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Diversity within small and medium-sized enterprises

best practices and approaches for moving ahead

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Diversity within small and medium-sized enterprises - best practices and approaches for moving ahead

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GENERAL INTRODUCTION

1. Supporting SMEs with diversity management

This is a guide for European small and medium-sized enterprise (SMEs) managers wishing to improve the competitiveness and the social and economic performance of their business by building on the diversity of their workforce. The publication contains basic information for all SMEs to use, regardless of their size (from 1 to 500 employees), business sector, location (local, regional, national) and management mode. This publication is not intended to be comprehensive but rather to highlight key elements for successful diversification by SME management.

The guide is divided into three parts:

- Key elements for SMEs to undertake diversity actions;
- Best Practices of SMEs successfully implementing diversity measures;
- Best Practices of large corporate groups successfully supporting SMEs define and implement their diversity policy.

The purpose of this guide is to provide SME managers with **simple yet concrete keys** for implementing integrated and efficient diversity management measures. This publication applies an **operational perspective** and includes **practical material** for companies to duplicate in their own specific contexts or adapt or draw inspiration from. It also includes **theoretical input** so as to **convince SMEs of the benefits and effectiveness of diversity management**. This information serves as a foundation for SMEs to build on their commitment. Combining theory and practice, this guide aims to **both convince and equip** SMEs wishing to embark on diversity management.

You can read this guide from cover to cover but its very structure (a collection of best practices) also allows you to pick and choose the sections or topics that most interest you. This guide is yours to use as you see fit!

The publication is based on the work and expertise of the **EU Platform of Diversity Charters**.

The **EU Platform of Diversity Charters** was created in 2010 under the initiative of and with funding from the **European Commission** (as part of a larger project entitled: "*Support for voluntary initiatives promoting diversity management at the workplace*"). This forum is a place where the various existing European Charters (15 at present) can **exchange and share experience and good practices** more easily.

A **Diversity Charter** consists of a short text stipulating a number of measures to be implemented to promote diversity, non-discrimination and equal opportunities in the workplace. Signing the national Diversity Charter is a voluntary initiative which is open to any organisation (NGOs, academia, public bodies or private enterprises), regardless of its size and activity. Becoming a signatory to a Diversity Charter provides many advantages: it gives you access to a vast peer network and to publications and supporting tools; it is also an effective way to formalise and publicise your commitment to diversity management. Diversity Charters also organise events and conferences to enhance their signatories' knowledge and know-how on diversity management. Being signatory to a Diversity Charter also gives you access to benchmarking and to measurement and monitoring tools. Signing your national Diversity Charter is therefore an excellent way for you to start or take your diversity journey a step further.

The EU Platform of Diversity Charters was designed to enable established Charters' already strong commitment and expertise to be promoted and stimulated. This platform operates through the meetings of representatives of the various Charters, the development of an information platform, both internal (for members of the platform) and external (for people interested in the question of diversity in the workplace), through an effective communication strategy (website, newsletter, blog, social media, etc.) and by publishing common tools. The EU Platform of Diversity Charters also contributes to the **promotion of the "business case" for diversity**, through the "**EU Diversity Charters Annual Forum**". This annual event is an opportunity to emphasise the relevance and importance of implementing diversity policies in the workplace. The objective is to take stock of achievements, share best practices, demonstrate the business case for diversity and bring diversity higher on the political agenda. The EU Platform of Diversity Charters also works to **encourage the creation of new Charters throughout Europe**, providing support for organisations willing and able to launch and manage a Diversity Charter in the countries where there are none yet. For example, the Platform has developed a Practical Guide on how to start and manage a Diversity Charter[1]. The Platform also facilitates the mentoring of emerging Charters by established Charters to guide and support the development of the formers.

2. The business case for diversity

Why is diversity management important?

Diversity management contributes to:

- *enhanced **economic** performance;*
- *enhanced **social** performance;*
- *better adaptation to demographic and organisational **changes**;*
- *compliance with the **law.***

• Diversity management, the key driver of the economic performance of your company[2]

Today's workforce is diversified and business must be in tune with that reality. First of all, being inclusive and open to difference enables a company to **widen its recruiting pool**. Having a skilled workforce is the cornerstone of innovation for businesses and when employers include (often unconsciously) sub-optimal criteria (such as age, gender, ethnic origin, religion, physical appearance or sexual orientation) in profile requirements, they miss out on numerous skilled candidates. In fact, those criteria do impact on employability skills. Diversity management equips companies to see past their prejudices and overcome their misconceptions so as to **recruit the very best candidates**. This argument is all the more powerful in the context of SMEs, given that **underperforming employees are much more visible in and prejudicial to SMEs than large companies**. As a result, due to their limited staff, it is crucial that SMEs should be able to make sound

[1] "Practical guide to launch and implement a Diversity Charter", 2015 [Available at: http://ec.europa.eu/justice/discrimination/files/emerging_charter_guide_en.pdf].

[2] IMS-Entreprendre pour la Cité, « Human Resources Diversity: lever for economic performance », 2011 [Available (in French) at: http://www.imsentreprendre.com/content/la-diversite-des-ressources-humaines-levier-de-performance-economique].

recruitments. Implementing **objective criteria** when recruiting is also a good opportunity for SMEs to **formalise their HR processes**, which is often not the case in many SMEs with limited staff.

Having a diversified workforce also contributes to **innovative team work**. Similar profiles (individuals having similar social and educational backgrounds) are likely to come up with the same type of ideas and, thereby, less likely to yield innovation. In this case, homophily (the tendency of individuals to associate and bond with similar others, based on age, gender, class, etc. according to the idea that "similarity breeds connection") and homogeneity of work teams tend to hinder innovation. Well-managed diversity, on the other hand, allows constructive dialogue, contradictory debate, co-operation and competition, out-of-the-box thinking, creativity, thereby promoting innovation and economic performance.

Having a diversified workforce also allows a company to **better acknowledge and meet the needs of its equally diverse client base**: diversity in terms of profile, skills, education and background provides the company with a new variety of perspectives and, thereby, with enhanced responsiveness to clients' expectations. Having a diversified workforce also facilitates **expansion into new markets and diversification of business**. Diversity management promotes out-of-the-box thinking, which, in turn, allows the production of new, innovative products or services. The company can enter new markets, expand its activity and enhance its economic performance.

Diversity management also facilitates **adaptation to change** in general. In fact, diversity provides greater **mental flexibility** to the company: the more profiles vary, the more diversified reactions to change will be, thereby complementing and shading one another. Having a heteroclite workforce will protect the company from "mass movement", meaning facing unanimous, uniform negative response to change among its employees. Within a heterogeneous group, **nuanced differences in opinion** appear, which increases flexibility, ability to make progress and, in the end, economic performance.

Diversity management also contributes to the economic performance of the company in that it helps the company to develop a **more attractive brand image** and contributes to differentiate the company's product or service. Fostering positive values such as inclusiveness and respect for and valuation of difference will make a company **stand out in the market**, so that clients will choose to do business with that company rather than with its competitors.

To wrap up:

Diversity management added value:

- *attracting and retaining top **talents**;*
- ***innovative** team work;*
- *better responsiveness to **clients'** needs and expectations;*
- *access to **new markets**;*
- *better **adaptability to change**;*
- *positive **brand image**.*

All those added values are likely to **differentiate the company in the market place** and allow it to **get ahead of its competitors**.

- **Taking the human factor into consideration: improving the social performance of your company**

The social performance of a company refers to the ability of a company to take the human factor into account when pursuing its economic goals. It is an indicator assessing **non-financial features** such as **staff well-being** and **conflict management** (internally) or **brand image and reputation** (externally).

The **well-being of staff** is not an anecdotal concern. On the contrary, it is a **powerful source of motivation and commitment on the part of employees**. Employee well-being stems from the sense of inclusiveness and belonging. Employees that feel valued and respected for what they are and for their particular characteristics and differences are likely to be more dedicated, more receptive to corporate culture and more committed to the company's long term success. They are also less likely to be on sick leave or to leave the company altogether. Sick leaves and employee turnover are costly to business and reduce its productivity. Diversity management also improves relationships between employees and is a valuable tool in conflict management within the company. Staff well-being is therefore an important factor to bear in mind.

Positive corporate values like inclusiveness also improve a company's **external image with clients, suppliers or public partners**. Diversity management measures reflect a company's awareness of societal concerns and, as such, contribute to the creation of a **positive brand identity**. Enterprises have no alternative today but to take their environment into account. In fact, regardless of their size or business sector, companies thrive best in a positive and balanced environment. A positive and balanced environment can be built through higher standards of living and quality of life for employees and broader community. Denying the fact that businesses have a responsibility towards the community in which they operate can be harmful to that company's image and reputation.

To wrap up:

The link between diversity and social performance is as follows: diversity management promotes **positive values** (inclusiveness, openness, respect for difference, social commitment, etc) which, in turn, foster **staff well-being and shared corporate culture** as well as **a positive image and reputation**. Conversely, repercussions of non-commitment are serious, both internally and externally, and this is all the more true in the context of an SME. SMEs have smaller teams and, as such, it is crucial that employees should get along and work together successfully. Conflicts between employees are more likely to have an impact on an SME's activity than on that of a large company. Moreover, because of its small size and market share, an SME is all the more dependent on the way it is perceived by other economic players.

- **Get ahead: anticipating demographic and organisational changes**

The ageing population is one of the greatest social and economic challenges in twenty-first century European society. It is a long-term trend that began several decades ago but which effects will be felt more and more strongly in the coming

years. **By 2025, more than 20% of Europeans will be 65 or over**. Today, there are more people aged 65 and above (18.2%) than youth under 18 (15.6%). **By 2080, people aged 65 and over will account for 28.7% of the population whereas the working age population will decline from 66.2% (in 2013) to 56.2%**. The share of those aged 80 years or above is projected to more than double between 2013 and 2080, rising from 5.1% to 12.3% of the population.

Additionally, based on current trends, European populations will become more **ethnically diverse**, with the possibility that today's majority ethnic groups will no longer comprise a numerical majority in some countries.

The growing number of **women** entering the labour market and, more recently, accessing top management positions, is another change to take into consideration.

Organisational changes such as increased **pressure from external stakeholders** like **contractors** or the **State** have changed the way business is done.

SMEs often lack the time, means and expertise to implement efficient and integrated diversity policies. They have more urgent operational concerns and usually fear to commit to diversity because they deem diversity management policies too onerous as well as too logistically and strategically demanding. Big groups, on the other hand, are "ahead of the curve" on that matter and are likely to **relay their values of diversity and inclusiveness with their suppliers and subcontractors**. Similarly, the State and government also **incorporate values of diversity and inclusiveness into contracts** with companies, notably SMEs.

SMEs also face increased diversity as a result of the changes in their own economic activity. **Globalisation** and the enlarged Single Market provide SMEs with new market opportunities and, as such, with the opportunity to internationalise their activities. Studies show that there is a **direct link between internationalisation and increased SME performance and competitiveness**[3]. International activities reinforce **growth**, allow to create more **jobs** (internationally active SMEs report an employment growth of 7% versus only 1% for SMEs without any international activities[4]), increase **innovation** capacity (26% of internationally active SMEs introduced products or services that were new to their sector in their country; for other SMEs this is only 8%[5]) and support the **long term sustainability** of companies. Beyond its direct revenue impact, internationalisation also enables the exchange of knowledge and the enhancement of capabilities. In 2009, more than 25% of EU27 SMEs were involved in exporting or importing at some point in the previous 3 years (mostly towards the EU internal market)[6]. This figure could be higher but internal barriers for SMEs trying to internationalise can include cultural differences, lack of information or skills, insufficient networks or language barriers. Diversity management facilitates internationalization because it gives SMEs more **flexibility**, **responsiveness** and **adaptability**.

Adaptability is key here. In fact, **change is better welcomed when it is anticipated**. Diversity management provides SMEs with the necessary tools and flexibility to adapt to change in a smooth, effective and sound manner. Change is a fact and a challenge, but **it does not have to be a brick wall**.

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[3] Martijn A. Boermans & Hein Roelfsema, "Small firm internationalization, innovation, and growth", Published online, January 2015, 14p [Available at: https://www.statistics.dnb.nl/usr/publicaties/BoermansRoelfsema2015IEEP.pdf].

[4] European Commission - Directorate-General for Enterprise and Industry, "Annual Report on European SMEs 2013/2014 – A Partial and Fragile Recovery", July 2014, 124p [Available at: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/supporting-documents/2014/annual-report-smes-2014_en.pdf].

[5] Ibid

[6] Ibid

- **Diversity measures are also about complying with anti-discrimination law**

EU non-discrimination directives identify six discrimination grounds, meaning six individual characteristics upon which differential treatment should not be based:

- gender;
- sexual orientation;
- disability;
- age;
- religion or belief;
- racial or ethnic origin.

Those are EU-level common grounds but your company may be subject to a longer list, given that legislative frameworks vary from one country to the other within the EU.

