DIVERSITY MANAGEMENT AND DISCRIMINATION:
EXPERIMENTS IN DIVERSITY MANAGEMENT IN THE
EUROPEAN UNION

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Introduction

The collection of data on ethnic and racial discrimination in employment has been part of the work of the European Union Agency for Fundamental Rights (FRA), and previously the European Monitoring Centre on Racism and Xenophobia (EUMC), since the beginning of the EUMC’s operations in 1998.

The first part of this paper describes the kinds of data and information collected by the FRA/EUMC which testifies to the existence of racial/ethnic discrimination in employment in the EU. The second part provides a typology of organisational measures to combat employment discrimination, focussing particularly on diversity management practices by employers as a potential tool of anti-discrimination.

The work of the FRA

The collection of data on ethnic and racial discrimination at work and in the labour market has been part of the work of the European Monitoring Centre on Racism and Xenophobia (EUMC), since the beginning of its operations in 1998 in Vienna. The EUMC, an independent agency of the European Union, in 2007 had its mandate extended to become the European Agency for Fundamental Rights (FRA), but it still continues with the prime objective of the EUMC, namely “providing the Community and its member states with objective, reliable and comparable data at European level on the phenomena of racism and xenophobia”.

The collection of reliable data is necessary for awareness-raising and for sensitising the public and policy makers as to the extent and nature of racism, discrimination, and related injustices. It is often only when data have been assembled which have not been brought together before, or when specific research has been carried out, that public attention is drawn to phenomena which until then have not been easy to see. Data are also necessary for guiding and supporting the implementation and development of policy initiatives to combat inequality, exclusion and social injustice. Furthermore, data are useful for public and private sector organisations to ensure that their own policies are fair, efficient and comply with equal treatment laws, and for judicial processes in proving or rebutting claims of unfair treatment.

To collect data, the EUMC/FRA created RAXEN, its European Racism and Xenophobia Network of National Focal Points (NFPs), one in each member state. These are typically composed of anti-racist NGOs, national equal opportunities bodies, institutes for human rights, or university research centres, supplying the FRA with regular information on racism, xenophobia and related issues in each Member State.

Data and information are collected by the National Focal Points according to common guidelines provided by the EUMC, and cover four areas of social life: employment, education, housing, and health, as well as legal initiatives, and racist violence and crime. In each thematic area the NFPs collect several kinds of data, for example:

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1 For more information about FRA see: http://fra.europa.eu
2 EN L 53/4 Official Journal of the European Union 22.2.2007
• Statistical data from official, semi-official and NGO sources
• Information on racist incidents and court cases
• Information on relevant legal provisions
• Case studies and information on positive initiatives against racism and discrimination
• Descriptive and analytical information, such as from research activities, opinion polls, etc.

The data in the NFP reports have formed the background material used to compile the FRA/EUMC Annual Reports. The Annual Reports present an overview of events and developments regarding racism and xenophobia in all the Member States each year, in each of the thematic areas. Most of the information referred to in this paper can be found in greater detail in the Annual Reports.

1. EVIDENCE FOR THE PROBLEM OF EMPLOYMENT DISCRIMINATION

There are three main sources of evidence on employment discrimination against migrants and minorities provided each year by NFPs:

1. Statistics of inequality providing indirect evidence of discrimination
2. Complaints and court cases of discrimination
3. Research evidence on both victims and ‘gatekeepers’

Statistics of inequality providing indirect evidence of discrimination
Official statistics from Member States come from three types of data source – population censuses, national registers, and official surveys. These can show differences in the circumstances of different minority and migrant groups, provided that information on ethnic/national origin, or a close proxy, is available within the data. Such national statistical data can in theory produce patterns which suggest the operation of discrimination. For example, in many EU countries immigrants or ethnic minorities have unemployment rates significantly higher than the majority population. If, in large data sets, it is possible to hold constant relevant variables such as education level, qualifications, experience, age, etc. and significant differences still remain, then this is an indirect indicator of discrimination.

