expanding*

Just under half of all businesses responding to the EBTP survey are actively engaged in promoting workplace diversity and anti-discrimination. Of

these, 42% have policies that have been established for more than five years, 27% have policies that have been established within the past five years and the remainder are in the process of developing or implementing diversity policies.

This pattern of implementation is generally true of all countries and business sectors, despite variations in the number of responses per country and sector. Of the 798 responses to the EBTP survey, nearly half (49%) were from four countries (Germany, the Netherlands, Denmark and Poland). New Member States accounted for 23% of replies and Southern Europe only 7%. The 121 good practice survey results were also predominantly from the old Member States in northern Europe.

### *Access to new labour pool is key business benefit*

Companies are adopting diversity policies for ethical, legal and economic reasons. However, the good practice research found that where the main driver is the ethical dimension, companies still expect their diversity efforts to produce tangible business benefits. They are also keen to go beyond legal compliance, sometimes aspiring to business leadership in this respect.

Of all the business benefits that companies either are achieving or expect to achieve from their diversity policies,

one of the most important is resolving labour shortages and recruiting and retaining high quality staff. Among respondents to the EBTP survey, it was the single highest scoring benefit, cited by more than 42% of companies.

This finding acknowledges Europe's changing demographics (low birth rates, ageing population and shrinking workforce) that in the coming years will require many companies to consider a much more diverse pool of talent to meet their recruitment needs, including cross-border sourcing. Already, demographic change is acting as a catalyst for the development of age-related diversity strategies in some businesses.

The second major benefit of diversity, receiving a score of 38% in the EBTP survey, is its ability to enhance a company's reputation and image, and its standing within local communities. To achieve this, good practice companies take part in a variety of external activities in order to promote understanding of their principles and values. These include participating in research studies and benchmarking exercises, philanthropic giving to tackle social exclusion, supporting access to education and training, and sponsoring or taking part in community festivals.

A further important business benefit of workplace diversity is the opportunity it affords to improve innovation, leading to

new products and services, and potential new markets. More than 26% of companies in the EBTP survey rated innovation and creativity as a benefit.

Among the good practice case study examples, it is evident that internal diversity is leading to marketing and product developments that cater for new market segments and traditionally excluded groups (such as the elderly, gays and lesbians, and ethnic minorities) as well as existing customers. These companies are aiming to increase their revenues, their customer satisfaction and their corporate image. In some cases, they are also using the new developments to address social exclusion and disadvantage faced by particular members of society.

#### *Combating discrimination in the workplace*

For diversity strategies to succeed, they need to overcome an overriding obstacle that is common to most businesses – opposition in the workplace. Among companies taking part in the EBTP survey (both those with and without diversity policies), 17% highlighted discriminatory attitudes and behaviours as their biggest challenge in promoting diversity.

To address this issue, good practice companies approach diversity as a culture change process, applying lessons they have learned previously about effective change management, including defining a clear case for action, building leadership commitment, establishing an infrastructure to support implementation, and communicat-

ing diversity and inclusion principles to staff, customers and other stakeholders.

In these companies, diversity is a business-wide concern, rather than being the sole preserve of human resources. Ownership and accountability for diversity goals are built into strategic frameworks that include goal setting, allocation of funding and resources, and performance measurement and appraisal. Business managers, first and foremost, are responsible for meeting the goals and often rewarded according to their progress.

The need for extensive staff development programmes is recognised in good practice companies to increase understanding and awareness of diversity, including legal and compliance issues as well as the implications for recruitment, promotion and appraisal processes. Many companies also provide managers with a series of performance planning frameworks, diversity checklists and toolkits to support them in policy implementation.

Support from unions, works councils and other staff groups or networks, is another prerequisite for successful implementation of diversity policies, according to many good practice companies. Involving workers' representatives in policy planning, implementation and monitoring is key to help underscore management's commitment to diversity for the long term, as well as its aims and objectives and how they will affect workers and the working environment.

#### *Measuring the results can be difficult*

One of the key findings of this report is the lack of systematic monitoring and evaluation of the progress and benefits of diversity among both good practice companies and EBTP survey companies. Nearly 70% of EBTP companies that have or are implementing diversity policies fail to regularly monitor their impact. According to 20% of EBTP respondents, the difficulty of measuring the results of diversity is a major challenge to addressing workplace diversity and anti-discrimination.

Among good practice companies, a few examples of comprehensive monitoring are found. These companies tend to place a great deal of emphasis on internal and external benchmarking, and on the value of effective monitoring systems to enhance their demographic knowledge of markets and local communities.

Many other good practice companies also undertake some goal setting and monitoring activities, stressing their value in helping them to make a case for action by providing vital information about workforce and customer make-up. These activities also help to demonstrate companies' commitment to effective implementation of diversity policies.

While a range of models and frameworks for setting indicators and measuring diversity performance already exists, the challenge is to promote wider application of such tools across businesses that have



adopted diversity policies. Some of the common performance indicators used are: the increase in the representation of women, disabled people and ethnic minorities, especially at senior levels, in some cases linked to specific targets for each; the retention rate for high calibre managers, especially women and ethnic minorities; and the improvement in employee perceptions of diversity issues, measured against a target percent satisfaction rating in employee attitude surveys.

### *Presenting the Business Case*

A key conclusion of this report is that for those companies already implementing policies to promote diversity, the busi-

ness case is already being made. EBTP survey companies are convinced about the business benefits of diversity. When asked whether diversity initiatives have a positive impact on their business, the vast majority (83%) of the 495 companies that replied agreed that they did. Good practice companies are similarly confident of the business outcomes of their diversity policies. They see the benefits of diversity as almost self-evident and are keen to stress their commitment to diversity as a matter of ethics, progressive outlook and good management practice.

However, with around half of the companies responding to the EBTP survey having yet to develop diversity policies and

practices, the business case needs to be more widely disseminated. The biggest challenge to addressing workplace diversity and anti-discrimination is the lack of information and awareness of diversity issues and practices. This was cited as the key challenge by over 20% of EBTP respondents. The main source of information on workplace diversity for all EBTP survey respondents is employers' organisations and networks, cited by nearly half of all companies. They are therefore likely to continue to play a key role in the dissemination of good practice materials and in the wider adoption of diversity and equality policies and practices.



This project and report on *The Business Case for Diversity – Good Practices in the Workplace* was commissioned by the European Commission's Directorate General for Employment, Social Affairs and Equal Opportunities under the framework of the Community Action Programme to combat discrimination (2001-2006). The project is part of the Commission's ongoing efforts to promote diversity in the workplace and combat discrimination across the enlarged European Union. Its aim was to examine and better understand the business case for diversity with a view to assessing what further policies, actions and recommendations are needed at European Union, national, local and business level. In this context, the project aimed at identifying and analysing a selection of successful and innovative examples of good practice in diversity management implemented by employers and businesses across the European Union, which are presented in this report. In line with the Community Action Plan to combat discrimination supporting the recent EC anti-discrimination directives adopted in 2000, the principles of diversity and non-discrimi-

nation in the framework of this project focused on aspects of ethnic and racial origin, disability, religion or belief, age and sexual orientation.

The project builds on previous work undertaken by the Commission, most importantly the EC study of Methods and Indicators to Measure the Cost-Effectiveness of Diversity Policies in Enterprises (2003), which made a number of key recommendations to enable the further development of a persuasive and credible business case for diversity. Following on to this as well as complementing other current initiatives, including pan-European campaigns promoting diversity and anti-discrimination in the workplace, the Commission is supporting a number of additional activities, including:

- ➔ This report on the business case for diversity, which is a compendium of good practice in the implementation of diversity and anti-discrimination approaches in the workplace and the business sector
- ➔ A complementary survey of existing diversity awareness and practices among companies in the 25 Mem-

ber States of the EU undertaken in summer 2005 in partnership with the Commission's European Business Test Panel (EBTP)

- ➔ A European conference on the business case for diversity, to be held in late 2005, to promote the findings of this report, stimulate a debate and exchange of practice and experience in workplace diversity among employers, companies and stakeholders.

This compendium of good practice in workplace diversity consists of the following four main parts:

- ➔ Outline of the approach, methodology and selection criteria applied (section 2)
- ➔ Thematic analysis of the EBTP consultation and good practice research findings (section 3)
- ➔ Conclusions and ways forward (section 4)
- ➔ Presentation of case studies of good practice in workplace diversity and anti-discrimination (section 5).



## Methodology and selection criteria 2

Research for the Compendium utilised two broad survey methodologies. Firstly, a questionnaire survey was conducted among members of the European Business Test Panel (EBTP), a panel of around 3 000 businesses from the 25 EU Member States coordinated by the European Commission (DG Internal Market). This consultation allowed members of the EBTP to submit their views on workplace diversity and anti-discrimination measures via an online questionnaire. The questionnaire was therefore circulated to around 3 000 EBTP panellist companies across the enlarged European Union and online consultation was open for participation from mid-June to mid-July 2005. It elicited 798 responses (26.6% return). Full statistical results of the EBTP consultation can be found in Annex I to the report.

Whilst the questionnaire could not be exhaustive, to respect principles of limited length and completion time applying in the framework of EBTP consultations, it included a number of key areas for investigation aimed at:

- ➔ Assessing perceptions and awareness concerning the concept and understanding of diversity in the workplace.
- ➔ Finding out how widespread diversity policies and practices are across the business sector, and the lengths of time these have been in operation.

- ➔ Seeking the views of companies about the actual or perceived benefits for their businesses of implementing workplace diversity and anti-discrimination approaches.
- ➔ Finding out what companies see as the main obstacles and barriers preventing businesses from adopting equality measures. The survey therefore asked companies to highlight the main challenges they face in this respect, and to suggest practical ways forward in overcoming these.

The second and main survey was carried out among companies of various sizes and from different industrial sectors operating in an enlarged EU to identify, codify and analyse examples of 'good practice' in diversity management and anti-dis-

crimination. Both questionnaires and in-depth interviews were used to identify good practice examples, as follows:

- ➔ An initial qualifying questionnaire was disseminated to around 3 000 contacts across Europe, inviting them to participate in the research and to submit their diversity initiatives. 121 submissions from companies were received.
- ➔ 58 companies with promising practices were invited to complete a more detailed questionnaire outlining the diversity initiative they proposed to be considered for inclusion in the compendium.
- ➔ On-site visits and interviews were conducted with 28 companies to gather addi-



tional information about their diversity practices in order to complement detailed questionnaire information and validate the quality and impact of the diversity initiative. To this aim, both management and workers' representatives were consulted with regards to the perceptions, implementation and impact of the corporate diversity initiative.

The good practice examples subsequently selected as case studies for the Compendium, are those seen to have valuable experiences and insights to share with other businesses in implementing diversity policies and demonstrating the business case. The selection criteria used essentially considered companies' diversity initiatives in terms of their:

- ➔ Context (drivers, originality/innovation, measurability and replicability)
- ➔ Implementation (commitment/leadership, strategy/action plan, communication,

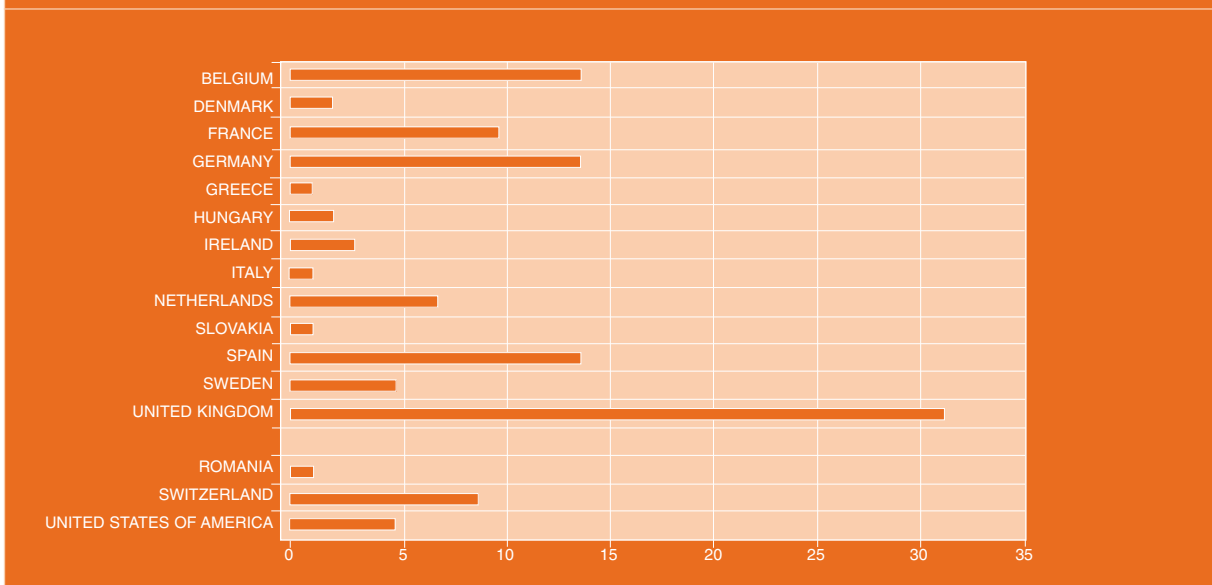
sustainability and follow-up, investment in resources)

- ➔ Impact (results and benefits, impact on business, the working environment and society) of their diversity initiatives
- ➔ Addressing one or more of the following five grounds of discrimination: race and ethnicity, age, sexual orientation, disability, religion or belief.

The last point covers the diversity strands addressed by the two EU anti-discrimination directives (the Racial Equality Directive 2000/43/EC and the Employment Framework Directive 2000/78/EC). In this context, the research and project did not concentrate on gender equality, which has already been the subject of much previous research. In the case of the good practice survey this meant that companies with policies and practices that were solely gender specific were qualified out. In addition, for those companies with multidimensional initiatives covering many or all of the diversity strands, the non-gender aspects of the policy or practice were analysed and presented.

The Compendium aims to provide a broad spread of good practice across a range of around ten EU Member States with some level of geographic balance while at the same time ensuring a balance between companies from various sectors and of different sizes. The level of responses to the good practice survey and subsequent selection provided a reasonable balance. However, the level of responses and good practice submissions received from companies based in the new EU Member States and from southern Europe was relatively low (Figure 1), and it generally appeared that, for those participating, corporate diversity initiatives were still mostly focused on gender equality issues. Detailed figures on geographic participation and full results on responses to the initial questionnaire are included in Annex II.

Figure 1: Good practice survey – Geographic spread of respondents/companies per country



# Thematic analysis of consultation and Research findings 3

The analysis of the business case for diversity and good practice examples was carried out within the framework of various studies and existing reports into the costs and benefits of diversity, especially the study of Methods and Indicators to Measure the Cost-Effectiveness of Diversity Policies in Enterprises (2003), as well as the EBTP Consultation on Workplace Diversity and Anti-Discrimination (2005).

The analysis is structured under the following key headings:

- ➔ Current situation relating to the implementation of diversity policies and practices
- ➔ Drivers for diversity policy and practice
- ➔ Implementation of equality and diversity practices
- ➔ Perceived benefits of diversity

- ➔ Measuring the impact of diversity approaches
- ➔ Key challenges in implementing equality and diversity approaches.

### 3.1. Current situation relating to the implementation of diversity policies and practices

The EBTP survey asked companies to indicate whether or not they had any diversity policies and practices in place, and the length of time these have been in operation. They were also asked to indicate whether or not their policies were well embedded, i.e. in place for more than five years, or adopted more recently (within the last five years). The questionnaire also asked companies to state whether they are currently in the process of implementing diversity policies, but with the understanding that more needs to be done in the process of devel-

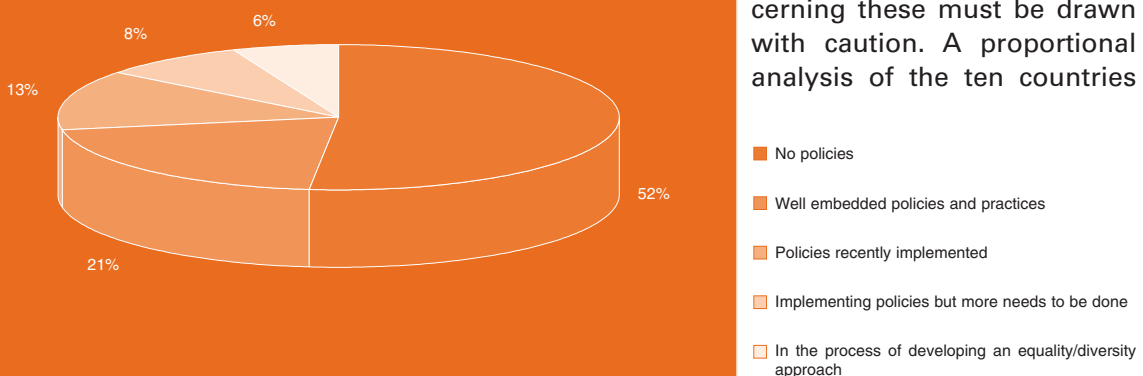
oping an effective equality and diversity approach.

The results indicate that 48% of all companies in the business sector are actively engaged in promoting workplace diversity and the anti-discrimination agenda in one form or another (Figure 2). Whilst less than a quarter have well established policies and procedures, many more are in the process of implementing diversity policies within their company. However, with the other 52% of companies in the business sector still not engaging in the broad range of strands covered by the current legislative requirements on equality and anti-discrimination, there is an urgent need for all relevant stakeholders to increase their efforts in developing awareness and expertise to spread implementation.

Despite variations in the number of responses per country and business sector, this pattern of implementation is generally true of all countries and sectors.

