



Involvement of Stakeholders In Diversity Management

A Case Study of ServiceCo Plc

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Contents

1	Background to the ESF research project	4
2	Literature Review	6
2.1	Introduction.....	6
2.2	Approaches to equality and diversity management	7
2.3	Benefits of diversity management.....	9
2.4	Dilemmas and challenges of diversity management.....	11
2.4.1	Union involvement.....	11
2.4.2	Benefits for employees	13
2.4.3	Line-management buy-in.....	14
2.4.4	Conflicts and paradoxes	15
3	The organisation	18
3.1	Specification of the research project at ServiceCo	19
3.2	Equality and diversity at ServiceCo PLC	21
3.2.1	Strategy and policy	21
3.2.2	Good practice policy initiatives	23
3.2.3	Workforce composition and monitoring data	24
4	Research project findings	30
4.1	Stakeholder experiences and perceptions of equality and diversity at ServiceCo.....	30
4.2	Management staff.....	32
4.2.1	Understanding of Equality and Diversity.....	33
4.2.2	Policy in practice.....	35
4.2.3	Equality and diversity culture.....	40
4.2.4	Union/employee involvement	45
4.3	Trade Union Officials and Representatives	47
4.3.1	Equality and Diversity policy.....	47
4.3.2	Policy in Practice	48
4.3.3	Equality and Diversity Culture	49
4.3.4	Union Involvement.....	51
4.4	Non Management staff	52

4.4.1	Understandings of equality/diversity	53
4.4.2	Is equality/diversity valued at ServiceCo?	54
4.4.3	Barriers to Equality and Diversity	59
5	Discussion and evaluation of findings.....	62
5.1	Key Themes from the Literature	62
5.2	Management staff perspectives.....	63
5.3	Trade union perspectives	64
5.4	Non-management staff perspectives	64
5.5	Equality and diversity policy and practice within ServiceCo.....	65
5.6	Concluding Summary	69
6	References	71

1 Background to the ESF research project

Traditionally equal opportunities policies (EOPs) have been the main organisational tool used to tackle gender and race discrimination. However, over the last ten years or so a diversity discourse, originating in the USA, has become more prominent in the UK. This recognises broader dimensions of diversity including less visible bases of difference. Employers are exhorted to develop policy to harness workforce diversity towards business goals. From the diversity perspective, EOPs, with their emphasis on the social justice case for equality, are viewed as being less able to meet the social and economic challenges of the new millennium (Kandola and Fullerton 1998). Many advocates within the Human Resource Management (HRM) field suggest that diversity management is a more effective means of achieving equality for all. Although there are now a number of good practice guides (Johnstone 2002; Kandola and Fullerton 1998) and theoretical explorations (e.g. Lorbiecki and Jack 2000), little is known about diversity management in *practice* in Britain. Indeed, there is controversy about whether diversity management is anything new, and if it does offer a way forward for equality policy and practice, particularly in the areas of gender and race, and whether it makes a real contribution to business success (Cornelius et al 2001). However, the concept of diversity has filtered through to the policies of UK organisations (Johnstone 2002).

Lack of knowledge about the processes and outcomes of diversity management means that there are significant areas of potential difficulty when implementing diversity policies, and more importantly in achieving real diversity gains that contribute to business outcomes. A particular area of concern is that while senior commitment to diversity is often present, difficulties are found in implementing policies at local team and line management level. Here, stakeholder involvement is seen as crucial for employee and line management buy-in to equality and

diversity initiatives and consequently for successful outcomes (Kirton and Greene, forthcoming).

There is now a need for research, which investigates diversity management at the level of organisational policy and practice, exploring the initiatives and measures, the processes involved and outcomes delivered. In particular it is necessary to understand the role of stakeholder involvement in diversity management in order to formulate conceptions of good practice, which better fit pluralist organisational realities and which are more likely to generate positive equality outcomes.