There is great variety within the EU in the degree to which a Member State’s census or national population register is useful for identifying racial/ethnic inequality, or for operating and judging the effectiveness of anti-discrimination activities. In the UK a question on ethnic background has formed part of the official census since 1991, and Ireland recorded this for the first time in 2006. In some other countries their official population data registers whether the individual’s parents were born abroad, thus making possible the identification of second generation immigrants, but no more than this. In most of the ten Member States which joined the EU in 2004 there is a question on ‘nationality’ which is understood more in ethnic terms than in terms of citizenship, and can be used to identify members of long-standing ethnic or national minorities within a country’s borders (for example, Hungarians in Slovakia or Romania). However, these are incapable of identifying more recent immigrant groups. Most of the remaining countries ask only about citizenship and place of birth. This means that
in most EU countries official data are of limited use for the purpose of identifying groups exposed to racial/ethnic discrimination, and evaluating measures against it, because many of the people within these groups are no longer ‘migrants’, and have been born in, and are citizens of, their EU country of residence.

Some national statistical authorities allow researchers access to national census and register data to carry out sophisticated analyses relating to migrant or minority populations. The National Reports provided by the NFPs regularly present examples of studies where, for example, multivariate regression analysis applied to statistics on unemployment and earnings indicates a residual amount of disadvantage for migrants and minorities that can be assumed to be due to discrimination. However, this evidence remains ‘indirect’.

Some transnational European surveys, such as the European Social Survey have the potential to provide more sophisticated and reliable analyses. However, the sample used by the European Social Survey picks up too few migrants and minorities to be of great use. EUROSTAT has an ad hoc module for the Labour Force Survey 2008 covering migrants and their descendents, with the aim of showing the degree of their integration in the labour market. It is the first time that such a module has been used, and it is likely to be repeated every three or four years. Although the module will be able to provide some information relevant to those concerned with combating discrimination, it has a limited number of questions and does not directly address experiences of discrimination.

**Complaints data**
This category of evidence comes from complaints reported to specialised bodies for assisting victims, or to Ombudsmen, the police, the courts or NGOs. They might come from victims themselves, or from “whistleblowers” who complain to an agency about discriminatory practices which they have witnessed.

Complaints are not a good indicator of levels of discrimination because the levels of under-reporting and non-reporting are high. Many victims are not certain that they have been victims of discrimination, and even when they are certain, there are many social and institutional forces which will determine the likelihood of them reporting it. In the past, this has been exacerbated by the fact that in some Member States there was no official agency to receive a complaint. Now, the need to comply with the Equality Directives is expected to gradually improve this situation, with the obligation for Member States to provide specialised bodies to document discrimination and assist with cases. However, even where a complaints mechanism exists, it is well known that only a minority of victims who perceive that they have suffered discrimination are likely to complain. For example, in one year it was thought that only four per cent of people subject to discrimination reported it to the Ombudsman against Ethnic Discrimination in Sweden. In other words complaints data represent ‘the tip of the iceberg’.

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3 See [http://www.europeansocialsurvey.org/](http://www.europeansocialsurvey.org/)


Furthermore, there may still be differences between Member States in the readiness of victims to complain to their national specialised bodies. Evidence supplied to the FRA by its NFPs shows that there has been a tremendous variety between Member States in the way they have introduced their specialised bodies. Whilst some Member States have run awareness campaigns in the media targeting potential victims of discrimination to draw attention to the new possibilities of redress under the new legislation, other Member States have carried out no awareness-raising activities at all. Also, in some Member States there are comparatively severe sanctions available in cases of ethnic discrimination, whilst in others, the available sanctions are relatively minor.  

Nevertheless, in the last reports from NFPs there have been examples of court cases that seem to indicate a growing awareness of the issue of employment discrimination and the EU Equality Directives in some Member States. For example, in Latvia in 2006 there was the first-ever ethnic discrimination court case, concerning discrimination against a Roma woman seeking employment in a shop, with the court judgement based on legal norms adopted in line with the Racial Equality and Employment Directives. There was also a landmark case in France, the result of joint action between the HALDE, the Inspection du travail and the Director of Public Prosecutions, concerning a black woman who applied for a position as a hairdresser, with the heaviest penalty ever pronounced by a court as regards employment discrimination.

