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DIVERSITY MANAGEMENT IN DENMARK AND IN FRANCE: A COMPARATIVE APPROACH

Introduction
The recently published “Research Handbook of International and Comparative Perspectives on Diversity Management” offers, for the first time, a comparative approach to current diversity management concerns facing nations. Containing 11 new cases spanning 19 countries, this comprehensive review of diversity management will appeal to both academics as well as to public policy-makers, industry practitioners, top leadership, middle managers, and HR managers.

The following is a summary of the results of our study of Arla in Denmark and Peugeot in France and their implementation of diversity initiatives. We found that Peugeot has adopted a rights-based approach of equal opportunities to DM aiming at reducing discrimination and group-based disadvantages, while Arla has adapted a mainstream approach with emphasis on the “business case”, focusing on performance-related outcomes of diversity. We offer our insights into how Arla and Peugeot have transformed their perceptions of diversity into HR practices.

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The Concept of Diversity Management
The concept of “diversity” evolved in the US in the 1980s from affirmative action (AA) policies and equal employment opportunities (EEO) (Wrench, 2002) as a response to changing workforce demographics (Strachan et al., 2009). Interest in diversity in the US workplace shifted from legalistic concerns to a concept of “valuing differences” (Thomas, 1990) in the late 1980s and managers became more concerned about how to deal with the reality of growing shares of women, immigrants, and other minority groups.

The concept of valuing differences extended to the concept of “managing diversity” (McDonald, 2010). Today, the concept of “managing diversity”, also called the “business-case”, represents a more strategic attempt by companies to obtain competitive advantage through a proactive concept of maximizing the utilization of differences found within their own workforce.

The ideas of diversity management have also been gaining popularity in Europe, and have resulted in the creation of various European Union (EU) directives with emphasis on equality and non-discrimination issues. However, despite this common regulatory framework, the adoption of diversity concepts occurs neither at the same time nor in the same way throughout EU member states (Tatli, Vassilopoulou, Al Ariss, and Özbilgin, 2012).

Methodology
We chose Arla and Peugeot, with their headquarters in Denmark and in France, as our case companies because both are representative of the manufacturing industry, with a presence in and exporting to global markets; they operate from...
several home country sites; and, even though the products (dairy products for Arla and automobiles for Peugeot) are different, this industry requires a similar labor force consisting of blue-collar and shop-floor employees. Furthermore, both companies are highly engaged in diversity management. Peugeot has been implementing a strategic diversity program since 2003, while Arla initiated theirs in 2010 with the appointment of a Global Head of Inclusion, Diversity, and Collaboration. We interviewed 18 managers at Peugeot (three from top management, two division managers, three middle managers and ten HR managers); and 15 managers at Arla (two from top management, four division managers, six middle managers and three corporate HR managers) from different industrial sites. The respondents are all responsible for a significant part of their organization’s business and play a major role in the implementation of the diversity initiatives.

Findings and Analyses
How have Arla and Peugeot transformed their perceptions of diversity into HR practices?

Perceptions of Diversity
There are obvious variations between Arla’s and Peugeot’s perceptions of diversity. For Arla, diversity is strongest in terms of openness to different perspectives or ways of thinking and different cultural backgrounds or values. Their understanding is confined within their business context: diversity issues are a means to efficient use of resources, economic growth, and competitiveness from a global perspective. For Arla, DM is strongest in terms of openness to different perspectives or ways of thinking and different cultural backgrounds or values. Their understanding is confined within their business context: diversity issues are a means to efficient use of resources, economic growth, and competitiveness from a global perspective. For Arla, DM stems from voluntary action, which is reinforced by the simple internal “maximum 70 per cent” guideline: no more than 70 per cent of each team must come from the same national/ethnic background, the same gender, the same generation, and the same educational/disciplinary background. This limit is more a guiding principle than a quota to promote the mindset that less homogeneous teams will increase performance and innovation.

For Peugeot, diversity is associated with the more traditional perceptions of equality of gender, generation (or age), and disability, which strongly reflect the issues that French anti-discrimination and positive action laws address. However, as French laws do not address ethnicity issues, Peugeot is also following a voluntary approach by promoting an internal ethnic diversity scheme.

Reasons for DM
The top management and senior officials’ perceptions of diversity have an impact on the reasons for the implementation of DM. For Arla, competitive advantage, global mindset, and access to the necessary competencies are the important drivers of the “business case” for diversity, which, according to Tatli (2010), follows the mainstream approach. The Danish respondents from top, senior, and middle management levels perceived DM – almost unanimously – as part of the corporate strategy. DM is nestled within their global business environment and in the belief that a diverse workforce can manage challenges from the competition and adjust more easily to changing customer attitudes and production patterns. Further analysis of Arla’s business case for diversity reveals that while the leaders of the company are implementing diversity initiatives voluntarily, they are also acting in compliance with the Danish egalitarian tradition, honoring legislation in the labor market and working closely with the trade unions. This strategy seems to be present in previous studies of other Danish companies (e.g., Boxenbaum, 2006; Boxenbaum and Battilana, 2005), which used DM as a novel frame for workforce integration of immigrants. Arla anchors this strategy in the organization through the
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intensive training of leaders, teams, business planning coaches, support function staff, and HR professionals in mitigating unconscious biases in leadership, collaboration, and decision-making, and eliminating discriminating barriers for individuals and groups of people in the organizational processes are essential parts of the strategic efforts for greater diversity and inclusion.