This legislation compels businesses to centre their Human Resource Management (HRM) on **acknowledging and giving value to individual skills** rather than on sub-optimal criteria such as the ones mentioned above. Discriminatory practices are sanctioned in the EU and businesses implementing discriminatory processes face **financial penalties** likely to harm their sustainability. This is all the more true for SMEs which, unlike certain large corporate groups, are in no position to sustain such costs. Additionally, complying with the law **sends out a positive and constructive message to public authorities**. It shows good will, proactivity and self-management. It shows private firms are able and willing to tackle inequalities on their own accord, free of state intervention. It may further be pointed out that complying with existing legislation is likely to **prevent other legal constraints from being added**.

To wrap up:

Complying with the law is the first step of diversity management. It enables you to avoid legal risk.

3. Received ideas about diversity management

"My SME has a staff of 10 people. Diversity only applies to big groups".

SMEs may each individually have limited staff but together they employ 88.8 million people or 66.8% of the active population in the EU. There are some 21.2 million SMEs in the non-financial business sector in the EU-28, representing 99.8% of all European businesses. In 2013, they generated €3.666 trillion in value added, meaning 57.9% of total added value created by the non-financial business sector and 28% of EU GDP. SMEs are thus the backbone of EU economy[7]. As such, they represent a **powerful, determining lever for change**. Without the active involvement of SMEs, the drive for diversity management in the EU will be condemned to remain marginal. **Diversity management is relevant to all businesses, regardless of size and business sector** but it is **even more relevant for SMEs**, given that they employ the most people: the impact of their commitment will be all the greater. Diversity management requires a **holistic approach**, both across the company (**systematic integration**) and across the global economy (**involvement of all companies**).

"Diversity only relates to the HR function".

Diversity in the workplace **concerns all employees**: each individual is unique in his or her specific features and, as such, is characterized by otherness and difference in other people's eyes. Diversity thus flows across and around every business and discriminations are likely to occur in **every occupation and department** as well as at **each level of corporate hierarchy**. Similarly, **all departments are faced with diversity at some point in their activity**. For example, sales and marketing departments face more and more diversified clients and, therefore, need to be able to understand and communicate with them. As such, diversity awareness should be raised and diversity management should be effectively implemented **in and by each and every department** in the company, and not just by HR. Diversity management requires a **cross-cutting approach, involving all stakeholders** within the company.

"I do not need to worry about diversity management because my SME is not recruiting".

Diversity management is crucial during recruitment processes. However, diversity management does not end with recruitment. On the contrary, **diversity management affects all stages of the professional career of staff members**.

[7] European Commission, "Annual Report on European SMEs 2013/2014" [Available at: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/supporting-documents/2014/annual-report-smes-2014_en.pdf].

This means that companies should **integrate diversity management elements in all their processes**, including training or promotion. Diversity management requires a cross-cutting approach based on **the embedding of the principles of non-discrimination, respect and inclusion in the global strategy of companies**. Those principles should be made the driving forces behind **all corporate processes**, not just recruitment. Moreover, when implemented in a holistic manner, diversity management helps **prevent conflicts in the workplace**. Diversity management is about spreading tolerance of and respect for otherness. As a result, it contributes to **improving cooperation within the company**, which, in turn, leads to greater productivity. Diversity management is therefore beneficial on many levels and allows harnessing the full potential of the workforce.

"Diversity management takes time and resources".

Diversity awareness and management can be **integrated in day-to-day, standard processes** (recruitment, training, performance evaluation, promotion, etc.), which is neither time-consuming nor costly. **Diversity management is not about implementing different, new actions but about implementing the same actions differently, through a diversity lens**.

"As an SME, my priority is business and diversity does not impact on business".

SMEs often lack the time, means and expertise to address diversity issues. They usually have **more urgent operational concerns** and their priority is first and foremost to stay afloat. At first glance, diversity management appears to most SMEs managers as an immaterial, non-financial (and thereby superfluous) concern. In reality, however, evidence shows that, when well-managed, **diversity encourages constructive dialogue, contradictory debate, collaboration, creativity and innovation**[8]. As a result, diversity **impacts indirectly but positively on long-term economic performance**. Conversely, homogeneity of profiles within work teams does not necessarily guarantee better collaboration or yield higher achievements and innovation. Diversity is an even more interesting and valuable resource in the context of SMEs: due to their small size and greater flexibility, **SMEs obtain visible results very quickly**.

[8] Lungeanu, Alina & Contractor, Noshir S., "The effects of diversity and network ties on innovations: the emergence of a new scientific field", *American Behavioral Scientist*, SAGE Publications, 2014, pp. 1-17 [Available at: http://nosh.northwestern.edu/journals/2014Lungeanu2-1.pdf].

"Diversity is a complex subject requiring a complex response".

Diversity management often frightens SMEs due to the scale of logistics, financial means and strategic planning that they associate it with. In reality, however, **diversity management does not have to be that intellectually sophisticated**. It does not necessarily require a complex approach but rather good sense. It appears that **the simplest actions are the most successful ones**. Examples of such **simple yet efficient initiatives** are provided in this guide. Simplicity does not however mean lesser quality. However simple diversity measures should be based on a **structured, logical and systematic approach**.

To wrap up:

Today's society is diversified and bound to become even more so in the coming decades. Companies' quest for improved productivity and economic performance requires them to be able to **adapt to such diversified environment**.

Management modes tend to vary from one structure to another (for instance, some companies now have a flat organization, meaning that hierarchy is no more vertical) and this should not hinder communication and business cooperation. SMEs do business with clients that have diverse expectations and structures, according to whether those clients are large groups, SMEs or micro businesses. In order to best tackle those challenges and variations, SMEs need to be able to **attract and retain employees from diverse backgrounds** as well as, thereafter, **integrate them on an equal and non-discriminatory basis**. The environment in which companies operate is changing. Promoting diversity, inclusiveness, respect and trust within the company's structure and environment is the only appropriate response. It will **enhance the staff's ability to adapt to change, as well as out-of-the-box thinking and collective intelligence**.

*Diversity management is not a peripheral concern. It is a **guarantee of sustainable performance in an ever-changing world**.*

SECTION 1: PRACTICAL GUIDANCE

1. A clear and formal commitment

The choice to commit to diversity shall come from the **top management** of the company. The **commitment of leaders** impacts on the way employees make diversity policy their own. If directors are convinced, diversity policies can be implemented at all operating levels. A **long-term vision** on diversity management enables you to include your diversity policy into your company's **strategy**. Diversity policies are all the more effective when **integrated into the company's culture and values**.

Your diversity policy should be **made clear, with attainable goals**. You might want to choose to focus on one or several themes, such as gender or disability for example, but it should not stop you from **treating diversity as an overall subject**. If you focus too much on one or several sub-themes, you face the risk of missing the objective of being inclusive for every type of differences.

Appointing a **diversity adviser in charge of the company's diversity policy** should be considered. Having someone able to answer questions from managers often proves very useful. Do take into account the additional work diversity management will require from the diversity adviser. Therefore, the person or team in charge should be properly trained and valued for accepting to take on this responsibility.

All of your employees can be involved in the definition and implementation of your diversity programme. Diversity themes are a good starting point for a **fruitful social dialogue**. Social dialogue is one of the consensual topics to tackle with the employees representative bodies. Talking about diversity tends to **improve labour relations**.

In 2015, there are **15 Diversity charters in 15 EU countries**. Signing a Diversity Charter permits you to make a **voluntary commitment in public**. Beyond the **communication**, Diversity Charters' team can provide you with **practical tools** regarding diversity management. Becoming signatory to a Diversity Charter allows you to access a **network of other companies** which are in the same process and face the same challenges as you.

2. Training the whole workforce

Discrimination does not only occur during **recruitment** but also throughout an employee's **carrier**. Recruiters can discriminate against applicants, managers can discriminate against employees and employees can discriminate against their colleagues. One can think diversity trainings are only for top management or HR managers but **discriminatory situations can appear on many occasions after recruitment**. Your employees should be able to **know how to react** when they face inequalities, no matter if it comes from a superior, a colleague, a client, a supplier or a partner. For those reasons, it is important to **raise awareness** on diversity among all members of your workforce in order to reduce the legal risk.

Implementing a diversity policy is not about doing unusual things. It is rather about **doing things differently**. Including a section dedicated to non-discrimination in your internal trainings is a good way to raise awareness among your entire workforce.

Trainings on diversity can include for example:

- Overview of legislation including penalties faced
- Definition of notions: what is discrimination? Equal treatment? Diversity? Pluralism?
- Unconscious bias: how they affect our professional decisions.

When designing your training sessions, you can base your work on existing tools published by the European Commission, your government or diversity players such as NGOs or national Diversity Charters. You will find examples of those tools accessible for free at the end of this publication (*page 67*).

3. Recruiting without discrimination

Recruitment is one of the processes in which discriminations are the most easily visible. Therefore, it is when the legal risk is at its maximum. It is rather common when recruiting to be influenced by unconscious bias and prejudice. Methods to reduce the discrimination risk do exist.

The implementation of a diversity policy is a good way for you to rethink your HR processes in order to make them even more efficient. A company's performance mostly depends on its employees' skills. Having the best fitted and competent workers is therefore crucial to guarantee and perpetuate the company's good results, especially for an SME where teams are reduced and there is no one to make up for an unproductive worker. When hiring a new person, if you disregard half of the potential applicants based on discriminatory criteria, you will only get half of the best possible applicants. The company's performance will be harmed as a result. For those reasons, using **fully-objective recruitment methods** will allow you to attract top talents with the highest potential.

The first step of recruitment is to **define the requirements**. Make sure the skills you are looking for are in fact those which will be most useful to fulfil the tasks of the position. Do not overestimate the qualifications. In addition, pay close attention to the **wording** you use in your job advertisement. For example, use masculine and feminine forms of adjectives and titles for the position in order to avoid gender discrimination. Mentioning a maximum number of years of experience prevents seniors from applying. Once the job advertisement is ready, post it on different media: diversifying recruitment pools is the key to getting diverse applications. Some media are specialized in diversity; they target people from vulnerable groups of population. Do not hesitate to use them.

During the interview, **questions should only refer to skills and work-related situations**. Any questions about the candidate's private life (including age, marital status and children) are not allowed. An interview script is useful to prevent discriminatory questions. The decision to offer a job interview or to give the position to a candidate should only be based on **measurable skills**. Every other criterion is irrelevant.

Seeking to recruit people from diverse backgrounds is not enough. In order to get all the advantages of a diverse workforce, you should also **organise the successful integration of newcomers** which starts by preparing your teams to the arrival of a new co-worker (and vice versa) via mutual induction/orientation. Pluralism derived from diversity is an asset when properly managed day by day.

This implies that individual needs are taken into consideration by the means of an unbiased and proactive HRM system. If you have a Diversity and Inclusion policy, you can prepare your teams to the arrival of a new co-worker by adequate information on diversity, inclusiveness, diversity management and the business case for diversity. Integration process for the newcomer will be appreciated.

4. Opening up to new clients and markets

An inclusive environment favours the ability of your company to **adapt to a more and more diverse customer base**. Demographic changes increased diversity of clients with more and more **diverse expectations**. A diverse team is more likely to reflect the society and, as such, to be able to **anticipate, understand and answer those diverse expectations**.

A diverse workforce encourages **out-of-the-box thinking leading to innovation**. Diversity management will lead you to adapt your company's goods and services and will thereby permit you to gain new market shares. For example, disabled consumers face numerous difficulties when it comes to access to goods and services. They are often disregarded as consumers. Beyond ethical and social considerations, their marginalization represents a considerable loss of potential income for businesses. Similarly, without proper diversity management, companies miss out on a vast pool of potential clients on the ground that those persons are disabled.

Diversity management represents a simple yet powerful lever for economic growth, in the sense that it allows businesses to both **attract top talents** (workforce) and **expand their market outlets** (consumers).

5. Internal and external communication

Communicating about your company's actions and results regarding diversity emphasizes the immaterial value of your policy. Good communication improves **corporate image** resulting in an **increased number of clients**. Call for tenders from public authorities or big groups tend to more and more often include CSR (Corporate Social responsibility) clauses. A diversity policy will help the company comply with the extra-financial requirements of its current and future clients and partners. A diverse workforce is a good way to **differentiate from the competition**.

External communication also contributes to the **building of a strong employment brand,** thus **contributing attract and retain top talents and preventing hiring difficulties SMEs can encounter**. Unlike major groups, SMEs do not have the resources and time needed to find an employee with highly wanted skills. SMEs do not necessarily have HR departments or Head-hunter services. It is usually the SME manager himself who conducts recruiting processes. Without diversity awareness, SME managers may base those processes on discriminatory criteria and, thereby, overlook truly skilled candidates. An inclusive policy permits to **widen the range of hiring opportunities** and **improve the matching of vacancies to job applications**.

External communication can be achieved through:

- A section of the business annual report dedicated to non-financial actions and results;

- Description of the company's values on the corporate website;
- Description of the company's actions towards non-discrimination and diversity on job advertisements;
- Sharing of best practices with other companies representatives via the participation to a dedicated network (by signing a Diversity Charter for example);
- Participation to conferences, workshops and events covered by press;
- Participation to award winning programmes.

