

**VOLUNTARY DIVERSITY INITIATIVES
IN AND FOR EUROPE:
THE ROLE OF DIVERSITY CHARTERS**



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This publication is financed by the European Community Programme for Employment and Social Solidarity (2007-2013). This programme was established to support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in these fields.

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- (2) to support the development of statistical tools and methods and common indicators, where appropriate broken down by gender and age group, in the areas covered by the programme;*
- (3) to support and monitor the implementation of Community law, where applicable, and policy objectives in the Member States, and assess their effectiveness and impact;*
- (4) to promote networking, mutual learning, identification and dissemination of good practice and innovative approaches at EU level;*
- (5) to enhance the awareness of the stakeholders and the general public about the EU policies and objectives pursued under each of the policy sections;*
- (6) to boost the capacity of key EU networks to promote, support and further develop EU policies and objectives, where applicable.*

For more information see:

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EXECUTIVE SUMMARY

Diversity Charters are among the very latest in a list of voluntary diversity initiatives aimed at encouraging companies to take diversity management seriously, and develop and implement diversity policies. Within this context, Diversity Charters can be considered as valuable starting points for companies wishing to embark upon the diversity journey while also providing a framework for companies to develop existing policies. According to research presented in this report, signatory companies identify a range of business benefits that derived from implementing or developing a diversity agenda after signing a Charter. These include better staff recruitment, retention, and development strategies, enhanced employee and customer loyalty and satisfaction, and networking opportunities with other signatories.

On the other hand, because of their “dual role,” little consensus exists between Charter signatories over the degree to which commitments should be monitored and rewarded. While companies that actively seek diversity accolades recognize a benefit to having an award issued by the Charter, companies that are new to diversity do not. Indeed, for them a compulsory system of review could act as a deterrent to signing a Charter in the first place. On the other hand, companies that would like to see more reviews also suggest that at present it is “too easy” to become a signatory. They fear that this will ultimately reduce the Charter’s brand value. As such, it seems that a careful line must be drawn between creating a Diversity Charter that is open to all companies and ensuring that real actions on diversity do stem from it.

Although opinions are strongly divided over the value of an EU level initiative – with a large number of companies simply unsure about where they stand – it would seem that preference rests with extending Charters at national level. Transnational companies most often recognise the value of an EU-level Charter, but this is usually because they operate economically at that level. For companies that value an EU

level Charter, many envisage that it would act as an umbrella linking existing national Charters. They suggest that this could have a benefit in its own right, helping to establish links between national-level diversity initiatives and raising standards across Europe. The majority of companies and SMEs operate at regional and even just local levels. Diversity initiatives are thus most valuable when they speak to issues and concerns relevant to those levels.

1. INTRODUCTION

Although positive developments regarding anti-discrimination and diversity in the workplace can be seen across Europe, far more still needs to be done. The majority of European companies, large and small, do not have any formal equality and diversity policies in place. Of those that do, many would prefer to have simplified access to further sources of information and support, especially when starting out on their diversity journey.

Attempts to interest companies to adopt and develop diversity policies take several forms. While legal consequences of instigating or permitting discrimination in the workplace provide a “push” factor for companies to adopt diversity policies, many also respond favourably to “pull” factors such as the ethical and moral arguments and, above all, the business benefits associated with diversity. There exists a range of voluntary initiatives that encourage companies to adopt or further develop their existing diversity policies. These include competitions for “Best Practice” awards issued by external bodies,¹ systems of ranking and benchmarking that measure success in developing and implementing diversity policies,² and collaborations between private companies and public sector contractors that encourage business between organisations with a proven record of accomplishment of diversity.³

¹ Best Practice awards exist in the majority of European countries. They tend to be issued by a range of governmental and non-governmental bodies operating at national, regional, and local levels. While some bodies give awards for action around a specific diversity ground (for example gender or race and ethnicity), others recognise activities in relation to diversity more generally. Furthermore, some awards are size and sector specific, while others consider SMEs alongside larger companies and those operating in any field of business. Companies are typically considered by self-nomination and awards issued on a yearly basis.

² Various forms of ranking and benchmarking exist, and they often go by different names. However, the overall principle is that companies self-assess and/or are subject to external assessment of their diversity policies and awarded a grade. Assessment typically takes place on a yearly basis and special awards are given to the best/most improved companies.

³ For example, Diversity Works for London. See:
<http://www.diversityworksforlondon.com/>

Development of diversity charters at national level

Many existing voluntary initiatives focus on companies with already established policies and practices. In France, Germany, and the Brussels Capital Region (BCR), “Diversity Charters” seek to provide starting points for companies setting out on their diversity journeys as well as a framework for developing existing policies. Operating at national and regional levels and sponsored by a range of governmental and non-governmental organisations, Diversity Charters also provide a recognised public “trademark” that symbolises commitment to diversity issues. Furthermore, Diversity Charters are open to any private company or public or charity-sector organisation to join (in the BCR separate Charters exist for the different sectors), and membership requires no formal inspection or assessment. As such, Diversity Charters are widely seen to be suitable for companies with little or no prior experience of implementing diversity and as useful ways of encouraging further action to be taken.

In France, the *Charte de la Diversité* was initially suggested in 2004 by the employers’ think-tank, the *Institut Montaigne*.⁴ The *Institut* argued that better economic representation of different ethnic groups might help to prevent future race riots, which the country had recently experienced. It further argued that a voluntary initiative offered a better alternative to the highly unpopular idea of affirmative action (quota system)⁵ that was in contradiction to republican traditions.⁶ The Charter was formally launched by Claude Bébéar, President of the Axa Group. This followed a company-led consultation period during which a draft of the Charter and its principles was elaborated and circled amongst businesses, employment and anti-discrimination NGOs, and other social partners and stakeholders. Companies leading the consultation included Axa, L’Oréal, and Sodexo. The Charter aims to provide

⁴ See: Y. Sabeg & L. Méhaignerie, *The outcasts from equality of opportunity*. Available at: <http://www.institutmontaigne.org/les-oublies-de-l-egalite-des-chances-72.html>

⁵ In France, 8 in 10 people oppose employment quotas based on race or religion. See: C. Guilyardi, 11.05.2005, “French firms aim for racial integration,” *BBC News*. Available at: www.bbc.co.uk/news

⁶ Ibid: *The outcasts from equality of opportunity*

companies with a framework through which to promote and implement a commitment to anti-discrimination and diversity, equal opportunities in employment, and improve the performance of the company or public institution.⁷

Since 2005, responsibility for oversight and development of the Charter has resided with *IMS – Entreprendre pour la Cité*, a not-for-profit employers' networking and training organisation. In addition to other awareness-raising activities, a website (<http://www.charte-diversite.com/>) acts as the main portal through which interested companies can become signatories and subsequently obtain further information and support, including best practice examples and other tools for implementing and monitoring

Text of the French Diversity Charter

1. Seek to reflect the cultural, technical, and social diversity of French society in their personnel at all levels of qualification;
2. Raise awareness of and train leaders, the heads of human resources and staff involved in recruitment, training and career management about what is at stake in anti-discriminatory practice and diversity;
3. Promote the application of the principle of anti-discrimination in all its forms and at every step of human resource management;
4. Communicate effectively their commitments and results in terms of diversity to all their employees;
5. Make the design and implementation of a diversity policy a subject for dialogue with employee representatives; and
6. Set out a list of actions taken in this field, plus goals and results, in their annual 'social report'.

diversity. The website also provides a comprehensive and detailed list of all existing signatories by region, sector, and size. As of July 2008, the list of French signatories comprises of 200 international enterprises and more than 1800 regionally based enterprises.

⁷ For further details refer to the *Charte de la Diversité* website: <http://www.charte-diversite.com/>

Following the French lead, the German *Charta der Vielfalt* was an initiative of Deutsche BP, Daimler Chrysler, Deutsche Bank, and Deutsche Telekom. Launched in 2006, the Charter was supported by the Chancellor Angela Merkel, institutions of the Federal Government, and various employers' organizations and anti-discrimination NGOs. The aims of the Charter are to establish a voluntary commitment to promoting equal opportunities and respect for diversity within companies and their operations.⁸ Although the Charter refers to all six EU legally protected diversity grounds,⁹ the Commissioner for Migration has oversight responsibilities. Like the French Charter, the principle source of information about the German Charter is through a website (www.charta-der-vielfalt.de). The website also

Text of the German Diversity Charter

1. To cultivate a corporate culture marked by mutual respect and appreciation of every individual and to create conditions for managers as well as employees to recognize, share in, and live these values. Managers have a special responsibility in this regard;
2. To review personnel processes and ascertain that these give consideration to the diverse abilities and talents of all employees and their claims for benefits;
3. To recognize the diversity of society within as well as outside of the company, to appreciate the inherent potential of this diversity, and to utilize it in a profitable manner;
4. To make the realization of the charter a topic for both internal and external discussion;
5. To annually provide information about activities and progress in the promotion of diversity and appreciation in the company;
6. To inform employees about diversity and support them in implementing the charter.

provides a form for companies to sign the Charter, a list of current signatories, and sources of further information and support. Since 2006, some 200 companies have signed the Charter.