The ESF funded research project – *Involvement of Stakeholders in Diversity Management* – aims to contribute to our knowledge and understanding of diversity management in Britain. The research explores equality and diversity policy and practice in a range of British public and private sector organisations. Examples of organisational equality and diversity policies and initiatives have been collected. In addition, through in-depth interviews and focus groups, the perceptions and experiences of a variety of organisational stakeholders have been gathered, including human resource management practitioners, equality and diversity specialists, senior managers, line-managers, trade union officials and representatives, non-management employees.

2 Literature Review

2.1 Introduction

This report concentrates on policy and practice, rather than on the theoretical and conceptual debates surrounding the development of the concept of diversity. It is worth saying a few words about the shift from an 'equal opportunities' concept towards a diversity one. At first sight this might appear a purely theoretical debate and therefore of little concern to policy-makers and managers of organisations. However, the question at the heart of this seemingly academic debate is one that very much concerns 'real' organisations – whether the diversity concept symbolises a shift away from a policy focus on discrimination and disadvantage (within legal constraints) towards a focus on efficient utilisation of (human) resources. Critics of diversity are concerned about the former, while proponents have turned their attention to the latter.

The central tenets of diversity management have been summarised as:

- internally driven, not externally imposed – that is the concern is with business or organisational need, rather than with minimal legal compliance;
- focused on individuals, not groups – diversity claims to benefit everyone and not simply disadvantaged groups;
- concerned with diversity not equality – recognising difference rather than trying to achieve sameness;
- addressing the total culture, not just the systems – moving the policy focus away from rules and procedures towards culture change initiatives;
- the responsibility of all, not just personnel – the role of line-managers is played up (Ross and Schneider 1994).

These ideas are reflected in the diversity statements of many British organizations (see Johnstone 2002).

If organisational statements on diversity are anything to go by, it appears widely accepted by British organisations that workforce diversity is good for business performance (Johnstone 2002; Cornelius et al 2001). It then follows that organisations need to develop policies to 'manage diversity' in order to fully exploit all that a diverse workforce has to offer. Diversity management refers to 'the systematic and planned commitment on the part of organizations to recruit and retain employees with diverse backgrounds and abilities' (Bassett-Jones 2005).

2.2 Approaches to equality and diversity management

Jewson and Mason (1986) argued that various participants involved in the development of 'equal opportunities' policies in the 1980s used terms and concepts in a confused, arbitrary and contradictory manner. Therefore the aims of the policy were often unclear and it was impossible to evaluate the success or otherwise of initiatives. In addition, the long term effect was to generate disappointment with and distrust of 'equal opportunities' policies (Jewson and Mason 1986). Jewson and Mason distinguished between two different conceptions of 'equal opportunities' – the *liberal* and *radical* views. The *liberal* conception is based on the principle of fair procedures, implemented via bureaucratization of decision-making. A key element of effectiveness is positive action and the aim is to generate the perception that justice has been done. The *radical* conception is based on the principle of fair distribution of rewards, implemented by politicization of decision-making. A key element of effectiveness is positive discrimination, which gives preferential treatment to under-represented groups. In addition, the aim is to raise consciousness so that organizational members take opportunities to advance the position of disadvantaged groups. For example, from two equally qualified candidates, selectors would choose an individual from an under-represented group, if possible. In practice most 'equal

opportunities' policies in Britain, underpinned by legislation, were/are *liberal* in nature.

Diversity management seems to suffer from the same problems of conceptual confusion. While the central tenets, described above, appear to be agreed upon, at present there is very little literature detailing and discussing precisely what measures and initiatives comprise 'systematic and planned commitment' (Bassett-Jones 2005) to diversity management within British organisations. Therefore it is useful to outline conceptions of broad approaches.

Liff's (1997) typology of four diversity management approaches is useful as it differentiates between the underlying principles and aims of policy and therefore reflects the multi-dimensional nature of many organizational policies. The first approach Liff (1997) identifies is *dissolving differences*. Differences between people are not seen as based on social group membership (such as gender or race), but are individually based. It follows that initiatives would seek to respond to individual needs. Essentially, this approach ignores the wider social causes of inequality, including unequal access to training and education.