An inclusive environment **favours employees' commitment and motivation** thanks to equal opportunities. The definition of a diversity policy and objectives can be the occasion to open a **fruitful dialogue** with employees and their representative bodies, thus creating a **sense of belonging**. Discussion on those topics can also lead to **cross-departments exchanges** improving the **cooperation between teams and employees**. Internal communication on diversity management is a good way to **raise awareness** among your employees and prevent discriminatory risks as well as share the company's culture.

6. What gets measured gets done

When considering committing to diversity, it is useful to try and **identify what is the current situation** in your company. In most cases, measures favouring diversity already exist in the structure but the CEO does not know it is diversity management. Therefore, analysing the current situation is rather helpful. When you know where your company stands on diversity, it is easier to build up an effective strategy.

As for any project or programme, **monitoring the results** of a diversity policy is necessary. Quantitative and qualitative targets and attainable goals must be defined according to the company's stakes, priorities and plans (successful recruitments, job promotions, increased retention, increased sales, customer satisfaction, fewer sick leaves, better representation…). When it comes to assessing diversity, three main types of information will be explored:

- Measuring the progress made on the road to reaching the objectives you defined;
- Measuring the actual impact of your diversity policy on the diversity of your workforce;
- Measuring the impact of the diversity policy on your performance, taking into account immaterial value in terms of image, employment brand or workers' well-being for example.

A large majority of **Diversity Charters offer assessment tools to their signatories**. Those tools are designed to be as little time-consuming as possible. Moreover, using those tools often allows you to benchmark with other companies. It is also a way to show your dedication to an enhanced work environment to your clients. Measuring is also crucial to adapt your action.

Experience shows that when **SMEs** start working on diversity, they usually achieve **swift and substantial results**. In the next section of this publication, you will see best practices of SMEs implementing diversity policies and actions and becoming more performing and successful thanks to them.

SECTION 2: BEST PRACTICES OF SMEs SUCCESSFULLY IMPLEMENTING DIVERSITY MEASURES

This section aims to **equip SMEs with the necessary skills and concrete keys** to take the plunge with diversity management. Peer learning and shared experiences are invaluable tools to distribute good practices and fast track global change. In this section, you will find **innovative practices implemented by other European SMEs**. They are meant for you to replicate, adapt or just draw inspiration and motivation from. The message we wish to convey with this section is: it can be done. With proper guidance, **diversity management is within every company's reach, regardless of its size or business sector**.

Diversity management in businesses is a **widespread notion among larger companies**, which have been implementing diversity policies for several years now. **SMEs**, however, are **fewer to embark on diversity promotion**. They employ small workforces (6.8 staff members on average), often including family members (around half of SMEs provide employment for family members only), and they usually have limited or no Human Resource Management processes. In addition, SMEs are often characterised by economic insecurity, meaning that they have more urgent operational or even survival concerns than a diversified workforce. Without awareness, the equation is simple: "As an SME, my only priority right now is to stay afloat; diversity management is not my responsibility but that of large corporate groups which can afford it". Beyond the lack of time and resources to dedicate to diversity management, SMEs also often lack the expertise to implement successful diversity policies. They often feel discouraged by the size of the challenge. Diversity management is deemed as too intellectually and logistically demanding by SMEs.

So where do you start?

This publication is an excellent way to start!

In this section, you will find best practices structured as follows:

- Brief presentation of the SME;
- Presentation of context and stakes that have led to the implementation of the best practice;
- Presentation of the best practice itself;
- Presentation of the outcomes of the initiative;
- Possible tips and challenges to bear in mind when wishing to duplicate the best practice.

Finland

BORENIUS

Work-life balance: harmonising human and business considerations

*Established in 1911, **Borenius** is one of the largest and most experienced law firms in Finland, providing services in all areas of law for corporate clients. Borenius Group consists of 200 solicitors in six jurisdictions. The Group operates in Finland, Russia, Estonia, Latvia, Lithuania and in the U.S.*

- Context and stakes

  – *Context*:

- **Work-life balance: an equation with multiple variables**

  We all play many roles: worker, spouse, parent, child, sibling, friend, and community member. Work-life conflict occurs when the cumulative demands of these many (work and non-work-related) roles become incompatible. In 2011, 22% of European workers expressed dissatisfaction with their work-life balance[9]. **Conflicts between work and other aspects of life** can be caused by **long hours**, **difficult schedules** or **intense periods at work**. Moreover, work-life balance depends greatly on the demands of **unpaid work in the home**, particularly **domestic chores** and the **care** of children, disabled relatives and the elderly, which are still primarily borne by women. Conflicts between work and other aspects of life can also arise from employee enrolment in **training or education courses** or from employee participation in **voluntary or political activities**. All those non-work-related obligations require time but are useful for the people involved, their families and, ultimately, for society. Therefore, it is clear that a person's work-life balance is a complex phenomenon that depends on many factors, both **professional** and **personal** factors and **circumstantial** and **structural** factors.

- **Gender inequalities at the root of work-life imbalance**

  Work-life balance issues are in fact inextricably linked to gender equality. If various factors of work-life conflict are occasional (circumstances change over the course of a person's lifetime), gender inequality is a general, structural phenomenon affecting our every decision and behaviour. As a result, men and women have a different commitment towards unpaid work. Overall, **women take on the bulk of the unpaid work** (whether they work full time or part time, women spend an average of nearly four hours per day on domestic work, compared to two hours by men), and **men work longer hours at their paid job** (overall men work an average of seven hours a week more than women, partly because there are more women working part time)[10].

  – Stakes:

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[9] Library of the European Parliament, "Work-life balance. Measures to help reconcile work, private and family life", 27/05/2013, 6p [Available at: http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2013/130549/LDM_BRI%282013%29130549_REV1_EN.pdf].

[10] European Trade Union Confederation, "Fact Sheet: Working time, gender equality, and reconciling work and family life", 18p [Available at: https://www.etuc.org/sites/www.etuc.org/files/A_TT_egalite_u_sexes_EN.pdf].

- **Improving staff well-being and, thereby, corporate productivity**

There are times when **employee involvement, availability and motivation are affected by lack of time**. This can be the case when starting a family, raising small children or caring for elderly parents. During such periods, balancing work and private life becomes more difficult. The possible effects of work-life conflicts include **poor health** (because of stress, fatigue, anxiety and emotional exhaustion), **lower work performance and productivity** (because of inattentiveness and absenteeism) as well as **poor care for children and other dependent relatives** (due to limited caregiver time and energy). As a matter of fact, employees with higher levels of work-family conflict are more likely to suffer from **burnout** and **depression** or other psychological problems than workers with a better work-life balance. Due to job dissatisfaction, employees are also more likely to report **high intent to turnover**. Staff turnover is the reason why Borenius started its work-life balance initiative: there was an increase in the number of solicitors, **mostly women and Gen Yers**[11], leaving the company. Many of them were juggling two jobs and **living double lives** – one as an employee and the other as a parent. **Employee turnover, extended sick leaves and job burnout are costly for businesses**: when employees leave, the company loses both high expertise and investments put into these people, and has to launch recruitment and training processes for newcomers. Losing an employee lowers the overall productivity of the company while the remaining staff is likely to be overworked for the duration of the recruitment and training processes. In addition, high staff turnover prevents a company from being able to build on employee skills acquisition.

On the other hand, good work-life balance contributes to achieving many positive outcomes. It is a key factor in achieving **gender equality**. In fact, work-life balance increases female participation in the labour market and male participation in household or family work. It also promotes child and youth development by ensuring **quality care for children**. Another important argument is that good work-life balance **stimulates employment participation** (especially among women and older workers). **Overall, good work-life balance promotes staff well-being and, thereby, corporate productivity**.

- Best Practice

Faced with increased **job dissatisfaction** among its employees and increased **staff turnover** rates, Borenius opened a work group and did background research by speaking with different firms and auditors about how they dealt with work-life conflicts. Group brainstorming led to the development of Borenius' **"Crowded Years Initiative"**. The crowded years refers to those periods when employees have to juggle too many roles, impacting on their work commitment and productivity.

As part of its "Crowded Years Initiative", Borenius notably promotes **flexible weekly working hours**: according to their needs and preferences, Borenius employees can adjust their work schedules on a day-to-day basis. Borenius' policy is that it does not really matter when you do the job, as long as you do it. Borenius also provides its solicitors with the possibility to **work from home**. As a result, subject to the necessary work being done, employees can combine their work and personal requirements. Another aspect of Borenius' "Crowded Years Initiative" is

[11] Generation of people born during the 80s and early 90s.

joint project leadership. Project leadership can be a lonely, time-consuming and stressful job for people in their crowded years. It is then beneficial for the company and the concerned employees to distribute the project leadership burden between several employees. Since the "Crowded Years Initiative" was launched, there are always two project leaders working on Borenius' bigger projects, so as to enable them to be more flexible with their working hours and to complement and strengthen one another. In addition, Borenius **changed the timing of the company's strategic meetings** so as to enable employees with outside responsibilities to attend those meetings. Borenius also implements a **mentoring programme**, meaning that "returners" (employees returning from family leave) are provided with a private mentor to facilitate their integration into the workplace. Borenius' support personnel is specially trained to help solicitors with the specific challenges the crowded years bring.

The initiative is not solely limited to families but **applies to anyone that has time pressure due to a commitment outside of work**. For example, Borenius employs professional golfers, bikers, and football referees who all find themselves in other countries at their events from time to time.

- Results

The Crowded Years Initiative has shown promising results. There is a clear **rise in female appointed partners** in the company since the onset of the initiative and a **decline in female solicitors leaving the company**. Statistics also show that significantly **more male solicitors are taking paternity leave** (30% increase).

- Monitoring and Follow-up:

The Crowded Years Initiative was first implemented for a three-year period (2010-2013) but did not turn out to be a one-time deal. It was **renewed in an even more comprehensive manner** and incorporated permanently into the very "fabric" of the company. The Crowded Years Initiative is now an **integral part of Borenius CSR's overall strategy**.

Moreover, Borenius regularly implements innovative new actions as part of its Crowded Years Initiative. For example, at the beginning of 2015, the company has moved into a larger building, which contains a childcare room so that children can visit their parents' workplace. In addition, Borenius has put in place a "Nanny Service": when the child of an employee gets sick on the day of an important meeting, Borenius can send a nanny to that employee's home to take care of the child for the day. This service is 100% paid by the company. The mentoring programme is also being renewed.

Monitoring of the initiative is performed at two levels by two different teams. A first team carries out day-to-day monitoring whereas a **supervisor team monitors statistics and quantitative data**, such as staff turnover rate (for male and female solicitors) or the number of female solicitors in leadership positions. This supervision team meets twice a year.

- Challenges and tips

- **From policy to action: leading by example**

An increasing number of businesses can boast a diversity policy but fewer actually try to implement it. **Moving on from words to concrete actions is one of the biggest challenges** companies may face when taking the Diversity plunge. Borenius has found it crucial that **top management should act as role models and driving forces**. Top managers have to convey, by their practices, that **flexibility and work-life balance are acceptable concepts as well as desirable outcomes** in the workplace. Borenius realised that top management has to show employees that leaving the office early or taking a day off (to care for relatives or for any personal matter) are **positive practices that can be accommodated**. Top management has to lead by example: by making work-life balance possible within their teams, top managers contribute to shaping corporate culture into a more inclusive one.

- **The Business Case for Diversity: back up your arguments with figures**

In a context of economic crisis, diversity and work-life balance initiatives are often **easy to terminate**, being considered as "soft" or "costly" for the company. In fact, many companies still think of diversity management as a secondary concern, far behind business turnover. As a result, economic contraction can be an argument for companies to renege on their commitment to diversity management, which is, in fact, **not economically rational**. Diversity management has proven to **positively contribute to social and economic performance**: diversity management improves staff well-being and brand image, promotes better recruitments, innovative team work, improved responsiveness to clients' needs and expectations, access to new markets and better adaptability to change. **The challenge is to convince stakeholders of that fact**. The challenge is to convince companies that **diversity management makes perfect business sense** and that it is **not charity**. One of the difficulties Borenius faced was to convey this message to its stakeholders. The solution was to back it up with actual, revealing figures. Statistics and figures are here to back up the business case for diversity and must be publicised to business managers.

France

Flexibility in the workplace: an asset for the company

*Created in 1998 and based in Nice (in the South of France), **Convers Télémarketing** is a French call centre employing about 160 people. Convers Télémarketing has several specificities as a call centre. Firstly, it is specialised in a high added-value niche market (which is B2B telemarketing campaigns). Secondly, its workforce is unusually diverse and stabilised (with low turnover).*

- Context and stakes

  – Context:

- **High staff turnover rates in call centres are costly and hamper skills improvement**

  Working in a call centre is often a default choice, a temporary commitment on the part of employees. Call centres mostly attract and employ **students**, who are simply "passing through" and not looking to build a career in this specific business sector. As a result, staff turnover rates in the call centre sector average 20 to 50%[12]. **High staff turnover is very costly** for businesses, given that they are continuously involved in recruitment and training processes. Losing an employee lowers the overall productivity of the company while the remaining staff is likely to be overworked for the duration of the recruitment and training processes. Additionally, high **staff turnover prevents a company from being able to build on employee skills acquisition**. As a result, the company stagnates and **cannot reach high added-value new markets and expand its activity and economic performance**.