The Ministry of Employment initiated the BCR *Charte de la Diversité* in December 2005. In the BCR case, the Charter was established following the publication of a research report conducted by the l'Université libre de Bruxelles and the University of Leuven concerning discrimination on the labour market.¹⁰ The report revealed high levels of discrimination against Moroccan and Turkish workers

⁸ For further details refer to the *Charta der Vielfalt* website:
<http://www.charta-der-vielfalt.de/>

⁹ "Article 13" refers to discrimination in the workplace on the grounds of gender, age, ethnic and racial origin, disability, religion, and sexual orientation

¹⁰ A. Martins, *et al.*, (2005) *Discrimination against persons of foreign origin in the Brussels Capital Region*. Available at:
<http://www.actiris.be/>

amongst both those with or without Belgium citizenship. It found that Moroccan and Turkish workers are paid less, are more likely to be unemployed, and are poorly represented across industry sectors and positions.

Following this report, the Minister of Employment in the BCR presented a six-point plan to tackle discrimination, of which the Diversity Charter was the fifth. Three separate Charters have been established, one focusing on companies, the second on public sector institutions, and the third charity sector institutions. Around 100 companies have signed the company Charter to date.

Of the three Charters, the BCR Charter is perhaps the least well supported in terms of information and literature. No dedicated website exists, although information can be obtained on the pages of the Territorial Employment Pact of the BCR.¹¹ On the other hand, signatories to the Brussels Charter can be allocated up to 10,000 Euro and logistical support via diversity trainers. Using these resources, companies develop a four-step “Diversity Action Plan” to help them develop new or existing diversity policies. First, the company undergoes a quantitative and qualitative review of their staff to assess the present state of diversity. Second, an assessment is made in relation to four specific diversity strands – age, gender, racial and ethnic origin, and disability – upon which a secondary assessment is made. Third, a set of company-specific diversity objectives are identified and towards which the company is encouraged to work.

Text of the BCR Diversity Charter

1. To launch sensitization and training activities about non-discrimination and diversity with their management personnel and the employees responsible for recruitment, training and career development;
2. To support the principle of non-discrimination in all its forms and in all stages of the personnel development process, in particular recruitment, training, evaluation or promotion of the employees;
3. To represent the diversity of the Brussels population and in particular its cultural and ethnic diversity in their personnel composition at all levels;
4. To develop a diversity plan within the company taking into account its own identity;
5. To discuss the development and implementation of the diversity policy with the personnel or their representatives;
6. To inform the company and its governing body of the commitment of the company to non-discrimination as well as the actions undertaken and their results.

¹¹ <http://www.pactbru.irisnet.be/site/diversite/diversiteit/>

Finally, one or two years later a follow-up review is conducted to measure the degree of change that has taken place.

Differences between the Charters

Each of the three Diversity Charters in France, Germany, and Brussels had different beginnings and different institutional forms of development. In France and the BCR, the process was in large part a response to ethnic and racial discrimination and developed as part of the political process and through collaboration with a range of NGOs and other social partners. In Germany, the Charter was much more of a company-led initiative. The focus of the Charters is also somewhat different. Neither the French nor the German Charter has a focus on any particular diversity strand, while the BCR Charter deals with age, gender, ethnic and racial origin, and disability specifically. Moreover, the wording of the Charters suggests a greater emphasis on anti-discrimination in France and the BCR, but principles of inclusion in Germany.

The different terms and phrases used in Diversity Charters in France, Germany, and the BCR suggest different approaches to diversity management in those countries. One way of understanding this is to consider how diversity management discourses are produced by the national, social, and cultural contexts in which companies operate. For example, two recent studies of diversity statements in corporate annual reports and websites provide interesting perspectives on Diversity Charters. They highlight interesting issues that may be encountered during the development of Diversity Charters in other countries or at EU level.

In a review of annual reports produced by the largest 38 French and German companies, Bellard and Rüling¹² found that the historical, social, and economic contexts within which such statements were written might have a significant impact upon how diversity is defined and diversity management is subsequently practiced.

¹² Bellard, E. & Rüling, C.-C. (2001) *Importing diversity management: corporate discourses in France and Germany*, Ecole des Hautes Etudes Commerciales, Université de Genève

Using diversity management practices in the US as a benchmark, Bellard and RÜling found that diversity statements in company reports were not characterised by “one single and coherent discourse”; instead, they “[emerged] as a diffuse and value-related category.”¹³ For example, within French companies diversity was talked about as a “diversity of professional cultures”¹⁴ that was at least as important as nationality or geography. In Germany, on the other hand, diversity was talked about in relation to individual managers’ diversity-related experiences and competencies. Diversity was also treated as something *outside* Germany and not a feature of the business and workplace within Germany.

Bellard and RÜling argue that these differences can be related to the particular historical, economic, and social contexts within which French and German firms are operating. In France, the non-recognition of national, geographic, or ethnic differences within business and the workplace stem from republican values,¹⁵ while in Germany the focus on diversity as something introduced by global markets outside the country stems from the “dominant public ideology” that sees Germany as both ethnically and culturally relatively homogeneous. In fact, what Bellard and RÜling may be referring to are two different conceptions of and bases for citizenship in France and Germany, each of which stresses national unity through homogeneity of populations on specific grounds.¹⁶

In a comprehensive survey of 241 leading companies in Finland, France, Germany, Netherlands, Norway, Sweden, Switzerland, and the UK, Point and Singh¹⁷ conducted discourse analysis of diversity statements included on websites. Like Bellard and RÜling, they found national differences in the ways companies talked

¹³ Ibid: 11

¹⁴ Ibid

¹⁵ Ibid. Also see Y. Sabeg & L. Méhaignerie, *The outcasts from equality of opportunity*. Available at: <http://www.institutmontaigne.org/les-oublies-de-l-egalite-des-chances-72.html>

¹⁶ See: Brubaker, R. (1992) *Citizenship and Nationhood in France and Germany*, Harvard: University Press

¹⁷ Point, S. & Singh, V. (2003) “Defining and dimensionalising diversity: evidence from corporate websites across Europe,” *European Management Journal*, 21; 6: 750-761

about, defined the dimensions of, and ultimately practiced diversity management. Of surveyed companies, only around half used the term “diversity” at all, and just 13 gave a clear and concise definition of it. Furthermore, diversity management did not appear to be the dominant discourse in European countries except the UK, where nearly all 50 analysed strongly promoted diversity on their websites. This is to be compared with France, Germany, Sweden, and Switzerland, where around one-third of companies ignored the phrase “diversity” altogether. Point and Singh therefore support Bellard and Ruling’s finding that “diversity” is socially and culturally constructed.

These authors argue that company diversity policies and practices are the product of the context in which they operate. They are not solely the product of general theoretical principles concerning diversity, but instead reifications of complex assumptions that concern, at base, nationality and citizenship and the homogeneity and heterogeneity of national populations. If correct, this argument has important implications for Diversity Charters, which are essentially manifestos for diversity management that have been developed by, or in conjunction with, companies themselves. The question that arises is the extent to which Diversity Charters merely reproduce those same assumptions of diversity that shaped company statements, and where and how Charters may challenge or transcend them.

A brief look at French and German Diversity Charters reveals themes that are similar to those identified by Bellard and Ruling in company statements. In the French Charter, signatories promise to “seek to reflect the cultural, technical, and social diversity of French society in their personnel at all levels of qualification”. The Charter does not specifically mention dimensions of diversity such as ethnicity, even though its history and rationale is presented as a response to the recent race riots across France. Likewise, the German Charter focuses on individual management issues rather than thematic or dimensional issues. On the other hand, it does at least implicitly recognise the *internal* diversity of German companies (although not in

German society), rather than simply modelling diversity as a purely external phenomenon related to the global marketplace.

