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Diversity, equality and discrimination in working life

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Aim and summary This policy brief is based on an international IMISCOE expert meeting which took place on 15-16 November 2007 on *Equal Opportunities on the Labour Market for Immigrant people and Ethnic minorities* * This brief is useful for policymakers and human resource workers dealing with staff employment and equal opportunities in working life.

The main arguments are:

Discrimination blocks the labour market

- Unemployment rates are higher and work conditions are worse for immigrants and ethnic minorities than for the native population. Educational levels and migration background can only partly explain this socially and economically undesirable exclusion from the labour market. Discrimination is another important factor.

- Discrimination is predicated by a fundamental but socially tolerated breach of human rights and can perpetuate inequality by limiting, if not altogether blocking, career opportunities.

Discrimination has many faces

- Discrimination is dynamic and constantly making new victims through the exploitation of economic and wage differentials.

- To combat exclusion and achieve equality it is necessary to identify the various forms of discrimination and the distinct causes behind them.

- Different causes for exclusion ask for different solutions and instruments for implementation.

Diversity is not the same as equality

- When selecting and implementing instruments it is important to realise that having a diverse workforce is not necessarily the same as creating equal opportunities. Equal opportunities also translate into equal work conditions and career opportunities.

Each stakeholder has different tasks

Those with the power to act, have a duty to act

The desirable outcome of diversity and equality could best be achieved by: 1) strong anti-discrimination laws at both the EU level and national levels; 2) the commitment of employers and trade unions through mission statements that combat discrimination and encourage the exchange of tools to promote good practice; 3) the involvement and commitment of top management officials to clearly define goals; evaluate company strategies and manage resource implications and 4) the involvement of scientists through the provision of data that diagnose the labour market situation and the economic and social consequences of discrimination and indicators that measure the effects of anti-discrimination laws, organisational measures and policies.

Immigrant and ethnic minorities fail to get equal job opportunities

Why discuss equal opportunities on the labour market? The abundance of empirical studies and their accompanying statistics demonstrates how Europe's immigrant and ethnic minority unemployment rates are structurally higher and their work conditions worse than those faced by a country's native population. Also young people of ethnic minorities and new groups of workers from the new EU member states and from outside of the EU fail to receive equal employment opportunities.

Equality has moral, social and economic importance

Equal opportunities on the labour market are however morally, socially and economically indispensable. All human beings should be given the same opportunities to sustain quality of life and should be able to equally contribute to and profit from society, in order to have equal access to health services, enjoy equal social rights and have equal chances for career development. In economic terms, staff selection along ethnic dividing lines instead of personal skills restrains an employer's pool of employees, undermines the development of enterprises and impedes the supply of different types of knowledge in a highly competitive globalised world market.

Diagnose the problem and take relevant measures

To achieve equal opportunities there must be an assessment of when and why immigrants and ethnic minorities are excluded from various labour market opportunities and what measures can be taken in response.

Exclusion is a symptom of discrimination

Explaining exclusion: discrimination When correcting labour market outcomes with factors such as educational background, language skills and length of stay a relatively high percentage of labour market exclusion remains unexplained. Much research points to discrimination as a factor frequently at play. Fundamentally, discrimination means the negative treatment of people based on factors irrelevant to the situation at hand. Here, it means exclusion from the labour market based on which immigrant group or ethnic category a person belongs to (ethnic discrimination).

Discrimination takes place from recruitment to setting terms of employment

The most critical point at which discrimination takes place is said to be the recruitment phase when an individual is about to first enter the labour market or when an already employed individual is about to change jobs. But immigrants also face discrimination during their working life through atypical labour and insecure employment conditions (e.g. temporary jobs, irregular hours).

Types of discrimination:

Various types of discrimination Discrimination is multifaceted combining different possible forms and entailing different causes behind these.

- **Direct discrimination**

Direct discrimination Much of what is perceived as discrimination is assumed to occur through routines, regulations and norms that result in excluding specific job candidates. For example, when an employer

advertises a vacancy but designs the job specification in such a way that potential ethnic applicants are excluded or when qualified applicants for a vacancy go unconsidered because of their specific ethnic backgrounds, these are cases of direct and intentional discrimination. By contrast, direct and unintentional discrimination occurs when, for example, an employer is not even aware that applicants from certain ethnic groups are being excluded from candidacy.

- **Indirect discrimination**

Indirect discrimination Indirect discrimination occurs when job requirements or work conditions fail to account for possible differences between people and thereby exclude certain categories of candidates. Such discrimination is intentional when rules and regulations are deliberately created with the aim of excluding people of a particular ethnic origin. It is unintentional when certain rules and long-held business practices or norms negatively affect people of a particular ethnic background. These two forms of indirect bias are also known as institutional or structural discrimination.