- **Work-life balance policy**

  Employees are most productive when they have achieved a work-life balance that enables them to meet their responsibilities outside work. In terms of attracting and retaining workers, a company's work-life balance policy has become an equally important factor as pay or benefits. As primary care givers and child carers in society and family, **women** are particularly concerned by stress related to the conflict between work and family. In comparison to men, women still disproportionately bear the burden of household work, child rearing and elderly and community care. The increasing employment rate in Europe, specifically among women, is leading to a situation where **more than half of working-age people caring for a relative combine their care responsibilities with employment**[13]. A significant proportion of persons caring for a relative are also excluded from employment as a result of their care responsibilities – with impacts on pensions as

[12] Cox, Debra (2012), "Managing hidden costs of Contact Center teams in the new economy", Trostle & Associates, 10p. Available at: http://www.ihcus.com/files/2013/11/Managing-Hidden-Costs-of-Contact-Center-Teams-in-the-New-Economy-1-2013.pdf.

[13] European Foundation for the Improvement of Living and Working Conditions (2012), "Arrangements for workers with care responsibilities for sick or dependent relative – the situation in the EU", 2p. Available at: http://www.eurofound.europa.eu/sites/default/files/ef_files/pubdocs/2010/93/en/1/EF1093EN.pdf.

well as current income. Overall, **6% to 10% of employees have regular care responsibilities**[14]. It is therefore important for employers to **facilitate flexible working arrangements to accommodate all profiles and attract and retain top talents, regardless of their personal situation**.

- Stakes:

- **Attracting and retaining workers requiring flexible work patterns to infuse the company with greater diversity, stability and, thereby, know-how and performance**

Care-giving responsibilities often cause employees bearing them not considering their work a source of fulfilment but rather stress. It can also prevent them from entering the labour market. Work-life balance is a topic of particular interest to women with children, to persons with dependent spouses or relatives, and more generally to anybody wishing to work but with demanding responsibilities and unusual working hours.

Having heavy responsibilities outside the workplace and requiring atypical working patterns **does not render those workers less employable, productive or skilled**. Once they are given proper flexibility (which is not costly to the company, if the work is done at the end of the week or month), employees with atypical working patterns are likely to flourish like any other skilled employee. Flexibility is key for SMEs if they want to **attract and retain such value-added profiles**. Diversity management is a worthy circle: promoting **positive values** such as inclusiveness and appreciation and accommodation of differences and specificities create greater **well-being**, **motivation**, **commitment** and **shared corporate culture** on the part of employees. When employees feel well integrated and not isolated, they are more likely to be willing to stay with the company. In turn, **a stabilised, yet diverse, workforce will develop greater skills and productivity**. Diversity as a whole thus provides companies with greater creativity, responsiveness, competitiveness and economic performance.

- Best Practice

Convers Télémarketing's HR management policy shift was founded on its wish to **develop its business in higher-added-value niche markets**. For several years now, Convers Télémarketing has been focusing its activity on business to business (B2B) campaigns, as opposed to business to consumer (B2C) campaigns. Conducting B2B campaigns with pharmacists, business leaders, HR managers, etc. means that call centre agents are likely to interact with interlocutors of high social status and intellectual competences. **To meet the needs and expectations of such client base**, Convers Télémarketing needed to build on the diversity of its workforce, i.e. to **attract and retain new profiles and talents**.

Convers Télémarketing's initial objective was to **retain employees to have the time to professionalise them** and, therefore, to enter new markets. When developing its new HR management policy, Convers Télémarketing first targeted **young working mothers** (between 25 and 40) seeking better work-life balance. An unanticipated effect of Convers Télémarketing diversity policy was **senior employment**.

[14] Ibid.

Attracting and retaining employees with atypical working hours and heavy responsibilities outside work was made possible by several of Convers Télémarketing's specificities. The first specificity is that Convers Télémarketing offers **à la carte working hours**. **Flexitime** is a new type of work arrangement under which employees can choose when they work, subject to achieving total daily, weekly or monthly hours and subject to the necessary work being done. At Convers Télémarketing, according to their needs, preferences and wishes, employees can choose between 20, 25, 30 or 35 weekly hours. Employees can change their work pattern (20, 25, 30 or 35 weekly hours) twice a year. Additionally, each week, they have the opportunity to **modulate and adjust their working days and working hours for the following week**.

Another argument to attract and retain those profiles is that Convers Télémarketing offers **more intellectually challenging and fulfilling missions** than most call centres. In fact, B2B campaigns target professionals and not the general public. Only 40% of Convers Télémarketing's revenue is generated by telemarketing campaigns carried out in the general public. B2B campaigns are more **qualitative, added-value operations**, and as such, are less repetitive and more attractive to skilled workers.

Convers Télémarketing's attraction is also based on the fact that its **hourly rate is 1EUR higher than that of the collective agreement** and it offers **attractive** bonuses (assiduity and regularity, results, staggered hours).

Because of its need to retain employees, **Convers Télémarketing has grown aware and convinced of the business case for diversity**. Through diversity management and adjustment to atypical working hours, Convers Télémarketing has gained a **competitive advantage**.

- Results

Convers Télémarketing's strategy was successful beyond expectations. In 2010, **revenue increased by 30%**. Moreover, its **staff turnover rate has dropped to 7%** whereas the average rate in the call centre sector is 30%. **80% of hired older workers who reach retirement age decide to stay in the company instead**.

Convers Télémarketing's workforce is **uniquely diverse**: it is made up of 10% youth (whereas traditional call centres employ 80% of youth), 60% working mothers (between 25 and 45 of age), and 30% older people (over 50). 20% of its personnel are over 60, 8% are employees with disabilities, 24% of young employees are from disadvantaged areas and 66% are women.

- Follow-up:

- **Mentoring system: fostering older workers' self-esteem and sense of contribution**

Convers Télémarketing has developed an ambitious training policy based on a **mentoring system**. Employees have the possibility to be designated as mentors to young people under professionalisation contracts. **80% of mentors are older workers**. Mentoring contributes to the **building up of self-esteem and sense of usefulness**. Passing on experience and knowledge to the younger generation can give older workers great personal satisfaction.

- **Professional interviews: business on a human scale**

The professional interview is an annual meeting between employee and employer to address the employee's prospects of professional development and training opportunities which can contribute to it. It is an opportunity to take stock of the employee's work and to hear his or her expectations and wishes. It is a time when performance or money issues are not addressed. It is a **time to discuss the employee's position and well-being within the company**. Professional interviews focus on the **human factor of business** and on the **social performance** of the company.

- Challenges and tips

– **Be proactive so as not to face additional legal constraints imposed by the State.**

Diversity management is better achieved when it is a **voluntary initiative**. Legal constraints impose a strict timetable, specific outcomes as well as heavy financial sanctions. Voluntary, motivated and thoughtful commitment, on the other hand, is more likely to result in **more innovative and effective diversity measures**. Convers Télémarketing did not wait for State intervention to place the individual at the forefront of its long-term strategy.

– **Reach out to diverse profiles, not just the ones you or your business sector usually employ.**

Convers Télémarketing's HR management policy is based on **attracting and retaining the most skilled and motivated candidates, regardless of their age, origin or personal situation**. Had it not been for the personal convictions and initiative of Convers Télémarketing's manager, the company would have missed out on top talents and would not have been able to enter added-value niche markets and expand its activities. Diversity management **contributes to better job matching and connects employers with profiles and talents they would never have reached out to otherwise**.

– **When you do something for the benefit of your employees, you do it for the benefit of the company as well.**

Diversity management is a **value-adding process and strategy**, and not a burden. It is an undertaking which **benefits all stakeholders and the company as a whole**. Convers Télémarketing's revenue increased by 30% in 2010 and 100% of its balance sheets are positive. A company's economic performance depends notably on its social performance, meaning its ability to take the human factor into account when pursuing economic goals. To prosper, a company needs to be concerned about its societal environment. A company, regardless of its size or business sector, **thrives best in a positive and balanced environment**. Societal efforts to promote diversity and inclusiveness do translate into competitive advantage and enhanced economic performance.

Luxembourg

Commune of STRASSEN

Diversity management: making place for difference

Strassen *is a Municipality and town in Luxembourg. The Town Hall has 99 employees.*

- Context and stakes

  - Context:

- **Luxembourg, land of immigration**

  Luxembourg is a **land of immigration** and **cultural diversity**. There are currently over 238,000 foreign residents (90% of whom are nationals of EU countries) in Luxembourg, corresponding to 44.5% of the total population. Immigration can be considered a **structural phenomenon** in the history of Luxembourg.

  - Stakes:

- **Synthesising and centralising practical information in one document so as to facilitate social inclusion for immigrants**

  Migrations and diversity should not be a cause of exclusion and isolation, but rather an invitation to discovering, sharing and **mutual enrichment**. When arriving in a new city, migrants (*Luxembourgeois* or foreigners) have **no points of reference** and it is important to **reach out to them**. That is the purpose of the Welcome Book: to **condense practical information** about the Municipality of Strassen to enable newcomers to better understand its functioning and thereby **integrate more easily and more quickly**.

- Best Practice

The Town Hall of Strassen is the **first point of contact for newcomers** to the Municipality. It is the first beacon and point of reference within Strassen. As such, the Town Hall of Strassen has a **key role to play in integrating newcomers** into the community, whether they are foreign migrants or Luxembourgish citizens.

The Municipality of Strassen has developed and **distributed a Welcome Book to all newcomers**, regardless of their citizenship (Luxembourgers or not). It is available in **French**, **English** and **German** and provides **practical information** on many topics related to Strassen: its history, its population, its administration, its politics, its cultural life and its community life. For example, it gives details (including contact persons) about the various departments immigrating people might need to contact for their **administrative formalities** (birth certificates, identity papers, naturalisation, etc). The Welcome Book also addresses matters such as traditional festivals and events in Strassen, "being a good neighbour", waste disposal, transport or schools and leisure activities for children.

The Welcome Book is also available in **auditory format on CD** (in French, English and German as well).

Along with the Welcome Book, the Municipality of Strassen also provides **personalised accompaniment** in order to elaborate on some of the items addressed in the Welcome Book and answer various questions newcomers might have. For the Municipality of Strassen, it appeared primordial to **encourage proximity and direct contact** with newcomers.

The Municipality of Strassen based its initiative on the idea that **knowledge of one's environment is the cornerstone to integration and inclusion**. Diversity is about acknowledging, respecting and valuing difference and otherness. The Municipality of Strassen wishes to provide newcomers with all the necessary information about the town **to help them find their place** as soon and smoothly as possible.

- ## Results

The concept of a **Welcome Book** and **personalised accompaniment** proves to be working very well. It shows newcomers that the community cares about them and is interested in them as individuals. It signals that the community does not turn a blind eye to diversity management and that it will follow-up on the individual trajectories of the people who need it. The Town Hall acts as an **integration factor for migrants**.

- ## Challenges and tips

– **The initiative must be inscribed in a long-term vision and not be a one-off action.**

Diversity management encourages inclusion. It does not generate it overnight. Inclusiveness is not built on one-off actions but on an **integrated, sustainable strategy**. That is why it is important to **inscribe diversity management measures in a long-term vision**. Newcomers are not just handed out a Welcome Book. They have the possibility to be **supported in their efforts** to find their place in a new community. Welcome and assistance are therefore personalised and adapted to each situation. This best practice relies on **promoting proximity and direct contact with newcomers**.

Spain

People matters
Leading People | Building Organizations

Repositioning meritocracy as the bedrock of corporate culture

PeopleMatters *is a Spanish Human Resources consultancy company employing 41 people. PeopleMatters provides its clients with solutions on strategic and operational management of their Human Capital in order to help them reach their corporate goals. PeopleMatters' consulting activity focuses on Human Capital strategy, Human Resources Management processes, executive and management capabilities, diversity, work-life balance and equal opportunities as well as employer branding and communication.*

- Context and stakes

– *Context*:

- **Workforce diversification: a challenge to be taken up**

  Managing a business means taking up several challenges: managing a **workforce** with a diverse demographic profile, dealing with a diverse **client base**, as well as making room for diverse **recruits**. In all organisations, regardless of size and activity, people of different ages, nationalities, gender, background and experience have to **work together for the benefit of their organisation**. Innovation and productivity cannot be fully attained when conflicts, discriminations and frustrations arise among employees. Similarly, business outcomes cannot be achieved through a strictly uniform workforce: an homogenous workforce is not representative of the global population diversity or the diversity of a company's client base. Diversity management, conversely, encourages **open-mindedness**, **flexibility** and **responsiveness**, thus enabling the company to meet the needs and expectations of a similarly diverse client base. In addition, attracting, recruiting and retaining top talents is prevented when a company integrates sub-optimal criteria such as age, gender or nationality in its HR processes. Those criteria do not reflect people's true employability, abilities and potential.

  Diversity is therefore present at all business levels and companies need to open up to and embrace this reality.

- **SMEs, motors of change**

  Spanish SMEs provide almost three quarters of all private sector jobs (73%) and 64% of value added, rates which significantly surpass the EU average (respectively 67% and 58%). This is in particular because of the group of micro-enterprises that account for 40% of the Spanish private sector workforce and 28% of value added[15]. SMEs therefore have a key role to play in promoting diversity in the workplace. As the largest employers, SMEs' commitment to diversity management will be instrumental to bringing about social change and equality.