Evidence from research
As well as providing official statistics and complaints data in their data collection reports, the NFPs also provide evidence from research carried out by others. Research on discrimination can complement official statistics and overcome many of the problems that have been described above. Research projects can be designed so as to include the sensitive categories of ‘race’, or ethnic/national origin, which are often so difficult to find and use in existing statistics. Research can identify the importance of variables which cannot be shown in official statistics, and can produce a range of evidence of different types on discrimination, in its various manifestations and locations.

From the FRA’s point of view the most valuable types of research for providing data on discrimination have been:

1. **Victim surveys**, where people from social groups who are at most risk of suffering discrimination are asked about their subjective experiences of discrimination. The survey might be administered by postal questionnaire, or by direct interview.

2. **Surveys of the majority population**, either by questionnaire surveys or by qualitative research, including focusing on those who act as gatekeepers to

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9 FRA Report on Racism and Xenophobia in the Member States of the EU 2007 p.53
employment opportunities. These can provide information on attitudes or practices which can have direct implications for the equal or unequal access of migrants and minorities to opportunities and services.

3. Discrimination testing, which utilises two or more equally-matched testers, one belonging to a majority group and the others to minority groups, all of whom apply for the same job (or other opportunity or service). The method reveals the extent to which an applicant from the white majority background is preferred over the equally-qualified minority applicant.

Examples illustrating each of these methods are presented below:

**Victim surveys**

In recent years NFPs have reported an increasing number of surveys of the perceptions and experiences of groups who are likely to be victims of racial or ethnic discrimination. For example, in 2006, surveys of Russian speakers in Estonia, immigrants in Denmark, Turks in Germany, Serbs and Bosniacs in Slovenia and Somalis, Russians, Estonians and Vietnamese in Finland all reported subjective experiences of discrimination in employment. In France in 2006 a study of the agency for managerial staff employment (APEC – Agence pour l'emploi des cadres) revealed that one quarter of managerial staff feel discriminated against because of their origins. In the following year various surveys describing the subjective experiences of victims of employment discrimination were reported in Austria, Italy, Estonia, Slovenia, the Netherlands, France, Sweden, Denmark and the UK, and in two countries - the Czech Republic and Hungary - the method was applied specifically to members of the Roma population.

**Surveys of the opinions and practices of the majority population**

Surveys of the majority population, of employers, or of employment agency staff, provide information on attitudes or practices which can have direct implications for the access of migrants and minorities to employment opportunities, and often confirm the barriers to employment that migrants and minorities say they face. For example, interviews in Germany in 2006 showed that when recruiting for jobs, people such as personnel managers are not only guided by relevant factors like education, qualification and work experience, but also by cultural stereotypes and prejudices towards Turkish migrants (e.g. they are “not ambitious”, “macho”, or “incapable of working in a team”). Many employers explained that they would worry about problems with clients or German employees if they recruited a Turk, and some employers themselves clearly displayed personal prejudices towards Turkish applicants.

More recently, in Belgium a survey of 688 members of an organisation of self-employed, covering mainly small companies with five to ten workers, found that eight out of ten respondents would not consider hiring a person of foreign nationality, even

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for occupations where there are labour shortages. In Bulgaria a survey found that 77 per cent of employers would refuse to hire Roma people in construction, agriculture, and other low-qualification jobs, and in a Romanian study, 60 per cent of respondents gave a positive answer to the statement: ‘If I had my own business, I would not hire Roma because most of them are lazy and steal.’

**Discrimination testing**

The method of ‘discrimination testing’ utilises two or more testers, one belonging to a majority group and the others to minority ethnic groups, all of whom apply for the same jobs. The testers are matched for all the criteria which should normally be taken into account by an employer, such as age, qualifications, experience and education.

If over a period of repeated testing the ‘applicant’ from the majority background is systematically preferred to the others, then this points to the operation of discrimination according to ethnic or national origin. From the 1990s, the International Labour Organisation (ILO) has sponsored discrimination testing in Belgium, Germany, the Netherlands, Spain, Italy, Sweden and France. Significant ethnic discrimination against the minority ‘applicants’ was reported in all cases. In addition, various testing experiments carried out by researchers, journalists or NGOs have been reported recently in France, Sweden, the Netherlands, Slovakia and Hungary. For example, in 2006 in France the ‘first national barometer’ was carried out by Adia in conjunction with the French observatory on discrimination. The organisation sent out 6,461 CVs during one year in response to 1,340 job offers, and a comparison was made of the chances of being called for an interview. The research found that a man of Maghrebian origin was only one-third as likely to obtain a recruitment interview as a majority French man.