Whatever the benefits of Diversity Charters, then, questions are raised by the “diversity of Diversity Charters” between nations. This concern relates to the extent to which the discourses of Diversity Charters mask continuing reifications of similarity and difference that currently promote discrimination in individual states. While such reification may be inevitable and even necessary to encourage the adoption of Diversity Charters in individual states, a discussion should perhaps be had around the extent to which the founding assumptions of Charters could or should be standardised across Europe, or be allowed to develop to suit local conditions.

2. BACKGROUND AND METHODOLOGY

This research report focuses on the role of Diversity Charters in France, Germany, and the BCR in creating and sustaining interest and achieving progress in diversity and diversity management within companies. It also considers the potential for and value of their extension at national and EU levels. During the research period, major developments concerning a Diversity Charter in Spain took place and this will be briefly mentioned.

The report is part of a wider project funded by the European Commission Directorate General for Employment, Social Affairs & Equal Opportunities (DG EMPL) and led by Focus Consultancy Ltd.¹⁸ Project partners include the European Academy of Business in Society, EIM Business Policy & Research, and the European Institute for Managing Diversity, while CSR Europe is a supporting partner. The overall aim of the project is to place more firmly anti-discrimination and diversity issues on the agenda of companies of all sizes, including through an assessment of voluntary diversity initiatives, in this case Diversity Charters.

In order to assess the value and potential of Diversity Charters in creating and sustaining interest in diversity within companies, a short questionnaire was designed and translated into French and German. The questionnaire was then distributed to a selection of Diversity Charter signatories in France, Germany, and the BCR by CSR Europe. Focus Consultancy also supplemented this distribution via direct contact with signatory companies. Due to the lack of a comprehensive database of Charter signatories, no attempt at obtaining a representative sample was made or applying post-stratification weights.

¹⁸ Project reference VC/2007/035 *Activities Promoting and Developing the Business Case for Diversity*. The project involves five separate research and consultation “tasks.” These include (1) the SME business case for diversity; (2) survey on diversity with the European Business Test Panel; (3) the experience and extension of “Diversity Charters”; the link between diversity and innovation; and (5) diversity on the curriculum of business schools and creating a diversity network of business schools and companies.

Overall, 62 responses from Charter signatories were received. Of these, 35 were signatories to the French Charter, 22 to the German Charter, and 5 to the Brussels Charter. While more than half of German companies were SMEs,¹⁹ none of those from France and Brussels were so defined. Amongst French companies, 54 percent employed between 250 and 25,000 staff and 46 percent more than 25,000 staff. Three companies based in Brussels employed between 250 and 25,000 staff and two employed more than 25,000 staff. As such, meaningful comparisons between the responses of companies between the three areas cannot be made, although aggregate findings from each will be presented. Moreover, the views of companies cannot be taken as representative of those of signatories as a whole.

In June 2008, a select group of signatory and non-signatory companies was invited to participate at a workshop focusing on Diversity Charters and their potential extension at EU level.²⁰ The objectives of the workshop were to further discuss the benefits and potential of Diversity Charters and debate the added value of an EU level diversity initiative. Representatives of the French, German, and Brussels Charters made short presentations and participated in the discussion. Outcomes of the workshop also contributed to the development of this report.

While the Diversity Charter questionnaire contained questions on their possible forms of extension, a second shortened survey was distributed to companies across Europe that further explored this issue. Supplemented by findings obtained from a recent survey with the European Business Test Panel (EBTP),²¹ more than 400 replies were eventually received on this issue. Again, the data presented is not representative of European companies as a whole.

¹⁹ Defined as a company with less than 250 employees

²⁰ 26.06.2008, Brussels, Belgium: *A Voluntary Diversity Initiative for Europe?* Organised by Focus Consultancy, CSR Europe, and the European Institute for Managing Diversity

²¹ As part of the project VC/2007/035 *Activities Promoting and Developing the Business Case for Diversity*, Focus Consultancy conducted a survey with members of the European Business Test Panel to further understand the views of companies on a range of diversity issues including Diversity Charters. The full report, *The State of Diversity in 2008: Research with the European Business Test Panel*, can be obtained from Focus Consultancy Ltd

Finally, 21 signatory and non-signatory companies that completed one of the three questionnaires and agreed to be interviewed²² were subsequently contacted by telephone to elicit further information. These included 11 signatories and 10 non-signatories. Signatory companies were based in France and Germany, while non-signatories were based in Bulgaria, Italy, Spain, Poland, and the UK. The focus of these interviews was on the benefits of Charters in France, Germany, and Brussels and/or their extensions at national and EU levels. Signatories were also asked, if possible, to provide examples of how developments inspired by signing the Diversity Charter had affected diversity management in their company. Based on these activities (questionnaires, workshop, and interviews) a list of companies potentially interested in taking forward Diversity Charters was created.

²² Non-signatories were also selected on the basis of having indicated an interest in Diversity Charters

3. THE ROLE OF DIVERSITY CHARTERS

3.1. Overview of research findings

EBTP company views on Diversity Charters

The European Business Test Panel (EBTP) is comprised by a group of companies of all sizes and sectors from across Europe that the European Commission regularly consults on a range of issues. Although the EBTP is not a representative sample of companies, it does at least provide a general window onto the opinions of companies that can also be broken down into relevant clusters, for example geographical location or company size. In this report, the responses of companies based in the “old” 15 European Member States (EU15 MS)²³ and 12 “new” Member States (NMS 12)²⁴ will be compared, as will those of “very large” companies (VLCs: 500+ employees), “large” companies (LCs: 250 to 499 employees), and small to medium-sized enterprises” (SMEs: 0 to 249 employees).

Interest in Diversity Charters

In April 2008, members EBTP were invited to participate in a diversity survey, part of which included questions on Diversity Charters.²⁵ In total, 335 companies from all 27 EU Member States responded to the survey. Only 60 (18 percent) of EBTP companies were aware of the existence of Diversity Charters. Because Diversity Charters only exist at present in three EU countries, this finding is perhaps not surprising. Of these 60, seven were themselves signatories to Diversity Charters in

²³ AT, BE, DA, DE, EL, ES, FI, FR, IE, IS, IT, LU, NL, NO, PT, SV, and UK

²⁴ BG, CY, CZ, EE, HU, LT, LV, MT, , PL, RO, SL, and SK

²⁵ For full results please refer to the publication, *The State of Diversity in 2008: Research with the European Business Test Panel*

France, Germany, or Brussels.²⁶ Incidentally, SMEs were less likely than LCs or VLCs to have heard about Diversity Charters.²⁷

In the survey, EBTP companies were provided a short description of Diversity Charters and based on this and/or their prior knowledge asked to assess their relevance. Reflecting the low levels of prior awareness, EBTP companies were largely undecided on the value of Diversity Charters for their company. Of all 335 companies, 27 percent suggested that signing a Diversity Charter was/could be beneficial for their company, while 29 percent disagreed. However, 44 percent had no opinion.

Opinions were also divided amongst companies that had already heard about Charters. More companies that had heard about Charters before the survey suggested they were not relevant than companies with no prior knowledge (40 percent vs. 27 percent).²⁸ Companies with no prior knowledge were, understandably, more likely to have no opinion either way (48 percent vs. 23 percent).²⁹ Of all companies, SMEs and LCs were less likely than VLCs to think that signing a Diversity Charter is/could be beneficial to their company.³⁰ Companies in the EU15 MS were more likely than companies in the NMS 12 to think that signing a Diversity Charter would *not* be beneficial (35 percent vs. 16 percent), while companies in the NMS 12 were more likely to have no opinion (36 percent vs. 62 percent).

Attitudes were equally split when companies were asked whether they thought a Diversity Charter was/would be a good idea in their country. Of all companies, just over one-third thought that a Diversity Charter would be a good idea in their country. However, 23 percent disagreed and 40 percent again had no opinion. No difference was found between the responses of SMEs and larger

²⁶ Due to the low number of signatories it is not possible to compare their responses to those of non-signatories

²⁷ SMEs 14%; LCs 21%; VLCs 27%; *Chi* = 0.033; *Phi* = 0.143

²⁸ *Chi* = 0.002; *Phi* = 0.193

²⁹ *Chi* = 0.002; *Phi* = 0.193

³⁰ SMEs 21%; LCs 26%; VLCs 42%; *Chi* = 0.001; *Phi* = 0.234

companies. However, companies in the NMS 12 were more likely to favour Diversity Charters than companies in the EU15 MS (51 percent vs. 35 percent).