- **Institutional discrimination**

Institutional discrimination Institutional discrimination frequently occurs through typical job-finding strategies, such as relying on personal contacts and networks. Immigrants who lack such contacts or networks are especially vulnerable to labour market exclusion. There is also substantial empirical evidence to suggest that bargaining power, another form of social capital, strongly influences the work terms and conditions. The best terms and conditions seem to be offered to those whose cultural assumptions most closely reflect the recruiters' social base.

- **Legal discrimination**

Legal discrimination State policy and immigration regulations can also negatively influence the workforce position of migrant and minority ethnic populations. Many non-EU immigrants and immigrants from the new EU member states with full rights to residence and employment suffer formal legal discrimination that excludes them from certain labour sectors or a set of rights that would otherwise be attached to their job.

Migrant women are victims of legal discrimination

Legal discrimination especially affects migrant women. Because they disproportionately migrate through a family framework, their initial entry into the labour force is usually delayed or restricted. Migrant women are therefore often turned away from pursuing regulated professions and employment in the public sector and are instead overrepresented in domestic labour and care-giving. In many countries, domestic work is however not protected by labour market legislation because the home is not seen as a workplace, which limits migrant women in their career opportunities and makes them very vulnerable, if not altogether invisible.

'Discrimination' is a loaded term

Although discrimination can thus be used to explain a lot of labour market exclusion, it is a very loaded term, and often people prefer to just speak about diversity when discussing ethnic labour market participation. Most people do not wish to be accused of being discriminatory and those who are being discriminated against can feel socially stigmatised. Whilst change

of terminology may assist in making participants in such debate more comfortable, real change in practice is about better understanding professional and institutional obligations. In so doing, a focus on the explicit forms and causes of discrimination and possible measures is key to engendering real change.

Policy instruments to achieve equal opportunities

Tackle discrimination via organisational policies

Discrimination can be tackled through thorough implementation and changes in laws. Still, organisational level policies and actions also play a crucial role, all the more because recruitment is not the only moment when exclusion takes place but also when opportunities and terms of employment are being formulated.

Consider causes of exclusion to select instruments for overcoming it

The selection of organisational policies and the subsequent development of specific instruments depends on the definition of 'equity', the causes behind exclusion and the desired goal of fighting it. Is an employer only aiming to manage existing diversity within the company? Or, does an employer seek to create a more diverse staff accompanied by thorough cultural changes and social awareness within the company? And what currently hinders immigrant people and ethnic minorities within a company?

Categorise equity policies

Following is a rough typology of different measures that organisations can take to promote equal opportunities in the work place:

1. Train immigrants and ethnic minorities

2. Make allowances for cultural differences at the workplace

3. Challenge negative attitudes in the workforce

4. Introduce specific policies to combat discrimination

5. Adopt equal opportunities policies through positive actions

6. Adopt diversity management policies

Promote models to break down discriminatory barriers

Of these 6 categories the most implemented one is 1 (specifically the provision of training for migrants and minorities, usually in terms of language or of work or labour market skills), followed by 2 and 3, which suggest that negatively defined models of 'immigrant deficit' and 'cultural difference' have been more dominant than those underscoring the need to remove barriers of existing discrimination.

What about business?

One specific company strategy, traditionally driven by 'the business case' (promoting good practices for the sake of better business) that is gaining popularity is 'diversity management'. Diversity management is a strategy of supervision aiming to exploit diversity in its broadest definition (which includes considerations of gender, age, background, disability and work style). Diversity management is based on the premise that well-directed, diversified teams are more effective and diversified companies gain advantages on the market. A company may chose to apply a variety of

Diversity management versus managing diversity

methods as diversity management, but at its root diversity management can be understood as 1) the active recruitment of a diversified workforce or 2) managing diversity in order to enhance potential positive and diminish potential negative effects of diversity. A truly anti-discrimination approach to equality would entail both definitions.

Five stages of implementation:

Implementing policy instruments
How policy instruments will be implemented will in the end determine a policy's actual success or failure. Implementation does not take place in a void: five elemental stages must be taken into account:

- **all stakeholders undersign the goal**

1) The *goal* stage. All stakeholders should agree on a clear-cut definition of the problem to be tackled and the subsequent policy's desired outcome. What does 'equity' exactly mean to an employer? To create equal opportunities employers should focus on the removal of hindrances.

- **plan use of instruments according to situation**

2) The *planning* stage. It is necessary to determine what resources are required to implement the policy. Tool selection largely depends on the context of the problem. Causes behind the problem and possible policy co-determinants should be identified. It is important to ask what else may influence the outcome of a policy programme, and then to ensure that this then guides the allocation of appropriate resources.

- **implement concrete actions**

3) The *implementation* stage. Once a goal and the instruments necessary for its achievement are identified, concrete actions must be taken. To successfully implement equity policies, leaders should be personally involved, be committed to enacting policies and be communicative with their staff. Equal opportunities for a diversified staff should become an integral part of the organisational culture.