There are possible differences in the level of adoption between old and new Member States, but conclusions concerning these must be drawn with caution. A proportional analysis of the ten countries

**Figure 2: Situation in the companies relating to diversity policies and practices**



with the highest number of responses shows that the picture is quite complex (see Annex I for fuller report). It suggests that broadly speaking companies in northern and western Europe are more likely to have diversity policies and practices than the new Member States in eastern Europe, but there are exceptions. Also, the overall percentage of companies with well embedded policies is higher in Germany, The Netherlands, UK, and Norway, and lower in the new Member States like Hungary and the Czech Republic. However, whilst countries like Poland and Hungary have a lower percentage of companies with policies in place, a higher percentage are in the process of implementation, and hence in the process of reducing this regional difference in implementation.

### 3.2. Drivers for diversity policy and practice

The good practice research indicated that employers and companies tend to adopt diversity policies and practices for ethical, regulatory or economic reasons, or a combination of these. The EBTP survey confirms this finding.

#### *The Ethical Case for Diversity*

Increasing numbers of companies stress that ethical reasons are the primary driver for adopting equality and diversity practices. Simply stated, they are taking action because 'it is the right thing to do'. These companies are aware of changes in society and in

social values, and their impact on how businesses operate. They know that the public has higher expectations of how companies ought to do business in relation to equal opportunities, fair trade, ethical investment, environmental impact, impact on local communities, individual human rights and other social justice issues.

In response to these changes, many companies are making strong links between Diversity and Inclusion strategies on the one hand, and Corporate Social Responsibility (CSR) on the other. Indeed, a small number of companies, such as British Telecom (BT) for example, have gone further and specifically use the principles of the UN Convention on Human Rights to guide the way they do business internally, as well as how they relate to suppliers, customers, local communities and other stakeholders.

Employees too have changing and growing expectations of ethical behaviour in the workplace, valuing work environments that promote inclusion, respect, openness, collaboration and equity. Good practice companies therefore seek to achieve a positive company image in terms of equality, diversity and inclusion, and believe that a commitment to these issues is essential for any business to be viewed as modern, progressive and well managed.

Underpinning visions and values that emphasise the creation of environments that are equitable for all increasingly influences the way companies

operate. Indeed, the research found that many companies often begin to address diversity and inclusion by first considering their fundamental values and corporate philosophies. It is these that are translated into statements of principles and standards for implementation. Values such as integrity, respect for people, community and respect for the individual are seen by many companies as crucial to business success.

Some companies in the Compendium have been established with the express purpose of tackling social exclusion and disadvantage, e.g. Manchalan (Spain). Others seek to be role models and examples to other companies and society in general in tackling prejudices and discriminatory attitudes. Examples include Bertelsmann AG (Germany), which has spearheaded a high profile public awareness campaign aimed at addressing negative attitudes towards disability in employment.

#### *The Regulatory Case for Diversity*

A broad regulatory framework currently exists to promote equality and anti-discrimination in the workplace. This ranges from legal compliance with EU Directives and national legislation, to the influence of industry standards and awards. Sector regulatory agencies also play a key role in controlling business conduct and representing customer interests, as do individual governments that out-source and fund enterprises on the basis of stringent equalities standards and performance requirements.



Companies are increasingly mindful of the need for legal compliance and for meeting regulatory standards with regards to equality. These are now almost mandatory for companies seeking new clients, particularly in the public sector where targets and quantifiable data relating to their work on diversity is a prerequisite for many proposals and tenders.

It is also important for companies to avoid litigation, as well as the reputational risks and financial costs that employment tribunals can involve. Additionally, the EC Study of Methods and Indicators (2003) suggests that new legislation should act as a signal to employers and businesses of the wider social changes, and changes in social expectations on which they need to act.

The EBTP survey did not ask companies that have adopted diversity approaches whether or not they have done so in response to the need for legislative compliance with the EC anti-discrimination Direc-

tives. However, given the high proportion of companies that have recently implemented, or are currently in the process of implementing equality policies and initiatives, it is reasonable to infer that recent EU anti-discrimination legislation has had a considerable impact in promoting action in this respect (Figure 3). This may be particularly true in the case of some countries in the enlarged EU where implementation of the anti-discrimination Directives could have been viewed as a precondition of membership.

For many companies legal compliance is a crucial reason for adopting equality and diversity policies and practices. The majority of companies however stress that it is not a driver for implementation, but the desired outcome of their policies. The research also found that most companies that respond voluntarily to social changes, and that have proactive diversity practices, wish to go beyond mere legal obligations and become 'best in class'.

### The Business Case for Diversity

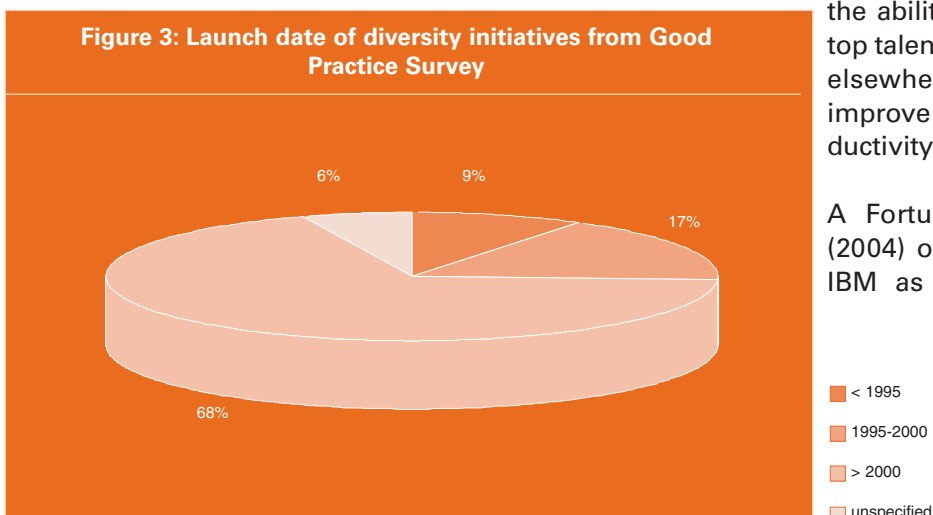
The social and cultural map of Europe has changed beyond recognition over the past twenty years. The greater participation of women, ethnic minorities, the elderly and people with disabilities in the labour market presents companies with new sources of labour, but also challenges them to create environments that value difference and operate fairly.

These huge demographic changes have a tangible impact in determining business success. An ageing population in many European countries, and correspondingly fewer young people entering the labour market, leaves many companies facing the prospect of labour shortages within their traditional recruitment pools. It is in their interests therefore to seek to widen this pool by targeting groups that have not been represented within their workforces in the past.

In addition to attracting new recruits from non-traditional backgrounds, employers also see real business benefits in having a reputation as an employer of choice, and hence the ability to attract and retain top talent from universities and elsewhere, and possibly improve their creativity, productivity and competitive edge.

A Fortune magazine survey (2004) of MBA students rated IBM as one of the top five

Figure 3: Launch date of diversity initiatives from Good Practice Survey



most desirable employers and one of the most quoted reasons was IBM's focus on an inclusive workplace. Similarly Volvo Car Company and Tetra Pak in Sweden also cite high rankings by Swedish university students. Other companies suggest that cultural diversity and an international focus are also a key attraction in the retention of staff.

The increasing diversity of European citizens and residents has been matched by a corresponding change in customer tastes, needs and lifestyles. In this context it is beneficial for companies to have employees who can provide appropriate services and solutions to customers from diverse customer backgrounds. This is particularly important for companies with international business operations.

The aims of companies operating in such contexts is to provide a broad cultural mix to service the needs of diverse clients, and to ensure that no one is discriminated against on any grounds.

Increasing social diversity also has a direct impact on the development of new products and market segments. In terms of the benefits of diversity initiatives, many employers maintain that the diversity of their R&D personnel results in more diverse thinking, and hence in broader and more creative portfolios of new product opportunities.

In response to the question of whether diversity initiatives have had a positive impact on their business, 83% of the 495 companies in the EBTP survey that replied answered positively compared with 17% that felt that they do not (Figure 4).

### Conclusion

Companies rarely act on the basis of just one driver alone. Although many of the case study examples in the Compendium adopted equality policies mainly for ethical reasons, they still expect their efforts to produce business benefits. The research also found that these companies are keen to go beyond legal compliance, in many cases

aspiring to business leadership in this respect.

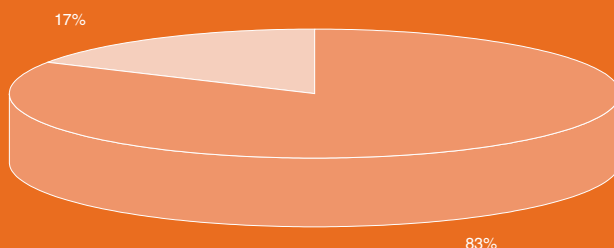
In PricewaterhouseCoopers' guide to equality and diversity 'Looking at People from Different Perspectives', Kieran Poynter, its UK Chairman, sums up the variety of reasons and drivers for change in the following case for diversity within the firm:

*There are several reasons why diversity is important to the firm; I believe that each of these reasons, on its own, is justification enough for ensuring we promote an inclusive culture and so manage diversity for the benefit of both our people and the firm. But put them all together and I believe the case for diversity is compelling:*

- ➔ *It is just plain right; behaviour that discriminates on any grounds is inconsistent with our core values*
- ➔ *Managing diversity is also about gaining competitive advantage in the market place*
- ➔ *Retaining people makes sound business sense*
- ➔ *We have to review our traditional resource models in the light of fundamental demographic changes*
- ➔ *This shift is being mirrored in the workforces of our clients who, in turn, are starting to demand the same from their suppliers*

Figure 4: The impact of diversity initiatives on business

Do diversity initiatives have a positive impact on your business?



■ Yes  
■ No

→ *Managing diversity and creating a culture of inclusion are essential ingredients to building a sustainable business for the future.*

### 3.3. Implementation of equality and diversity practices

Successful implementation of diversity policies and practices depends on a number of key organisational factors. Companies that manage this well approach diversity and equality as a culture change process, using lessons learned about managing change to ensure success.

These lessons include defining a clear case for action, building leadership commitment, establishing infrastructure to support implementation and communicating diversity and inclusion principles to staff, customers and other stakeholders. In such companies, business ownership and accountability for diversity and inclusion goals are built into strategic frameworks that include goal setting, allocation of funding and resources, performance measurement and accountability that taps into business rewards/recognition processes. Diversity in these companies is a business-wide concern, rather than being HR-owned without involvement from other business functions.

Active senior leadership commitment and the engagement of managers at all levels are vital for the successful implementation of diversity

approaches. Additionally, research findings suggest that managers' behaviour towards diversity can have a direct impact on employee productivity. Independent research by the University of Sheffield into the diversity initiatives of Royal Mail (UK) indicated that the more positive senior managers are towards diversity, the greater their team members' levels of job satisfaction and organisational commitment. Many companies recognise this and increasingly include diversity as an integral part of their leadership standards.

The wide variety of diversity practices currently undertaken by employers and businesses fall under three main types of policy and strategy focus:

#### *All encompassing diversity policies and initiatives*

At Unilever for example, this is described as *looking through a diversity lens in everything we say and do*. In practice this encompasses a statement of values and commitments, list of actions, tangible structures for implementation and strong management accountability. It also includes providing guidance and planning frameworks to enable the development of targets and strategies, as well as monitoring and regular reporting against diversity targets. For companies operating across many countries, such comprehensive strategies cover individual, business division, company-wide and country plans, supported by a global strategy and regional diversity boards.

Such approaches also address diversity issues on an inclusive and multi-faceted basis. Examples include the 'Effortless Inclusion' philosophy and procedures of BT that are seen as encapsulating a maturity of thinking derived from over a decade of addressing equality and diversity issues. The initiative ensures that an understanding of inclusion informs everything BT does. This includes human resources policies and practice, product development and ensuring that product and service designers are informed about the needs of the future users of their products and services. It also incorporates a supply chain initiative, 'Sourcing with Human Dignity', to ensure that its equality and ethical business principles permeate across all areas of its external operations.

These programmes and approaches seek equality not just in terms of representation and enhanced productivity. Many aim at complete organisational culture change, reflected in some of the titles of the initiatives submitted as part of the research, such as: Diversity Transformation Initiative (Booz Allen Hamilton), Living Diversity (Deutsche Telekom Group), Diversity and Inclusiveness Process (Royal Dutch Shell), Diversity Journey (Intel Ireland Ltd), Doing Well by Doing Diversity (APCO). Dow Europe for example sums up this holistic approach towards diversity management as: *thinking, acting and working together in ways that ensure the impact of difference is positive.*

A number of companies included in the Compendium are excellent examples of successful enterprises established and operating along the principles of diversity and inclusion in everything they do. Diversity practices hence represent the mainstream values and activities of companies such as Coco-Mat (Greece) and Manchalan (Spain) amongst others.

Manchalan is a manufacturing company specifically set up as a partnership between the social and industrial sector to address the economic exclusion of people with disabilities. Whilst focusing on the integration of people with disabilities as a specific strand, Manchalan does not see its work in terms of a particular initiative or programme, but

as its core objective, that it mainstreams in all its activities. More than 90% of its workers are disabled.

Likewise, more than 70% of Coco-Mat's employees are refugees from the former Soviet Union or Turkey. The company employees represent 13 nationalities and 9 religions, and Coco-Mat expressly targets recruitment from what it terms 'special skilled' groups, i.e. those who face discrimination on various grounds such as race, class, ethnicity, religion, caring responsibilities, disability, etc.

*Single initiatives concerning specific diversity strands*

Company practices vary widely in relation to the focus of their diversity approaches.

Whilst more companies are developing all encompassing and holistic approaches to diversity and inclusion, some choose to prioritise particular diversity strands depending on their local contexts or interests. Examples included in the Compendium represent both individual diversity initiatives concerned with just one specific strand, as well as examples of targeted approaches toward addressing a specific priority within an overall comprehensive diversity strategy.

Goldman Sachs International is an example of a company whose equality and diversity practices cover all the main grounds of discrimination, and which has received widespread recognition for its effort in the areas of ethnicity, gender and sexual orientation. The case study of good practice from the company is however based on a specific initiative, the Disability in Action Taskforce, the aim of which is to place disabled individuals in successful internships, and to raise the profile of disability in the workplace.

The Compendium also includes examples of specific initiatives by an employment organisation, such as the Disability & Skills Programme launched by Adecco to enable enhanced vocational skills development for people with disabilities, coupled with awareness raising activities aimed at employers. Comparable examples include major disability initiatives of companies like Bertelsmann, IBM, Pfizer and L'Oréal.

The research also revealed many examples of good prac-



© Cocomat

tice across other specific diversity strands, notably age and ethnicity. Age related initiatives are a response to what many companies see as the biggest corporate challenge in the EU – demographic change. The ‘Seniority’ initiative at Danfoss (Denmark), and ‘Getting Older, Thinking Younger’ at Pfizer Deutschland are good examples of policies and practices that seek to ensure that no one is discriminated against on the grounds of age.

The aim of these policies is to encourage young people to join their companies, and ensure that older people already employed remain rather than seek early retirement. Companies also want to ensure that they retain the experience of senior employees and hence encourage exchanges between older and younger employees. Practice approaches also focus on creating flexibility for senior employees in the content of jobs, work hours, forms of retirement, retraining and health matters.

Many examples of initiatives specifically targeted towards ethnic minority employees and potential employees have been highlighted by the research. One example is targeted recruitment activities, such as the graduate recruitment programme by Linklaters (UK). They adopt a multi-agency approach involving universities, community associations and employers’ networks to enable ethnic minority graduates to access jobs in the legal profession.

Most initiatives involving ethnic minorities are positive action



programmes that involve access to education/training, practical work experience and mentoring. Examples of such initiatives include a training scheme by Yorkshire Forward, and an internship programme called ‘I have a dream’ for the hiring of ethnic minority trainees by Deutsche Bank. Like many other companies, TPG Post (Netherlands) has a comprehensive integration programme for ethnic minority trainees, which includes language teaching, practical work experience and mentoring of potential employees. This is followed by a temporary job contract and further professional/vocational, skills and language education. Once fully trained and deemed suitable, candidates are then offered contracts for unlimited periods.

*Widening existing policies to cover a broader range of diversity areas*

A large number of companies have been addressing issues of gender for some time. Many of these are now in the

process of widening their equality approaches, and transferring skills and experience gained through the implementation of gender policies and practices to other areas of diversity. Lufthansa, for example, started with gender diversity initiatives in the 1970s with the support of the works council. In 2000, the Executive Board initiated the current broader diversity programme. All managers throughout the company are now responsible for implementing and practicing diversity. Deutsche Telekom is another company that has launched a comprehensive diversity policy entitled Living Diversity, which builds on previous initiatives that were primarily aimed at gender issues. Within this it has a particular focus on age in recognition of the ageing population in Germany and other European countries in which it operates. However, the policy also embraces the other three grounds of discrimination, as well as being implemented globally across all its business operations.

### 3.4. Perceived benefits of diversity

Whilst the aims and projected benefits of diversity policies and approaches vary considerably, companies tend to see improvements on a number of key fronts, including: effecting culture change; improving workforce diversity and cultural mix; enhancing market opportunities; external recognition and image. This is reflected in the functional areas that their diversity initiatives are targeted towards (Figure 5).