Benefits of Diversity Charters

The most popular reason given for the benefits of Diversity Charters was that they helped/could help raise internal awareness of E&D issues. However, this issue only received a small majority of support while others received the support of around one-third of companies. Responses to this question were affected by the size of companies responding. VLCs were more likely than LCs and SMEs to think Diversity Charters could help to achieve progress in diversity management;³¹ improve company reputation;³² strengthen company commitment to diversity and non-discrimination;³³ and/or raise internal awareness of diversity and non-discrimination issues.³⁴

³¹ VLCs 44%; LCs 31%; SMEs 27%; *Chi* = 0.016; *Phi* = 0.157

³² VLCs 59%; LCs 36%; SMEs 31%; *Chi* = 0.000; *Phi* = 0.240

³³ VLCs 54%; LCs 28%; SMEs 35%; *Chi* = 0.005; *Phi* = 0.179

³⁴ VLCs 60%; LCs 49%; SMEs 45%; *Chi* = 0.084; *Phi* = 0.121

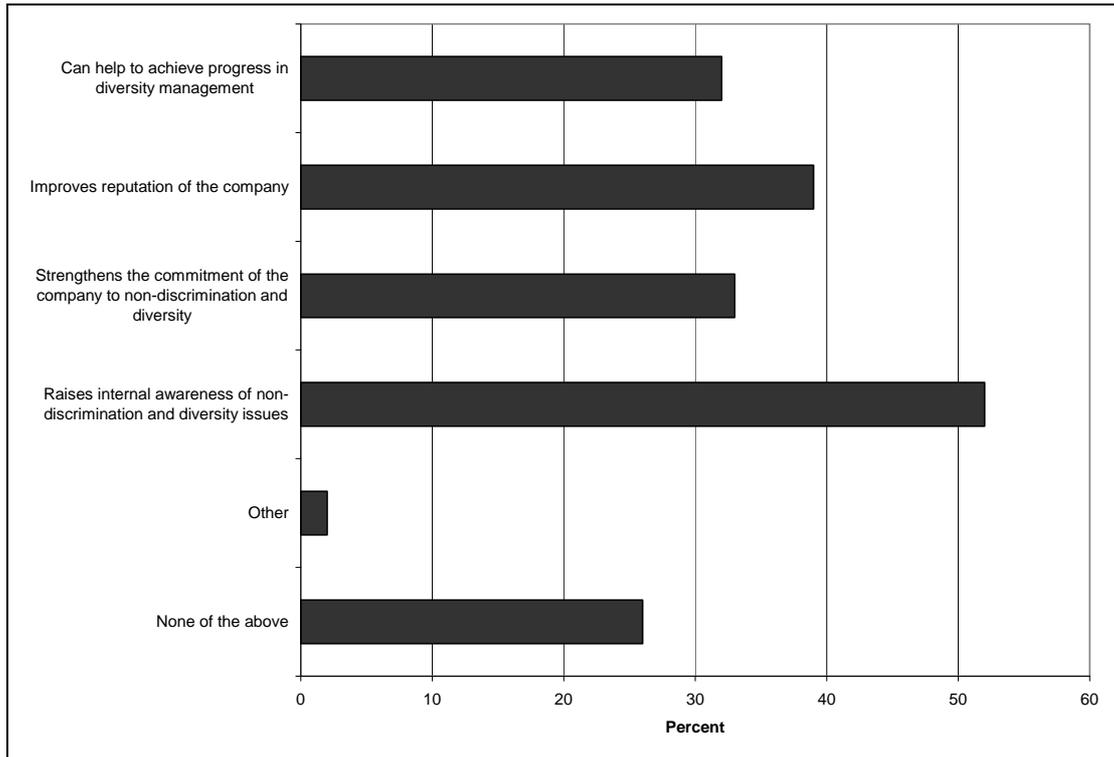


Figure 1: How Diversity Charters can benefit E&D policies within companies (N=335)

Extensions of Diversity Charters across Europe

Finally, 30 percent of EBTP companies said they would sign a European-wide initiative, 24 percent a national initiative, 14 percent a regional/local initiative. The largest group of respondents – one-third – did not know. The size of companies was associated with how companies responded to this question. SMEs were more likely to favour a regional-level initiative, LCs a national-level initiative, and VLCs an EU-level initiative.³⁵ This perhaps reflects the geographical level at which SMEs, LCs, and VLCs work: SMEs are more concerned with local and regional level issues, LCs with national level issues, and VLCs with international and global issues.

³⁵ *Chi* = 0.001; *Phi* = 0.261

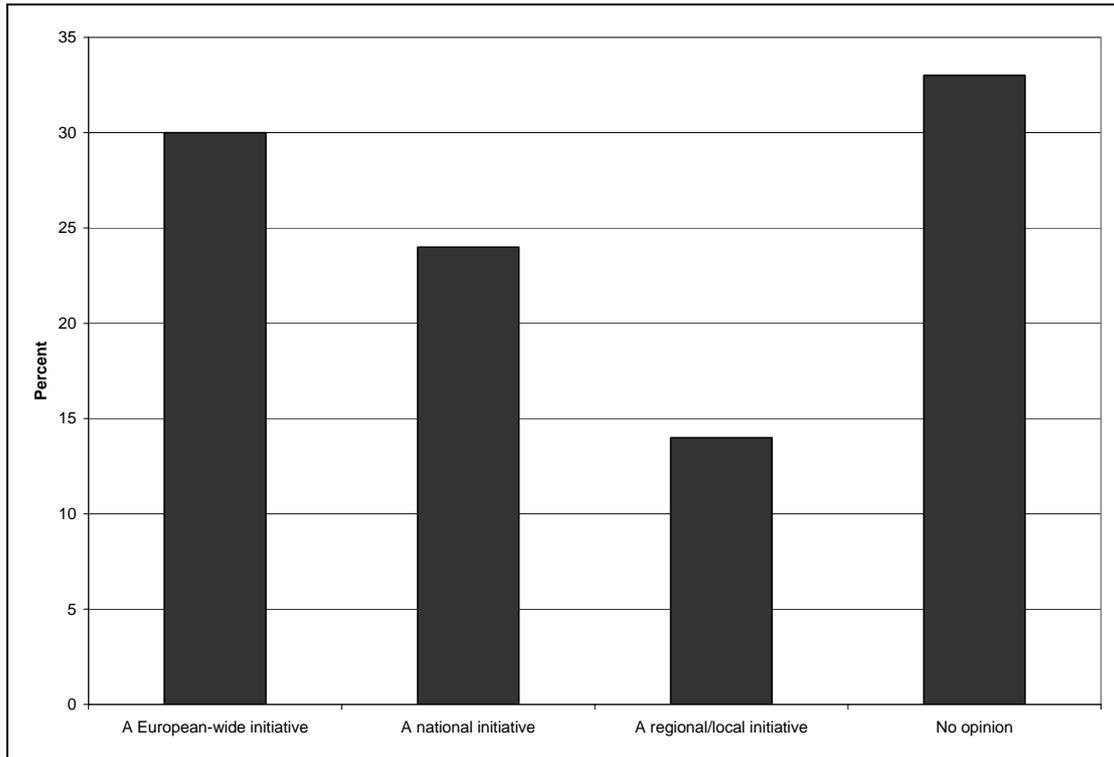


Figure 2: Level (regional, national, EU) of Diversity Charters favoured by EBTP companies (N=335)

Why some EBTP companies weren't interested in Diversity Charters

When interviewed later, non-signatories taking part in the EBTP survey were asked why they had not or were not interested in Diversity Charters. Several companies saw no added value in signing a Charter, either because they were too small to need a diversity policy, their country region or business sector was not diverse (or had no problem with discrimination issues), or because they thought that commitment to non-discrimination should be obvious without recourse to a Charter. Other companies suggested that they were already involved enough with diversity and did not need to sign a Charter.

Overview of signatory companies' views

Sixty-two signatory companies returned the Diversity Charter questionnaire. These companies suggested they had heard about the Charter through direct Diversity Charter promotional and awareness-raising literature, entrepreneurial and business

networks, and national or regional government bodies. These routes tend to be those through which companies receive information about diversity more generally.³⁶ In the majority of cases (73 percent), actions leading to the signing of the Diversity Charter – as well as the signing itself – were led by the top levels of management. Other individuals included middle management and HR management.