The second approach is *valuing differences*. Here Liff (1997) refers to social group-based differences and the recognition of the way in which these contribute to inequality. Initiatives would include provision of training for employees from under-represented groups to help overcome past disadvantage. According to Liff's conception, this approach also has strong echoes of the *liberal* approach in so far as there is a concern to dismantle *collective* barriers. However, the intention of the *liberal* approach is to minimise rather than value differences. In practice it appears that some organizations understand *valuing differences* as to do with individual, rather than group-based differences, so whether or not a *valuing differences* approach can address inequalities is not clear.

The third approach is *accommodating differences*, which is broadly similar to traditional *liberal* 'equal opportunities' where there is a commitment to creating policies that open up opportunities (rather than providing special measures) to

under-represented groups. This approach might be found where the most compelling business case for diversity relates to the changing demographic composition of the labour market.

The final approach is *utilizing differences* where social group-based differences are recognised and provide the basis for different treatment rather than the focus of equality policies. Therefore this approach is not concerned with social justice, rather these differences will be put to use for the benefit of the organization. Whether or not equality goals will inadvertently be met depends very much on the organisation's motives for utilizing difference.

It is clear that there are some parallels between diversity management and 'equal opportunities' approaches and this is to be expected given the impossibility of a complete break from past approaches, especially in view of the legislation. However, one feature of diversity management that stands out when compared with traditional 'equal opportunities' is its strong strand of individualism (Liff 1997).

2.3 Benefits of diversity management

Traditional 'equal opportunities' has been largely concerned with social justice, although business case arguments have always formed part of the basis for policy (Colling and Dickens 2001). Within diversity management there is a much stronger emphasis on organizational benefits. Four main advantages to organisations are usually emphasised (Cornelius et al 2001):

- taking advantage of diversity in the labour market;
- maximising employee potential;
- managing across borders and cultures;
- creating business opportunities and enhancing creativity.

The first point – taking advantage of diversity in the labour market - highlights the changing demographic composition of the workforce such as the increased employment participation of women, the ageing workforce and larger numbers of minority ethnic workers, for example. This argument is founded on the belief that only organisations that attract and retain a diversity of employees will be successful, particularly in tight labour markets.

The second point – maximising employee potential - argues that the harnessing of human capital possessed by diverse groups will improve organizational performance. Conversely, unfair and discriminatory treatment creates low morale and disaffection leading to poor performance. Therefore organisations need to actively manage diversity in order to extract the highest levels of performance from employees.

The third point – managing across borders and cultures - mainly concerns the globalization of world markets and the international labour market that many organizations draw on. Here the argument is that a diverse workforce can enhance an organization's ability to reach and satisfy a broader customer base. While this might seem to apply more to commercial business organizations operating at a multi-national level, it is also possible to situate this argument within the public sector, for example the National Health Service and its active recruitment of overseas nurses might spring to mind. It might be argued that this strategy enables hospitals to meet the needs of a diversity of patients.

The fourth point – creating business opportunities and enhancing opportunities - is about tapping the supposedly culturally specific experiences and insights that a diverse workforce possesses in order to move the organisation forward.

In practice, there is conflicting evidence on whether or not and which kind of organisations might benefit from workforce diversity and from adopting a 'valuing diversity' policy approach (discussed above). A similar discussion has taken place on whether equality is good for business. It has been argued that the business case for *equality* is 'partial and contingent' and does not have universal

purchase (Dickens 1994). For example, some organisations compete on the basis of low cost; therefore equality measures, such as work-life balance policies, might not be cost-effective. In addition, some organisations might benefit from an absence of equality in so far as discriminatory practices can contribute to the bottom line – organisations can benefit from, for example, the utilization, but under-valuing of women's labour (Dickens 1994). After all, the gender pay gap means that women are cheaper to employ. Translating Dickens' arguments into the language of diversity, it is possible for organisations to benefit from having and utilising a diverse workforce, but whether or not there will be benefits from *valuing* diversity depends very much on the type of organisation and its business and employee relations strategies. An organization with a cost-minimisation strategy might regard its low-paid employees as entirely dispensable and replaceable and be unwilling to invest in potentially costly diversity initiatives.