#### *Effecting culture change and enhancing organisational capital*

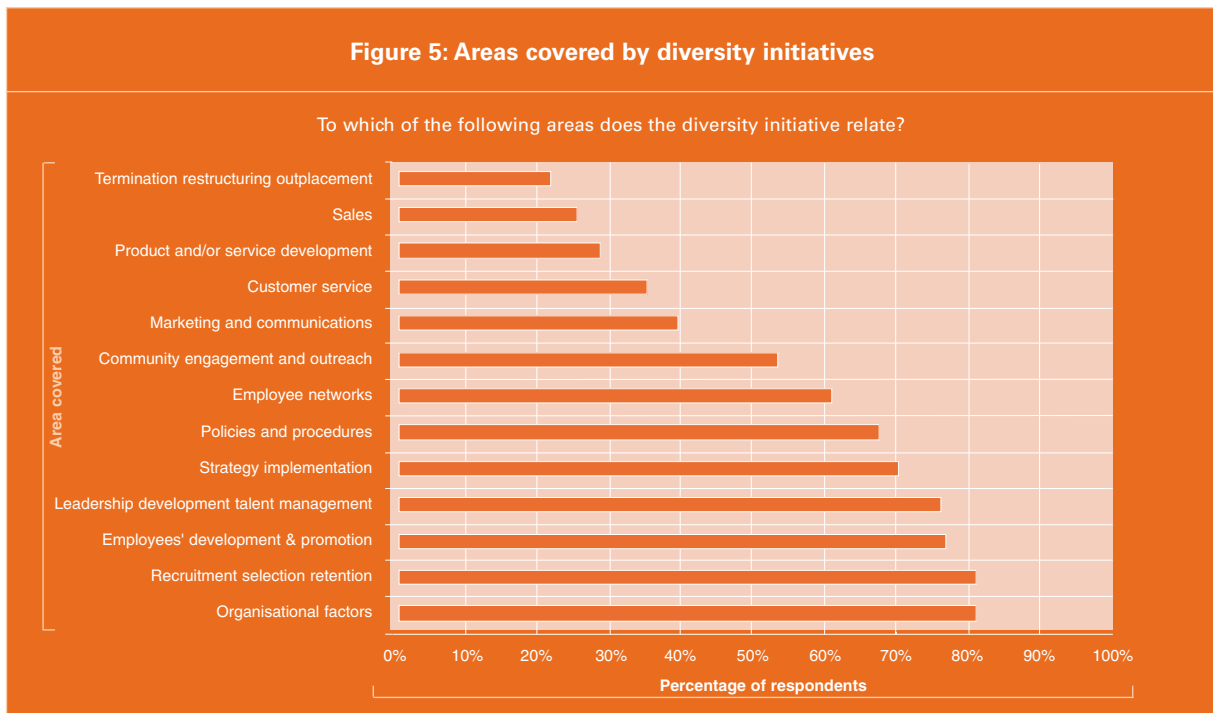
In line with the importance companies increasingly place on shared corporate values and philosophy, the efforts of many companies focus on achieving lasting culture change. In promoting organisational environments that

respect diversity and practice anti-discrimination, businesses are very aware of the need to achieve active employee support for their equality initiatives.

The EBTP consultation highlighted discriminatory attitudes and behaviours in the workplace as a key obstacle in promoting diversity approaches and practices. For many companies therefore, strategies to raise awareness and understanding about diversity issues and policies is a fundamental part of the process of implementing equality initiatives. This desire to raise awareness and win 'hearts and minds' is evident in the titles and slogans of many company diversity programmes. Examples include: 'Everyone is Welcome at Tesco', 'Open Minds, Open Markets' (UBS), 'Getting Older, Thinking Younger' (Pfizer Deutschland), and 'Success Through Inclusion' (Barclays PLC).

Diversity policies that contribute to the creation of environments that promote respect and inclusiveness are seen by many companies as essential to business success, helping to attract high quality recruits and reduce operating costs through lower staff turnover and absenteeism. Based on independent research into the consequences of bullying and harassment, Royal Mail (UK) for instance estimates that it has achieved a £7m saving from the introduction of anti-bullying and harassment policies and procedures.

TNT, which has a global business network, has a worldwide diversity and inclusion strategy with many examples of good practice across its different businesses. TNT Austria, which has won a number of diversity awards, calculates that as a result of effective management of diversity and inclusion, it has seen a reduction of yearly



staff turnover from 25% in 2000 to 10% in 2003, and a similar reduction in absenteeism. It has also saved €15 000 in taxes from the employment of disabled employees.

Communication programmes and awareness raising campaigns aimed at staff and customers accompany many initiatives. Increasingly, companies also conduct annual employee attitude surveys that seek to assess the views and opinions of staff on equality and diversity issues, as well as to measure changes in staff perceptions/satisfaction with company policies and practices.

Changes in wider society and in labour and product markets are often accompanied by increasing diversity, and require companies to adapt. To achieve sustainable growth, it is imperative for businesses to become skilled at managing and harnessing the full potential that diversity can offer. One of the pioneers of comprehensive change management in the face of diversity is Royal Dutch Shell, which has a three-level diversity and inclusion management programme to facilitate its change process. The programme focuses on systematic change, and is underpinned by a belief that change must occur simultaneously at personal, interpersonal and organisational levels.

Some companies have found that initiatives to implement and embed diversity policy and practices have a wider knock-on effect and cultural impact, by improving communication and information-sharing channels across companies.

Improved communication capabilities in turn enhance the ability to foster shared cultures, norms and values across companies and groups of companies. Similarly, diversity and inclusion practices are credited with having a beneficial impact on improving managerial styles, skills and performance in areas such as communication, people management, goal setting and planning.

*Improving workforce diversity and cultural mix – human capital benefits*

A highly skilled, innovative and diverse workforce is important for business success, as has been

emphasised in earlier sections of the report. Indeed, resolving labour shortages and recruiting and retaining high quality staff from diverse backgrounds are key reasons for companies to implement diversity policies. More than 40% of all the companies in the EBTP survey gave this as the primary business benefit.

Achieving greater workforce diversity is a key aim for many companies. The EBTP consultation highlighted the fact that increasing access to a wider labour pool and developing the ability to attract and retain high quality employees from diverse



backgrounds is one of the most important reasons for companies to adopt diversity policies and practices (Figure 6). Some companies also suggest that increasing their recruitment efforts to target particular communities has resulted in an improved standing within those communities at a much wider level.

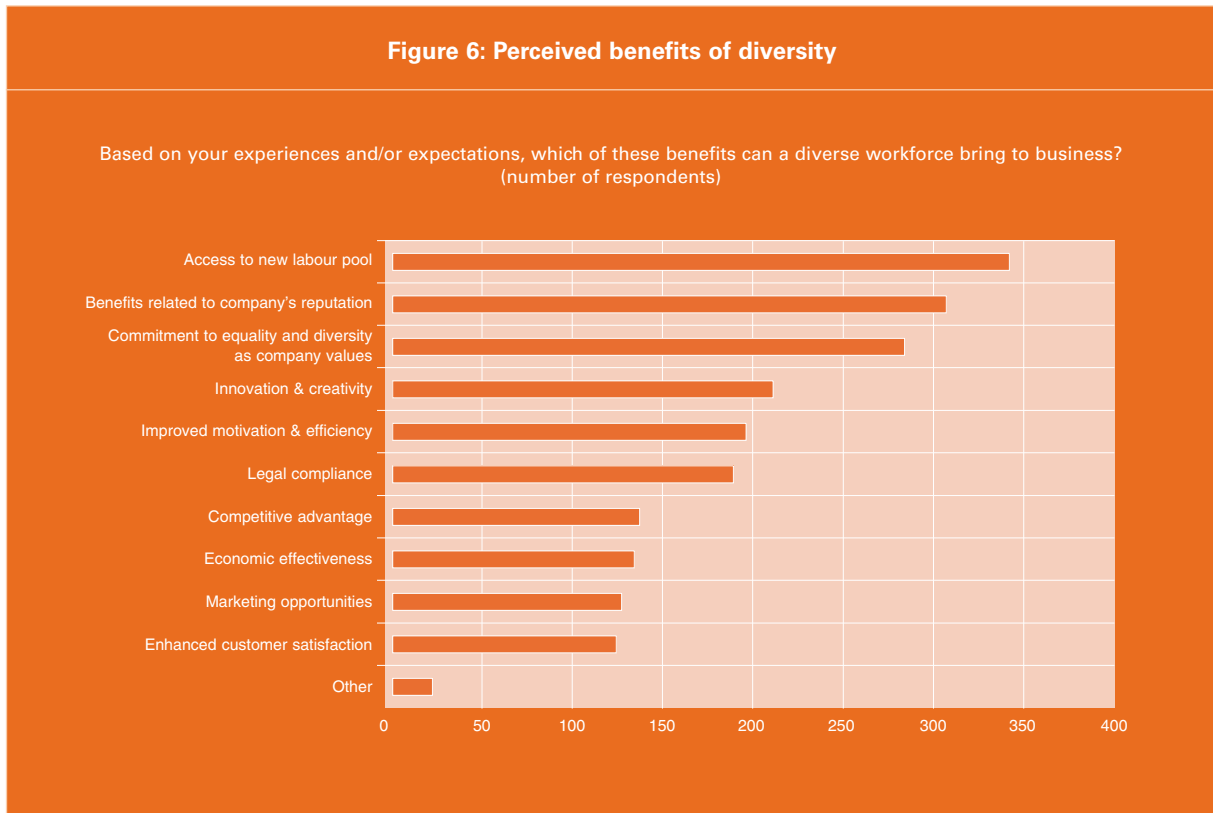
To achieve such changes in their staffing profiles, companies undertake a wide range of initiatives. These include specially targeted advertising to reach disadvantaged and socially excluded communities, and the establishment of partnerships with community and statutory agencies to enhance their recruitment efforts, as well as to support local/regional social and economic development goals. The previous section high-

lighted some of the targeted positive action strategies aimed specifically at under-represented groups such as ethnic minorities and disabled people adopted by many companies, including: supporting access to work experience, vocational skills training and access to higher education.

Internal human resources policies that support recruitment aimed at increasing workforce diversity often complement such outward facing activities. In some companies person specifications have been changed to try to actively welcome and attract diversity, for instance, by requiring applicants to have an open outlook, the ability to speak more than one language, cross cultural experience, ecological sensitivity, commitment to equal opportunities, etc.

Some companies in countries or sectors facing severe labour shortages have signed trade agreements with foreign and local labour departments to hire and train specific numbers of workers from abroad. Grupo Vips (Spain) for example has such arrangements with countries including Romania, Bulgaria, Morocco, Ecuador, Columbia and the Dominican Republic. It supports such recruitment efforts with preparatory training for potential employees, often done in their countries of origin, and which includes teaching Spanish. The company stresses that once recruited, these foreign workers are guaranteed equal opportunities in all aspects of their employment and further development.

**Figure 6: Perceived benefits of diversity**





Some employment companies, like Manpower, Randstad and Adecco also play an important role in supporting their business customers' efforts to increase workforce diversity and address the under-representation of disadvantaged groups. They all have innovative and proactive initiatives to address social exclusion, enhance skills development and bridge the gap between employers and diverse communities. For example, Randstad, which has consistently been rated as one of the best employers in Belgium for the past three years, has a special Diversity Division that encourages employers to apply the principles of equality in their recruitment procedures, as well as helping companies to realise the potential benefits of diversity.

Multinational companies in particular are seeking to enhance their global management capacity through initiatives to ensure they attract and retain a diverse and culturally competent workforce able to work across national, linguistic and cultural boundaries. They are also seeking to recruit employees representing local communities and country contexts at all levels of operations and management.

As well as improving workforce diversity, companies also need the skills to effectively manage it and create environments that ensure respect and equity for all. Companies have responded to this need by implementing a range of human resource policies and programmes aimed at enhancing the work environment and experience of

staff. These include: anti-bullying policies, flexible working and home working policies, grievance, complaints and safety at work policies and procedures, together with recording and management information systems to measure progress against equality goals.

A large number of programmes are also aimed at employee development and awareness raising to cover a broad spectrum of staff development needs. These include: diversity awareness training, cross cultural competence and exchange programmes, legislative and compliance

issues, building leadership/managerial commitment and skills, language and integration programmes for migrant workers, fair recruitment, selection and appraisals processes, and change management programmes. Many companies also provide managers with a series of performance planning frameworks, diversity checklists and toolkits to support them in policy implementation.

A diverse workforce with high quality people skills also helps companies to more easily accommodate the demands of their diverse customer base, improving customer service. It



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also provides additional resources for accessing new markets and market intelligence. Many companies currently support a range of special interest employee resource groups to improve two-way communication processes, and to assist companies in their consultation and information seeking strategies.

### *Enhancing market opportunities*

Diversity strategies to enhance market-related benefits aim to achieve better market segmentation and improved customer satisfaction. They also aim for an increase in repeat business and referrals to potential new customers through existing satisfied clients and customers.

Companies committed to diversity see many opportunities for expansion of their services and products. Research for the Compendium uncovered a range of examples of targeted marketing and product developments aimed at increasing revenue by catering for new market segments and traditionally excluded groups. Some of these developments aim to enable more people to access existing products and services. For socially progressive companies, such initiatives are not driven solely by the desire to increase revenue, but with a commitment to tackling social exclusion and disadvantage faced by particular groups. They also contribute to enhancing the company's image and making them more attractive to society in general.

Examples include the design and marketing of products for

visually impaired customers, such as the Internet Driver's License (IBM Germany) and voice texting (BT). The Internet Driver's License is a talking web browser that helps overcome barriers to accessing particular technologies by enabling people with visual impairments to surf the Internet and communicate electronically by e-mail. Similarly, the BT product enables them to access the text function on mobile phones by allowing them to send and receive SMS (text) messages in voice format.

Some companies like Bertelsmann have initiated and developed unique practical working and living aids to benefit people with disabilities in their working environment. These aids are also made available to society in general. Another such example is BT's Big

Button Telephone. Originally designed by an employee who had arthritis, it has found a wider customer base, attracted to its ease of use as compared to the increasingly smaller alternatives available in the marketplace. Similarly, a Volvo car designed by women has had wide cross-over appeal because of its many user-friendly features, originally designed with women drivers in mind. These companies see such inclusive thinking and approaches simply as a matter of good design that makes it possible for everyone to use a product.

Depending on their sector of business, good practice companies also contributed a wide range of examples of targeted marketing campaigns



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with strong diversity and inclusion messages, to promote uptake of their products and services by particular groups such as the elderly, women, gays and lesbians, and ethnic minorities. These include Tesco's introduction of multicultural food ranges in different neighbourhoods to meet local customer food preferences and Deutsche Bank's retail banking unit's targeted marketing campaign to increase its gay and lesbian customer base. The bank achieved a directly traceable profit and business success with its pilot in Berlin, and is now in the process of extending the campaign to other major cities in Germany. Other examples include the Dove soap marketing campaign by Unilever, underpinned by a clear diversity philosophy and message, which resulted in a 700% increase in sales of the product line.

Coco-Mat and Manchalan both show that applying equality and diversity principles to mainstream industrial performance is compatible with business success. Since its creation in 1999, Manchalan has increased its revenue from €332 475 to €2.7m, and its staff from 56 to 236 in 2004. Similarly, Coco-Mat, founded in 1989 by three former refugees, has grown dramatically and has a current turnover in excess of €12.3m and stores in Greece, a number of other European countries and China.

Media coverage in general is seen as essential in helping raise the public profile and image of businesses by promoting their equality and

diversity values and commitments. But beyond that, it is also equated by some companies with revenue savings equivalent to the advertising costs of marketing campaigns.

#### *External recognition and image*

Good practice companies recognise the importance of corporate image and reputation, and undertake a wide range of outward-facing activities and initiatives that help raise their external standing in society, and contribute to an understanding of the principles and values they wish to project.

Such external activities include developing partnerships and links with academic and research institutions, participating in research studies and benchmarking exercises, entering for equality and diversity recognition awards, philanthropic giving to tackle social exclusion, supporting access to education and training opportunities, sports development activities, presence/sponsorship of community festivals and financial support to NGOs and the charitable sector.

Good practice companies also seek external validation of their diversity efforts, using diversity awards as an important form of external recognition. They are often keen to enter their companies for a broad spectrum of these awards, and to measure their progress against the various standards and levels of performance set by them.

Many good practice companies also stress the importance of participating in exter-

nal networks and forums, and for their senior leaders to speak externally at conferences, employer networks, to the media and to other platforms concerned with equality and diversity.

The Compendium highlights the activities of companies that positively seek to embrace their social responsibilities. As a media company, Bertelsmann used its capacity and communications infrastructure to launch an initiative to raise internal and external awareness, and promote education about disabilities within the company and among the public at large. It estimates that 64 million people watched the TV spots that formed part of its campaign. Similarly, Grupo Santander (Spain) sees its support of marketing campaigns around social issues (Red Cross, Doctors without Borders, UNICEF) as an important part of its effort to enhance its customer base and corporate image.

### *3.5. Measuring the impact of diversity approaches*

One of the key challenges identified by companies in relation to addressing workplace diversity is the difficulty of measuring the results of diversity policies. The EBTP survey found little evidence of systematic monitoring or evaluation of the progress and benefits of diversity (Figure 7).

This may be because it is difficult to measure the full impact, including the intangible and long-term benefits, of diversi-

ty initiatives when they may be only one of many other factors contributing to overall improved corporate performance.

However, a number of models and frameworks for measuring the costs and benefits of diversity in ways that take account of both tangible and intangible factors already exist. These include the Harvard Balanced Scorecard<sup>1</sup>, the European Quality Model<sup>2</sup> and the Measurement Framework for Diversity developed as part of the EC Methods and Indicators study.

All these models and frameworks recognise the complex interplay of cause and effect, and the relationships between inputs, intermediate outcomes and overall business performance. The models combine qualitative and quantitative approaches, and take account of the links between processes that drive performance and the results of strategy.