[15] European Commission, « 2014 SBA Fact Sheet – Spain », 2014, 17p [Available at: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2014/spain_en.pdf].

– Stakes:

- **Taking advantage of talent diversity**

Employees of different ages, nationalities, gender, background and experience constitute today's workforce and **each have skills and capabilities to provide to the company**. It is essential that all companies should be able to **make room for difference**. In fact, when properly managed, diversity is a **factor of economic and social performance**. Diversity management encourages inclusiveness, innovation and adaptability to change. Social performance (including staff well-being and brand image) is also key to productivity: staff well-being encourages motivation and commitment on the part of employees and contributes to reducing employee turnover and sick leave. In addition, positive corporate values contribute to the shaping of a positive external image with clients, suppliers or public partners, thereby contributing to guarantee business opportunities. Talent diversity offers **great potential to tap into**.

- Best Practice

Diversity has always been part of PeopleMatters' culture in a spontaneous way, without a strict written policy on the matter. Diversity, understood in a broad sense (religion, nationality, age, etc.), has always been integrated into PeopleMatters' core corporate values and diversity management is taken into account in all processes (recruitment, integration of newcomers, performance appraisal process, compensation policy and project staffing).

For the **recruitment and selection process**, PeopleMatters has designed and set up a "**PeopleMatters profile**", aiming at attracting, retaining and motivating talent, regardless of features such as age, nationality, gender, etc. This profile consists of knowledge and skills such as innovation, creativity, determination, dynamism, imagination, learning ability, spirit of improvement and teamwork. Those are all **work-related criteria**, the only ones employers are allowed to apply in the workplace. Those criteria ensure that recruitment is **based on merit and not on discrimination**. In addition, selection tests are **objective** and job vacancies are advertised in a **neutral manner**.

Newcomers are then properly integrated into the workforce: project managers and tutors have the explicit responsibility to **pass on corporate values to newcomers**. **Diversity management is not confined to hiring diverse profiles**. Diversity management is a comprehensive strategy whose **implications extend to all career stages and to all processes and departments**. That is whyPeopleMatters also periodically organises additional refresh sessions on how to live by its corporate values. Inclusiveness is not built on one-off actions but on a long-term, comprehensive approach to diversity. Diversity is to be managed for its positive outcomes to be felt in the workplace.

PeopleMatters' **performance appraisal process** is multisource: each person is evaluated by his/her project manager. Annually, his/her tutor compiles all the information and completes a final evaluation. Final evaluations from every member are reviewed at a meeting where managers, directors and partners share performance information and agree on final performance results. The various outlooks on employee performance provide the process with greater **objectivity** and contribute to better employee recognition. There is no "silver bullet" policy that will immediately and completely solve the challenge of discrimination in the workplace. However, increasing the number of stakeholders involved in performance appraisal processes is likely to **reduce the risk of discrimination**, as **potentially discriminatory opinions can be balanced by other players**.

PeopleMatters' **compensation policy** aims to achieve internal equity as well as external competitiveness. Each level of responsibility has its own salary band and the person is compensated according to his/her role (Analyst, Consultant, Senior Consultant, Senior Specialist, Manager, Director, Partner) and his/her appraisal (achievement of quantitative objectives previously set). As a result, compensation does take merit into account.

Project staffing is determined in a weekly meeting (managers, directors and partners) according to client and project requirements as well as to employee development needs and experience. This meeting allows the sharing of information about project staffing so that all employees have the opportunity to develop within the company and demonstrate their specific skills and the added value they provide.

The strength of PeopleMatters' commitment to diversity resides in the fact that it is **comprehensive** and **all-encompassing:** a diversity perspective is **mainstreamed into all corporate processes** (recruitment, integration of newcomers, performance appraisal process, compensation policy and project staffing), which prevents prejudice-based decisions from guiding the company. Instead, PeopleMatters focuses on results and values. By mainstreaming diversity and merit into its core values, PeopleMatters **considerably and sustainably reduces the risk of discrimination**.

- Results

Participation, **transparency** and **innovation** are the three main principles behind PeopleMatters' culture. As a result, PeopleMatters' work environment is non-hierarchical (there are no individual offices) and project teamwork brings together various profiles with different abilities and experiences, thus taking advantage of all talents available to the company. In addition, PeopleMatters business information (goals and progress) is shared with the staff and every employee has a tutor who he or she can ask questions regarding the company or any personal and business matters. Through those three principles, PeopleMatters has created a culture that encourages inclusion and **takes advantage of talent diversity**.

All 41 employees are positively impacted by PeopleMatters' inclusive corporate culture. Because it is more than a mere one-shot programme, PeopleMatters' commitment to diversity management is **comprehensive** and **sustainable**. It **infuses all levels and processes of the company**. In addition, as a consulting company, PeopleMatters has a significant impact on SMEs: PeopleMatters **transmits its values to the companies it advices**. Its impact is all the more significant on SMEs as Spain's business network consists mostly of SMEs.

– Monitoring and Follow-up:

Partners and Directors at PeopleMatters encourage this culture on a permanent and recurring basis, directly supported by the Managers.

Monitoring of PeopleMatters' processes is also conducted throughout **tutorials** and **evaluation committees** where performance appraisals are assessed. Progress of the development of this culture is measured on a permanent and continuous basis. Every employee together with his/her tutor have frequent conversations regarding desired and undesired behaviours.

- Challenges and tips

- **Meritocracy and inclusion as the pillars of corporate culture and decisions**

Economic and ethical rationality demands that **meritocracy should drive all corporate decisions**. Employability skills (experience, qualification or personal capabilities such as innovation, creativity, determination, dynamism, imagination, learning ability, spirit of improvement or teamwork) do not include personal features such as age, gender, religion, nationality, physical appearance, family status. At PeopleMatters, talent and merits are the driving forces behind all professional development and promotion decisions. Diversity and equal opportunity are thereby spontaneous, yet sustainable consequences of meritocracy and they **bring a clear comparative advantage** to PeopleMatters in the marketplace.

- **Relying on the commitment of the company's management team**

The managers' strong conviction that **talent has no age, gender or nationality** is instrumental to the success of any diversity management policy. Due to their position as **decision-makers**, they have the **power to actually make a change** and trigger progress. They are in a position to actively promote and diffuse positive values to the rest of the staff by leading by example. A top-down approach with **top management acting as role models and key drivers** is the first step towards institutionalisation of inclusiveness and respect for difference in the organisation.

SECTION 3: BEST PRACTICES OF LARGE CORPORATE GROUPS SUCCESSFULLY SUPPORTING SMEs DEFINE AND IMPLEMENT THEIR DIVERSITY POLICIES

Larger corporate groups are ahead of the curve when it comes to diversity management and most of them are **more than willing to share their experience and expertise in the matter with SMEs**. Diversity management calls for a structural and global change in society. There is no point for diversity leaders to jealously barricade their best practices. Knowledge is a resource that must be shared so as to disseminate and fast track change and progress.

In this section, you shall find **examples of larger corporate groups successfully supporting SMEs develop and implement their diversity policies**. SMEs would greatly benefit from the input of organisations having worked on diversity management for a longer period of time. It is an invaluable **source of guidance and inspiration for SMEs** willing to take the plunge and embark on the diversity management journey.

In this section, you will find best practices structured as follows:

- Brief presentation of the company;
- Presentation of context and stakes that have led to the implementation of the best practice;
- Presentation of the best practice itself;
- Presentation of the outcomes of the initiative;
- Possible tips and challenges to bear in mind when wishing to duplicate the best practice.

Austria

Bank Austria
UniCredit Group

Disability management: empowering disabled clients and employees

Bank Austria (BA) *is a subsidiary bank of the Italian global banking and financial services company UniCredit Group. BA acts as UniCredit's hub for the banking network in Central and Eastern Europe, a region where UniCredit Group is the clear market leader. BA has around 6,300 employees in Austria, 400 of which are disabled.*

BA is a founding member of "Disability Performance Austria", an inter-industry platform of experts and partner companies which promotes the economic integration of people with disabilities. The forum aims to change outlooks and behaviours towards disability by convincing businesses of the economic benefits of fair treatment of persons with disabilities.

- Context and stakes

  - Context:

- **Social and economic segregation of people with disabilities in the EU**

Existing evidence suggests that one out of every six EU citizens between 16 and 64 is reported to have a long-standing health problem or disability, but also that one third of those persons do not experience any restriction in their working abilities[16]. Persons with disabilities constitute a **significant portion of the population** and, as such, their social and economic integration is a crucial issue for European growth. And yet, figures show that persons with disabilities face **considerable barriers to social and economic inclusion**.

At EU level, 57% of persons with disabilities aged 20-64 participate in the labour market (being either employed or unemployed but actively looking for work) compared to 80% of persons without disabilities. At EU level, **about 47% of persons with disabilities are employed compared to 72% of persons without disabilities**. The EU unemployment rate of people with disabilities, aged 20-64, is 17% compared to 10% of people without disabilities. Furthermore, 19% of young disabled are early school leavers compared to 11% of non-disabled young persons. **27% of persons with disabilities have completed tertiary or equivalent education compared with 37% for persons without disabilities**[17].

Similarly, persons with disabilities are also **excluded as consumers**. Most companies do not take people with disabilities into consideration when designing their products. As a result, on the one hand, companies miss out on vast market

[16] Academic Network of European Disability experts (ANED), "The labour market situation of disabled people in European countries and implementation of employment policies: a summary of evidence from country reports and research studies", April 2009, 46p [Available at: http://www.disability-europe.net/content/aned/media/ANED%20Task%206%20final%20report%20-%20final%20version%2017-04-09.pdf].

[17] Academic Network of European Disability experts (ANED), "European comparative data on Europe 2020 & people with disabilities", December 2013, 231p [Available at: http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1569&context=gladnetcollect].

outlets and, on the other hand, persons with disabilities are denied their basic consumers' rights. The situation appears unsatisfactory from every viewpoint.

The conclusion to be drawn is that people with disabilities, while experiencing difficulties in accessing higher education, finding work and accessing goods and services, are a **source of untapped potential for the development of economic growth**.

- **The lack of resources hampering an effective implementation of EU anti-discrimination law.**

  Faced with anti-discrimination legislation, **businesses are often left to themselves**, with no clear indication as to what the implications are or as to what could be done to comply with such legislation. As discriminatory practices are heavily sanctioned in the EU, it appears crucial to provide willing businesses with **practical guidance and concrete measures** so as to make them more inclusive and go beyond regulatory requirements. In fact, complying with the law sends out a positive message to public authorities and is likely to prevent additional legal constraints being added. However, an effective implementation of EU anti-discrimination law requires proper support and assistance. In that effort, it can be interesting to rely, among other factors, on the **strong track record and credibility of already committed big companies**. The approach should be two-fold: first, to **convince** companies of the benefits of harnessing people with disabilities' economic potential and then to **equip** them to do so in practice.

  - Stakes:

- **Diversity management as a tool to reach an overlooked market segment: disabled workers and consumers**

  Consumers with disabilities face numerous **barriers** when it comes to access to goods and services. Beyond ethical and social considerations, their marginalisation represents a considerable **loss of potential income for businesses**. Similarly, without proper diversity management, companies miss out on a vast pool of talents on the ground that those persons are disabled. Diversity management represents a **simple yet powerful lever for economic growth**, in the sense that it allows businesses to both **attract top talents** (workforce) and **expand their market outlets** (consumers).

- Best Practice

BA's commitment to accessibility in the banking sector is put into practice through its **Disability Management strategy**. BA's approach is based on a fully integrated and sustainable commitment: BA's disability policy takes the form of an all-inclusive strategy instead of a programme or project. Programmes or projects are temporary systems; they are implemented over a fixed period of time whereas a strategy is a high level plan aiming to change all patterns of activities within an organisation. The ultimate objective and focus of this **all-inclusive strategy** is to **make stakeholders aware of the added financial and economic value gained from enhanced access to services for every existing and potential clients as well as employees**.

Through its Disability Management strategy, BA ensures that **awareness** is being raised and that **specific measures** are initiated to facilitate people with disabilities' day-to-day life as clients or employees.

BA serves as an **inspiration** and **role model** for international companies and SMEs alike. BA's actions serve as orientation and source of motivation for SMEs, encouraging them to take the initiative towards inclusion and the provision of services accessible by everyone. For example, BA's Disability Management strategy and efforts inspired shop owners in one of the Viennese districts to initiate a project so as to **become the first shopping area in Vienna to be completely accessible to persons with disabilities**.

- Results

BA's approach is **all-inclusive** because it targets all kinds of disabilities. For example, BA has developed a **bank card** for people with **visual impairments**, using larger-size font, stronger contrasting background and Braille characters for "BA" in the bottom right-hand corner of the card. A bank card is one of the most important items of daily use and persons with visual impairment should be able to settle payment transactions as easily as anybody else.