Advocates of diversity (e.g. Ross and Schneider 1994; Kandola and Fullerton 1998; Schneider 2001) have tended to gloss over these issues, making broad-brush statements about the benefits of diversity that lack a contextualised analysis. There is no solid evidence that diversity management policies are any less partial and contingent than traditional 'equal opportunities'. There are, however, suggestions that diversity management can deliver organisational benefits if initiatives are formulated in ways that are sensitive to the existing culture and practices and if some of the potential dilemmas and challenges are dealt with (Cornelius et al 2000; Maxwell et al 2001; Sinclair 2000).

2.4 Dilemmas and challenges of diversity management

2.4.1 Union involvement

Employers have not always voluntarily improved their policies and practices and 'bottom-up' pressure for equality exerted through trade unions has proved just as important as the 'top-down' commitment of senior management (Dickens, 1999; Colling and Dickens 1998). Dickens et al (1988:65) highlighted this in their research into 'equality bargaining' in the 1980s, arguing that a 'review of

discriminatory terms and practice is more likely to occur where there is some form of joint regulation than where issues are unilaterally determined by employers'. More recently, there is evidence that workplaces with recognised trade unions are more likely to have developed formal equality policies than non-unionised firms (Noon and Hoque, 2001) and that unionised workforces generally experience less pronounced inequalities than non-unionised ones (Colling and Dickens, 2001). In Dickens' (1997) ideal model of 'equal opportunities' practice, the role of trade unions is seen as a vital piece of the 'jigsaw' making up the campaign for equality in the workplace. Here a 'three pronged approach' (Dickens, 1999) to equality action is required, encompassing the business case, legislative regulation, but also joint regulation involving employee representative groups such as trade unions.

With British organizations now typically shifting away from traditional 'equal opportunities' towards diversity management, there is some concern that unions will have less influence on the policy agenda. Will the ultimate consequence be that unionised workplaces lose their status as more equal ones? In their role as defenders and promoters of employee rights, there are three key features of diversity management that are likely to cause concern for unions, at least in theory:

- (i) the underpinning economic rationale for diversity;
- (ii) the focus on the individual;
- (iii) the positioning of diversity as a top-down managerial activity (Kirton and Greene, forthcoming).

These key features potentially

- (i) divert policy efforts away from the trade union aim of social justice,
- (ii) remove the union focus on group-based forms of discrimination and disadvantage, and
- (iii) marginalise the role of trade unions in bargaining for equality.

2.4.2 Benefits for employees

It is particularly noticeable that within both the theoretical and policy debates about the benefits of diversity, employee perspectives are often absent and it is taken for granted that if organisations have much to gain from workforce diversity, then by extension employees have much to gain from diversity policies. Therefore, one of the issues that stands out concerns how employees (at various levels of the hierarchy) benefit from diversity management, as opposed to from more traditional 'equal opportunities' approaches. From a trade union perspective, Kirton and Greene (forthcoming) identify three potential problems with diversity management that question the extent to which diversity policy benefits employees.

First, the business economic rationale for diversity might in practice mean that while some equality and diversity issues are vigorously tackled, others might be neglected if no strong business reason for action can be identified. For example, whether or not a business case for employing disabled people can be made has been questioned (Woodhams and Danieli 2003). In fact in much of the diversity literature and in organisational policies there is an implicit, if not explicit focus on gender and race, rather than on broader diversity issues. Further, if organisations utilise employee difference simply to improve business performance, some employees might feel exploited and unfairly treated (Thomas and Ely 1996).

Second, diversity policies usually place the emphasis on the individual employee. This can mean that 'special measures' or positive action initiatives aimed at disadvantaged groups of employees, such as black and minority ethnic or women, fall out of favour. While this need not be a problem in itself, in many organisations it is measures such as targeted management training programmes or mentoring that have increased the proportion of previously under-represented groups in the management layers of the hierarchy or within certain occupations. A focus on the individual might prove insufficient to reverse under-representation.

Third, diversity policies emphasise senior level commitment over 'grassroots' involvement. Although it is widely accepted that the most senior people in the organisation need to publicly support the policy, the more challenging project is ensuring that all organisational members 'buy into' diversity and operationalise that commitment into everyday behaviour and practices. It is also necessary for employees to be involved in order to identify their experiences and needs (Cameron 1993). One way to do this, as many organisations recognise, is to find ways of involving different groups of employees, via for example, trade unions and employee networks.