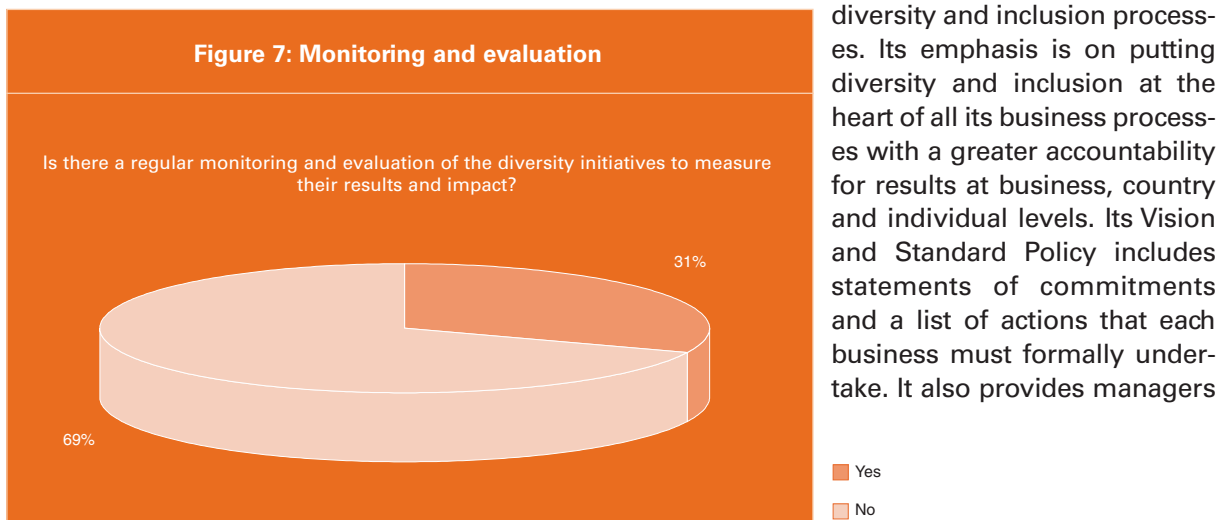
Such comprehensive business and performance manage-

ment systems are not in widespread use except in the largest multinational companies. Companies which do use them tend to place a great deal of emphasis on internal and external benchmarking, and on the value of effective monitoring systems to enhance their demographic knowledge concerning their markets and local communities. These same companies also stress the value of effective monitoring in helping them make a case for action by providing vital information about workforce and customer make-up, as well as demonstrating their commitment towards effective implementation of equality and diversity policies. In most business environments there is a perception that 'what gets measured gets done', especially when measurement of progress is linked to management performance and appraisal. Monitoring and evaluation is thus seen as extremely important in signalling the company's strategic and financial priority to employees.

An example of good practice is the Global Diversity Network - a network of global companies that include Dow Chemical, Shell, BP, Deutsche Bank, Unilever, Kraft Foods, Philip Morris, Barclays and Tyco - aimed at assisting member companies in integrating and measuring equality, diversity and inclusion within their business processes through the sharing of information and best practice. A key output from this has been the Global Diversity and Inclusion Benchmarking Survey developed jointly by members and diversity consultants Schneider-Ross. Structured around 14 goals that describe the ideal organisation in terms of global diversity and inclusion, this assessment tool enables members to assess their performance both against the 'ideal' and their peer companies within the network - thereby identifying the steps to further accelerate progress and best practice.

Shell's own internal Diversity and Management Framework is also a good example of an interconnected framework that allows managers globally to own, lead on and monitor diversity and inclusion processes. Its emphasis is on putting diversity and inclusion at the heart of all its business processes with a greater accountability for results at business, country and individual levels. Its Vision and Standard Policy includes statements of commitments and a list of actions that each business must formally undertake. It also provides managers

Figure 7: Monitoring and evaluation



1 www.hbs.edu  
2 www.efqm.org

with a Standard Planning Template to support business leaders in integrating and mainstreaming equality and diversity into core processes. Whilst it provides consistency, the framework also allows implementation discretion at local and business level, and is accompanied by two annual formal performance monitoring processes.

Whilst only a minority of companies have comprehensive target setting, measurement and evaluation processes in place, many companies undertake a range of goal setting and monitoring activities to support their diversity approaches. Some common performance indicators used by companies to guide their progress include:

- ➔ Increase in the representation of women, disabled people and ethnic minorities, especially at senior levels, in some cases linked to specific targets for each
- ➔ Retention of high calibre managers – especially women and ethnic minorities
- ➔ Improvement in the perception of minority and majority groups in the company around diversity issues – measured against a target percent satisfaction rating in employee attitude surveys
- ➔ Involvement in business standards and processes, and other quality models (like the UK's Investors in People Standard) that help companies to adapt management frameworks and benchmarks for their own requirements concerning equality and diversity performance.

Such goals or performance measures are accompanied by a wide range of monitoring activities that include:

- ➔ Employee surveys to assess employees' attitudes and levels of satisfaction, as well as to identify any particular areas for further investigation and potential action
- ➔ Ongoing consultations with employee networks and resource groups
- ➔ Workforce profiling including ethnicity, nationalities, religions, languages spoken, gender and age mix to enable identification of particular areas of under-representation, as well as to enable comparisons against local area demographics

- ➔ Establishment of employee skills databases and talent pools to measure staff mobility and progression
- ➔ Inclusion of equality and diversity perspectives in all normal business reviews, as well as specific equality considerations such as equal pay reviews
- ➔ Monitoring the numbers of bullying and harassment complaints, and the speed with which these are resolved
- ➔ Calculation of costs to the business through sickness absence and tribunal cases
- ➔ Monitoring the results of exit interviews by gender, ethnicity, etc.



### 3.6 Key challenges in implementing equality and diversity approaches

The EBTP questionnaire asked companies to indicate what they felt to be the most difficult challenges and barriers to implementing adequate equality and diversity practices in the workplace. Foremost amongst the barriers suggested is the lack of information and awareness, followed by a lack of understanding and expertise in developing and implementing an equality and diversity approach. Various other reasons also prevent companies from doing this. These range from not being able to see any particular competitive advantage, to following recruitment policies and practices that are solely qualifications based, and hence assumed to ensure everyone has an equal chance. The following figure (Figure 8) details a range of challenges highlighted by the survey.

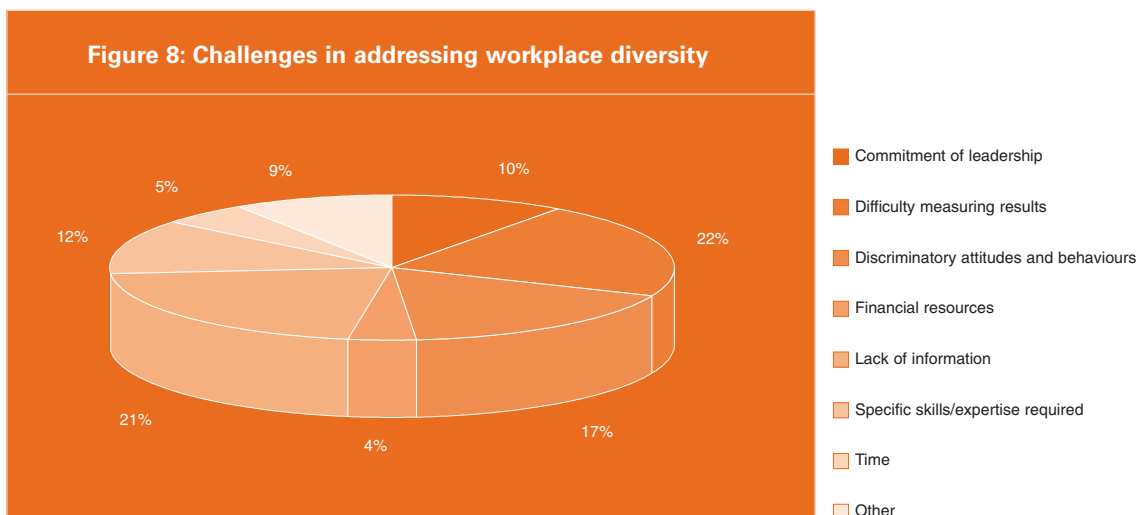
These findings indicate that there are clear areas for further action to promote more

widespread adoption of policies and anti-discrimination legislation. Addressing the information and awareness needs of companies is an important first step forward, as is better guidance and support to companies on processes for monitoring and measuring the results of diversity policies and practices. Around 45% of companies participating in the EBTP survey confirmed this need by indicating that awareness-raising activities in the field of workplace diversity are in their view insufficient and that more needs to be done.

The survey has highlighted that companies are further behind in addressing issues of religion and belief, and sexual orientation than other areas of diversity. This may be due to a considerable lack of awareness about how businesses should respond to these issues compared with others that have been raised for some time. Information, guidance and awareness-raising about these 'new' equality strands requires concerted effort if businesses are to begin to address these

grounds of workforce diversity effectively.

Companies were also asked to indicate what their existing and/or preferred sources of information and help on these issues is. Approximately half of the responding companies pointed to employers' organisations and networks, followed by other businesses and companies as their main information sources. 25% felt that national governments are an important source, and 13% thought the EC has an important role in this respect. The majority of responding companies would prefer to receive more information through employer networks and organisations in preference to all other sources.



# Conclusions and Ways forward 4

Companies are making steady progress in the implementation of diversity and equality policies in Europe with about half of those taking part in the EBTP survey saying that they either have initiatives in place or are in the process of developing and implementing them. While it is true that the business case for diversity may still be at an early stage of development in the region and a powerful case for investment in workforce diversity policies may still need strengthening, this report showed positive results in some areas and indicated possible ways forward.

## *Business case for diversity*

- There is a considerable level of activity in the promotion and implementation of diversity policies across the business sector and more multi-dimensional diversity and anti-discrimination approaches are emerging, with the majority of good practice companies embracing all six grounds of discrimination.
- EBTP survey companies are convinced about the business benefits of diversity. When asked whether diversity initiatives have a positive impact on their business, the vast majority (82%) of the 495 companies that replied agreed that they did.
- Good practice companies are similarly confident of the business outcomes of

their diversity policies. They see the benefits of diversity as almost self-evident and are keen to stress their commitment to diversity as a matter of ethics, progressive outlook and good management practice.

- Of the main benefits of diversity that were highlighted by companies in the EBTP survey and good practice companies, the main one is access to a new labour pool and the likelihood of attracting and retaining high quality employees. It was the single highest scoring benefit among EBTP respondents, cited by 42% of companies. Others benefits include good community relations and enhanced corporate image and reputation.

## *Awareness raising essential*

- Half of the companies in the EBTP survey have yet to develop diversity policies and practices and point to the lack of information and awareness of diversity issues as their biggest challenge.
- The main source of information on workplace diversity for all EBTP survey respondents is employers' organisations and networks, cited by nearly half of all companies.
- Employers' organisations, therefore, are likely to continue to play a key role in

the dissemination of good practice materials and should be encouraged to provide a regular output of relevant information, ensuring that it meets the needs of all companies in all Member States.

- Small and medium-sized enterprises that often lack the resources of their larger counterparts are a particular focus of attention for awareness-raising, as are companies in southern Europe and the new Member States, which were poorly represented in the surveys carried out for this report. In the EBTP survey, only 7% of responses were from southern European and 23% from new Member States.
- Given the openness of companies that took the time and effort to participate in this diversity exercise, many others should be willing to share their experiences and expertise to extend good practices more widely, in particular in areas of diversity that are seen to be difficult to address, like religion and belief and sexual orientation.
- The European Year of Equal Opportunities for All in 2007 will be an ideal opportunity to promote the business case for diversity, providing an impetus for further action by employers in combating discrimination and promoting workplace diversity.

### *Organisational change and the role of human resources*

- ➔ According to the EBTP survey, the single most important area that diversity policies cover is human resources management (recruitment, retention, selection, etc.), which was cited by about 55% of companies. Given the problems that many companies will face in future in attracting and retaining quality new recruits, human resources will no doubt remain a key focus.
- ➔ Many good practice companies are developing approaches that encourage business-wide ownership of diversity and performance management. These view Human Resource and diversity specialists as

internal experts and consultants, with accountability for equality and diversity delivery resting with managers and leaders. To encourage action, they are increasingly linking diversity competences and performance targets to appraisal and rewards processes for managers.

- ➔ Good practice companies have extensive internal culture change programmes for senior leaders and staff to address significant obstacles such as discriminatory attitudes and behaviours. These include awareness-raising activities aimed at fostering greater understanding of the benefits and practices of diversity in the workplace and beyond.

### *Measuring and monitoring need urgent attention*

- ➔ Nearly 70% of EBTP companies that have or are implementing diversity policies do not have systematic measurement or review mechanisms in place for their diversity initiatives. However, many of the good practice companies have a range of monitoring and feedback processes to allow them to take an organisational pulse check on equality and diversity matters.
- ➔ While a range of models and frameworks for setting indicators and measuring diversity performance already exists, the challenge is to promote wider application of such tools across businesses that have adopted diversity policies.



# Case studies – Good Practice in Workplace Diversity

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# Adecco

Company Name	No. Employees:	Website
ADECCO	5 000 (France), 30 000 (global), up to 700 000 temporary staff per day (global)	www.adecco.com
Country		Primary Business
France / Europe	Turnover: €17.2 billion (global)	Recruitment and career services
Title of Initiative		
Disability & Skills Programme		

The Disability & Skills initiative was initially launched within Adecco in France in 1986 to facilitate the access of persons with disabilities to the labour market. Following the success of the programme in France, it has been extended to Spain, Italy, Belgium, the Netherlands, the UK and Switzerland, and will be further extended to other European countries in 2005. The programme promotes equality of opportunities only on the basis of personal skills, qualities and experience. The objective is to identify and provide work opportunities matching candidates with disabilities, whilst also helping develop additional skills to ensure sustainable employment.

A dedicated Business & Disability coordination team was set up in 2004 at international level to manage the implementation and results of the programme across the group. It is headed by a Corporate Social Responsibility/Disability & Skills project director at group level working in collaboration with a team of project leaders responsible for programme implementation at national and local levels. The coordination team ensures the transfer of know-how and mainstreaming of disability inclusion throughout Adecco's major business units.

Internally, compulsory induction training on non-discrimination and disability inclusion is provided to managers and staff to ensure understanding of corporate diversity values and personal engagement in the policy's implementation, and to help them deal with potential cases of discrimination. Evaluation of the diversity programme includes monthly, quarterly and yearly monitoring and reporting on the achievements and number of people with disabilities at work.

## Results

Adecco sets targets and objectives relating to the work placement and employment of people with disabilities. In 2004, it facilitated access to work to 9 578 persons with disabilities across Europe, an increase of 9% compared to 2003, exceeding its own targets. The Disability & Skills initiative has brought organisational cultural change in a previously hostile environment through demystification of disability in the workplace. The programme benefits from the support of staff and temporary staff, disabled and non-disabled, and creates enhanced satisfaction amongst staff and clients. The commitment to disability inclusion has been a key factor in Adecco winning calls for tenders with some clients.

### Specific Grounds:

Disability

### Country(ies) scope:

France, Spain, Italy, Belgium, Netherlands, UK

### Launch date:

1986 in France  
2000 across Europe

### Highlights

- ➔ Implementation in six EU Member States
- ➔ Non-discrimination and disability inclusion training to all staff
- ➔ Skills gap training offered to disabled candidates to help ensure long-term employment
- ➔ Access to work for 9 578 persons with disabilities at European level in 2004

*Disability is not an obstacle to competency.*

Jérôme Caille, CEO Adecco



Company Name	No. Employees:	Website
AIR PRODUCTS	5 500 + (Europe) 20 000 (global)	www.airproducts.com
Country	Turnover: €1.8 billion (Europe)	Primary Business
UK / Europe and worldwide		Industrial gases, chemicals, equipment and services provider
Title of Initiative		
Valuing Diversity		

Founded more than 60 years ago, Air Products serves customers in technology, energy, healthcare and industrial markets worldwide. However, its success was complicated by some prejudicial attitudes leading to a feeling of exclusion and low contribution from some valuable staff, before a training and awareness diversity programme called Valuing Diversity began in 2001.

The programme has seen improvement in staff progression and a trained and more effective workforce. It includes awareness training, supported by posters to reinforce the learning from diversity workshops and 'Coffee talks' to explain the overall initiative and its local implementation. Regular diversity reports appear in employee magazines and corporate Intranet sites. Diversity leadership teams in each major business or region drive change towards an environment in which every employee can contribute fully and feels valued and included. Employee networks, have been set up, for example Gay and Lesbian Empowered Employees (GLEE), Ethnically Diverse Employees (EDEN) and All Asian Americans at Air Products.

The increased awareness has transformed the organisation and created an environment encouraging a significant number of local initiatives, typically related to improving communication, inclusion, building trust, improving teamwork and cultural awareness. This has been achieved through the development of unique training methods tailored for each individual country and allowing for its social and cultural context. Over 5 300 employees have now been trained across Europe.

### Results

In France for instance, a newly formed logistics team used the concepts of team integration, acceptance and mutual learning to achieve a forecasted €600 000 productivity improvement (exceeding a €450 000 target). Also specific efforts to recruit and accommodate Muslim employees in the Maurepas Depot have improved the standing of the company in the local community. In Spain, employees created a successful diversity internet site and information posters, introduced a mentoring programme and training for managers, engaged in self assessment and in recruiting from the local community. The overall initiative has led to a positive impact on the working environment, shifts in management style and enhanced worker innovation Europe wide.

#### Specific Grounds:

Diversity training across all grounds

#### Country(ies) scope:

Europe

#### Launch date:

2001 ongoing

#### Highlights

- ➔ Over 5 300 staff trained in diversity across a large number of EU country operations
- ➔ Active employee-driven mentoring programme and networks

*So I will continue to foster tolerance, understanding, respect, integrity and an open working environment. These are essential components of a modern, high-performing corporation and fundamental to retaining and nurturing talented people.*

**Bernard Guerini, President, Air Products Europe**

# BERTELSMANN

media worldwide

Company Name	No. Employees:	Website
BERTELSMANN	76 260 (global), 27 500 (Germany)	www.bertelsmann.com
Country	Turnover: €17 billion (global)	Primary Business
Germany / Global		Media
Title of Initiative		
Making a Commitment to People with Disabilities – Dismantling Prejudice		

Spurred by the European Year of Disabled People in 2003, Bertelsmann has implemented a diversity initiative that is increasing internal and external awareness about disabilities in the workplace while at the same time providing support for its own disabled employees in Germany. Bertelsmann's premise was simple: When given appropriate tools and an inclusive working environment, disabled people are as capable as their non-disabled colleagues of enhancing the performance of the company, employee motivation and loyalty.