BA has also set up a **shuttle service** for clients with restricted mobility in Graz and Vienna. Currently **50 % of BA's branches are completely accessible for people using wheel chairs** and by the end of 2016 this figure will be increased to almost 100 %. Accessibility to banking services is also facilitated through **mobile banking**.

In addition, BA has developed a **website which is accessible to blind people, people with visual impairment, deaf people and people with learning difficulties**. It uses assisted screen reader technology, text-to-Braille hardware, text magnifier, contrasting colours and allows navigation by means of the keyboard alone.

BA has also created a **pool of employees who know sign language or Braille lettering** to develop communication tools for deaf and blind people. BA also contributes to **internal awareness-raising** with its own in-house **Disability-Network** (organising conferences, seminars, etc.). BA also **employs 400 people with disabilities**.

This best practice is about a company **adapting its products rather than reinventing them altogether**. It allows reaching a broader customer base, customers that are otherwise largely marginalised. As a result, BA was able to make its products more innovative and inclusive, expanding its activity and enhancing its economic performance.

- Challenges and tips

– **Supporting top managers as role models**

The success of diversity management relies very much on **senior leadership commitment**. Top managers appear to be, at least at first, the **primary sustainers of a diversity initiative**. Senior managers can act as **role models** and their personal commitment and involvement in diversity-related activities can make a big difference in the success of a company's diversity policy. Diversity management requires a global approach, meaning that diversity, inclusiveness and respect for difference must be institutionalised, enshrined throughout the organisation. Those values must be shared by the entirety of the workforce and not just by top management. However, **at first**, **a top-down approach can lead to very positive results and contribute to overall diversity success**.

- **Promoting the involvement of several sectors, not just Diversity Management and HR.**

Diversity management requires a **cross-cutting approach**, involving all stakeholders and departments. In fact, diversity in the workplace concerns **all employees and branches of activity**. Diversity flows across and around every business and discriminations are likely to occur in every occupation and department as well as at each level of corporate hierarchy. As such, diversity awareness should be raised throughout the organisation and **diversity management should be effectively implemented in and by each and every department in the company**, and not just by HR.

- **Adapting to sectoral specificities**

Accessibility and diversity issues as a whole are **ever evolving processes**: they undergo constant new developments. **Solutions to diversity challenges must therefore evolve as well** and **be defined in close connection to the specific context of the company**. It is thereby necessary for companies to **frequently adapt their practices to their changing system and environment**. To be sustainable, a diversity policy must be flexible and responsive, depending on the specific, current context of the company, its workforce, its environment (local, national, international, social, economic environment), its business sector, etc.

Denmark

BL

Youth and apprenticeship: big companies fostering SMEs find the workforce they need

BL – Danish Social Housing *is a network founded in 1919. In co-operation with government representatives, political parties, ministerial officials and Local Government Denmark, BL negotiates the overall framework within which housing organisations operate. BL also provides training for Social Housing residents and personnel. It offers a wide range of courses, conferences and workshops. BL assists members at administrative, technical and social level and develops support tools.*

- Context and stakes

  – Context:

In May 2015, 4.707 million young people (under 25) were unemployed in the EU-28 area. This represents an **unemployment rate of 20.6%**, which is more than **twice as high as the overall unemployment rate (9.6%)**[18]. In the last four years, the overall employment rates for young people fell three times as much as for adults. Youth is therefore an **economically vulnerable population group**.

In 2014, the social housing sector in Denmark counts some 550 organisations (almost all of which are BL members) covering around 7,000 individual housing estates across the country. Approximately 1 out of 5 persons in Denmark live in social housing. Nearly 80% of social housing tenants are either low-skilled or have no professional training and approximately 40% have no ties to the labour market. Apprenticeships cannot solve the problem of youth unemployment by itself but it can definitely **facilitate the transition between education and employment**. Apprenticeships provide an effective means to help young people **bridge the gap between school and the labour market**.

  – Stakes:

- **Lack of apprenticeship opportunities, especially for young people living in social housing areas**

  Every year, **a significant number of young students do not get training apprenticeships**, which constitute an obligatory part of their Vocational Education. The lack of apprenticeships therefore causes young students to give up their Vocational Education before graduation. This problem is all the more acute among young people living in social housing areas, as they often lack networks and connection with potential future employers, which places them in a worse position than their counterparts outside their neighbourhoods.

- **Demand for renovations and new buildings: an opportunity for young people seeking apprenticeships**

[18] Eurostat Unemployment Statistics – May 2015 : http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics#Youth_unemployment_trends

At the same time there is a big focus on **renovating** the old building stock as well as **building new units** over the next decade. Around half of the social housing building stock is far from up to date in terms of energy efficiency and general demands of modern tenants. These renovations and new constructions could provide apprenticeship opportunities for young people living in social housing areas.

Therefore, **BL initiated in 2011 a partnership with The Danish Construction Association** and signed an agreement on the establishment of apprenticeship and other training and employment initiatives when new social housing is being constructed and when the existing stock is renovated. The Danish Construction association is the business' and employers' organisation of the Danish construction sector. It comprises approximately 6,000 Danish companies in the building and infrastructure industries which combined employ around 70,000 people. The Danish Construction Association creates and sustains the conditions in which its member companies can compete and prosper.

This initiative:

- promotes professional integration of young people by creating apprenticeship opportunities on social housing and construction sites;
- breaks the cycle of negative social inheritance for young people living in social housing areas, often lacking networks and connection with potential future employers;
- strengthens growth and employment in the Danish building and construction sector.

- Best Practice

Youth unemployment is a **major European challenge** and the **promotion of apprenticeship** is a **key element of the solution**. This programme helps **bridge the gap between young people seeking to gain professional experience and businesses that need labour**. It brings together the social housing sphere and the construction sphere for the benefit of underprivileged youth looking to get a foothold in the labour market. The focus on SMEs is particularly relevant in the Danish construction sector, as the sector is made up predominantly of companies with less than 100 employees. SMEs are therefore key players in this sector and it is primordial that they should get support and guidance when it comes to equal opportunities and the promotion of diversity and inclusiveness.

From 2011 until now, **BL has advised social housing organisations** on how to develop partnerships and voluntary agreements with local building contractors and construction companies, local schools and municipality agencies with the purpose of creating training apprenticeships on construction and renovation sites related to the social housing sector. In practice, each social housing organisation is in charge of creating and managing the local partnerships with building contractors and construction companies, schools and municipality agencies, etc.

From 2012 until 2014, a **consultant** at BL worked on the initiative, counselling and supporting member organisations. Indeed, this programme was new and ambitious and it seemed crucial to provide expert guidance to the stakeholders involved in its day-to-day implementation. Today, now that the project is more of a "routine" process, those stakeholders often manage the initiative by themselves.

BL has also opened a **telephone hotline** and developed a **step-by-step guide** on how to encourage building contractors and construction companies, schools, municipality agencies and other relevant parties to co-operate and make voluntarily agreements on training apprenticeships. BL has provided building constructors and construction companies with **legal guidance** on how to enter into voluntary agreements in correspondence with the rules of Public Procurements.

BL has also assisted and given guidance to social housing organisations by **participating directly in meetings** with building contractors, construction companies and relevant partners. BL has **created partnerships and networks** with e.g. schools and municipality agencies.

- Results

The Danish Construction Association estimates that the **overall apprenticeship rate is between 5 and 10% of the hourly paid workers**. The BL study from 2013 has shown that the proportion of apprentices employed on renovation and construction sites in the social housing sector was **12%** of the hourly paid worker. In 2014, the same study showed **11.2 %.** The project was therefore successful and exceeded expectations.

  - Follow-up:

- **Job fair**

  BL facilitated the presence of social housing organisations and their building constructors and companies at 'Hjallerup Market' in 2014 and 2015. The topic of the event is voluntary agreements on the creation of training apprenticeships. 'Hjallerup Market' is a yearly market held in the Northern part of Denmark with around 200,000 participants each year. It is therefore a great opportunity to **give visibility to the project** and to **inspire more stakeholders to take part in it**.

- **Yearly study**

  BL carries out a yearly study on the proportion of training apprentices on social housing renovation sites. It enables BL to monitor the scope of the project.

- **Publications and consulting**

  BL has developed a **guide** (available on BL's webpage) to support their member organisations and provides them with the assistance of an expert consultant. BL also gathers best practices and makes them available for other social housing organisations.

- **Copenhagen**

  The social housing organisations and the municipality of **Copenhagen** have committed themselves to a voluntary agreement from 2015-2018 to create training apprenticeships on construction and renovations sites relevant to the social housing sector in the capital of Denmark. This is a very interesting extension of the BL project.

- **Apprenticeship within social housing organisations**

  In 2015, following up on the success and lessons learned from the project, BL has initiated a similar initiative focusing on apprenticeships in the social **housing**

organisations' administration, thus targeting the organisations not as contracting playerplayers but as a place to work and thereby a potential space for vocational training.

- Challenges and tips

– **Guide**

In practice, the focus of renovation or construction processes is not facilitating apprenticeship and employment of young people living in social housing areas but rather keeping up with deadlines and budgets and guaranteeing the quality of the construction or renovation of buildings. The step-by-step guide developed by BL **helped stakeholders create apprenticeship opportunities without disturbing and intervening on the physical renovation and construction processes**, thus reconciling business and social goals.

– **Consultant**

To give concrete guidance and support to social housing organisations as well as encourage the different playerplayers to participate in the initiative, a consultant was hired from 2012 to 2014. The programme was new and ambitious and it seemed crucial to **provide expert guidance** to the stakeholders involved in its day-to-day implementation.

– **Voluntary agreements**

All the players were positive about the initiative but it was still a **big logistical challenge to create voluntary agreements between the wide range of players involved in the whole process**. Getting the social housing organisations, building contractors, constructions companies, local schools, municipality agencies and other relevant players to join forces in creating more apprenticeships meant that the different parties felt ownership of the project and therefore a strong commitment to making it a success.

Finland

VAMLAS
Vammaisten lasten ja nuorten tukisäätiö

Changing the perception of disability in the workplace

*Founded in 1889, the **Vamlas Foundation** is one of the oldest disability organisations in Finland and has a staff of about 30. Vamlas promotes equal opportunities and inclusion of children and youth with disabilities, especially in the fields of education and employment. Vamlas provides expert services, organises training, runs development projects, participates in research and acts actively in various networks promoting rehabilitation, education and employment. Vamlas also provides housing services for students with disability, and promotes inclusion in social life and hobbies by organising summer camps and various events to support children and youth with disabilities to take part in social activities.*

- ### Context and stakes

  - Context:

Estimates suggest that there are between 180 and 220 million youth with disabilities worldwide[19]. **Children and youth with disabilities face significant barriers**, notably to **education**, **employment** and to **participation in recreational activities, culture and sport**. Those barriers hinder their inclusion in society. For example, persons with disabilities (one out of every seven people in the world—or some 1 billion people) are **only half as likely as non-disabled persons to reach tertiary education**. Furthermore, persons with disabilities are **two to three times more likely to be unemployed** than persons without disabilities[20]. In the EU in 2013, the unemployment rate of people with disabilities was 17.4% compared to 10.2% of people without disabilities[21]. Employers often fail to recognise individuals with disabilities as an important part of a community's available labour pool. In fact, disability is often associated with dependency, inability to work, lower productivityand the perceived extra cost of adjustments and management that disability in the workplace requires.

  - Stakes:

This best practice is about making employers and staff aware that people with disabilities belong to the workplace and that **some of the jobs that constitute their activity can be occupied indiscriminately by disabled and non-disabled workers**. Occupational activity is key to social inclusion of people with disabilities and **they are as capable and efficient as any other workers**. **Discrimination against and exclusion of people with disabilities hinders business development and economic growth**. By recruiting and retaining workers with disabilities, companies widen their talent pools and are thereby able to form diversified and innovative work teams. Inclusion of workers with disabilities

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[19] United Nations Youth, "Fact sheet : Youth with Disabilities", 11p [Available at : http://social.un.org/youthyear/docs/Fact%20sheet%20youth%20with%20disabilities.pdf].

[20] European Economic and Social Committee, Opinion on "Young persons with disabilities: employment, inclusion and participation in society", 2012, 5p [Available at: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012AE0826&from=EN].

[21] ANED, "European comparative date on Europe 2020 & people with disabilities", 2013.

allows a company to meet the needs of its similarly diverse client base, to enter new markets, and to acquire a better market position.

- Best Practice

This case is all the more interesting that it features a **smaller player** (Vamlas has a total staff of about 30 people) **teaching and pushing forward bigger players**. For example, the Ratko model was adopted by Linnanmäki, Finland's largest amusement park: around 50 permanent year-round employees work at Linnanmäki, with over 600 seasonal employees during the amusement park season.

This model is a new type of recruitment process that was designed by Vamlas to help companies promote the employment of people with disabilities. It was designed to help workers change their outlooks and behaviours. In fact, employers and staff tend to perceive employment of people with disabilities as burdensome. **Persistence of negative prejudice** in respect of people with disabilities is even more predominant among employers who have never hired any, thus reflecting the fact that **reluctance to employ people with disabilities stems more from misconceptions and stigmas than from actual reality and experience**. Moreover, it is quite **common for employees to see their work as more demanding than it really is**. According to many non-disabled workers, disability is often associated with dependency, inability to work, lower productivity and the perceived extra cost of adjustments and management. From this point of view, the workplace appears to be unsuitable to persons with disabilities. The purpose of the Ratko approach is to **make the adaptability of the job visible to the staff and employer**.