2.4.3 Line-management buy-in

One important criticism of the traditional 'equal opportunities' approach is that it was largely seen as a specialist, peripheral activity that had little to do with line-managers. In contrast, within diversity management there is a very clear role for line-managers (Kandola and Fullerton 1994). It is argued that diversity management is likely to be most effective when there is pro-active line management involvement (Cornelius et al 2000). Therefore, another dilemma is how to obtain line-management buy-in and embed diversity into everyday managerial practice.

Given that many organisations now devolve authority for a range of staffing decisions to line-managers, they are critical to the success of a diversity management policy, particularly to the culture change at the heart of diversity management. Many organizations are grappling with how to make it a 'core competency' so that managers have to demonstrate how they build diversity into their own performance (Schneider 2001). While in theory diversity management represents an opportunity for interested and committed managers to get involved in equality and diversity (Cunningham 2000), in practice there is evidence of line-managers' reluctance to give priority to diversity issues (Cornelius et al 2000; Maxwell et al 2001). The freedom to manage and to exercise discretion that

comes with devolvement can also provide an opportunity for line-managers to ignore the equality and diversity agenda (Cunningham 2000).

It is also clear that line-managers face many conflicting priorities, including heavy workloads, tight deadlines etc and that these difficulties might lead them to opt out of actively 'managing diversity'. The public sector has undergone such extensive changes over the last twenty years or so, that the pressures that line-managers are under are magnified to the extent that they might even feel 'besieged' (Cunningham 2000). For some line-managers it might not be a question of lack of time or commitment, rather they might genuinely be at a loss to understand exactly what it is they are supposed to do to demonstrate that they value diversity (Iles 1995). In addition, some line-managers might believe that the diversity management policy is simply rhetoric, a passing fad, and therefore might not take it seriously (Maxwell et al 2001).

Another question impacting on the role of line-managers is whether diverse teams are easier or more difficult to manage than relatively homogeneous ones. Again, there is conflicting evidence in both the US and UK literature (e.g. Adler 1991; Iles 1995; Kossek et al 2003). Even proponents of diversity recognise that the likelihood that diversity will promote team creativity and innovation and improve problem-solving and decision-making is debatable (Kandola and Fullerton 1994). Some research has highlighted the way that diversity in work teams can (or be widely held to) lead to divisions, conflicts and poor interpersonal relations (Carter 2000; Miller and Rowney 1999; Schneider and Northcraft 1999), potentially contributing to poor performance. This might result in line-mangers having a preference for homogenous work groups in order to avoid the extra time and effort they might believe is necessary to manage diverse ones.

2.4.4 Conflicts and paradoxes

The criticism of diversity management in the more critical academic literature has centred on the 'upbeat naivety' (Prasad et al 1997) contained in most definitions

and statements. The idea that the conflicts and paradoxes of 'equal opportunities' can be swept away by the more positive language of diversity management is widely thought to be nothing more than wishful thinking (e.g. Lorbiecki and Jack 2000). Even the very idea that diversity is 'do-able' (i.e. that it can be managed and harnessed for organisational ends) is false according to some commentators (e.g. Prasad et al 1997).

Most models of diversity management prescribe culture change as necessary for the success of initiatives. This stands in contrast with traditional 'equal opportunities' which depended more on bureaucratic methods – formal rules and procedures – an approach that has been criticised for failing to guarantee fair and equal outcomes or even treatment (e.g. EOR 1995). In some areas such as the public sector, culture change has been part of a wider package of initiatives under the umbrella of 'New Public Management' designed to rid bureaucracy of its inefficiencies (Cunningham 2000). In the public sector context, challenging discriminatory cultures has also become a statutory duty in terms of promoting race equality and conducting impact assessments following the findings of the McPherson Report. However, there is rarely any in-depth analysis of exactly how culture change can be achieved (Dick 2003). There is often an assumption that organizational culture is something that can be easily manipulated by senior management to achieve business goals and the complexities of managing something as intangible as culture, are downplayed. Evidence in support of this assumption, particularly in relation to diversity initiatives, is lacking.