Testing is a highly effective method for investigating discrimination in the first stages of recruitment, and overcomes the problem that in real life most discrimination is invisible. With this method there is no doubt as to the validity of the evidence, particularly when the minority candidate enquires first, is told the job is gone, and then a little later the majority applicant is informed that the job is still vacant.

### 2. INFORMATION ON MEASURES TO COMBAT DISCRIMINATION

The exposure of cases and practices of employment discrimination from the sources and methods described above means that the existence of the problem can no longer be denied. Now, in Member States where there had previously been little awareness of the issue, there is evidence of a growing acceptance that there is a problem that needs to be addressed. Since the beginning of its data collection activities in 2000, the RAXEN network has provided the FRA/EUMC with ‘good practice’ examples of...
anti-discrimination measures by employers. In recent years NFPs have reported increasingly varied examples of organisational ‘good practice’ which aim to combat discrimination and improve the employment inclusion of immigrants and ethnic minorities. A rough categorisation of different levels of organisational measures in this field reported by NFPs since 2000 is as follows:

1. Training the immigrants/minorities
2. Making cultural allowances at the workplace
3. Challenging negative attitudes in the majority workforce
4. Introducing specific policies to combating discrimination
5. Adopting equal opportunities policies with positive action
6. Adopting diversity management policies

These are explained in turn:

**Training the immigrants/minorities** This consists of measures directed at immigrants and ethnic minorities themselves to assist in their integration into society. Formal training might be provided for newly arrived immigrants to improve their education and skills, and to help them learn the language, culture and customs of the new society. Training might also cover finding work and how to operate in the labour market.

**Making cultural allowances.** Here, allowances are made for specific religious or cultural needs of minority groups within the organisation. These measures might encompass the recognition of religious restrictions on diet in company canteens, allowing workers to celebrate religious holidays other than Christian ones, or allowing the wearing of certain items of clothing, such as the headscarf or trousers for women. Similarly, service providers such as social workers, teachers, doctors and nurses come to realise that they must be informed about immigrant or ethnic minority cultures, and that minorities may have 'special needs' related to their ethnic background. Also under this heading would be policies which allow immigrant workers to accumulate a longer leave period in order to give them a chance to return to their countries of origin and spend some time there.\(^\text{18}\)

**Challenging negative attitudes in the majority** Policies at this level work from the assumption that the main barriers to change are the attitudes and prejudices of people, and so publicity and information campaigns or training to change peoples’ attitudes are introduced. There might be courses, training packages and media materials addressing prejudices and hostile attitudes and providing the opportunity to discuss xenophobia and racism. There could also be ‘cultural sensitivity’ training.

**Combating discrimination.** Policies at the next level focus on trying to produce changes in people's behaviour rather than trying to change people’s attitudes. Measures could include the introduction of fair recruitment and selection procedures, and training on how to operate these, and how to comply with anti-discrimination

\(^{18}\) Strictly speaking this is not making cultural allowances but making allowances for migrant origin, but is still best categorised under this heading.
legislation. It could also cover anti-harassment policies and training, and the introduction of disciplinary measures against racism and discrimination within the organisation. Addressing discriminatory behaviour in these ways is seen to be important in creating a 'level playing field' by removing unfair barriers to opportunity.

**Equal opportunities policies with positive action.** The next level is to use a combination of the above approaches in a general equal opportunities package. There might be an equal opportunities statement for the organisation, a handbook for employees setting out the policy’s intentions and procedures, and a target, such as the long-term aim of reflecting the ethnic mix of the local population in the workforce. Often there will be monitoring of the ethnic background of the workforce.

The positive action initiatives are those over and above the simple provision of equal treatment and the production of a 'level playing field’ through removing discriminatory barriers. There is an argument that such measures are not enough if members of under-represented minority groups are starting from very different and disadvantaged positions, sometimes because of the operation of racism and discrimination in the past.