One of the key principles of this model is to set up **workshops** with the personnel in order to build up or facilitate dialogue on diversity in the workplace. During those workshops, the personnel separate their side tasks and routine tasks from their core tasks. When this distinction or so called job carving allows the constitution of a fully-fledged job, it is then submitted to the employer or manager for approval. Formal assessment methods are then used to **evaluate the job requirements** and **the respective skills of the potential job seekers**. It is only when Vamlas and the employer have identified jobs and profile requirements that Vamlas seeks suitable candidates for those jobs. When the comparison is made, the compatibility of the work and the skills of the job seeker can be estimated and the possible need to adapt the work or work environment taken into consideration before recruiting.

Therefore, chronologically, **the Ratko model first focuses on the workplace and not on the employability of people with disabilities**. The idea is to reveal to companies how easily they can open up to diversity and to persons with disabilities in particular. The message Vamlas wishes to convey and on which its action is based is that **barriers faced by people with disabilities arise more from social stigma than from their intrinsic features**. Society and the labour market tend to impair people with disabilities whereas occupational activity would empower them.

- Results

By now, Vamlas has cooperated with 10 employers and 20 work communities. Furthermore, nearly 40 young persons with disabilities have found a job and their place in work communities.

Linnanmäki Amusement Park first implemented the Ratko model in the summer of 2014 and four of its jobs were evaluated (including ticket sales, cleaning, etc.). It led to the recruitment of 10 young people with disabilities. For the summer of 2015, Linnanmäki has recruited 17 young people with disabilities and has opened up more job opportunities (gardening, etc.). Linnanmäki's implementation of the Ratko model is therefore evolving and growing over the years and it shows a **dynamic and enduring approach to diversity management**.

A number of businesses impacted by this best practice are actually bigger than Vamlas itself, which brings an interesting dimension to this best practice. This case demonstrates that **experience, expertise and best practice sharing is a dynamic force that can also operate from smaller structures to larger corporate groups**. It is possible for smaller players to build expertise on diversity management (Vamlas addresses social inclusion of youth and children with disabilities for over 125 years) and, whomever the holder of that knowledge, the important thing is to share it and guide others towards inclusiveness.

- Follow-up:

Two of those impacted businesses started strategic diversity management implementation because they found that they had to change their existing practices (e.g. in HRM) to increase inclusiveness.

Regarding the youth with disabilities hired at Linnanmäki in 2014 under the Ratko model, most of them were renewed for the 2015 season. Moreover, in other contexts, some of the recruits were promoted and now have more demanding jobs.

- Challenges and tips

- **Getting an outside expert involved to support the company's incipient diversity policy**

Linnanmäki's long-term objective is to gain enough experience and expertise on the matter to be able to implement its own, fully-fledged disability policy. However, in the beginning and for the time being, Linnanmäki does need **professional backing** on the part of Valmas. Corporate social responsibility has been part of Linnanmäki's corporate values for some time already but **calling upon Vamlas enabled Linnanmäki to build an even more ambitious disability policy and offer job opportunities to a larger target group**. Vamlas acted as a **professional coordinating partner** and took care of many aspects of the project, therefore **alleviating the diversity management "burden" for Linnanmäki**. It can be interesting for willing big firms to **get an outside expert involved in the developing and expanding of their diversity polic**y. Outside expertise can enable larger groups, which can afford this expense, to fast-track their learning-curve and to provide their diversity policies with greater breadth and depth.

France

orange™

Big companies helping SMEs alleviate the burden of RH processes

***Orange** is a French multinational telecommunications corporation. It currently employs about 154,000 people (98,000 of them in France) and has 248 million customers worldwide.*

- Context and stakes

  – Context:

- **Long-term unemployment in the EU: a growing concern**

  Long-term unemployment refers to a period of unemployment of one year or more. Long-term unemployment is at record levels in the European Union: **nearly half (47.5 percent) of those unemployed in the EU have been in this situation for more than twelve months**. In 2009, this figure amounted to "only" 33.5 percent. In total, in 2013, 5.1 % of the labour force in the EU-28 had been unemployed for more than one year. More than half of these (2.9 % of the labour force) had been unemployed for more than two years. Both these figures mark a sizeable increase from 2012, when they were 4.7 % and 2.6 % respectively[22].

- **Consequences of long-term unemployment: negative circle leading to hampered growth and value-adding process**

  Long periods of unemployment have **significant negative consequences on both individuals and the general economy**. Firstly, they impact on **personal health and well-being** (social stigma associated with unemployment, loss of self-esteem, loss of motivation). Furthermore, evidence shows that the longer people remain unemployed, the harder it becomes for them to find a job. Work interruption leads to **skill depreciation**, giving rise to a wage loss. Long-term unemployed people are also treated differently on the labour market and are **often discriminated against**. The long-term unemployed face **prejudices and reluctance** from potential employers as well as **lower career advancement prospects**. Long-term unemployment is often associated with low qualifications and skills whereas, in fact, the long-term unemployed are equally productive and educated as other unemployed people. Barriers thus tend to accumulate and to feed on each other to form a downward spiral.

  The persistence of a large number of long-term unemployed persons generates **huge economic costs**: it jeopardizes job matching on the labour market and also curbs the overall efficiency of the economy. Long-term unemployment lowers growth in the short term but also in the medium and long term, as it is likely to turn into persistent, structural unemployment. From the economic point of view, long-term unemployment is therefore a **waste of a massive talent pool** (5.1% of the labour force): it deprives SMEs from a valuable workforce.

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[22] Eurostat Unemployment Statistics – May 2015 : http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics

– Stakes:

- **Enlarging the field of diversity management to smaller companies**

  99% of all European businesses are SMEs. They provide two out of three of the private sector jobs (66.5%) and contribute to more than half (57%) of the total value-added created by businesses in the EU (€3.4 trillion against a total of approximately €5.9 trillion). SMEs are therefore the true back-bone of the European economy, being primarily responsible for wealth and economic growth. And yet, **lack of skilled workers** is often cited by SME owners, directors and managers as the biggest obstacle to growing their businesses. That is why SMEs do not feel like they have a stake in the employment of the long-term unemployed. **SMEs tend to see the long-term unemployed as a low-skilled, less productive work force that does not correspond to their demand for labour**.

  So as to **remedy a market failure** (labour supply and demand do not adjust automatically), diversity management is an **effective economic tool**. By promoting inclusiveness in the work place, **diversity management contributes to job matching** and its efficiency would be boosted if it was harnessed by the greatest number of stakeholders possible. Because they employ the majority of European workers (66.5%), SMEs are the cornerstone of a healthy economy. SMEs have a key part to play in the social inclusion of the long-term unemployed but **still need to be convinced and equipped to do so**.

- **Major contractors: accompanying SMEs on the path of diversity management instead of ordering them.**

  Suppliers and subcontractors are contractually bound to the strategic direction and priorities outlined by the big company they trade with. As ordering parties, big companies can therefore incorporate CSR clauses within those contracts. CSR clauses can require suppliers and subcontractors to comply with CSR laws, policies and values. However, to make those CSR clauses an efficient and fair tool, **big companies must accompany them with proper support so that they lead to a win-win scenario**. **Commitment must go both ways**: large groups should guide SMEs on their path to diversity management by giving them the tools, skills and support they need, instead of imposing inappropriate constraints on them.

  - Best Practice

  Link Day is an **employment forum** which brings together **integration structures** and **businesses** so as to **promote and stimulate the employment of the long-term unemployed**. For this event, large companies invite their suppliers and subcontractors to submit job opportunities but they also handle everything else, from the cost of participation to the upstream preparation of job applicants. This is a perfect example of a **win-win scenario**. Orange's approach is based on the premise that large groups should not just pass on their diversity responsibilities to smaller stakeholders through CSR clauses. Big firms should instead provide the necessary support to **reduce the burden that diversity management can represent to smaller structures like SMEs**.

  In preparation for the event, the large company's purchasing department targets suppliers and subcontractors most likely to be consistent with the requirements and to be interested in the initiative and then the CSR department seeks their involvement. Vacancies and profile requirements are transmitted to integration companies which select applicants. Prior to the event, **candidates are prepared by both integration companies and big companies**, which second volunteers to conduct preparatory interviews. Those pre-interviews are

opportunities for job-seekers to receive advice on their attire, posture, speech, and to help them develop their career plan. Candidates receive the same kind of feedback on their performance after the actual job fair, whether the interview led to a job or not. Jobs on offer do not require high-level qualifications (telephone hotline, security, cleaning, catering) but they must be sustainable (permanent contracts, long-term fixed contracts or work-study contracts).

Link Day was first set up by SFR in 2012. Link Day's main interest lies in the fact that **big companies (such as SFR or Orange) lead SMEs to reach out to job-seekers that they would not normally reach out to, while relieving those SMEs of the burdensome additional administrative formalities that it implies**. SMEs tend to feel like they have no stake in the employment of the long-term unemployed and in diversity management in general. They have more urgent, operational concerns and deem diversity management policies too onerous and also too logistically and strategically demanding. Participating in job fairs promoting the inclusion of the long-term unemployed is not a priority to most SMEs: SMEs already have their own recruitment channels and, what is more, the long-term unemployed are perceived by SMEs as a low-skilled, less productive workforce that does not correspond to their demand for labour.

Although big groups may not offer job opportunities that match the profiles of Link Day participants, they can still contribute to their returning to employment by linking them to other employers, notably SMEs which have difficulties finding adequate workforce. Spurred on by large groups, Link Day enables SMEs to **open up their recruitment procedures to a more diverse talent pool**.

- Results

In 2012, 196 candidates met recruiters from 14 SMEs, three of them being subcontractors of Orange. Orange subcontractors provided 108 of the 288 vacancies (in the reception and security sectors).

- Follow-up:

- **Improved relay mechanism for selected applications**

It turned out that, in 2013, some applications that had been approved during Link Day did not lead to anything concrete. They got "lost" in the process and were never forwarded to the relevant department in due time. As a result, the posts had to be filled in through other means and selected Link Day applicants were disappointed. That is why Orange implemented a monitoring system to follow up on approved applications and ensure that they do translate into actual employment.

- Challenges and tips

- **Providing concrete and practical support to SMEs**

As ordering parties, large companies have the possibility and responsibility to **make SMEs aware of what can be done in terms of diversity management**, but they also have the responsibility to **support their efforts and initiatives**. Targeting a company's suppliers and subcontractors can be a good place to start because they constitute the company's direct environment. However, CSR clauses in themselves, meaning imposing diversity management by way of contractual obligation, will not achieve anything sustainable and satisfactory. Link Day is a best practice featuring a big company pushing diversity management forward within its suppliers and subcontractors but mostly it is a best practice featuring a **big company supporting and equipping SMEs in a concrete and practical manner**.

Germany

Big groups' experience in diversity management: a great potential for SMEs to exploit

Ernst & Young (EY) *is a multinational professional services company founded in 1849 and headquartered in London, United Kingdom. It has 190,000 employees in over 700 offices around 150 countries in the world. It provides assurance (including financial audit), tax, consulting and advisory services to its network of member companies.*

- Context and stakes

  – Context:

- **Changing structure of the organisation and its environment**

  Ernst & Young is a multinational company and, as such, has cross-border activities and diversified clients. Diversity had become a fact, an **intrinsic feature of EY's functioning** and their workforce and practices needed to be in line with that.

- **Changing talent pool and labour shortage**

  SMEs often experience **recruitment difficulties** as traditional HR processes often miss out on "hidden" talent pools. SMEs have work opportunities but have the **hardest time finding qualified labour**. According to various mid market reports, up to 5 billion Euros a year are lost in potential revenue due to labour shortages SMEs are facing. As a result, SMEs cannot fulfil the contracts that they could have had. Big groups too need to communicate and set up their brand differently to better attract this diverse talent pool. SMEs can benefit from the expertise of bigger companies on attracting different talents.

- **SMEs are the backbone of the German economy**

  There are around 3.6 million SMEs in Germany. SMEs represent 99.95% of all German companies and employ 28.6 million people, or almost 68% of the German working population[23]. They are what keeps the economy going.

  – Stakes:

- **Why target SMEs?**

  Suporting SMEs achieve efficient and integrated diversity management **benefits the whole economy** as having strong middle-market companies ensures a robust and agile economic environment and prevents the economy from depending on a few "too-big-to-fail" businesses.

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[23] European Commission, « 2014 SBA Fact Sheet – Germany », 2014, 18p [Available at: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2014/germany_en.pdf].

- Best Practice

SMEs often lack the time, means and expertise to implement efficient and integrated diversity policies. They have more urgent operational concerns and usually fear to commit to diversity because they deem diversity management policies too onerous and also too logistically and strategically demanding. Big groups, on the other hand, are ahead of the curve on that matter and are more than willing to share their experience, lessons learned and best practices with proactive SMEs.

The 2013 German Diversity Day provided EY with the opportunity to do so.