One of the supposed benefits of diversity management is that it is inclusive and does not exclude anyone, 'even white, middle-class males' (Kandola and Fullerton 1994:9). This is meant to avoid the problems of backlash associated with the 'equal opportunities' emphasis on particular groups and on special measures to assist them. In theory this should then create a more positive climate for diversity. However, if diversity management successfully achieves its aim of attracting and retaining a diverse workforce (at all levels) then this will inevitably involve loss of privilege for some groups, who will find the competition

for rewards such as bonuses and promotions intensified (Cockburn 1991; Sinclair 2000). This is bound to attract anger and resistance and confronting these reactions is arguably part of the process of diversity management (Dick 2003; Miller and Rowney 1999).

3 The organisation

ServiceCo is a private sector organisation providing a broad range of business, transport and construction services to commercial and public sector clients. It is structured around 3 areas of business:

Health: the design and building of new facilities (e.g. hospitals), and facilities management activities after the building is completed, including provision of support services (e.g. portering, cleaning, catering, house keeping).

Transport: Involves both rail and road sectors. ServiceCo Rail is one of the leading rail infrastructure companies in the UK offering services from strategic planning and consultancy to rail testing and maintenance. ServiceCo Road builds new roads and maintains existing road infrastructure.

Business Services: Provision of facilities management services to a wide range of non-health sector organisations in both the public and private sectors. This area of the business also includes ServiceCo Building encompassing construction projects in the UK and abroad.

ServiceCo also has an international profile, providing services to clients in France, Sweden, Canada and the Middle East.

ServiceCo has approximately 17,000 employees with around 13000 in the UK. Industrial Relations arrangements in the UK differ between business sectors, with Unison, Amicus and TGWU recognised at many Health related workplaces, TGWU and RMT at ServiceCo Rail and TGWU at ServiceCo Road. We did not have access to data regarding union density in each of the business sectors. It is our understanding from management interview data that ServiceCo does not have this information. The union representatives interviewed gave approximate indications of density, which seems to be high in Health, Rail and Road (relative to overall national density figures)

3.1 Specification of the research project at ServiceCo

ServiceCo Plc is one of two case study organisations in which the authors have carried out in-depth qualitative research work as part of an ESF funded research project. The aim was to conduct fieldwork in each of the business sectors, however in the end we were only able to gain access to Health and Transport. The research at ServiceCo was carried out in 2004 and 2005 and involved the following methods:

1) Semi-structured face-to-face interviews and focus groups, involving diversity and equality personnel, HR personnel, line managers, trade union representatives and non-management employees.

- 3 in-depth interviews with local trade union representatives.
- 7 in-depth interviews with senior managers in two business sectors (Transport and Health)
- 10 in depth interviews with supervisory/line managers in two business sectors (Transport and Health).
- Interviews with 23 non management employees in two business sectors (Transport and Health). This included 2 focus groups at ServiceCo Health.
- Interviews with the HR manager responsible for equality and diversity

2) Observation at events.

- Equality Training Seminar for senior managers (12 participants- 27th September 2004)
- 'Great Debate' Employee Forum (2 groups, 34 people in total) (5th October 2004)

- Staff Forum in ServiceCo Health (11 management and non-management representatives: 23rd September 2005)

3) Examination of documentary evidence, including relevant policies, reports and monitoring data

3.2 Equality and diversity at ServiceCo PLC

3.2.1 Strategy and policy

Diversity issues have only relatively recently become a part of ServiceCo Plc's central policy agenda. A senior HR manager took over responsibility for the area of equality and diversity in 2003, when a team was established and an equality and diversity policy document developed. In March 2004 when the project research activities began, the policy was still in a relatively embryonic form. A launch campaign took place mid 2004, and the intention was to roll out the policy to all areas of the business through 2005 into 2006.