- **evaluate the effects**

4) The *evaluation* stage. Courses of action must be closely monitored to determine if they require adjustment in order to reach their goal. At the same time, once positive results of implementation become visible, it is necessary to evaluate strategies to avoid redundancy. Policies must ultimately be assessed to determine their success or potential thereof.

- **manage diversity**

5) The *managing* stage. Once the goal of a policy is achieved, the diverse workforce who reaps its benefits must be well managed.

How effective are equity policies?

Measuring the effects of policy instruments
It is not easy to measure the effects of equity policies, their successes or failures. There is little concrete evidence on the effects of such policies and the actual or proclaimed financial benefits of having a diversified workforce. Most observers agree that diversity may have positive effects on a company (such as increased creativity, innovation and flexibility among its staff) or negative effects (such as miscommunication and greater conflict). Diversity's impact

will vary according to types and degrees of diversity. It will also be influenced by context-dependent variables such as the economic sector in which a company operates, the mode of economic activity it promotes and its organisational structure, as well as how well the diversified workforce is managed.

Recommendations to involved stakeholders:

Moving further That discrimination negatively influences the labour market participation of immigrants and ethnic minorities is a fact. That this has undesirable moral, social and economic consequences is also a fact. Some controversy, however, surrounds the effectiveness of targeted policies and the instruments for achieving equity on the labour market. This ambiguity is no reason to abandon such programmes: it is a trigger to determine exactly which tasks different stakeholders have. From there, it is possible to learn more about such policies and work towards improving the labour market position of excluded groups.

- **strong legislation should exist at EU and state levels**

1) At the EU level and national levels, legislation is crucial. Equity policies in organisations should not to be seen as a substitute for the anti-discrimination measures existing at higher level. For one thing, some types of discrimination cannot be tackled through organisational policies, but only through changes in the law. Although many anti-discrimination measures are already in place in both EU directives and national laws, organisations must be firmly committed to thorough implementation of these laws.

- **organisations should trade tools for good practice**

2) At the organisational level, there is a dire need for mission statements with explicit goals to achieve equity and dignity and the expressed commitment to furnish actual financial and human resources by top management and trade unions. These partners can benefit from the international exchange of possible tools, good practices and role models, for example, via an ambassador network or a European association of NGOs dealing with equality.

- **researchers should diagnose data**

3) At the research level, social scientists play an indispensable role by identifying and diagnosing possible discrimination and labour market exclusion. Their analyses and data collection index the similarities and differences that exist across European countries. In turn, all stakeholders may better evaluate their own programmes and comprehend the outcomes of their policies. Equally the academic community could do well to better understand the economic costs of discriminatory practices for business, wider society and the individual, in the context of specific industrial sectors and local economies. In this regard more detailed and comparative empirical studies, relating to the economic consequences of discrimination would be useful in assisting policy makers to understand the wider ramifications which face an employer or society which habitually fails to understand and fully tackle discriminatory practices.

Be careful not to over emphasise the business case

Diversity is not the same as equality To conclude, this policy brief stresses the importance of not diffusing diversity with equality in terms of labour market participation. When trying to promote equal opportunities themselves or convincing companies to adopt employment equity policies, organisations should not over-emphasise the so-called business case with the possible financial benefits of a diversified work force. When economic cycles experience a downturn the commitment to diversity management reduces in significance and impact accordingly. Stakeholders should be willing and able to talk openly about the reality of discrimination and labour market exclusion. They should consider moral and social issues alongside economic ones. Cooperation between social partners and scientific researchers would only be enhanced by continuing discussions that took place in the expert meeting motivating this policy brief.

Society and science can work together

What lies behind this policy brief

 * A discussion paper and four state-of-the-art reports were developed for two expert meetings that inform this policy brief. The discussion paper was first discussed and than revised in an expert meeting co-organised by the National Network Diversity Management (DIV), June 21, 2007 in Amsterdam involving Dutch social partners and employer's associations. The revised discussion paper and reports were discussed in an international expert meeting, 15-16 November 2007 in Amsterdam bringing together IMISCOE researchers, trade unions, companies and employer's organisations. The reports were organised around the following themes: a) equal opportunities on the labour market and discrimination; b) discrimination and gender; c) equity policies in organisations; d) diversity management and the business case. They were written by: a) Angela Nilsson (Centre for Research in International Migration and Ethnic Relations, University of Stockholm); b) Eleonore Kofman (Social Policy Research Centre, Middlesex University) with Bernadetta Siara (Westminster University), Floya Anthias and Maja Cederberg (FEMIPOL Project, Oxford Brookes University); c) Stijn Verbeek (Erasmus University Rotterdam); d) Michael Fischer (Migration Research Group, Hamburg Institute of International Economics.

Additional publications stemming from this initiative will be published in the IMISCOE AUP Book Series

IMISCOE

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