On the other hand, DM at Peugeot – whose main perceptions of diversity are equality of gender, generation, and ethnicity – is driven by efforts to make those groups perceived as minorities (within the company) progress, in particular, women and the disabled. On the corporate level, the company surpasses the legal minimum for disabled workers with 10.1 per cent (against the required 6 per cent). The overall percentage of employed women remains low, at 17.6 per cent of the workforce. On the supervisory level, the company is trying to reach the mandatory quota of 40 per cent by 2016. Currently, 21 per cent of the supervisory board directors are female. The company prioritizes the development of women, but meets difficulties, as women feel less attracted to technical and engineering jobs mainly required in the core business.

We interpret these efforts as part of a social dialogue and social responsibility. Although top management and senior HR managers also identified competitive advantage as one reason for the business case, the managers focus more on social responsibility. This confirms Point’s (2006) findings that in France the “business case” is not put forward as a main driver for diversity. Peugeot’s top management has been integrating the trade unions in agreements on diversity and social cohesion. Despite emphasizing that their diversity policy is voluntary, the social dialogue approach and the aligned cooperation with employee representatives clearly follow the legal context of making diversity issues a mandatory part of the bargaining process since 2001 (Klarsfeld, 2009). Peugeot combines DM explicitly with corporate social responsibility, while Arla has consciously chosen DM as a business-oriented strategy. At Arla, however, ensuring non-discrimination and human rights is also perceived as a part of their CSR foundation and a prerequisite for their growth strategy.

Conceptualizations of Diversity Management as HR Practices
In terms of conceptualizing DM, training, development, and recruitment are among the top three HR practices for both Arla and Peugeot with the main difference being the quota commitments for Peugeot and performance appraisal for Arla.

Arla manifests its business-orientation in three major HR practices: 1) the training and development of managers in DM, which is reinforced by two other HR practices, namely, 2) performance appraisal as a means of monitoring results from the policies and targets dictated by both the business and diversity initiatives, and 3) recruitment. The change process has involved changing the mindset and behaviors of leaders at all levels (the change agents) through an intensive training and development program (Module 4 of the existing and popular Leadership Program). The objectives of this program are to reduce unconscious biases with the application and practice of techniques of inclusion (called “inclusion nudges”) and to introduce mechanisms that ensure equal opportunities. With behavioral interventions (inclusion nudges), it is possible to promote more objective (less biased) decisions and transform these into inclusive behaviors. The guidelines on “diversity in recruitment” is one example (for more examples, see www.movetheelephant.org). Most respondents expressed their satisfaction from establishing a “recruitment team” consisting of managers and staff from different departments that screens and interviews job applicants.

The training and development department of Peugeot ensures that they do not overlook minority groups in terms of general or job-specific training and that these groups are included in considerations for promotions. The HR staff regularly monitors this, resulting in many positive actions in favor of these groups. Furthermore, they ensure that recruitment is free of any discrimination. There might even be cases of positive discrimination where target groups, such as women or the elderly, are selected when all other criteria are equal. Officially, the company does not promote any positive or affirmative action, but uses competence as a criterion for selection. However, when percentage targets for specific populations are set and monitored at the corporate level (for example, 30 per cent for female employment), positive discrimination becomes an unavoidable consequence. This is not surprising as French law strongly promotes positive actions for these target groups (Klarsfeld, Booyens, Ng, Roper, and Tatli, 2014).
Conclusion
DM for Peugeot— which tries to responsibly live up to its socio-cultural heritage of incorporating immigrants and other minority groups into the workforce — seems to be more the end than the means to the end. For Arla, it is the other way around. DM is not a stand-alone project, but an enabler to performance and innovation — a means of releasing potential from people of different nationalities, gender, generations, and educational backgrounds who possess the right combination of competencies required by the business. While Arla adopts a business case approach (Tatli, 2011) focused on performance-related outcomes of diversity, Peugeot follows an equal employment and affirmative action approach to DM. With an inherent respect for equality and legislation, Arla is able to concentrate on an organization-wide, bottom-up, grass-roots approach towards promoting DM. Peugeot promotes DM in a more top-down manner, setting up extensive guidelines that follow the complex legal body in France. However, we can state consensus for both companies that diversity is the means to competing successfully in the global arena.

Which approach is more effective then? A rights-based approach or a business-case approach to diversity? Our findings show that it depends on the objectives of the diversity program and which form diversity initiatives take. For Peugeot, the rights-based approach fits their goal to achieve equality of treatment and provide equal opportunities. Their training course focuses on legal compliance, and consequently their recruitment focuses on how to meet quota requirements. Arla uses equality of treatment and provide equal opportunities to have a more diverse pool of competencies that will lead to a higher level of business performance. Performance appraisal and a diverse recruitment team are means to reaching this goal.

References