ServiceCo Plc defines diversity as follows:

- 'At ServiceCo we operate and make every effort to ensure that a working environment exists where all employees are treated with courtesy, dignity and respect irrespective of gender, race, colour or sexual orientation.
- All efforts are geared to eliminating all bias and unlawful discrimination in relation to job applicants, employees, our business partners and members of the public.'

Such a policy is seen as complementing what are proclaimed as ServiceCo's 'Core Values':

- 'Openness (establishing trust, integrity and transparency within ServiceCo and with our customers and suppliers. It includes listening to concerns, ideas and issues and being willing to bring problems and difficulties into the open at an early stage. It also emphasises sharing good news and communicating about potential opportunities).
- Collaboration (working together to deliver the best possible solution for all concerned. This involves using, sharing and respecting the different skills, knowledge and experience of everyone involved).

- Mutual Dependency (working with customers, suppliers and colleagues in such a way that both risks and rewards are shared and long-term sustainability is assured. It is about recognising that success can only be achieved if all parties work closely together, understand each other's objectives and seek to gain the best for all).'

The rationale for the policy is stated to be to:

- 'Match the diversity of our society
- Create a working environment free from discrimination, harassment, victimisation and bullying
- Ensure that all employees are aware of the Group Equal Opportunities and Diversity Policy and provide any necessary ongoing training to enable them to meet their responsibilities.
- Strive to become an organisation that will recognise, value and understand diversity and provide its employees with genuine opportunities to improve and reach their full potential.'

From this we can see that the majority of the ServiceCo policy involves a conception of diversity that focuses mainly on traditional equality issues (such as gender and race, discrimination and disadvantage), with legal compliance and the avoidance of tribunals emphasised. Of note is the fact that at March 2004, attention to disability and age were missing from the policy document.

In addition, there is some attention given to issues drawn from the diversity concept, such as individual differences and valuing and utilising difference, with an emphasis on the business case. The external drivers of diversity strategy involve: needing to avoid tribunal claims, making competitive tender applications and meeting the challenges of a decreasing pool of labour in some areas of the business, notably transport and construction sectors. Key elements of practice to emerge from the policy included: raising awareness, training, reward and

appraisal, dealing with grievances and complaints, and internal and external recruitment.

At the centre of its equality and diversity strategy, is a dissemination of the policy agenda to all areas of the business. This is being done through devolving responsibility for implementation of the policy to business areas, such that each business area will have to build their own action plan for implementation. Each business area is also tasked with pulling together a team of people outside of the Human Resources function who will be accountable for implementing the policy. The intention is that such a team should include line managers.

A key focus of practice at the time of research was to raise awareness of the policy at all levels in the organisation. This involved publicising of the launch of the policy document through leaflets, cards, and in the company newsletter. In addition, the policy document was being disseminated to Heads of Business Groups through sector meetings. Training courses were being delivered for senior and line managers, one of which we observed and report on in the 'Findings' section of this report. The intention was that this training would eventually be rolled out to employees. While not mentioned in the formal policy document, it should be noted that disability and age formed part of the content of the diversity training courses.

3.2.2 Good practice policy initiatives

ServiceCo's Equality and Diversity Strategy contains many of the elements that would be expected of a good employer in the 2000s, including equality/diversity proofing of some HRM practices and policies on bullying and harassment, etc. In addition, there has been an emphasis on gathering adequate monitoring data to allow appropriate focusing of policy initiatives. Overall though, the policy was still at a very early stage at the time of research, and more targeted programmes of action, initiatives and positive action schemes were not yet in existence. Clearly this is an area ServiceCo will have to engage with in the future and to this end, ServiceCo was liaising with organisations to help devise policy and future

initiatives, such as: the Commission for Architecture and the Built Environment (CABE) on projects concerned with black and minority ethnic representation within construction; Diversity award winners like West Bromwich Building Society; and Business in the Community (BITC). However, at the time of the research, the focus of attention was primarily internal, with policy initiatives focused around monitoring, dissemination and raising awareness.

3.2.3 Workforce composition and monitoring data

ServiceCo has only been systematically monitoring the composition of its workforce since 2003, and improving monitoring mechanisms has been a key activity associated with the equality and diversity policy. Currently, monitoring data by gender, ethnicity, age, and length of service occurs. The latest available workforce monitoring data is for the year up to June 2005.