Positive action, like the stronger American version, affirmative action, recognises the existence of a sort of structural discrimination whereby the exclusion experienced historically by certain groups means that inequality of opportunity will continue even when current discrimination processes are removed. Positive action goes further than equal treatment. Whereas equal treatment would mean treating people who apply for jobs without discrimination, positive action means, for example, making an extra effort to encourage groups who might not normally apply. Therefore, positive action is in fact doing something extra for previously excluded minorities, something you are not doing for the national majority.

**Diversity management** The most ambitious level is that of diversity management, which can include many or all of the elements of the other approaches and adds diversity philosophy and practice to this in a whole-organisation approach. An assumption of the diversity management approach is a positive desire to work towards an ethnically mixed workforce and a recognition of the positive benefits that such a demographically diverse workforce can bring to the organisation. The approach entails actively managing the diverse mix of employees in ways to contribute to organisational goals and develop a heterogeneous organisational culture.

Diversity management emphasises the benefits for organisational competitiveness and efficiency, and for gaining market advantage that come from recognising cultural differences between groups of employees, and making practical allowances for such differences in organisational policies. The idea is that encouraging an environment of cultural diversity where peoples’ differences are valued enables people to work to their full potential in a richer, more creative and more productive work environment.

A diversity management approach is particularly relevant to issues of the retention and promotion of skilled immigrants in employment. Whereas previous equal

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opportunities approaches saw as their main indicator of success the entry into jobs of under-represented and excluded groups, a diversity management approach also focuses on what happens after that. Evidence has shown in the past employers often experience higher rates of labour turnover for their skilled immigrant workers than for their majority peers. Among the reasons for this may be the dissatisfaction that stems from working in an unsympathetic organisational climate. A range of elements within a diversity management programme can address this, ranging from, in the short term, mentoring schemes to, in the long term, trying to develop a more sympathetic organisational culture. These advantages make it more likely that organisations will voluntarily adopt, in their own interests, anti-discrimination and equal opportunity policies.

The six levels
Whilst the most desirable situation would be to see effective activities at all six levels, significantly more activities have been reported in some categories than in others. Probably the single most common activity reported to the FRA/EUMC over the years has been the provision of training for migrants and minorities, usually language training, or training in work or labour market skills (category 1). In recent years there seems to have been a greater readiness on the part of employers in most Member States to make allowances at work for religious differences in, for example, holidays or canteen menus (category 2). Also becoming more common in some Member States are programmes of inter-cultural awareness-raising for employees (category 3). However, far fewer activities have been reported in categories 4, 5 and 6. This seems to suggest that, in Europe, models of ‘immigrant deficit’ and ‘cultural difference’ have been more dominant than models that emphasise the need to remove barriers of discrimination.

Nevertheless, in recent years anti-discrimination policies have become more organisationally ambitious in some Member States, including examples of positive action. Most notably, there have been signs of a spreading awareness of diversity management.

Diversity Management
In recent years new examples of diversity management initiatives have been reported in the UK, the Netherlands, Germany, France, Ireland and Denmark. In the UK a diversity management awareness has been steadily increasing since the 1990s, with many of the top British companies now seeing a diversity policy as quite normal. In the Netherlands following the National Action Plan for 2004 the government created the National Diversity Management Centre to assist the progress of immigrants into employment. Whilst the awareness of the practice is much less common in Germany, it was estimated in 2005 that about 50 of the mainly large ‘household name’ companies have adopted elements of managing diversity practices. In Belgium there have been many encouragement measures for the practice. In December 2005, approximately fifty employers (representing almost 150,000 employees) active in the Brussels-Capital Region signed a “Charter for Diversity”. In 2005, the Interministerial Conferences on integration and employment developed a new instrument to promote equality in the labour market, the ‘diversity trademark’, to be awarded to companies in Belgium that can clearly demonstrate the practical ways they promote diversity within and outside their organisation. This is similar to the MIA prize for diversity in
Denmark, instituted in 2003 and now awarded annually to companies by the Danish Institute for Human Rights.