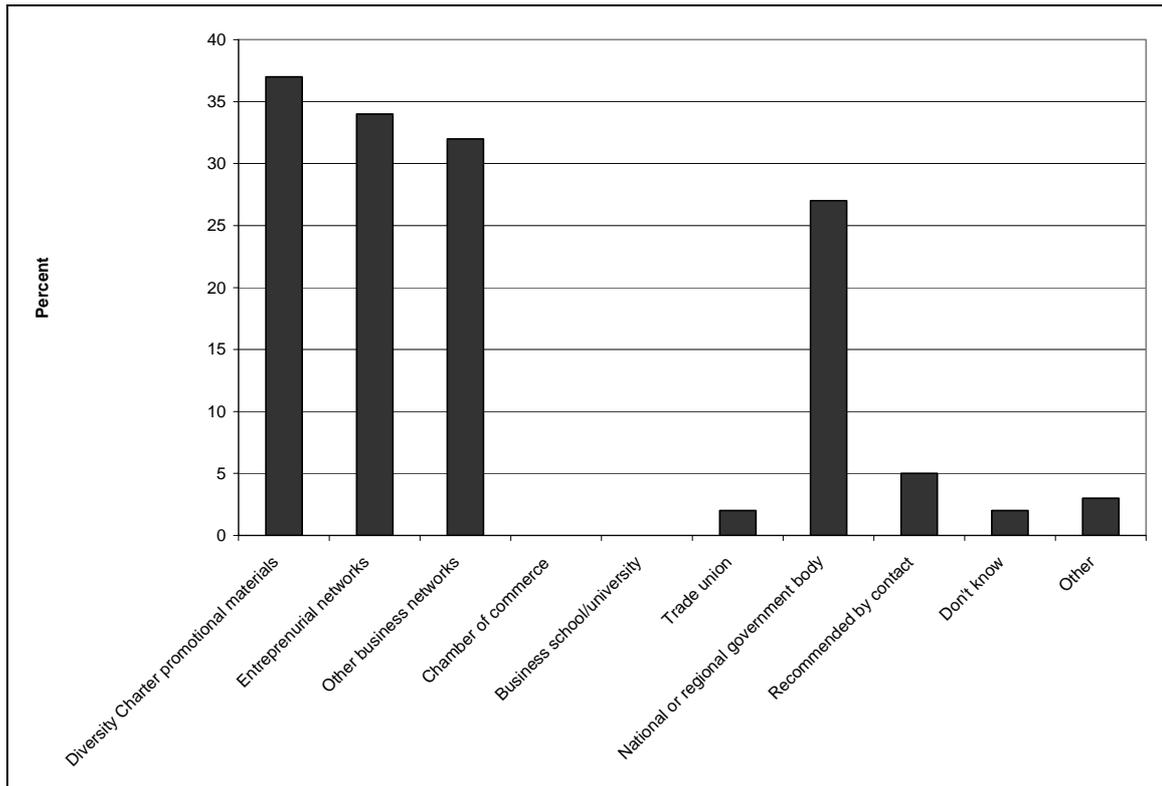


Figure 3: Source through which your company heard about the Diversity Charter (N=62)

When interviewed, signatory companies suggested that as well as being a requisite of company policy for top-level management to agree to such activities, the involvement of senior figures helped consolidate the importance of signing the Charter for all employees. Typically, the signing was accompanied by a degree of internal and external publicity and that all staff were made aware of what was taking

³⁶ See: *The State of Diversity in 2008: Research with the European Business Test Panel*

place. According to some interviewees, this created a sense of momentum around the development of diversity policies and practices.

Expected and perceived benefits that followed signing the Diversity Charter

When companies that took part in the research signed the Diversity Charter, they expected several benefits would follow. The majority (82 percent) assumed that it would lead to increased internal awareness about diversity issues. A further 58 percent thought that signing the Charter would lead to increased networking opportunities, 57 percent to increased management commitment to diversity, and 57 percent to good public relations and improved company reputation. Reflecting this, more than half of those that took part in the research suggested that the action had instigated the development of existing policies or implementation of some new ones. One quarter suggested that it had led to the development of a completely new agenda. This last finding suggests that although Diversity Charters are seen as starting points for many companies, of those that took part in the research the majority had in fact some kind of diversity policy already in place. This fact was also echoed in many of the signatory interviews. Several companies stressed that signing the Diversity Charter was just one aspect of a wider diversity plan, or that they had already implemented a comprehensive set of policies. For companies just setting out on the diversity journey, signing the Charter was one activity that helped to create momentum within the company for further action.

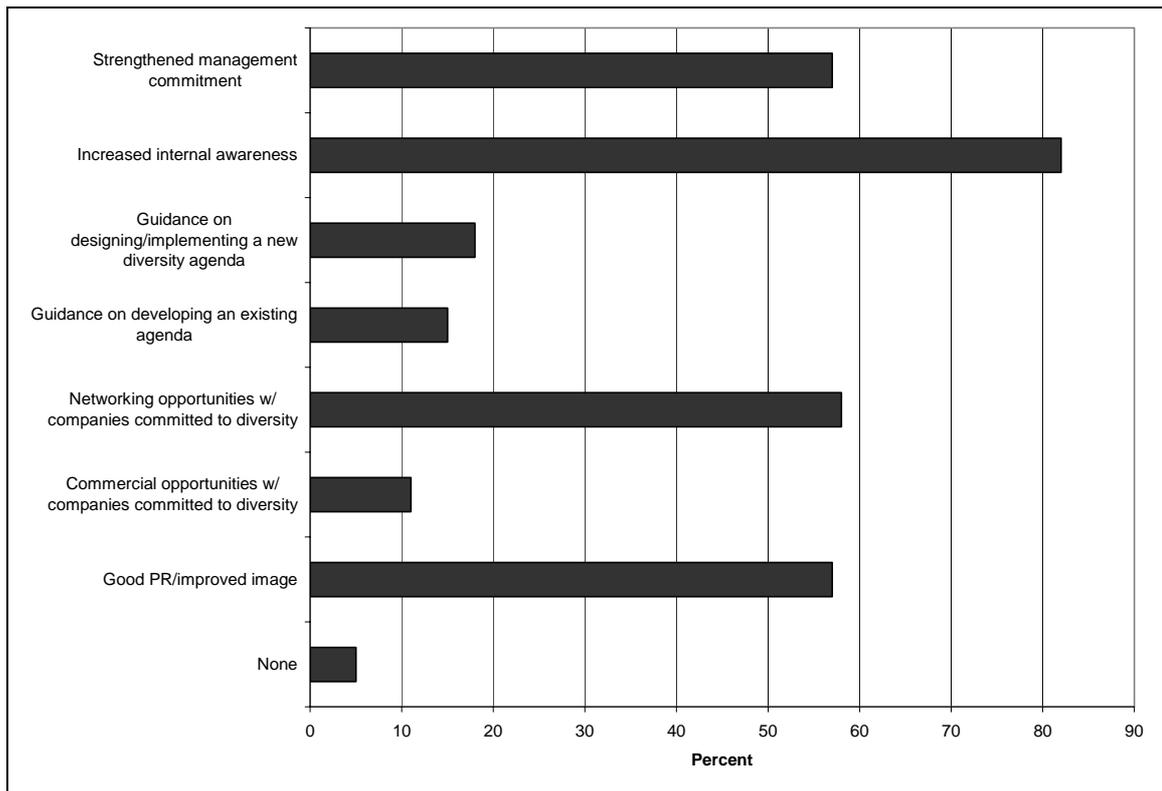


Figure 4: Expected benefits deriving from signing the Diversity Charter (N=62)

According to companies that took part in the research, several areas of diversity and business activity benefited from signing the Diversity Charter. In relation to diversity activity, the majority (73 percent) identified increased levels of internal awareness. A further 50 percent identified an improved reputation of the company’s commitment to diversity, and 47 percent commitment of management to diversity issues. In relation to business activity, the majority (71 percent) identified areas relating to staff recruitment, retention, and management, while large minorities identified staff training and development (47 percent) and work-life programmes (36 percent).