Communications to raise awareness were extensive but a crucial turning point was a panel discussion in 2003, broadcast live over the intranet to all Bertelsmann's German employees, giving them the chance to question the company's proposed disability initiative. The panel, all supporters of the project, included Bertelsmann's chief executive, its head of HR, the group representative for the disabled and workers' representatives.

Bertelsmann has since used its position as a creative media company to broaden awareness of the skills and capabilities of disabled people. For example, it has produced TV commercials aimed at breaking down misperceptions about people with disabilities broadcast by Bertelsmann companies across the EU, reaching an estimated 52 million viewers.

The company has also generated ideas for innovative aids to help disabled employees. They include a wheelchair that helps physically disabled people to stand and a car that gives wheelchair users mobility without having to leave their wheelchair. These products have increased the well-being and efficiency of disabled employees and their loyalty to the company.

In addition, Bertelsmann has a human resources policy that requires all vacancies within the German operations to be open to disabled people. It also has an apprenticeship programme for disabled people that is among the first in Germany to offer successful apprentices a job for life.

## Results

At present 4.3% of Bertelsmann's German workforce is disabled, nearly double the 2002 figure. This number is expected to rise as the company's reputation as an equal opportunities employer increases and as more disabled people are moved to apply for advertised vacancies. Non-disabled employees have also benefited from the disability initiative, being better informed about disability and more willing to cooperate inside and outside the company with disabled colleagues.

### Specific Grounds:

Disability

### Country(ies) scope:

Germany

### Launch date:

2002 ongoing

### Highlights

- 4.3% of employees are disabled, nearly double the 2002 figure
- Successful disabled apprentices offered job for life
- Advertising campaign about disabled people reaches 52 million EU TV viewers

*People with disabilities should not only have the same opportunities as their colleagues without disabilities – they should also receive the full support of their employers.*

**Gunter Thielen, Chairman of the Executive Board and Chief Executive Officer, Bertelsmann**



Company Name	No. Employees:	Website
BT / British Telecommunications plc	102 000 (UK)	www.bt.com
<b>Country</b>	Turnover: £18.6 billion	<b>Primary Business</b>
UK / Global		Communications/ICT solutions/Software
<b>Title of Initiative</b>		<b>Effortless Inclusion</b>

BT is a leader in the communications industry, confident of its ability to communicate to a diverse and multicultural Britain. Successful mainstream advertising has consistently featured a diverse range of people including those with disabilities and from a variety of ethnic backgrounds. One result suggests that £217m revenue was retained by BT as a result of an advertising campaign featuring an ethnic minority engineer that launched BT's drive to increase the use of broadband.

At the heart of BT today is a philosophy called Effortless Inclusion, which represents BT's thinking about equality and diversity developed in the last 20 years. During this time, BT has been convinced of the business benefits of a diverse workforce and diverse audiences, and has integrated an understanding of inclusion throughout the company, from employment policies to product development and customer service. Effortless Inclusion is research driven, influenced by future-gazing and underpinned by sophisticated demographic analysis, enabling BT to collect data about changes in its workforce composition and customer base. This information has helped to develop concepts such as spoken text messages for the visually impaired.

BT has also trained over 600 volunteer diversity coaches to deliver a variety of diversity packages to their peer groups. There are a number of successful employee networks representing, amongst others, disabled, ethnic minority, gay, lesbian, bisexual and transsexual employees and those who follow a range of beliefs and religious traditions. These networks provide feedback and information to designers and marketing during the product design phase, as well as supporting employee communities.

### Results

As a result of its diversity initiative, the percentage of people promoted in BT who are from ethnic minorities is higher than the representation of people from ethnic minorities in the associated talent pool. BT also has a high number of female and ethnic minority graduates.

In addition, BT's policies enable over 10 000 people to work flexibly from home. Employee attitude surveys show that these employees are more efficient and deliver more profit to the business. Results indicate 2% less absenteeism than the UK average and home workers are 7% happier than site-based colleagues. Flexible working also enables employees to take more responsibility in their local communities.

#### Specific Grounds:

Ethnicity, religion/belief, disability

#### Country(ies) scope:

UK, Europe

#### Launch date:

2000 ongoing

#### Highlights

- Percentage of ethnic minority workers promoted is higher than their representation in the associated talent pool
- £217m revenue retained as a result of a broadband ad campaign

*At BT we will only be able to deliver innovation, ensure excellent service and provide the range of products that will drive our business forward if we have a workforce that is every bit as diverse as the customers we serve.*

Ben Verwaayen, Chief Executive Officer, BT Group

# COCO-MAT

Company Name	No. Employees:	Website
COCO-MAT	200	www.coco-mat.com
Country	Turnover: €12.3 million	Primary Business
Greece		Manufacturing and retailing
Title of Initiative	Special Social Groups	

From its foundation in 1989, Coco-Mat's vision has been to build a company that is committed to equality of opportunity. At the beginning, the founders believed that recruiting, training and developing people without discrimination, was the best and right way to run a company. Today, after years of steady growth and high levels of both employee and customer satisfaction, Coco-Mat has shown that it is also a profitable way.

The company, which makes mattresses, bed linen and furniture in a factory at Xanthi, recruits from a wide base but focuses on 'special social groups'. These are people who have been subjected to racial, ethnic or religious discrimination, who are disabled or who have large families to support. At present, Coco-Mat's workforce comprises 13 nationalities and nine religions. About 70% of employees are refugees from the former Soviet Union and Turkey, and a further 12% are disabled.

The company is known locally and internationally, helping it to attract new recruits and accounting for the large number of unsolicited résumés it receives each year. When interviewing potential employees, Coco-Mat is as interested in their personality, commitment, behaviour and ecological awareness as it is in their qualifications and work experience.

New recruits are given language training (if needed) as well as skills training. Importantly, they are also encouraged to suggest ideas for improving the business. Coco-Mat believes that by involving people in the decision-making process about its future it is capitalising on the total knowledge and creativity of the company while at the same time fostering a cooperative working environment. This leads to innovation (about 30% of the company's new products are based on ideas from employees in special social groups) and to motivated and content employees.

## Results

The results of Coco-Mat's corporate philosophy, which combines equal opportunities with a democratic management style, are seen internally and externally. Staff turnover is low because people are proud of the company. Absenteeism is close to zero because people enjoy their work and are treated fairly.

Customer satisfaction with Coco-Mat's products and service is very high and in 2003, was recognised when it won the European Foundation for Quality Management's European Quality Award. In addition, the company continues to grow.

### Specific Grounds:

Ethnicity, religion/belief, disability

### Country(ies) scope:

Greece

### Launch date:

1989 ongoing

### Highlights

Coco-Mat employs:

- ➔ 13 nationalities
- ➔ 9 religions

It achieves:

- ➔ High customer satisfaction
- ➔ High employee satisfaction, low staff turnover
- ➔ Increased product development through its diverse workforce

*When I first joined Coco-Mat they helped me become what I am. Now I am happy and enjoy living in Coco-Mat's world.*

**Christos Kipriotis,**  
employee of 2005



Company Name	No. Employees:	Website
DANFOSS	Approx. 18 000 (global), 14 000 (Europe), 6 000 (Denmark)	www.danfoss.com
Country	Turnover: €2.2 billion	Primary Business
Denmark		Mechanical and electronic components and controls
Title of Initiative		Age Diversity

For about 25 years, Danfoss has considered age as an integral part of its human resources management policy, initially in support of its efforts to provide a non-discriminatory work environment in compliance with Danish, European and global laws and guidelines. However, the prospect of changing demographics and workforce ageing (the average age of Danfoss employees is about 40 years) led to a comprehensive revision of the company's age-related programmes under the slogan, Continuous Learning & Development Irrespective of Age.

Every employee over 55 years of age is eligible for participation in the programme which is voluntary. The programme is part of the annual employee development and performance appraisal consultations and is based on value creation and mutual flexibility. It includes a broad range of activities and tools, such as: an HR policy component; a guide to age diversity; management communication, guidelines and empowerment; employee development consultations; orientation meetings for employees and their spouses; and individual coaching and development.

In addition to the employee and his or her manager, the key actors are: corporate HR and business unit HR, psychological advisor, pension advisor, legal advisor, and training and development resources. Moreover, the age programme options include flexible schemes such as job sharing, flexible retirement and freelance consulting assignments.

### Results

Although the age initiative was initially received with some scepticism among older employees, Danfoss launched a company-wide campaign to promote it, emphasising its mutual benefits and reinforcing the value of older employees. As a result, it is avoiding unnecessary loss of vital corporate skills. A key factor to successful implementation of the initiative was (and still is) the genuine commitment of management. Several articles and success stories in the Danish press have featured senior Danfoss employees.

#### Specific Grounds:

Age

#### Country(ies) scope:

Denmark

#### Launch date:

Re-launched 2002, ongoing

#### Highlights

- Danfoss signs European Declaration of Businesses against Exclusion (1995)
- Awarded annual Age Diversity Award for its age diversity programme (2003)

*Danfoss strives to act in a socially responsible way. Thus we have signed the UN Global Compact and we are implementing the principles in all our internal policies and guidelines. Therefore any kind of discrimination due to race, gender, age and religion is forbidden.*

Ole M. Daugberg,  
Corporate Vice President  
Communications & Reputation  
Management, Danfoss A/S

Company Name	No. Employees:	Website
DEUTSCHE BANK	65 400 (global), 27 000 (Germany)	www.db.com
Country	Turnover: €21.9 billion (global)	Primary Business
Germany / Global		Financial services
Title of Initiative		
Global Diversity at Deutsche Bank – Target Group Marketing to Diverse Groups		

Deutsche Bank aims to foster an inclusive work environment in which all employees can contribute their full potential. To achieve this, it set up a global diversity team in 1999 to support various initiatives, such as talent and development initiatives, employee networks and diversity training. However, it initially received a reserved response among business managers. Only when the team started to connect diversity with the business did managers become more open to discussion.

Today at Deutsche Bank, senior managers of each business division act as diversity champions. Diversity management workshops are held for all managers who are also required to set personal diversity objectives. Members of the diversity team now work as business consultants to the business divisions, helping them to analyse data, develop projects and monitor their impact. One project that is being undertaken with Deutsche Bank's retail banking business in Germany is targeting potential gay and lesbian clients with the aim of gaining market share by positioning the bank as an open-minded and empathetic financial services provider.

The project started in Berlin in late 2003 when Deutsche Bank began placing advertisements in a gay and lesbian magazine. The advertisements gave the names of people to contact, providing the bank with an opportunity not only to sell its services but also to gauge individuals' responses to the campaign. Internally, Deutsche Bank has gay and lesbian employee networks in Germany, the UK and the US, and it is arguable that the gay and lesbian marketing activities would not have been considered without their influence.

Externally, Deutsche Bank supports gay and lesbian advocacy groups and the Christopher Street Day gay pride parades held annually in German cities. In 2002, its commitment to diversity was rewarded when it won the Völklinger Kreis (Federation of Gay Managers) Max-Spohr prize.

### Results

Deutsche Bank is succeeding in its target marketing activities in Berlin, attracting new clients and sales revenues. Encouraged by this response, the retail banking business decided to launch a similar gay and lesbian marketing campaign in Hamburg in 2004. Together the Berlin and Hamburg projects have generated a ten-fold return on the initial investment. More recently, projects have been started in Cologne and Munich.

#### Specific Grounds:

Sexual orientation

#### Country(ies) scope:

Germany, Italy, Spain, UK

#### Launch date:

1999

#### Highlights

- ➔ Employee networks raise diversity awareness
- ➔ Gay and lesbian marketing campaigns generate ten-fold return on investment
- ➔ Max-Spohr prize winner in 2002

*Diversity is key to our business growth. Our success is driven by our ability to leverage and manage our diversity in order to create outstanding solutions for our clients.*

**Dr. Joseph Ackermann,**  
Chairman of the Group Executive Committee,  
Deutsche Bank



Company Name	No. Employees:	Website
DEUTSCHE TELEKOM	243 000 (global), 162 000 (Germany)	www.telekom3.de
Country	Turnover:	Primary Business
Germany / Global	€57.9 billion (global)	Telecommunications
<b>Title of Initiative: Living Diversity</b>		

Over the past few years, Deutsche Telekom has undergone major change, expanding overseas while at the same time rationalising its domestic operations. What is emerging is a company that is more international (present in 65 countries and employing a third of its staff outside Germany) but with an ageing workforce, particularly in Germany, where continued efforts to cut personnel costs are slowing the recruitment of young people.

To address these developments, Deutsche Telekom launched a comprehensive diversity policy in November 2004 that builds on previous initiatives that were primarily aimed at gender equality issues. The policy is promoted from the top, approved and supported by trade unions and workers councils, and welcomed by employee networks.

One of the main aspects of the policy focuses on age diversity, particularly the rising average age of company employees (currently 42 years), mainly in Germany but also in Italy and Hungary. This challenge has led Deutsche Telekom to become a founder member of the New Quality of Work Initiative (INQA), a venture between the German Government, social partners and business to find solutions to the demands of tomorrow's world of work, one of which is ensuring people remain employable into and beyond their 50s.

Aligned with this initiative, Deutsche Telekom is sponsoring free courses about the internet across Germany for people over 50 years of age to help ensure they are aware of and able to use this important technology. At the same time, it is running a marketing campaign offering internet access products specifically designed for older people. The company has also recently appointed an age manager who is working closely with the group's diversity team to further develop its age diversity strategy.

### Results

Since 2004, Deutsche Telekom has provided free Internet courses to more than 42 500 over 50s, contributing to the recent high growth in home-based Internet access among the over 50s in Germany and to Deutsche Telekom's continuing strong sales in Internet service provision.

The company's employees are supportive of the age initiative and have responded well to a new mentoring programme, enabling Deutsche Telekom to match every trainee with a mentor who is over 40 years of age and to preserve valuable knowledge and experiences. Staff members are also taking advantage of voluntary health awareness programmes.

#### Specific Grounds:

Age

#### Country(ies) scope:

Germany initially, globally later

#### Launch date:

1995 (equal opportunities)  
2004 (group diversity policy)

#### Highlights

- Age manager appointed
- Marketing activities target over 50s

*We are a company that respects diversity and workplace equality. A commitment to equal opportunities and diversity is an integral part of our corporate culture and the group's human resources strategy.*

**Dr. Heinz Klinkhammer,**  
Member of the Board  
responsible for Human  
Resources, Deutsche Telekom



<b>Company Name</b>	<b>No. Employees:</b>	<b>Website</b>
DUBLIN BUS	3 432	www.dublinbus.ie
<b>Country</b>	Turnover: €177.5 million	<b>Primary Business</b>
Ireland		Public transport
<b>Title of Initiative</b>		
Equality & Diversity Programme		

Dublin Bus employs staff from over 50 different countries and has a high public profile as a state-funded company that is proactively promoting diversity and equality and an intercultural workplace. Its commitment to diversity and inclusion started in 2001 when the company conducted an Equality Review to understand and analyse its position. This prompted strategic action with the launch of an Equality and Diversity Action Plan in 2003.

The plan's priorities, objectives and actions are set in relation to dignity and respect at work, recruitment and positive action, ethnic diversity, disability, training and participation, work life balance as well as marketing and advertising. In particular, the plan has led to the introduction of specific internal policies (e.g. Equality & Diversity policy, Dignity & Respect, Intercultural Workplace Policy).

Working groups involving management, staff and trade unions are active on many diversity issues. One such group is the Intercultural Working Group that involves staff and bus drivers from different origins and ethnic backgrounds. It has initiated various projects to raise awareness and promote an intercultural workplace both internally (e.g. policy on intercultural workplace, training for trainers for selected staff to deliver intercultural training in induction courses) and externally (e.g. an annual all nations gaelic football match).

An Equality and Diversity panel of 40 trained employees from various grades and locations has also been set up to act as a resource to the working groups and as diversity champions in the workplace, communicating diversity objectives to other staff and bus drivers at different work locations.

### Results

The diversity initiative has significantly enhanced the external corporate reputation of Dublin Bus, as well as its internal people management skills and good practice in human resource processes. Since 2001, the success of its Equality & Diversity Programme has been highlighted in the Irish media. The Equality Authority in Ireland has also listed Dublin Bus as a Company of Best Practice in relation to its intercultural workplace. Dublin Bus has a high level of worker satisfaction, and employees report the company as an employer of choice which has led to increasing numbers of job applications from ethnic minorities, older people and people with disabilities.

#### Specific Grounds:

Ethnicity

#### Country(ies) scope:

Ireland

#### Launch date:

2001 ongoing

#### Highlights

- ➔ High level of worker satisfaction
- ➔ Success of the diversity programme highlighted in media
- ➔ Listed as a Company of Best Practice by the Equality Authority
- ➔ Increase in number of candidates from ethnic minorities, older people and people with disabilities

*We believe that the principles of equality and inclusion enhance the efficiency and fulfilment of our employees, empower us to meet the changing needs of our customers and connect us to the entire community that we serve.*

**Joe Meagher, Managing Director, Dublin Bus**



Company Name	No. Employees:	Website
FORD (incorporating GB, Europe and Jaguar LandRover)	14 000 (UK)	www.ford.com
Country	Turnover: \$26.5 billion (Ford of Europe)	Primary Business
UK / Europe		Car Manufacturing
Title of Initiative		
Dignity at Work		

In 2000, Ford set up a diversity team to drive diversity into the business. The team adapted the Commission for Racial Equality's racial equality standard to create a Diversity Equality Assessment Review (DEAR), a systematic procedure to ensure a complete internal audit and setting of achievable goals. Each of Ford's ten factories in the UK underwent a diversity review and, as a result, four specific areas for action were identified. They were: the development of a Dignity at Work (DaW) programme to help ensure everyone feels included and respected; a new diversity training programme; review of recruitment and selection processes; and a corporate citizenship and communications strategy.

In 2002, Jaguar also set up a diversity team, conducted its own diversity audit and developed a strategy similar to that at Ford that included a DaW programme.

Ford's diversity training programmes were developed with a range of partners to target individual learning styles, and include modules for shadowing, mentoring and e-learning. They are supported by trade unions. A top-down, bottom-up approach is used that is holistic and inclusive. All managers are required to set personal diversity objectives, which are linked to their performance appraisal.

