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Involvement of stakeholders in diversity management: the way forward for equality policy and practice?

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Brief Summary of Project

'Managing Diversity' (MD) has been proposed as a more effective means of achieving equality for all, however there is limited knowledge about whether it leads to more positive equality outcomes in practice. This research uses qualitative research methods to explore the processes and outcomes of MD in practice in four UK organisations from a stakeholder perspective, identifying the effects of different arrangements for stakeholder involvement, on policies, processes and outcomes. The main focus is to explore the experiences and perceptions of women and black and minority ethnic workers of MD processes and outcomes to determine whether or not and in what ways MD alleviates employment discrimination and disadvantage. By using a stakeholder perspective, the findings of the project will consequently have salience for a range of stakeholders/policymakers - government, employers and trade unions - seeking to develop diversity policy to alleviate gender and race inequalities in the labour market.

Project Description

The need for the project: It is well established that discrimination on gender and race grounds continues to be widespread in employment in England. For example, the Equal Opportunities Commission (EOC) and the Commission for Racial Equality (CRE) both regularly publish statistics and research reports revealing evidence of pay disadvantage, barriers to training and promotion, discriminatory bias in recruitment and selection, and the existence of harassment. This involves disadvantage for those both at the sticky floor (those stuck at the lowest levels of the organisational hierarchy) and at the glass ceiling (those trying to proceed past middle

management level) (Kirton, 2002: 15). Traditionally equal opportunities policies (EOPs) have been the main organisational tool used to tackle the problems associated with gender and race discrimination. However, over the last five years or so a diversity discourse, originating in the USA, has emerged in the UK, which recognises broader dimensions of diversity with a focus on less visible bases of difference. Employers are exhorted to develop policy to harness workforce diversity towards business goals. From this perspective, EOPs, with their emphasis on social justice arguments for equality, are viewed as being less able to meet the social and economic challenges of the new millennium. Many advocates within the Human Resource Management (HRM) field suggest that 'Managing Diversity' (MD) is a more effective means of achieving equality for all (Kandola and Fullerton, 1998; IPD, 1996, Ross and Schneider, 1992). However, although there are now a number of good practice guides (e.g. Kandola and Fullerton, 1996) and theoretical explorations (e.g. Lorbiecki and Jack, 2000), little is known about MD in *practice* in Britain. Indeed, there is controversy about whether MD is anything new, and if it does offer a way forward for equality policy and practice, particularly in the areas of gender and race. Theoretically the underpinning of MD is generally unitarist (management-led) and founded on a business case for equality (e.g. Kandola and Fullerton, 1996), leaving little room for involvement of stakeholders such as trade unions or other employee representatives. This stands in contrast to the pluralist underpinning of traditional EOPs and the social justice arguments, which allowed for and encouraged stakeholder involvement. To date there has been insufficient empirical evidence to support the claim that such a MD approach contributes to business success in the UK. On the contrary, there has been wider concern expressed by stakeholder groups such as trade unions and supported by organisations like the CRE, that the MD approach might actually hinder advances in gender and race equality, which in turn is likely to be detrimental for business. For example through diluting policies to include all bases of individual difference, by individualising the struggle for equality, and by neglecting to involve stakeholder groups in organisational policy developments (e.g. Greene and Kirton, 2002). Indeed, WERS 98 evidence indicates that the presence of unions increases the likelihood of EOPs (Cully et al, 1998). This fits broadly with best practice (pluralist) models of HRM, which emphasise the importance of employee involvement for the success of HR initiatives (e.g. Gennard and Emmott, 2003; Marchington et al, 2001; Guest and Peccei, 1998). Despite the lack of evidence however, discourses of MD are rapidly permeating organisational policy making as can be seen by visiting the web sites of large organisations (Kirton, 2002: 7). However, lack of knowledge about the processes and outcomes of MD means that there are significant dangers: that policies are developed on an *ad hoc* basis, that there is a lack of fit between MD and the existing organisational culture and employee relations arrangements, and that by virtue of being too broad the MD approach will not advance equality. Most importantly is the concern that the management-led, business focused orientation of MD could lose sight of more positive approaches to organisational equality action based on a joint regulatory approach, involving legislation, employers, and employee representatives, (Dickens, 1999). This is a significant danger within MD because stakeholder involvement is seen as crucial for employee and line management buy-in to equality and diversity initiatives and consequently for successful outcomes (Allen, 2002: 55). This could mean that where stakeholder involvement is not considered, MD fails to deliver the expected equality gains.