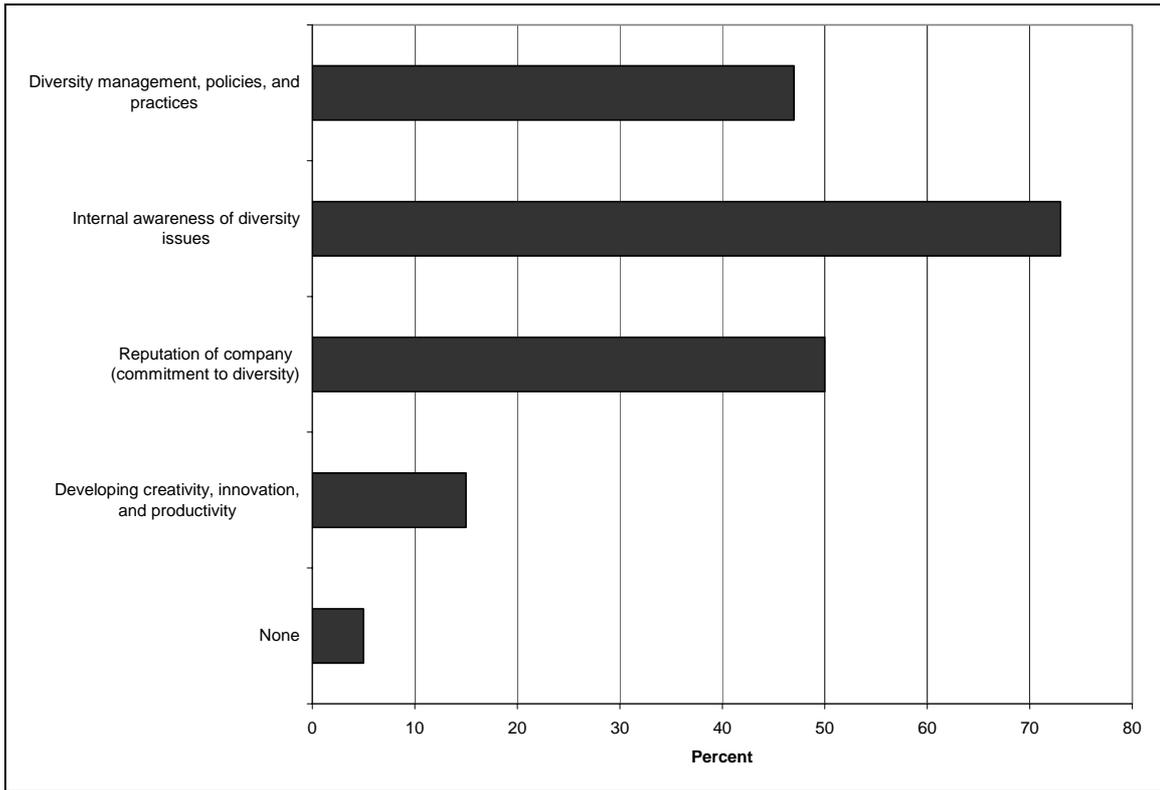


Figure 5: Areas of diversity activity that benefited from signing the Charter (N=62)

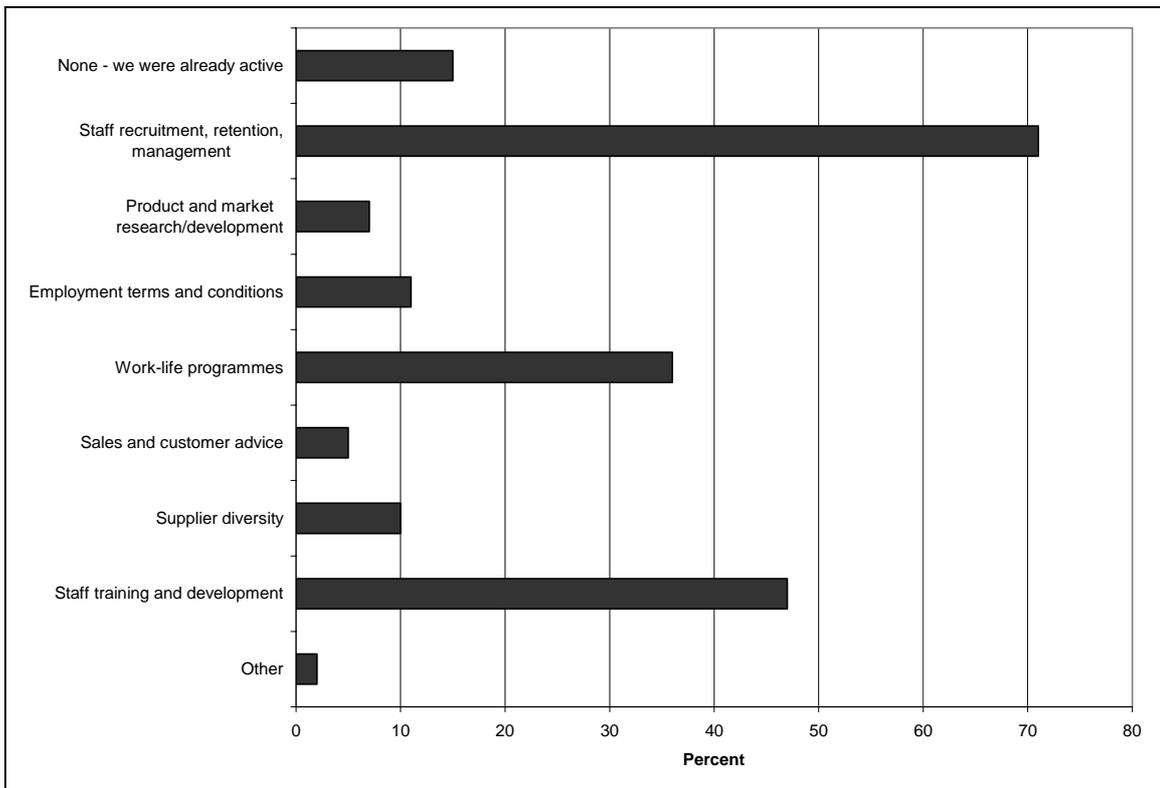


Figure 6: Areas of business activity that benefited from signing the Charter (N=62)
Signatories' assessment of possible extensions and improvements

Signatory companies taking part in the research were asked to consider the value of a variety of extensions of Diversity Charters. Several companies selected more than one possible kind of extension, with some selecting them all. Overall, however, a small majority of companies suggested they would like to see an EU-wide initiative. Remembering the responses of EBTP companies, this may be because the majority of companies that completed the questionnaire were large and operated at European and global levels. Indeed, this issue was echoed by some companies during interview, who explained that rather than signing up to Charters in each country that they had an operation it would be more relevant to sign up to a single, European-wide Charter recognised across all countries.

When interviewed, companies that favoured a national level Charter (either individually or in conjunction with an EU-level Charter) suggested that this was because each country needed something that reflected the particular economic and social context of that country. For example, some French companies pointed out that the Charter in their own country was built upon the principles of the French Republic, or was suited to the particular needs of ethnic minority groups across France. Taking the issue further, other companies suggested that a regional or local level initiative would be even more suitable. Some companies in Germany suggested that the very different economic and social histories of east and west Germany, for instance, necessitated quite different approaches. Finally, a company in Brussels was keen to point out how relevant it was for a single Charter for the BCR, as it responded to the needs of the region.

Interestingly, around one-third of companies also suggested that separate initiatives for companies of different sizes or different fields of operation could be useful. One interviewee (representing a very large company) suggested that the needs and business contexts of large and small companies were too different to accommodate a single perspective on diversity. Another suggested that diversity issues were greater in some business sectors than in others.