Ford has set up robust structures to monitor workforce data and develop individual staff. It also sponsors employee networks that act as information points and lobbying groups for members, as well as providing market development panels and focus groups for Ford. Ford's Gay, Lesbian or Bisexual Employees (GLOBE) group is an example of a network that has brought new business to the company and helped Ford to diversify its customer base. GLOBE in the UK has hosted the Gay Pride Festival for the last three years which has resulted in a 24% increase in Ford product purchase consideration by attendees.

### Results

Since 2000, Ford has made progress on 97% of diversity-related objectives and initiatives. In Jaguar Land Rover, all managers and 8 000 staff have been trained in DaW, with the remaining staff due to be trained by 2006. In Ford, employee attitude surveys show a 10% increase in awareness among those participating in DaW training. The diversity initiatives have impacted positively on workers' perceptions of the company with 82% of staff supporting diversity efforts and 62% being honoured to work for Ford.

#### Specific Grounds:

Sexual orientation, ethnicity, religion/belief

#### Country(ies) scope:

UK and 21 other European countries

#### Launch date:

2000 ongoing

#### Highlights

- ➔ Systematic Diversity Equality Assessment Review ensuring ongoing audits and setting of achievable goals
- ➔ Diversity training programme for managers and staff
- ➔ Increased awareness and commitment of staff to corporate diversity goals

*We want to be the Brand of Choice. This means we must understand the needs of all communities in which we operate. We are strongly committed to a diverse workforce that reflects these communities and strengthens our business.*

Lewis Booth, Chairman and CEO, Ford of Europe



Company Name	No. Employees:	Website
GOLDMAN SACHS	Approx. 20 000 (global)	www.gs.com
Country	Turnover: \$4.55 billion (2004 net earnings)	Primary Business
UK / Global		Investment banking, securities and investment management
Title of Initiative		
Disability in Action Taskforce		

Goldman Sachs provides a range of services to a global diverse client base that includes corporations, institutional investors, governments and individuals. Its human face is less well known. Goldman Sachs has profited from the contributions of its diverse workforce and from four employee networks. The work undertaken by the Gay and Lesbian network has ranked the company seventh in the 2005 UK top 100 employers by Stonewall. The Asian Professional Network and the firm-wide Black Network have hosted many events including successful symposia for potential ethnic minority recruits. Complementary to the work of these networks is a Disability in Action Taskforce.

The Disability in Action Taskforce at Goldman Sachs works across three areas: accessibility, communication and awareness, and recruitment and retention. Its work is supported by a CEO-appointed Disability Champion and some fifty committed staff volunteers who help implement business plans for set projects. As a result, the profile and awareness of disability in the workplace has been raised exponentially through a series of speaker events, CEO communications, publications and partnership with external organisations (such as the Employers Forum on Disability, Scope, Prospects, Blind in Business and AbilityNet).

Under the banner Disability in Action, high profile events were held including a presentation given to the company in December 2004 on Aspergers Syndrome by the President of the National Autistic Society. Other internal projects have included a workshop on disability for recruiters and the showcasing of the latest e-accessibility software for the workplace.

### Results

One of the most successful projects around disability has been Goldman Sachs' partnership with Prospects, the employment agency of the National Autistic Society, which resulted in paid internships for individuals with Aspergers Syndrome. Since 2003, there have been 12 placements and one of the interns developed an invaluable technology programme that is still in use. Goldman Sachs is now moving forward with a new initiative for visually impaired people working with Action for Blind People.

There have been many benefits to the organisation, and those who have been involved in the Disability Action Taskforce and worked in teams with the interns have reported enormous satisfaction and productivity from creating a more inclusive environment.

#### Specific Grounds:

Disability

#### Country(ies) scope:

Europe

#### Launch date:

2004 ongoing

#### Highlights

- ➔ Initiative championed by senior leaders and staff volunteers
- ➔ Partnerships with several disability organisations
- ➔ Enhanced awareness and commitment of staff to disability

*Raising awareness and understanding of the needs, priorities and potential of people with disabilities is a key element of our diversity strategy.*

**Trevor Smith, Managing Director and Disability Champion, Goldman Sachs**



Company Name	No. Employees:	Website
GRUPO VIPS	7 300	www.grupovips.com
Country	Turnover: €305 million	Primary Business
Spain		Restaurants and retailing
Title of Initiative		
Diversity as an Opportunity		

Grupo VIPS is a fast growing restaurant and retail company that has introduced a diversity initiative to meet one of its most important strategic objectives which is to expand to 450 establishments in 2007. This is more than double the number of outlets the company had in Spain at the end of 2004 and will require a staff increase of a few thousand people.

Recruiting these numbers in Spain is difficult because fewer young people are interested in starting careers in the restaurant and retail business, often preferring further education and the prospect of more qualified positions. Grupo VIPS solution, developed in 2001, is a diversity initiative that centres on hiring from a much broader talent pool. The company has signed agreements with the labour departments of Bulgaria, Poland, Romania, Morocco, Colombia, Ecuador and the Dominican Republic, not only to hire people from these countries but also to train and develop them. It is one of the first companies in Spain to adopt this approach.

Foreign recruits are offered the same job opportunities, the same salary and the same training as their Spanish counterparts. Crucially, they are also guaranteed a full-time contract of employment while still in their home country. To make the transition to Spain easier, Grupo VIPS finances Spanish language training in the recruits' country of origin and, in some countries, basic job training. Once in Spain, recruits are given further training and an introduction to life in the country to help their social integration. In addition, Grupo VIPS is introducing programmes to increase understanding between different ethnic backgrounds, religious traditions and nationalities.

### Results

Since the beginning of 2001, Grupo VIPS has hired 2500 people from the seven countries in its diversity initiative. In 2005, it will recruit 650 more. These members of staff are proving to be more loyal, more conscientious and more sales oriented than group employees considered as a whole. Staff turnover, for example, is about 1.4% a month among foreign recruits compared with 3.3% for the company as a whole (the restaurant industry average is about 12%). Foreign recruits are also interested in a career in the restaurant business, pursuing more education and training in order to progress. At present, a third of restaurant managers are foreign compared with 23% in 2003.

#### Specific Grounds:

Ethnicity

#### Country(ies) scope:

Spain

#### Launch date:

2001 ongoing

#### Highlights

- Grupo VIPS is meeting ambitious growth plans by expanding its recruitment horizons
- The result is a multicultural company where staff loyalty and motivation are increasing

*Diversity, as well as being one of our five corporate principles has also become part of our business strategy and it is our contribution to achieve a globalised society based on equality of opportunity.*

Miguel Angel Garcia Andrés,  
Manager Human Resources,  
General Manager, Grupo VIPS



Company Name	No. Employees:	Website
IBM	94 000 (EMEA), 330 000 (global)	www.ibm.com
Country	Turnover: €96 billion (global)	Primary Business
Europe Middle East and Africa (EMEA)		Computer and technology, business and professional services
Title of Initiative		
EMEA Diversity & Inclusion		

IBM's Diversity & Inclusion policy aims to create an inclusive workplace for people of any race, age, gender, culture, nationality, religion, physical ability and sexual orientation. In Europe, Middle East and Africa, a specific diversity and inclusion strategy was launched in 2003 that included diversity goals in the areas of: disability; gay lesbian, bisexual and transgender (GLBT); and cultural diversity. Six full-time staff are responsible for implementing the strategy, supported by a diversity council, comprising five taskforces, which outline yearly objectives and chart progress. Separate country councils help to ensure the diversity objectives and policies are implemented across IBM's local operations.

IBM employee initiatives include GLBT network groups in Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Spain, UK and Slovakia. In 2004, IBM launched its first EMEA GLBT Empowerment Conference in the UK with around 200 employees from 15 countries. This initiative is ongoing. Externally, IBM also promotes GLBT equality and collaborates with various GLBT organisations.

IBM's diversity policy is also strongly focused on implementing equal opportunities for people with disabilities. An 'academic partnership' initiative involving the academic world and disabled students in Europe was launched in 2003 aimed at removing the barriers for people with disabilities to equal access to higher education. The ultimate aim is to integrate people with disabilities not only in the company but also in business and society in general.

### Results

The awareness and commitment of IBM managers and employees to diversity issues has been enhanced significantly. Employee network groups and diversity training have resulted in a change of mindset, especially with regards to sexual orientation issues. Similarly, mentorship and internship for disabled students have helped reduce misconceptions about the performance of people with disabilities and create a better understanding of the barriers they face. In 2004 IBM hired 152% more people with disabilities than in 2003.

IBM's diversity strategy has also resulted in the development of innovative products and services for people with disabilities by IBM Accessibility Center and teams led by disabled employees (e.g. IBM's talking web browser for individuals with visual impairment).

### Specific Grounds:

Sexual orientation, disability

### Country(ies) scope:

Europe, Middle East and Africa (EMEA)

### Launch date:

2003

### Highlights

- ➔ GLBT employee network groups in 12 EU countries
- ➔ Increase in the hiring of people with disabilities by 152% in 2004
- ➔ Innovative products for people with disabilities developed by IBM Accessibility Center and disabled employees

*D&I are about attracting people from a wide range of backgrounds and perspectives – and making IBM a place where everyone feels confident and able to contribute to their full potential. And that has direct impact on our ability to serve client needs and deliver results.*

David Cornick, Vice President, IBM



Company Name	No. Employees:	Website
MANCHALAN	204	-
Country	Turnover: €2.7 million	Primary Business
Spain		Manufacturing
Title of Initiative		
Manchalan – Integration of people with disabilities		

Manchalan, a small manufacturing company based in Guadalajara, was set up in 1999 by a Spanish cooperative and non-profit foundations to meet two significant challenges. One was to supply the world's leading domestic appliance company with top quality components and the other was to provide safe and stable employment for as many disabled people as possible.

From the start, the venture had a sound business base. Mondragón Corporación Cooperativa, Spain's seventh largest industrial group, was considering how to give a better service to one of its customers (Electrolux) by moving component production closer to it. It was also interested in the social implications of the project. After meetings with Fundosa Grupo, which helps create employment for the disabled, and Grupo Gureak, which is experienced in setting up workshops for people with disabilities, the partners agreed to a joint venture to provide employment and social integration for people with disabilities.

More than €7 million was invested in Manchalan's plant which makes plastic components, cabling and industrial assemblies. Each of the production areas is designed, using Grupo Gureak and Fundosa's expertise, to accommodate people with disabilities. This is achieved by breaking down the production process into simple steps and ensuring that work is not passed to employees too quickly or in too large quantities (because most workers have mental disabilities).

Disabled people, most of whom are unemployed or in care of occupational centres, are recruited from the region with the help of local social services groups. Employees receive extensive advice and training not only about their specific jobs and responsibilities but also about the workplace. The training is ongoing.

### Results

Manchalan has exceeded its founders' expectations, showing that commercial and social objectives can be combined while making a profit. Since 1999, the company has increased its revenues from €332 000 to €2.7 million in 2004 and the number of staff from 59 to 204 at present. The number of workers with disabilities has grown from 56 to 186 in 2005, with 140 now having permanent contracts with the company. Of the 186 disabled employees, 112 have mental disabilities, 51 have physical disabilities and 23 have sensory disabilities. They represent 16% of all workers with disabilities in the Castilla-La Mancha region.

#### Specific Grounds:

Disability

#### Country(ies) scope:

Spain

#### Launch date:

1999 ongoing

#### Highlights

- Revenue has increased from €332 000 in 1999 to €2.7 million in 2004, exceeding expectations
- Staff has increased from 56 in 1999 to 204 employees in May 2005, 186 of whom are disabled

*Before being employed at Manchalan, I was a totally dependent person and was spending some hours a day in an Occupational Center. I did not have any autonomy and had never worked before. Since I joined Manchalan, I live independently in a flat shared with friends and take my own decisions, as anybody else.*

Employee of Manchalan



Company Name	No. Employees:	Website
RANDSTAD BELGIUM	1 200 permanent staff, 22 500 temporary staff on a daily basis	www.randstad.be
Country	Turnover: €675.8 million (BeLux)	Primary Business
Belgium / Worldwide		Staffing agency
Title of Initiative		
Randstad Diversity		

A leader in providing placement services and one of Belgium's biggest employers, Randstad works with a large variety of client companies and candidates of different needs and characteristics. In order to promote the employment of all its candidates and remedy any inequalities in their chances to find a job, Randstad has set up a special division to develop specific projects on diversity.

The diversity division encourages employers to apply the principle of equality in their recruitment procedures and helps them to become aware of, and to realise, the benefits of diversity. Building on an analysis of the needs of both candidates and clients, Randstad develops tailored solutions in the form of small locally-based projects. The projects typically involve training and coaching for candidates, and support for the client in the form of awareness-raising and practical tools for equality. Due to its success, Randstad's diversity programme has grown significantly and in 2004 almost 1 000 candidates from target groups found employment through the different diversity projects.

Randstad works closely with both the client companies and other local actors in developing and implementing projects. For example, it has been a driving force in the EQUAL project Paradox, which is aimed at increasing employment of persons over 45 and of ethnic minorities in the Antwerp region. The objective was to find placements for disadvantaged candidates in local SMEs and the main output was the development of tools for awareness-raising and guidance on diversity for both employers and recruiters. A follow-up project is envisaged.

## Results

Randstad sees the business case for diversity as multi-dimensional, encompassing benefits not only for the company but also for its major stakeholders. The projects developed under the framework of Randstad Diversity reflect this vision and holistic approach. The projects are designed to produce a win-win situation for all partners, with clear benefits for clients, candidates, the company, society and the community.

Randstad's diversity philosophy and projects have contributed to high percentages of employee satisfaction (98%), and to high numbers of temporary workers who would recommend Randstad (97%). The competitive advantage of this level of satisfaction is clearly visible in the company's continuous growth in market share in the past few years.

### Specific Grounds:

Ethnicity, age

### Country(ies) scope:

Belgium

### Launch date:

2002

### Highlights

- Tailored projects for disadvantaged groups
- The diversity philosophy is put into practice both internally and externally
- Multi-dimensional business case: a win-win situation for all stakeholders involved in the projects

*Randstad strives for optimal profit, not for maximal profit.*

Stef Witteveen, CEO,  
Randstad Belgium 1999-2005





Company Name	No. Employees:	Website
ROYAL DUTCH SHELL	112 000 (global)	www.shell.com
<b>Country</b>	Turnover: \$337.5 billion (global)	<b>Primary Business</b>
Netherlands / UK / Global		Energy and petrochemicals
<b>Title of Initiative</b>		
Shell Group Diversity and Inclusiveness Process		

Shell has been committed to diversity and inclusiveness since 1997 but over the past three years it has developed a management framework that is helping business and country leaders to more easily develop diversity plans and deliver tangible results. The framework includes: a vision; a standard that defines diversity expectations; three targets measuring the number of women in the group, the nationality of local leaders and workplace climate; a planning template; and two annual processes to monitor progress. As a result of the framework, in 2004, 90% of country chairs worldwide (and 97% of EU chairs) said diversity plans were in place, as well as processes to chart their progress, compared with only 65% in 2002.

At the workplace level, change is also evident with 72% of employees saying in Shell's 2004 employee survey that differences in cultural backgrounds and lifestyles are respected in the company. This is reflected in the increasing number of employee networks that are being formed and receiving support from Shell. In the Netherlands and the UK, for example, gay, lesbian, bisexual and transgender (GLBT) networks have been operating for more than four years and another may be launched in Germany.

Employee networks, once they are formally established, receive financial support and are championed by Shell senior executives who support, guide, counsel and advocate the network. The executives also act as a link to other senior leaders and advise network leaders how to achieve the network's mission and add value to the business.

### Results

Shell recognises that employee networks are vital to the bottom-up part of its approach to improving diversity and inclusiveness. The Dutch and UK GLBT networks are effectively raising awareness of inequities and micro-inequities by taking part in events such as the 2004 European diversity and inclusiveness conference attended by Shell's top 70 European executives. They are also helping to create a fairer human resources system that ensures same-sex partner benefits and accepts that alternatives may have to be found when posting GLBT employees to countries that are GLBT hostile.

In addition, the GLBT networks are having an impact on the company as an employer, helping it to recruit and retain people, and as a brand, helping it to improve its image.

#### Specific Grounds:

Sexual orientation

#### Country(ies) scope:

Netherlands, UK

#### Launch date:

1997 ongoing

#### Highlights

- 72% of employees say differences in cultural backgrounds and lifestyles are respected
- Employee networks recognised as key to bottom-up approach to diversity

*Diversity and inclusiveness are vital for winning in today's business environment. They create a competitive edge by helping us to attract and retain the best people, increase creativity and improve decision-making. Most importantly, diversity and inclusiveness build trust and strengthen relationships with all our stakeholders.*

Jeroen van der Veer, CEO,  
Royal Dutch Shell plc



Company Name	No. Employees:	Website
TESCO	292 000	www.tesco.com
Country	Turnover: £37 billion (global)	Primary Business
UK / Global		Retail
Title of Initiative		
Everyone is Welcome at Tesco		

Tesco is a leading international retailer, with over 2 300 stores world-wide, 1 780 of which are located in the UK with the remainder spread across the rest of Europe and Asia. Tesco is the UK's largest private employer with 237 000 staff. It also employs 55 000 in Central Europe and has created 7 000 news jobs in the region over the last year. All Tesco businesses reflect the diverse communities in which they operate. Over 95% of management positions are filled by local staff and all Boards have a strong local element.

Tesco carries out a number of diversity projects throughout its business. Recently it launched a new programme to further understand and promote diversity among its staff and customers. The Everyone is Welcome at Tesco programme was launched in 2004, when the Board asked the Tesco Diversity Advisory Group to analyse the diversity of Tesco's UK workforce compared with the UK population. The main aim was to mirror the composition of the population in Tesco staff and customers. Since then, Tesco has provided stores with a demographic profile of their local community, to identify groups they need to attract to shop and work at Tesco. It has also provided stores with a selection toolkit that provides information about diverse recruitment.