> *The Diversity Day is an annual event when initiatives promoting diversity are celebrated all over the country. It was first put in place by the German Diversity Charter and may include a wide range of events, including discussions, round tables, and exhibitions. It is an opportunity to remind people of the importance of promoting diversity and inclusiveness in the workplace. To ensure that diversity in the workplace will be promoted to a greater extent, information must be made available and as many stakeholders as possible need to be convinced. Diversity Day is a great forum for the business case for diversity.*

As part of the 2013 German Diversity Day, **EY held and participated in a conference that specifically targeted SMEs**. It united about 130 participants, mostly SMEs, but also non-profit organisations and academics.

This conference was an opportunity to **share experience and convey some lessons learned** in order to fast-track their learning curve. For example, EY evoked its gender equality policy and the fact that it used to focus mainly on supporting women. Based on its experience, EY was able to establish that the gender equality agenda is not just about empowering women but also about engaging men in changing cultural and social structures. More generally, diversity concerns everybody. EY's conclusion was that successful and sustainable diversity measures do not only target specific groups but **address the majority** and thus focus on a **broader cultural change in the organisation**.

This conference was also an opportunity for EY to **provide step-by-step, practical guidance on diversity management**. Diversity management often frightens SMEs due to the "presumed" scale of logistics, financial means and strategic planning that they associate it with. It seemed important to EY to not just deliver a lecture but to tackle diversity from a practical perspective and to **really equip SMEs with some easy ideas** on how to increase awareness for diversity and increase competence around unconscious bias. The message EY wanted to pass on was that **diversity management does not necessarily have to be expensive or intellectually sophisticated**. On the contrary, EY has found that the simplest actions were the most successful ones. **It is not about implementing different, new actions but about improving the quality of existing, standard HR processes** (recruiting, performance evaluations, promotions, etc.) and looking at the processes differently, through a "**diversity lens**".

Speakers at the conference included the head of the federal anti-discrimination agency and the head of the International Society for Diversity Management (IDM). There was a panel on foreign credentials recognition, a workshop on unconscious bias and also improvisation theatre on diversity matters.

- Results

Thanks to the extensive networks of the German Charter, of the Chamber of Commerce and of the Ministry of Labour, EY was able to bring together **130 participants** to the conference, including mainly SMEs, but also not for profit organisations and academics.

– Follow-up:

- **Conference round-up**
  This document included the presentations from the conference and resource materials.

- **Forum**
  Some of the companies present at the conference were included into forums, local networking meetings, diversity best practice sharing groups.

- Challenges and tips

– **Doing the things you do differently instead of doing different things**

Diversity does not have to be an arduous undertaking. It is not about doing new, altogether different things but about **doing the same things differently**. For example, EY introduced unconscious bias elements in the standard learning curriculum e.g. training their recruiters (in charge of interviews) and managers (in charge of performance reviews). **Awareness-raising does not necessarily involve massively expensive training programmes**. It can be **integrated in day-to-day, standard processes** (recruitment, training, performance evaluation, promotion, etc.). Diversity management helps you undertake those very same processes in a way that values all the potentials that you have.

– **Address the majority of your personnel instead of minorities**

Diversity programmes should not address a minority but the **majority**, as everybody is concerned by diversity at some point in their life or career. Diversity is something that all stakeholders in an organisation need to understand, to value and to manage, even though they might not be, at the moment, part of a "minority" or "under-represented" group. For example, EY's gender initiatives used to focus mainly on supporting women whereas men do need to change as well. The gender equality agenda is about engaging men in changing culture and social structures and not just about empowering women. EY found it was more efficient and interesting to highlight the value of diversity as a whole rather than to address only one specific minority at a time. **Diversity management should not be compartmentalized and fragmented into distinct agendas**. Indeed, diversity and inclusiveness is a broad concept that includes all the different specificities that make up society.

– **Tap into the potential**

There is a huge **network of organisations willing to share their experience, expertise and best practices with SMEs.** Big groups are willing to share this information for free as part of established best-practice networks, conferences, information exchange platforms, and other networks such as the German Diversity Charter. SMEs do not need to spend large sums on consultants.

As a first step, learning from other organisations will provide them with valuable insights for their own diversity agenda and implementation journey. SMEs need to come forward, ask for help and tap into the existing resources.

- **Make it fun**

Make diversity management tangible, relevant to your audience and fun, so as to **reach out to the largest possible audience**. EY has found that initiatives that included learning and awareness-raising about diversity & inclusiveness and combined those with a fun, light-hearted teaming or entertainment component were the most successful ones. Diversity management does not necessarily have to involve excessive logistics but the point is to make it fun.

Italy

SODALITAS

Peer support among Diversity Charter signatories

***Fondazione Sodalitas**, created in 1995 by Assolombarda, the largest employer federation in Italy, was the pioneer in the diffusion of the culture of responsible and sustainable competitiveness. Sodalitas' corporate members -more than 100 large and medium enterprises- are committed to developing innovative solutions to create shared value, fostering inclusive workplaces, sustainable production and consumption, smart and caring communities. More than 100 retired executives are providing pro-bono consultancy to support civil society organisations, schools and institutions in the development of a more cohesive and equitable society.*

- Context and stakes

  - Context:

- **Lack of diversity awareness among SMEs**

  There is a lack of high level debate about discrimination and equal opportunities issues among Italian SMEs. **SMEs are not aware that they have a key part to play in promoting diversity and inclusiveness**. SMEs often have more urgent operational, even survival concerns and they lack the time, resources and expertise to tackle diversity issues, not perceived as priority challenges. The link between a diverse workforce and enhanced economic performance is not clear and SMEs often deem diversity management policies to be too onerous and also too logistically and strategically demanding. **In the opinion of many SME managers, diversity management therefore appears not to be adapted to their specific context**. Conversely, larger corporations have, for several years now, demonstrated initiative and leadership on that matter. Big firms have developed effective and innovative instruments to promote diversity and inclusiveness in the workplace. And they are more than willing to share their experience, lessons learned and best practices to voluntary and proactive SMEs. **Experience and expertise sharing between SMEs and larger firms is a key step towards furthering the global movement of diversity management**.

- **Lack of integrated diversity management policies among SMEs**

  Low awareness and diffusion of effective and systematic diversity management policies and practices among SMEs often lead to the implementation of well-meaning but **fragmented and intuitive initiatives**. The lack of strategy and method makes progress difficult within SMEs in the sense that they tend to look at diversity through the wrong end of the telescope. **Isolated and unrelated initiatives often cancel each other out**. Discriminations in the workplace are the symptoms of structural inequalities. Specific measures cannot effectively address this cross-cutting issue. **Because the problem is global, solutions must be holistic**. Diversity management requires a cross-cutting approach, meaning involving **all companies** (regardless of their size and business sector), involving **all employees and departments**, and involving **all career stages and company processes**.

– Stakes:

- **Mobilising SMEs in the promotion of diversity and equal opportunity in the workplace**

  Because they represent 99.9% of Italian businesses and employ 80% of Italian workers, SMEs have a key role to play in promoting diversity and inclusiveness in the workplace. Their awareness of diversity issues needs to be raised, and their implementation requirements and of the variety of policies and practices that have proved efficient when implemented by larger corporate groups. **SMEs need support in understanding that diversity management is well within their reach**.

- **Addressing the special context and requirements of SMEs**

  SMEs have **less** resources (both human and financial) and **less time** to invest in diversity management. But **this does not mean that they have less power of action**. On the contrary, their operating scale (up to 250 employees) renders them more flexible and more open to innovation. Due to their small size and greater flexibility, **SMEs can achieve quicker results than larger corporate groups**. SMEs thus have the potential to be ideal experimental laboratories.

The **Outreach Campaign** to mobilise southern SMEs and the **toolkit developed in its framework** are the core elements of the "*Programme for the diffusion of the Charter for Equal Opportunities in the Workplace* (Carta per le Pari Opportunità e l'Uguaglianza sul Lavoro) *in the Convergence Obiective Regions* (Campania, Puglia, Calabria, Sicily)", launched by UNAR and financed by the European Social Fund.

- Best Practice

The key driver of this Outreach Campaign was the **strong track record and credibility of the first signatories of the Italian Diversity Charter**. Implementing a coherent and integrated set of diversity management measures is not a goal that can be achieved overnight. It is a **cumulative learning curve**. The role of the first signatories was to **lead by example**. Their signing the Diversity Charter and their showcasing their best practices on the Charter's website have made them **role models for SMEs**. By showing SMEs how diversity management is actually done and what kind of initiatives can be put into place in practice, larger firms have "walked the talk", therefore fast-tracking the learning curve of SMEs. The active support of diversity management leaders (like Telecom Italia and Vodafone) facilitated the setting up of **Steering Committees** in each of the 4 southern Regions, including employer federations and ethically driven entrepreneurial networks (Christian/UCID, Women/AIDDA, Family/AIDAF), and also Regions willing to act as conveners and hosts. Steering Committees were key contributors to the success of the campaign to raise awareness and encourage cultural and operational changes.

As part of the Outreach Campaign, the steering committees have implemented carefully designed roadmaps, culminating in **high level events celebrating the commitment of the first SME signatories**. The High Level Events that were set up in the framework of the outreach campaign are of special interest and inspiring as they **specifically targeted SMEs and their accomplishments**. Those High Level Events highlighted the contribution and leadership of SMEs, demonstrating

that integrated and effective diversity management is not constrained by the size of organisations.

Another key building block of the campaign was the preparation and publication of a **Compass for SMEs** (Bussola per le PMI), providing inspiration and practical guidance to signatories on the implementation of diversity management policies and practices. The value of the Compass for SMEs consists in the opportunity to consult and emulate the most effective and innovative initiatives developed by their peers for each of the 10 points of the Charter policy (empowerment, stereotypes, process re-design, work-life balance, training, monitoring, internal and external communications).

The High Level Events and the Compass are **complementary tools**, as the former aims to **convince** stakeholders, whereas the latter aims to **equip** them. Committing and empowering SMEs were two interrelated cornerstones of the Outreach Campaign, providing a successful model for a global and integrated approach to diversity management.

- Results

Through the networks of employer federations, ethically driven entrepreneurs and Chambers of Commerce, some **280 SMEs** (about 100 both in Campania and Sicily, over 60 in Puglia and 20 in Calabria) were mobilised, **employing over 5.000 workers**.

- Follow-up:

- **Monitoring Questionnaire**

The Survey conducted with all Italian signatories, based on a simple *input-output-outcome* model, highlighted that SMEs focused especially on the gender strand of diversity (59.15%), implemented input measures with special emphasis on work-life-balance (56.76%) and internal communication on their commitment (59,46%), reaping a more positive organisational climate (37.5%) as benefits/outcome after one year.

- **Regional platforms**

Permanent local platforms ("Tavoli Regionali"), as follow-up of the Steering Committees, were set up in Campania, Puglia, Calabria and Sicily, in order to **encourage permanent sharing of experience and joint actions**.

- Challenges and tips

- **Toolkit to equip SMEs by providing them with inspirational examples of best practices**

As part of the outreach campaign, a toolkit (Compass for SMEs/"Bussola per le PMI") was developed to equip SMEs for their socially responsible policies. This toolkit took the form of a **compendium of effective and innovative diversity management best practices implemented by SMEs**. It was designed to facilitate leading by example and peer learning, providing SMEs with both inspiration and practical guidance. This publication is all the more relevant that it complemented High Level Events which took place across the four Regions

(Campania, Puglia, Calabria and Sicily). **Convincing** (by organising High Level Events) and **equipping** (by developing practical toolkits) stakeholders are the two **cornerstones of diversity management**. They are equally important and are most effective when combined together.

- **Institutional backing**

Another success factor was the **patronage of Regions** and Chambers of Commerce of the Outreach Campaign, demonstrating the support of both public and private institutions. The endorsement by key public and private stakeholders contributed to the success of the project, creating an enabling environment.

- **Support and commitment by diversity management leaders: leading by example**

The success of the Outreach Campaign could also rely on a **hard core of signatory large corporations** (together employing over 400,000 workers) providing a critical mass for deployment and experimentation. Those players were already strongly committed to implementing well structured diversity management programmes and, as such, they provide support to SMEs by playing their part as role models and mentors. These experienced signatories lead by example.

- **Business case for diversity**

It was also essential to **enhance the business case for diversity**, overcoming the challenges and concerns of dramatic unemployment levels in the South of Italy, potentially perceived as leaving little scope and attention for other HR issues, especially in SMEs. In fact, the protracted recession started in 2008, with Italy only staging a slow recovery in 2015, was especially hard for SMEs, with their value added in 2013 still about 3% below its pre-crisis level. Consequently, throughout the Campaign, diversity management was **presented as a key lever to enhance the level of competitiveness** and ability to innovate for businesses, including southern SMEs.

LIST OF EXISTING DIVERSITY MANAGEMENT TOOLS

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*To go further, **do not hesitate to contact your** national Diversity Charter**.** You will be able to access supporting tools, meet peers and exchange diversity management expertise and practices!*

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For more information on EU Platform of Diversity Charters please visit the European Commission, Directorate-General Justice and Consumers website (http://ec.europa.eu/justice/discrimination/diversity/index_en.htm)

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