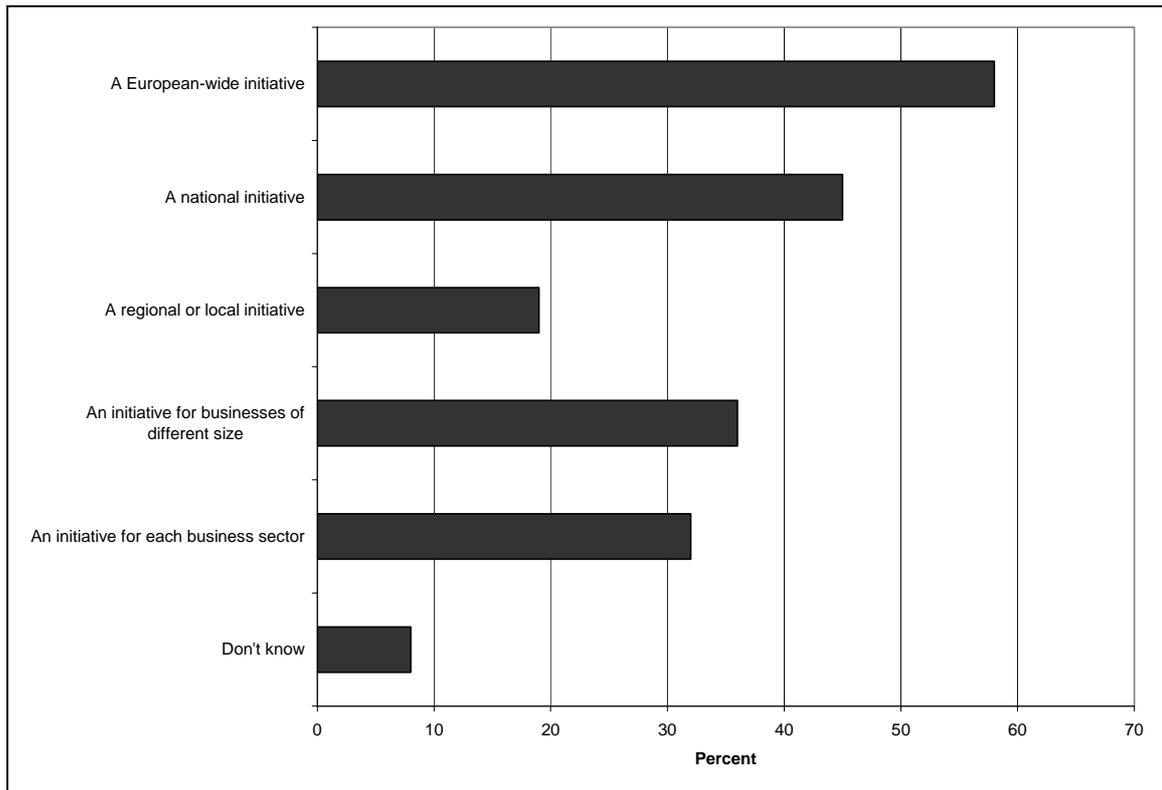


Figure 7: How Diversity Charters might be extended in the future (N=62)

Signatory companies were also asked how Diversity Charters might be improved upon. Although more than half of those taking part in the research suggested they expected networking opportunities with companies, less than one-third wanted to see more opportunities for networking. One interviewee in France suggested that because company details were already available on the website, there was no need for further introductions. Another company in Germany suggested that they were unlikely to do business with companies just because they were a signatory to the Diversity Charter although did recognise the value of greater opportunities for sharing information on diversity.

Just less than half of companies taking part in the research suggested that a system of measuring, ranking, and recognising commitments through some kind of Best Practice award or similar would be useful. This is an interesting result, as during the Diversity Charter workshop and interviews the issue was similarly controversial.

During interview, some companies already heavily involved with diversity issues suggested they would like to see this kind of development as because they compete for awards elsewhere it would make sense for the Diversity Charter to award one too. On the other hand, companies that had just set out on their diversity journey tended not to wish to be measured and ranked. They suggested that this could in fact deter some companies from signing the Charter in the first place.

However, companies that took part in the research suggested that they could benefit from more reviews of how the principles they committed to were being put into practice. They also suggested they needed more information on how to do this. For some interviewed companies (again those already heavily involved in diversity) this was because they felt that signing the Charter was “too easy.” They suggested that because companies did not have to prove that they followed through with their commitments the danger was that the value of the Diversity Charter as a symbol of respect for diversity was reduced. Some feared that the Charter could become a cynical PR device. Several companies that had not (or would not) sign a Diversity Charter suggested that this was already the case, and that because of this they were uninterested in becoming a signatory.

Other signatories suggested that more reviews of putting commitments into practice would help them and others to do it correctly, as well as providing further motivation and momentum. These companies also tended to suggest that they required more help and advice from the Charter upon signing.

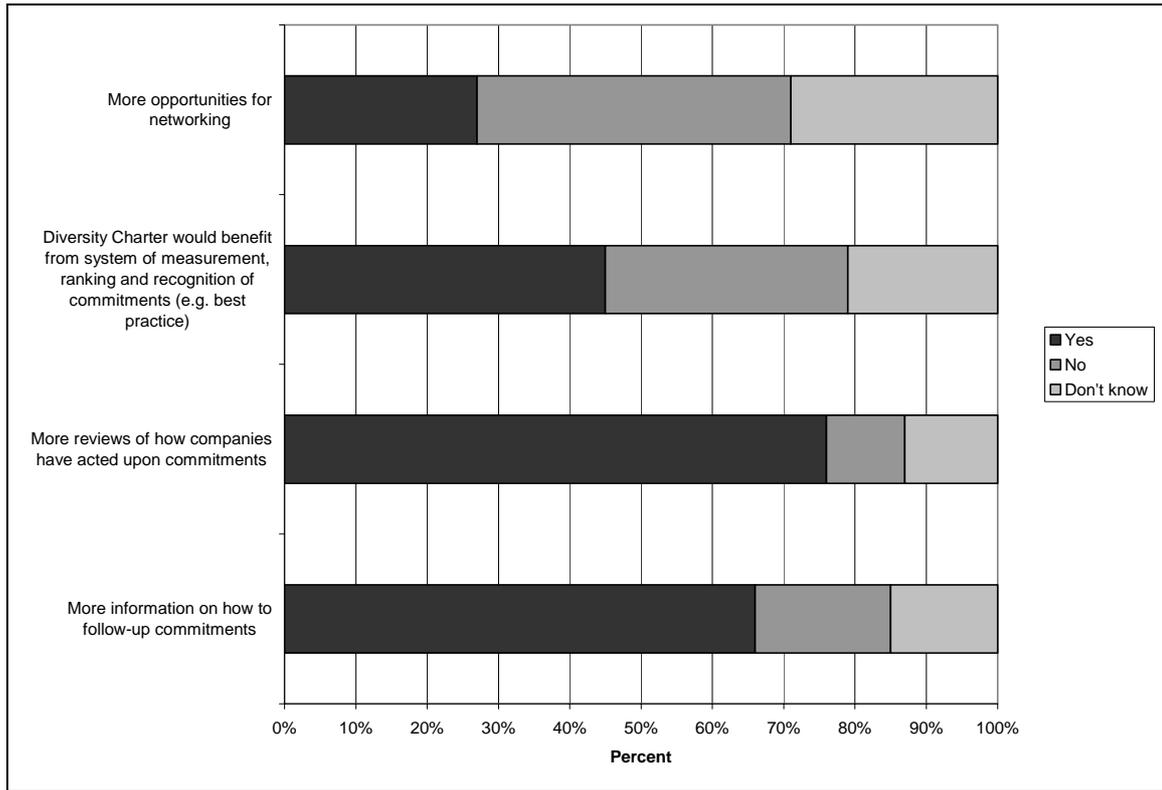


Figure 8: How Diversity Charters might be improved (N=62)

3.2. Responses of signatories at national level

When the responses of signatories to each of the three Charters are compared, few issues explored in the research were responded to differently by companies in France, Germany, and Brussels.³⁷ Significantly, amongst companies that took part in the research, their sets of expectations and derived benefits concerning the Diversity Charter were mostly the same. However, responses regarding the initial impact of signing the Charter on company diversity policies were different. The sample of companies drawn from each country was not representative, but of those that took part in the research, French signatories were apparently more likely than German signatories to implement some new policies because of signing the Charter. Areas of company activity more likely to have been influenced by the Charter amongst French signatories included overall commitment to diversity issues,³⁸ internal awareness of

³⁷ The overall low number of responses from Brussels means that a national level analysis of the Diversity Charter is not permitted

³⁸ France 63%; Germany 32%

diversity issues,³⁹ diversity management policies and practices,⁴⁰ staff recruitment, retention, and management.⁴¹ However, German signatories were apparently slightly more likely to recognise benefits associated with creativity, innovation, and productivity.⁴²

Each Charter operates differently in terms of the systems of oversight and commitment that it encourages signatories to respect. As a corollary to this, companies in France, Germany, and Brussels had slightly different ideas regarding the extent to which Diversity Charters could actively support companies in developing, implementing, and measuring their diversity policies. Of all three Charters, the French Charter is the most explicit in terms of requesting some form of continuing assessment of how commitments have been implemented. Indeed, the last of the six commitments encourages companies to describe a list of actions taken in relation to diversity in their annual reports. Companies (especially those that do not produce an annual report) are also encouraged to complete a questionnaire on diversity actions taken that is available through the Charter website.

Of French signatories that took part in the research, 26 (74 percent) suggested that they fully acted upon this commitment. Nearly half further suggested that the authority responsible for the Diversity Charter actively encouraged them to do so. Reflecting this, just one French signatory that took part in the research suggested that it did not have any commitments in terms of demonstrating implementation. Of the rest, 13 suggested that the HR manager was responsible for overseeing the implementation process, with another 13 suggesting upper and senior management. French signatories that took part in the research submitted annual reports and/or the questionnaire to demonstrate their commitments. Twenty-four – 69

³⁹ France 83%; Germany 55%

⁴⁰ France 66%; Germany 14%

⁴¹ France 86%; Germany 41%

⁴² France 9%; Germany 14%

percent – said that they found them useful. During interview, one signatory company complained that the reports were too time consuming.