There is now a need for research, which investigates MD at the level of organisational policy and practice, exploring the initiatives and measures and the processes involved and outcomes delivered. In particular it is necessary to understand the role of stakeholder involvement in MD in order to formulate

conceptions of good practice, which better fit pluralist organisational realities and which are more likely to generate positive equality outcomes.

Links with UK policies: The research has strong links with a number of key stakeholder policy areas. The government, employers (through organisations such as the CBI and CIPD) and the trade unions have all developed policies and campaigns to encourage equality and diversity policy development at organisational level. There is ongoing concern in government bodies that despite the longstanding existence of the Sex Discrimination and Race Relations Acts, sex and race discrimination and disadvantage continue to exist in the UK. Gender and race discrimination is a key area of legislative reform under the Employment and Race Directives. The need for joint working on equality issues fits well with the social partnership agenda at EU and national policy level, and with incoming legislation on information and consultation. The government has conducted a major consultation exercise '*Towards Equality and Diversity*' in order to receive responses from stakeholders about proposed legal changes. The government (via the DTI and 'Women and Equality Unit' web sites (www.dti.gov.uk/er/equality/consult.pdf), (www.womenandequalityunit.gov.uk) and publications) has taken a clear policy lead in the area, arguing that discrimination leads to exclusion and that practical action on equality and diversity makes good economic sense, by delivering benefits for businesses and individuals. Via interviews and focus groups with key practitioners (described below) the research will consider how the government can assist organisations to achieve equality outcomes. The TUC, EOC and DTI have also run campaigns on 'work-life balance' a policy area, which has clear links with the gender focus of the project.

Project aim and main focus: The research aims to fill an existing gap in knowledge by exploring the processes and outcomes of MD in *practice* in the UK, focusing in particular on identifying the effects of different arrangements for stakeholder involvement, on the policies, processes and outcomes. The main focus will be to explore the experiences and perceptions of women and black and minority ethnic workers of MD processes and outcomes to determine whether or not and in what ways MD alleviates employment discrimination and disadvantage. Thus the objectives of the research will be to (i) investigate MD policy and practice, mapping the measures and initiatives used; (ii) explore the involvement of the stakeholders in policy formulation and implementation in order to identify the triggers to, rationale behind, and conditions and circumstances of successful policies and practices; (iii) identify good MD policies and practice and consider how these might be more widely diffused.

Project methodology: The research will deploy qualitative research methods involving case studies in four organisations. It is clearly established that qualitative methodologies are more appropriate for the study of processes, particularly in the employee relations/HRM field (Atkinson, 2003; Morris and Wood, 1991) while a case study approach provides the required in depth information relating to policy in context. Organisations will be selected that have established diversity initiatives. Possible sectors for the location of organisations include banking, public sector (civil service, local authority), retail, and telecommunications, where the research team already have established contacts through previous research. There will be a mix of unionised and non-unionised organisations in order to consider different stakeholder approaches. The case study work will include (i) semi-structured interviews and focus groups in each organisation, involving HR managers, line managers, trade union representatives and employees; (ii) observation at any diversity training courses and key policy making meetings; (iii) examination of documentary evidence, including relevant policies and monitoring data (iii) in-depth meetings with key equality champions within the organisation; (iv) two workshops with practitioners in the field, involving a mix of HR specialists, line managers, and trade union representatives.

One workshop will be held at the beginning of the research and one at the end. The former will provide an opportunity for practitioners to be involved in the design and substance of the research, including what areas are investigated, what the major tensions are etc. Thus there will be an emphasis on close links between user groups and the research. The latter will provide one vehicle for dissemination. The research team intend on being closely involved with the project and will set aside 20% of time each for the project, plus the lead investigator will work full time on the project for 3 months at the analysis and writing up stage.