In France, there has been a considerable increase in the interest shown by the authorities and private sector employers (and the media) in questions regarding diversity over the period, and this was particularly striking in 2005, when more than 250 companies signed the “Diversity Charter” aiming “to support pluralism and to seek diversity through recruitment and management of careers” to the benefit of the company. So far in France, as in the other countries, it seems that diversity awareness and initiatives remain limited to the largest companies, rather than the small and medium-sized companies which provide most employment. Nevertheless, in Sweden in 2005, a market research agency found out that six out of ten small and medium-sized companies had recruited during the last three years “with the intention of increasing diversity in the company”, and that a majority were of the view that “increased diversity should benefit the company’s commercial opportunities”.

In 2005 the European Commission published a report on diversity management practices in the EU. Whilst concluding that companies were making “steady progress” in the implementation of diversity and equality policies in Europe, it also showed that in general the level of responses and good practice submissions received from companies based in the new EU Member States and those from Southern Europe was relatively low. This is also reflected in the absence of examples reported to the FRA from these countries by the NFPs, which suggests that the awareness and practice of diversity management by companies in Spain, Portugal, Italy, Greece and all of the 12 new Member States is virtually non-existent.

A final observation on diversity management:
Activists for equality and anti-discrimination at the workplace have long been working to get equality issues taken seriously as integral parts of an organisation’s routine activities. For some, therefore, the spread of diversity management is a positive development, in that major business corporations are voluntarily mainstreaming policies for a fair and equal inclusion of black, immigrant and ethnic minority workers on the grounds of business self-interest. However, a note of caution must be sounded regarding the content of diversity management policies, and to do this we need to return to the earlier classification. The six-fold typology enables us to classify activities which take place under the headings of diversity management and related activities, and to address the question as to whether some activities which go under the heading of diversity management might have very little to offer in the way of recognising and combating discrimination.

We can illustrate this from just one example which came to notice in 2000, at an international workshop on diversity management, where a Norwegian company set out its “experiences of managing diversity”. This was an organisation of 500 employees with about 20 per cent of its production and warehouse workers coming

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20 Temo (2005) Mångfald i arbetslivet – En undersökning bland små och medelstora företag
from a minority ethnic background. The ‘Managing for Diversity’ initiative it described consisted of the following practices.

- Firstly, the company provided courses in the Norwegian language, tailored to issues in the working environment, and 50 per cent of which were allowed to take place in working hours.

- The second element was the recognition that the food provided on company training programmes and union courses should not, for example, include pork if Muslim or Jewish workers were to attend.

- A third initiative was to allow non-European workers to take extra unpaid leave for certain holiday periods so as to give them more time to spend on visits to their countries of origin.

- Finally, the company reported that it had been suggested that an activity for the future should be to hold some sort of meeting with Norwegian workers who have expressed negative attitudes to ethnic minorities, in order to try to neutralise these phenomena.

The company describes itself as having been ‘working with diversity’ for many years, and categorises its experiences as ‘managing diversity’. However, if we use the typology to classify this company, we can say that it is not at the level 6 ‘diversity management’ stage, properly defined. The policies it describes cover levels 1 and 2 in the typology, and show the first signs of awareness of a need to move into level 3.

This example illustrates a relatively ‘loose’ use of the term diversity management, a usage which is in danger of becoming common in Europe, particularly in national contexts where little in terms of organisational anti-discrimination or equal opportunity policies has been experienced beforehand. It is possible that we may see diversity management policies which ignore, or are rather weak on, elements of anti-discrimination, and which sidestep some of the stronger elements of equal opportunities policies, including anti-discrimination and positive action elements.

There is a danger that the lack of previous experience of anti-discrimination policies in some Member States will mean that forms of diversity management which develop there will be restricted to the feel-good ‘celebrating cultural diversity’ types. In the eyes of some people, a policy which, in terms of the classification, consists only of a combination of levels 1 and 2 – i.e. training minorities and making cultural or religious allowances at work – coupled with some of the ideological elements of level 6 – such as stressing the organisational value of cultural diversity – is an unsatisfactory and incomplete type of organisational response to cultural diversity, and will do little to combat the manifestations of racial and ethnic discrimination in Europe which have been identified in the first part of this paper.