Perhaps because of the level of oversight, 86 percent of French signatories that took part in the research suggested that they would find further information on how to develop and implement diversity policies useful. This could suggest a sense of “trade off” between the Charter and companies: companies will submit to external assessment so long as they receive prior support and guidance with their diversity policies. However, it should be remembered that the sample of companies is not representative. During interview, smaller companies or companies setting out on their diversity journeys were keen to stress too much intervention could act as a deterrent for companies.

When companies in Germany sign the Diversity Charter, they are asked to complete a survey detailing their current diversity policies and plans. However, only six of the 22 signatories that took part in the research suggested they had completed this or any other form of overview. All of them suggested that they found it useful. Twelve signatories that took part in the research indicated that they did not know about any form of review.

Fifteen of the 22 German signatories that took part in the research suggested that the Diversity Charter could benefit from a system of review and associated Best Practice award or similar initiative. One German signatory – an SME – suggested that it was disappointed that no such review took place at the time of signing. They suggested that if this was the case the Charter could become a mark or seal of “best practice” – a view shared by many companies in all three countries. Because of this lack, the signatory suggested that the Charter was in danger of being seen as a public relations “stunt.”

While the majority of French signatories that took part in the research suggested that further information from the Charter authority would be useful, in

Germany only half agreed. This might be due to the higher number of companies with existing diversity policies that took part in the survey.

4. THE FUTURE OF DIVERSITY CHARTERS

4.1. Challenges facing Diversity Charters in France, Germany, and Brussels

Representatives⁴³ of the French, German, and BCR Charters have suggested several potential challenges facing the development of Charters in each of the three countries. In France, it has been recognised that greater emphasis should be placed on attracting more SMEs to become signatories and more effort should be made when encouraging companies to meet their commitments and reviews, including the development of tools to assist with this. In addition, the Charter should respond to emerging trends within diversity issues.⁴⁴ Similar views have been expressed in relation to the German Charter.⁴⁵ In the BCR, recent legislative changes had the effect of reducing the significance of the Diversity Charter in the eyes some companies who consider the legal framework to be enough.⁴⁶

Commonly cited problems faced by all three Charters mentioned by representatives of the Charters, signatory companies, and other stakeholders include:

- Lack of legal status (i.e. revenue-raising abilities, enforcement, oversight)
- Lack of agreement over the degree to which signatories agree to being evaluated, if at all
- Lack of funding and resource-generation to cover on-going costs and activities including review of company commitments (in the Brussels case this is not so much of a problem although the funds available are small)
- Lack of “signing-up” fee/continuing “membership” fee

⁴³ Henri de Reboul (IMS) on behalf of the French Charter, Hans Jablonski (Jablonski Business Consulting) on behalf of the German Charter, and Audrey Leenaerts (Pacte territorial pour l'emploi en RBC – Consultante de la diversité) on behalf of the BCR Charter. Each individual spoke at the June Workshop on Diversity Charters and this section is based upon their comments plus additional background research conducted by Focus Consultancy and EIMD.

⁴⁴ Presentation given by Henri de Reboul (IMS), 26.06.2008

⁴⁵ Comments made by Hans Jablonski (Jablonski Business Consulting), 26.06.2008

⁴⁶ Audrey Leenaerts (Pacte territorial pour l'emploi en RBC – Consultante de la diversité), response to questions on problems facing the BCR Diversity Charter

Associated with these challenges is perhaps the need for a supporting organization with sufficient human and financial resources to oversee the various aspects of Charters (although in France IMS fulfills many functions of a dedicated organization). Some interviewees suggested that the lack of such an organization meant Charters cannot provide activities and events tailored to meeting the requests and needs of signatories.

An EU-level initiative

In addition to research with the 335 EBTP companies and 62 existing signatories of Diversity Charters, additional preliminary research was conducted with 41 companies across Europe on the future of Diversity Charters at national and EU level. These companies were identified through the EBTP and other channels.⁴⁷ Research with the EBTP and existing signatories strongly suggested that opinions were very much divided over the added value of a Diversity Charter at a geographical level greater than the national level. This finding was echoed by the 41 companies responding to this strand of research.

Again, companies operating internationally saw the relevance of an EU-level or even global Charter, while smaller companies thought national or regional/local Charters would be more suitable for them. When interviewed, companies interested in a global or EU level Charter suggested that because their business was global any diversity initiative should also be global. One company argued that diversity issues were too important to deal with in a piecemeal way at national level, and that a centralised EU-level initiative was therefore required. On the other hand, a company operating internationally suggested that while in principle this was a good idea the different legal requirements of separate countries would make any cross-border initiative difficult to envisage. Similar reasons were given for the value of national or

⁴⁷ Including other research projects carried out under the contract VC/2007/035

regional level Charters: they were more relevant for companies operating at that level in the economy.

Developments in other countries: Spain

During the period of research, rumours began circulating that Diversity Charters were being seriously explored in other countries, including Switzerland, Italy, and Spain. One of the Project Partners, the European Institute for Managing Diversity, is involved with its development and produced a short report on current developments.⁴⁸ According to that report, the creation of the Spanish Diversity Charter is with the objective to encourage diversity management and inclusion practices in Spanish companies and institutions of all sizes and from all sectors. It also aims to involve public organizations at national, regional and local levels. Additional objectives include the promotion of ongoing research and development on diversity issues and training and education in the academic world. Through these activities, it is hoped that exchange of best practices amongst all groups will be promoted. As a process, it is envisaged that the Spanish Charter will be developed through the following means:

1. Obtain support and participation of the government and relevant institutions
2. Obtain the commitment of companies and institutions that are already leaders in diversity and inclusion management and anti-discrimination policies
3. Constitute a core of founding companies and institutions in order to promote the Charter in Spain
4. Draw up and achieve consensus regarding the text of the Charter
5. Set up an operating structure that provides a framework and ensures sustainability of the Charter, administration of a website, and collection and

⁴⁸ European Institute for Managing Diversity, 2008, *Diversity Charter – Spain* (unpublished)

dissemination of information to signatories, non-signatories, the media, and other social partners

In addition, individuals responsible for the planning phase of the Charter are holding discussions with representatives of the French, German, and Brussels Charters in order to benefit from their experiences.

5. CONCLUSIONS & RECOMMENDATIONS

Diversity Charters are among the latest in a list of voluntary diversity initiatives aimed at encouraging companies to take diversity seriously, and develop and implement diversity policies. Unlike many kinds of initiatives, Diversity Charters stand as both valuable starting points for companies wishing to embark upon the diversity journey while also providing a framework for companies to develop existing policies. In both cases, the act of signing the Charter can create a sense of motivation and momentum within the company to embark upon developing and implementing new diversity policies.

However, because of their “dual role,” little consensus exists between Charter signatories over the degree to which commitments should be monitored and rewarded. While companies that actively seek diversity accolades recognize the benefit of having one awarded by the Charter, companies that are new to diversity do not. Indeed, for them a compulsory system of review could act as a deterrent to signing the Charter in the first place. On the other hand, companies that would like to see compulsory reviews also suggest that at present it is “too easy” to become a signatory. They fear that this will ultimately reduce the Charter’s brand value. As such, it seems that a careful line must be drawn between creating a Diversity Charter that is open to all companies and ensuring that real actions on diversity do stem from it.

Although opinions are strongly divided over the value of an EU level initiative – with a large number of companies simply unsure about where they stand – it would seem that preference rests with extending Charters at national level (and within countries perhaps even to regional level). Transnational companies most often recognise the value of an EU-level Charter, but this is usually because they operate economically at that level. The vast majority of companies and SMEs operate at

regional and even just local level. Diversity initiatives are thus most valuable when they speak to issues and concerns relevant to those levels.⁴⁹

There is clear a movement towards more national Diversity Charters. The European level could provide added value by promoting actively the exchange of experience and dialogue between Charter organisations; to promote the setting up of Charters in other countries; and to consider establishing either an awards scheme and/or a Europe-wide 'labels' initiative. There could also be some merit for companies operating EU-wide in considering creating an EU-level Charter.

⁴⁹ See: *Diversity For Talent and Competitiveness in Local Markets: The SME Business Case for Diversity*