The Everyone is Welcome at Tesco initiative includes inclusiveness workshops to inform and facilitate discussions with staff and managers on behaviours that promote diversity, and help them build diversity action plans for their own stores. A Cultural and Religious Factbook helps staff and managers to understand various cultural and religious practices. Tesco has also introduced flexible working to support staff during the observance of non-Christian festivals. The initiative also focuses on increasing Tesco's appeal to a diverse range of customers by, for example, introducing product ranges tailored for Asian, Afro-Caribbean, Greek and Kosher customers.

### Results

As a result of the programme, significantly more people from an ethnic minority background are joining Tesco. Last year, 57.8% of new staff came from an ethnic minority, a rate of growth considerably faster than the 10.7% growth in the UK labour market. Tesco has also seen a clear customer demand for its ethnic product ranges, with sales growth of 250% over the last two years. The programme also addresses age and disability.

#### Specific Grounds:

Ethnicity, religion/belief, age, disability

#### Country(ies) scope:

UK and rest of Europe

#### Launch date:

2004

#### Highlights

- 58% of all new staff come from ethnic minority backgrounds
- 250% increase in sales of products tailored to the needs of different ethnic, religious and cultural groups

*Understanding diversity is about treating people with respect. Get it right, and you are rewarded with increased loyalty and satisfaction from staff and customers.*

Leonie Morris, Diversity Manager, Tesco plc



Company Name	No. Employees:	Website
TNT N.V.	161 000 (in 63 countries), network covers 200 countries	www.tnt.com
Country	Turnover: €12.6 billion	Primary Business
Netherlands / Worldwide		Mail, express and logistics services
Title of Initiative		
Diversity and Inclusion		

Because TNT operates around the globe, both its customers and its people represent the diversity of the world population. TNT recognises, however, that the benefits of a diverse workforce can be translated into bottom-line results only if diversity is effectively managed. In 2004, CEO Peter Bakker chaired the Ambassador's Network, a Dutch government programme to promote advancement of women into higher management. Inspired by the success of the programme, TNT set up its own global Diversity & Inclusion initiative that builds on existing activities and experience within TNT's national businesses.

TNT's Diversity & Inclusion initiative aims to secure full senior management support, integrate diversity management into TNT's day-to-day business and ensure that managers and staff own diversity activities. A network of more than 40 diversity champions was created to drive the initiative in national businesses by exchanging ideas and sharing best practices. The TNT Board of Management backs the network, and senior human resources managers provide support.

The global Diversity & Inclusion initiative is tailored for local priorities. TNT's Mail division in the Netherlands, for example, is committed to reflecting the diversity of its customer base and Dutch society. The division successfully increased ethnic diversity among its workforce through a programme to recruit and train newly arrived immigrants. The programme offers participants language courses and on-the-job training, and each recruit receives guidance from mentors. To date, 200 immigrants in 15 cities have joined the company through the programme. Recruits demonstrate excellent motivation and high levels of satisfaction, and retention rates are high.

### Results

TNT's business case for its Diversity & Inclusion initiative includes its ability to enhance employee satisfaction, as well as its benefits for TNT's brand reputation. TNT's business in Austria is a good example. It adopted an integrated quality approach that includes effective diversity management. The approach reduced employee turnover from 25% in 2000 to less than 7.5% in 2004. Absenteeism went from eight days per employee in 2000 to five days in 2004. These results represent significant savings in employment and training costs. TNT Austria was awarded the national HuMan award in 2003 and 2005, and the HEWITT Best Employer award in 2004 and 2005.

#### Specific Grounds:

Ethnicity

#### Country(ies) scope:

Europe

#### Launch date:

2004 ongoing

#### Highlights

- Combined top-down and bottom-up strategy
- Focus on local initiatives and best practice exchange
- Link to business strategy is key

*Attracting, developing and retaining a diverse talent base makes TNT an organisation where everyone can make their unique contribution to the best of their abilities. And that makes us a better company.*

Peter Bakker, Chief Executive Officer, TNT

# VOLVO

Company Name	No. Employees:	Website
VOLVO GROUP	81 000 (global)	www.volvo.com
Country	Turnover: €22 billion (global)	Primary Business
Sweden / Global		Manufacturing
Title of Initiative		
Volvo Group Diversity Initiative		

Whilst Volvo Group has acknowledged for some time the importance of diversity in a global business, in 2004 senior management elevated it to become one of the group's top seven strategic issues and signalled clearly that diversity – in all its forms – adds business value. Group management believes that successfully leveraging diversity will have a positive impact on Volvo Group's public image (which influences shareholder opinion), on employee satisfaction and ultimately on global competitiveness.

A Diversity Steering Committee was created, chaired by Volvo Group CEO and with business area CEOs as members, to increase management ownership and involvement. To add a necessary local element, country networks have also been created. Country networks, involving HR staff and line management, are operating in Sweden, Belgium and the US, and diversity contacts have been established in France and the UK. Their goals include ensuring that global diversity initiatives are successfully implemented at a local level, sharing information and best practices, and collaborating on common initiatives.

Employee networks, focusing on specific areas of diversity, are another part of the diversity initiative. Although most European networks currently revolve around women's issues, others are being encouraged. An Employee Association for Gays and Lesbians was launched in mid 2005 and has co-chairs in Sweden and France. A feature article about this network appeared in Volvo's global magazine to inform a much wider audience about this strand of diversity and indicate the group's support of this segment of its employee population.

## Results

Volvo Group firmly believes that its diversity objectives and activities demonstrate its commitment to the values described in The Volvo Way, as well as the behavioural standards in the Volvo Group Code of Conduct. Maintaining high integrity and a reputation for social responsibility will have a favourable impact on the way potential employees and customers, as well as shareholders, view the group. This in turn is expected to have a positive impact on business success.

The group's 2004 Employee Attitude Survey showed that a majority in every business operation considered the group's commitment to diversity as either stable or improved, and awareness of the diversity initiative increased across all business areas.

### Specific Grounds:

Sexual orientation

### Country(ies) scope:

Sweden / Europe

### Launch date:

2003 ongoing

### Highlights

- ➔ Diversity is one of top seven strategic issues
- ➔ Diversity Steering Committee chaired by CEO
- ➔ Country and employee networks key to awareness-building and adding local touch to initiatives
- ➔ Gay and lesbian network established by employees in 2005

*Diversity is important from a business perspective. Volvo operates globally and the ability to attract a diverse group of employees is critical to our competitiveness in all countries and towards all customers. Besides, diversity creates a more interesting and attractive workplace. It is the Volvo Way.*

**Leif Johansson, President and CEO Volvo Group**

## EUROPEAN BUSINESS TEST PANEL (EBTP) RESULTS OF THE CONSULTATION ON WORKPLACE DIVERSITY AND ANTI-DISCRIMINATION

Date open: 14/06/2005  
End date: 15/07/2005  
Total: 798 responses

### Identification of case for EBTP

#### Indicate your main sector of activity (compulsory)

	<b>% of total</b>	
D - Manufacturing	223	(27.8%)
K - Real estate, renting and business activities	103	(12.8%)
G - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	100	(12.5%)
F - Construction	84	(10.5%)
I - Transport, storage and communication	76	(9.5%)
J - Financial intermediation	65	(8.1%)
O - Other community, social and personal service activities	49	(6.1%)
E - Electricity, gas and water supply	33	(4.1%)
H - Hotels, restaurants and bars	27	(3.4%)
N - Health and social work	26	(3.2%)
C - Mining/Quarrying	12	(1.5%)

#### Indicate in which EU/EEA countries your company is based? (compulsory)

	<b>% of total</b>	
DE - Germany	125	(15.6%)
NL - The Netherlands	97	(12.1%)
DA - Denmark	92	(11.5%)
PL - Poland	75	(9.3%)
HU - Hungary	49	(6.1%)
IE - Ireland	45	(5.6%)
UK - United Kingdom	45	(5.6%)
BE - Belgium	44	(5.5%)
CZ - Czech Republic	33	(4.1%)
NO - Norway	31	(3.9%)
PT - Portugal	24	(3.0%)
FI - Finland	23	(2.9%)
SV - Sweden	23	(2.9%)
AT - Austria	17	(2.1%)
ES - Spain	17	(2.1%)

FR - France	15	(1.9%)
EL - Greece	14	(1.7%)
LT - Lithuania	12	(1.5%)
SI - Slovenia	7	(0.9%)
EE - Estonia	4	(0.5%)
IT - Italy	3	(0.4%)
LV - Latvia	3	(0.4%)
SK - Slovak Republic	0	0
IS - Island	0	0
MT - Malta	0	0
LU - Luxembourg	0	0
CY - Cyprus	0	0

#### Number of employees in your company (compulsory)

		<b>% of total</b>
50-249	196	(24.4%)
500 +	187	(23.3%)
10-49	157	(19.6%)
1-9	134	(16.7%)
250-499	93	(11.6%)
0	31	(3.9%)

#### Apart from your country, in how many countries of the European Union do you regularly sell products and services? (compulsory)

		<b>% of total</b>
None	299	(37.2%)
More than 5	177	(22,2%)
2-3	110	(13.7%)
1	84	(10.5%)
4-5	56	(7.0%)

## Questions

### 1. How would you describe the situation in your company relating to diversity policies and practices? (Select one)

		<b>% of total</b>
We have no such policies or practices in place	403	(50.2%)
Policies and practices have been well embedded for some time (more than five years) and are constantly updated/improved	163	(20.3%)
Policies and practices have recently been implemented (within the last five years)	106	(13.2%)
We are implementing policies but more needs to be done	67	(8.3%)
We are in the process of developing an equality and diversity approach	54	(6.7%)

1a. Could you tell us why no diversity policies and practices are in place? (Select all that apply) (Please go to questions 9.-13.)

	<b>% of total</b>	
We only look at qualifications when we hire and promote	283	(35.2%)
We have not given particular thought to diversity	114	(14.2%)
We are concerned, but do not see particular competitive advantages	60	(7.5%)
We have no expertise in this field	41	(5.1%)
We would need more information about it	38	(4.7%)
We are not sure what diversity really means	38	(4.7%)
Other - please specify:	28	(3.5%)
We have no budget available	21	(2.6%)

2. Which of the following diversity areas / grounds of discrimination do these initiatives address? (Select all that apply)

	<b>% of total</b>	
Gender	340	(42.3%)
Age	314	(39.1%)
Nationality	262	(32.6%)
Disability	250	(31.1%)
Racial or ethnic origin	244	(30.4%)
Religion or belief	203	(25.3%)
Language	154	(19.2%)
Sexual orientation	150	(18.7%)
Other – please specify:	40	(5.0%)

3. Do these diversity initiatives have a positive impact on your business?

	<b>% of total</b>	
Yes	418	(52.1%)
No	87	(10.8%)

4. Based on your experiences and/or expectations, which of these benefits can a diverse workforce bring to business? (Select all that apply)

	<b>% of total</b>	
Access to new labour pool and/or attraction of high quality employees	342	(42.6%)
Benefits related to company's reputation, corporate image or good community relations	307	(38.2%)
Commitment to equality and diversity as company values	284	(35.4%)
Innovation & creativity	211	(26.3%)
Improved motivation & efficiency	196	(24.4%)
Legal compliance / avoidance of fines or sanctions	189	(23.5%)
Competitive advantage compared to other firms	137	(17.1%)
Economic effectiveness and profitability	134	(16.7%)
Marketing opportunities to a wider customer base	127	(15.8%)
Enhanced customer satisfaction & service level	124	(15.4%)
Other – please specify:	22	(2.7%)

5. In broad terms, which of the following areas do your diversity initiatives cover in practice? (Select all that apply)

	<b>% of total</b>	
Human Resources (e.g. recruitment, selection, retention, progression, training, networks, work-life balance)	436	(54.3%)
Organisational culture	262	(32.6%)
Community engagement and outreach	157	(19.6%)
Sales and customer services	102	(12.7%)
Marketing and communications	91	(11.3%)
Other - please specify:	17	(2.1%)

6. Is there a regular monitoring and evaluation of the initiatives to measure their results and impact?

	<b>% of total</b>	
No	368	(45.8%)
Yes	166	(20.7%)

6a. Do you use data on workforce composition for monitoring and evaluation of the initiatives?

	<b>% of total</b>	
Yes	129	(16.1%)
No	35	(4.4%)

7. Does the company set any specific diversity targets for the recruitment and promotion of staff from given under-represented groups?

	<b>% of total</b>	
No	454	(56.5%)
Yes	91	(11.3%)

7a. Please specify these target groups:

	<b>% of total</b>	
Gender	50	(6.2%)
Age	38	(4.7%)
Disability	28	(3.5%)
Racial or ethnic origin	24	(3.0%)
Nationality	22	(2.7%)
Language	15	(1.9%)
Religion or belief	12	(1.5%)
Sexual orientation	5	(0.6%)
Other – please specify:	2	(0.2%)



8. Are financial resources/a specific budget allocated to workplace diversity and anti-discrimination?

	<b>% of total</b>	
No	494	(61.5%)
Yes	49	(6.1%)

9. What in your view is the **most important** challenge to addressing workplace diversity and anti-discrimination in practice in the workplace? (Select one)

	<b>% of total</b>	
Lack of information and awareness	162	(20.2%)
Difficulty of measuring results of diversity policies	161	(20.0%)
Discriminatory attitudes and behaviours	132	(16.4%)
Specific skills/expertise required	88	(11.0%)
Commitment of leadership	79	(9.8%)
Other – please specify:	70	(8.7%)
Time	41	(5.1%)
Financial resources for this purpose	27	(3.4%)

9a. What in your view is the **second most important** challenge to addressing workplace diversity and anti-discrimination in practice in the workplace? (Select one)

	<b>% of total</b>	
Lack of information and awareness	164	(20.4%)
Difficulty of measuring results of diversity policies	129	(16.1%)
Specific skills/expertise required	119	(14.8%)
Discriminatory attitudes and behaviours	100	(12.5%)
Time	75	(9.3%)
Commitment of leadership	68	(8.5%)
Financial resources for this purpose	56	(7.0%)
Other – please specify:	42	(5.2%)

10. What are your main information sources on the subject of diversity in the workplace? (Select all that apply)

	<b>% of total</b>	
Employers' organisations or networks	376	(46.8%)
Other businesses and companies	239	(29.8%)
National government	206	(25.7%)
Chambers of commerce	129	(16.1%)
European Commission	109	(13.6%)
Works councils or trade unions	101	(12.6%)
Other – please specify:	99	(12.3%)

11. From which actors would you welcome more information on the benefits of diversity in the workplace? (Select all that apply)

		<b>% of total</b>
Employers' organisations or networks	313	(39.0%)
National government	306	(38.1%)
Chambers of commerce	217	(27.0%)
European Commission	164	(20.4%)
Other businesses and companies	141	(17.6%)
Works councils or trade unions	81	(10.1%)
Other – please specify:	47	(5.9%)

12. Do you think that current rules and legislation in the field of workplace diversity are

		<b>% of total</b>
About right	331	(41.2%)
No opinion	184	(22.9%)
Too much	147	(18.3%)
Insufficient – more needs to be done	124	(15.4%)

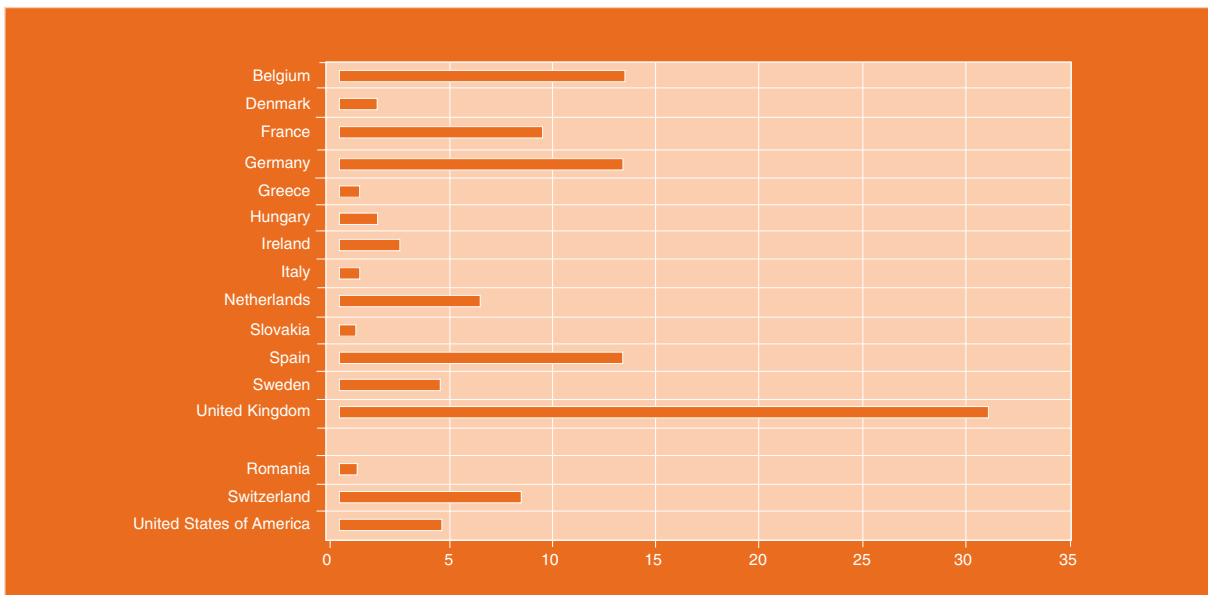
13. Do you think that awareness-raising activities in the field of workplace diversity are

		<b>% of total</b>
Insufficient – more needs to be done	359	(44.7%)
About right	223	(27.8%)
No opinion	151	(18.8%)
Too much	55	(6.8%)

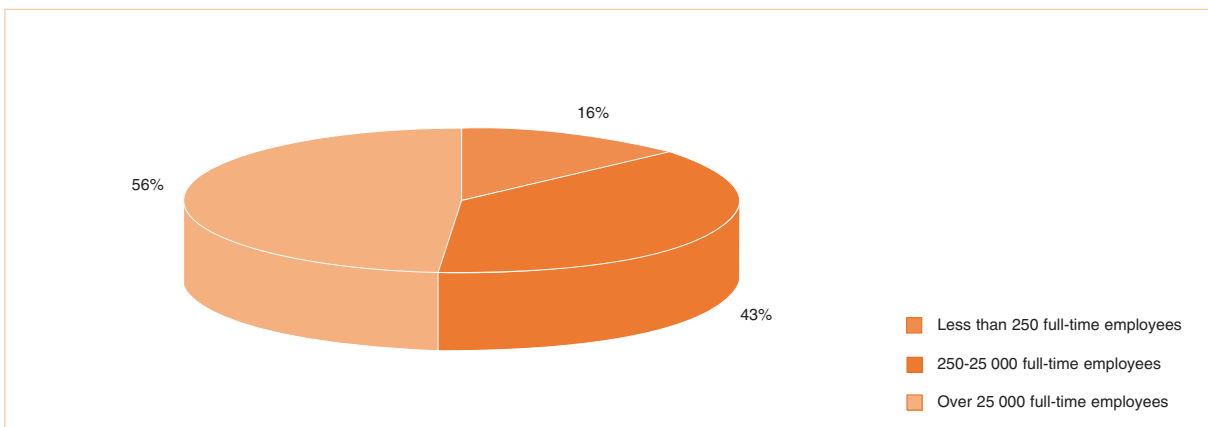
## OVERVIEW OF RESPONSES TO PRELIMINARY QUESTIONNAIRE ON 'THE BUSINESS CASE FOR DIVERSITY - GOOD PRACTICES IN THE WORKPLACE'

I - Total Number of questionnaire submissions received = 121

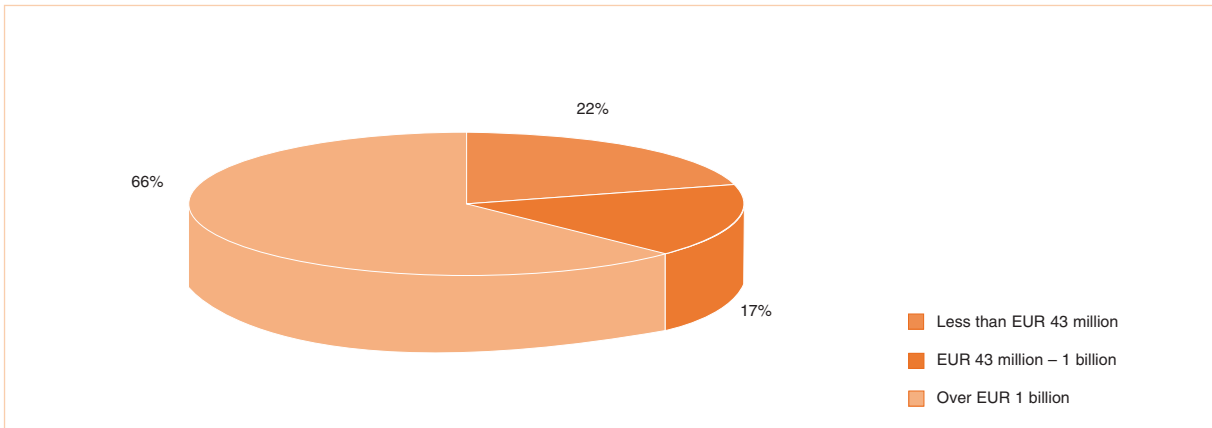
II - Geographic spread of respondents / companies per country



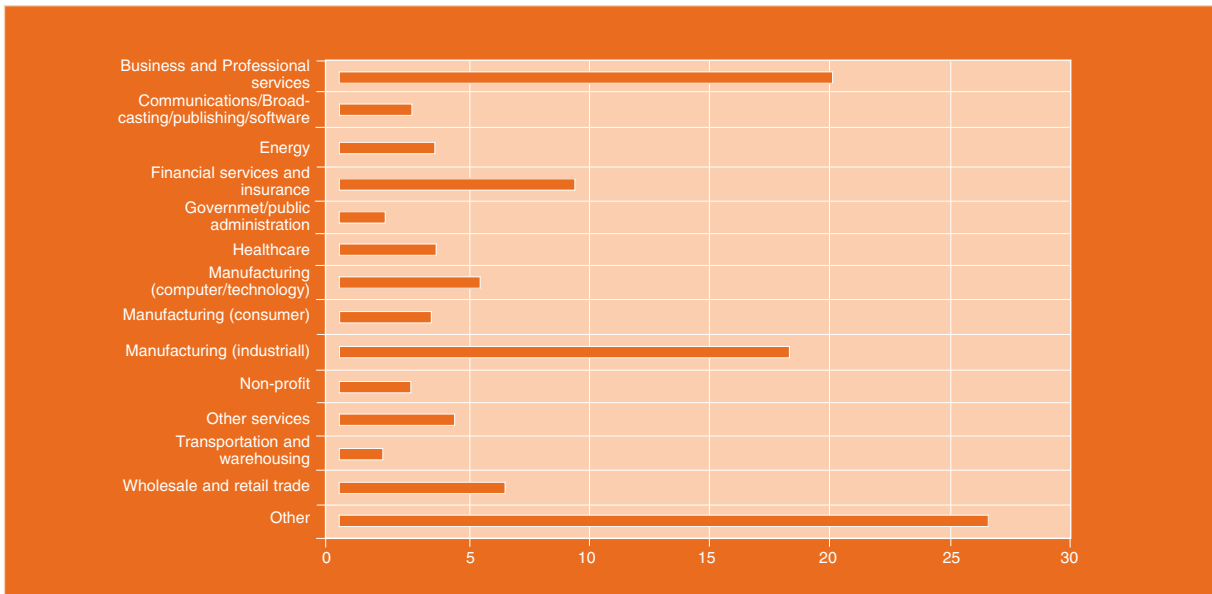
III - Responses by company size (number employees)



#### IV - Responses by company size (turnover)

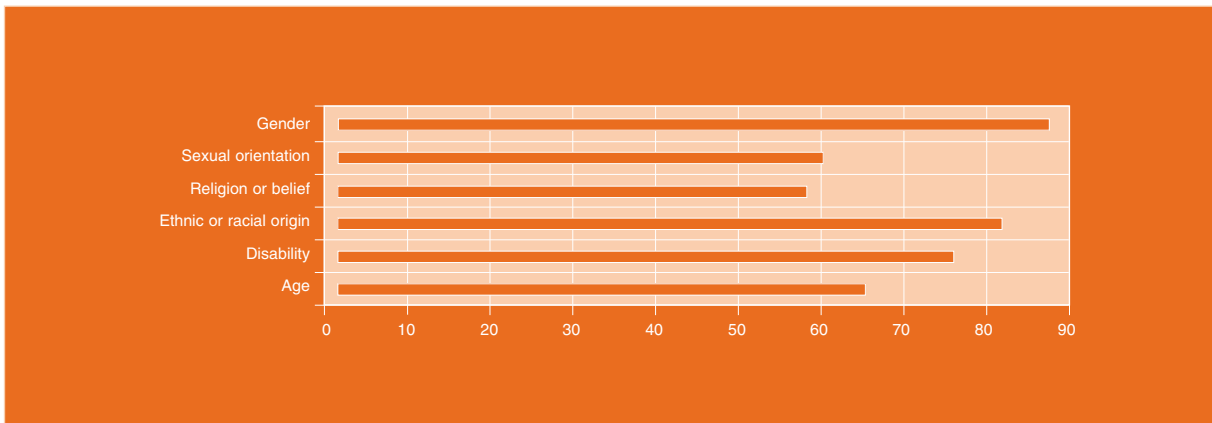


#### V - Responses by sector / primary business of activity



#### VI - Diversity grounds

*Which of the following diversity areas / grounds of discrimination does the initiative address?*



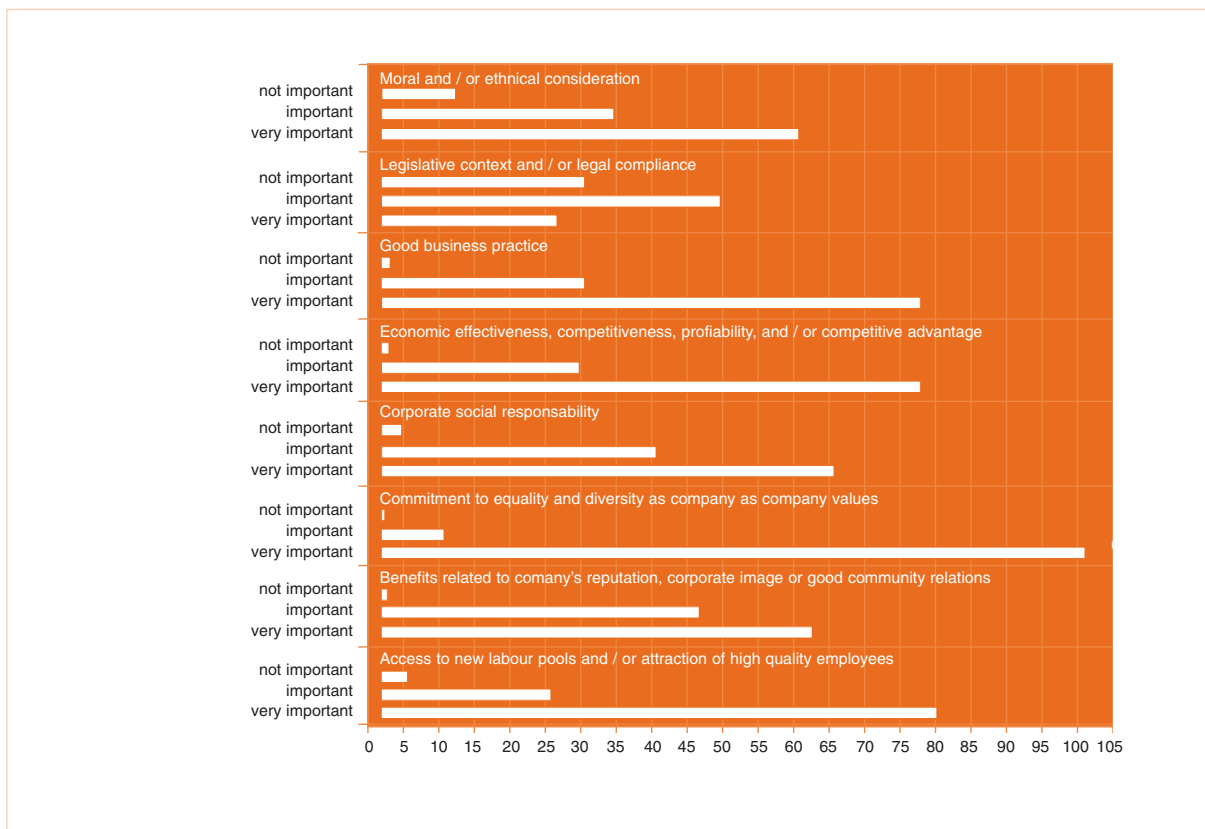
## VII - Areas covered by diversity initiatives

To which of the following areas does the initiative relate?

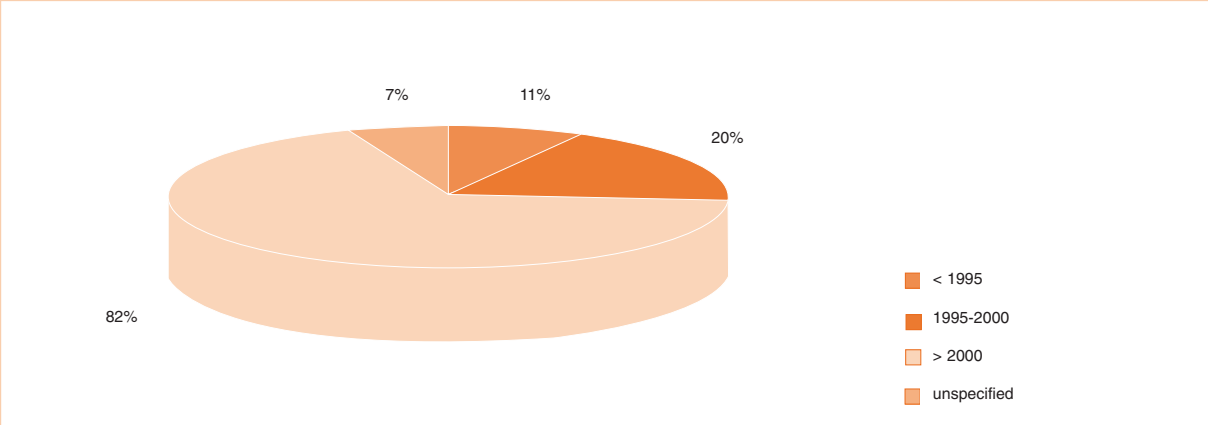


## VIII – Main business challenges and motivation to diversity initiatives

What were the business challenges that served as the motivation to the diversity initiative?



IX - Launch date of diversity initiatives



## LIST OF PARTICIPATING COMPANIES

<b>AB Volvo</b>	Sweden	<b>Deutsche Telekom</b>	Germany
<b>ABB</b>	Switzerland	<b>Diageo plc</b>	United Kingdom
<b>Accenture (UK) Ltd</b>	United Kingdom	<b>Dow Chemical Company</b>	Switzerland
<b>Adecco Group</b>	France	<b>DSM</b>	Netherlands
<b>ADICE</b>	France	<b>Dublin Bus (Bus Átha Cliath)</b>	Ireland
<b>Ahold</b>	United States of America	<b>EADS</b>	Netherlands
<b>Air Products plc</b>	United Kingdom	<b>Enel S.p.A.</b>	Italy
<b>Alfa Laval</b>	Sweden	<b>European Chemical Transport Association (ECTA)</b>	Belgium
<b>Amos Recruitment and Training Ltd</b>	United Kingdom	<b>European Petrochemical Association (EPCA)</b>	Belgium
<b>APCO Worldwide</b>	Europe	<b>European Space Agency</b>	France
<b>ASFODEP</b>	France	<b>Ford Motor Company (Europe)</b>	United Kingdom
<b>Avon Cosmetics</b>	Spain	<b>GE</b>	Hungary
<b>Banesto</b>	Spain	<b>Getronics</b>	Netherlands
<b>Barclays Bank Plc</b>	United Kingdom	<b>Goldman Sachs International</b>	United Kingdom
<b>BASF AG</b>	Germany	<b>Grupo Santander</b>	Spain
<b>Bertelsmann AG</b>	Germany	<b>Grupo Vips</b>	Spain
<b>BOC Group plc</b>	United Kingdom	<b>Guidant Europe</b>	Belgium
<b>Booz Allen Hamilton</b>	France	<b>Hewlett-Packard</b>	Belgium
<b>British Airways</b>	United Kingdom	<b>IBM</b>	Global
<b>BT</b>	United Kingdom	<b>INSA</b>	Spain
<b>Cargill Inc</b>	Belgium	<b>Intel Ireland Ltd</b>	Ireland
<b>Caterpillar SARL</b>	Switzerland	<b>IVADIS</b>	Spain
<b>Centrica plc</b>	United Kingdom	<b>Janssen Pharmaceutica</b>	Belgium
<b>Chamber of Shipping</b>	United Kingdom	<b>KBL AG</b>	Switzerland
<b>Citibank</b>	Belgium	<b>King's Kurry AG (Ltd)</b>	Switzerland
<b>Coco-mat</b>	Greece	<b>KPMG LLP UK</b>	United Kingdom
<b>Condis Supermercats SA</b>	Spain	<b>Linklaters</b>	United Kingdom
<b>DaimlerChrysler AG</b>	Germany	<b>L'Oreal</b>	France
<b>Danfoss A/S</b>	Denmark	<b>Manchalan S.A.</b>	Spain
<b>Danone Group</b>	France	<b>McKinsey &amp; Company</b>	Global
<b>Danske Bank</b>	Denmark	<b>Metro AG</b>	Germany
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<b>Delhaize Group</b>	Belgium	<b>Miracles by Appointment</b>	Netherlands
<b>Deloitte &amp; Touche LLP</b>	United Kingdom	<b>Mondi Business Paper SCP</b>	Slovakia
<b>Deutsche Bank AG</b>	Germany	<b>National School of Government</b>	United Kingdom
<b>Deutsche Lufthansa AG</b>	Germany		
<b>Deutsche Post World Net</b>	Germany		

<b>NHS Leadership Centre</b>	United Kingdom	<b>Symantec</b>	Ireland
<b>Novartis Farmaceutica SA</b>	Spain	<b>Tesco plc</b>	United Kingdom
<b>Novartis Pharma AG</b>	Switzerland	<b>Tetra Pak</b>	Sweden
<b>Opportunity Now</b>	United Kingdom	<b>The Gallup Organization</b>	Germany
<b>PA Consulting Group</b>	United Kingdom	<b>TMB (Transports Metropolitans de Barcelona)</b>	Spain
<b>Pfizer Deutschland GmbH</b>	Germany	<b>TNT</b>	Netherlands
<b>PricewaterhouseCoopers</b>	United Kingdom	<b>Total</b>	France
<b>Randstad Belgium nv/sa</b>	Belgium	<b>UBS</b>	Switzerland
<b>Royal Dutch Shell</b>	United Kingdom	<b>Unilever plc</b>	United Kingdom
<b>Royal Mail</b>	United Kingdom	<b>Unión Fenosa</b>	Spain
<b>Royal Philips International B.V.</b>	Netherlands	<b>Volkswagen Financial Services AG</b>	Germany
<b>SAP AG</b>	Europe	<b>Volvo Car Corporation</b>	Sweden
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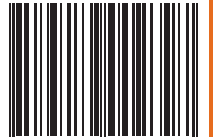
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