The following tables present the demographic breakdown of the ServiceCo workforce.

Table 1: Staff Breakdown by Gender

Year	% Female	% Male
2003	19.3%	80.7%
2004	23.1%	76.9%
Feb-05	24.5%	75.5%

Table 3: Staff Breakdown by Ethnicity

Year	White	Ethnic Minorities	Bangladeshi	Black African	Black Caribbean	Black Other	Chinese	Declined	Indian	Irish	Pakistani	Other
2003	81.5%	4.2%	0.0%	1.3%	0.9%	0.3%	0.3%	12.9%	1.3%	0.2%	0.2%	1.1%
2004	78.9%	4.7%	0.1%	0.9%	0.6%	0.3%	0.4%	14.8%	2.1%	0.3%	0.3%	1.1%
Jun-05	78.7%	7.0%	0.1%	0.9%	0.7%	0.3%	0.4%	14.4%	2.5%	0.3%	0.4%	1.1%

Table 2: Staff Breakdown by Age

Year	Upto 19yrs		20-29yrs		30-39yrs		40-49yrs		50-59yrs		60+ yrs	
	F	M	F	M	F	M	F	M	F	M	F	M
2003	0.6%	13.6%	4.2%	10.4%	4.9%	18.2%	4.8%	19.9%	3.6%	14.4%	1.1%	4.2%
2004	1.1%	19.8%	5.1%	9.8%	5.3%	15.0%	5.7%	15.8%	4.4%	12.5%	1.4%	4.2%
	16 up to 25		25 Up to 35		35 Up to 45		45 Up to 55		55 Up to 65		65 and Above	
Jun-05	3.7%	20.5%	5.9%	12.9%	6.0%	16.8%	5.3%	14.6%	3.0%	13.0%	0.5%	0.8%

As can be seen from the preceding tables, ServiceCo has a predominantly white and male workforce. In 2005, the composition of the ServiceCo workforce is only 24% female meaning that women are very under-represented relative to their share of the national workforce. However minority ethnic workers are in line with the national workforce statistics at 7%. It is clear that improvements in these proportions have occurred since 2003 (from 4.2% minority ethnic and 19.3% female).

ServiceCo also has an unusually young workforce (relative to the national workforce), with 42.8% under 30 years and 65.6% under 40 years of age with the largest proportion of the workforce being under 20 years at 24.2%. This is a significant change from 2003, when the largest age category was 40-49 at 24.7%. There has also been a significant reduction in the numbers of staff over the age of 60 years.

There are significant gaps in the monitoring data collected by ServiceCo. First, there is no monitoring of disability. Second, there is no monitoring at a more detailed level, looking for example at a range of demographic statistics across occupations, levels or grade boundaries, or by business sector. Arguably it would be more useful to have sectoral or occupational data in order to make relevant comparisons for the purposes of targeting policies. Only having national data does limit the utility of the data. For example, the organisation has no concrete information from the statistics on the patterns of occupational segregation that exist (e.g. whether women are concentrated in the lowest pay bands) or whether ServiceCo Health is more feminised or has a larger proportion of minority ethnic employees than other business sectors. Therefore the present monitoring data provides only a very partial picture of workforce patterns.

Table 4: Staff Breakdown by Length of Service

Years	< 1	2-3	3-5	5-11	11-15	15-19	19-25	25+
2003	37.4%	17.4%	7.3%	11.0%	8.4%	4.5%	5.6%	8.3%
2004	45.5%	17.2%	7.4%	10.8%	5.7%	3.8%	3.2%	6.4%
Jun-05	34.0%	24.2%	10.6%	11.9%	4.7%	4.7%	3.0%	6.8%

What is clear when levels of turnover are looked at, is that a large proportion of ServiceCo's workforce is very transient: 34% of employees have been in the organisation less than one year. Therefore recruitment is a perennial issue for the organization.

Table 5: Breakdown of New Starters and Leavers by Gender

Year	Total Leavers	Female Leavers	Male Leavers	Total Starters	Female Starters	Male Starters	Net Difference
2003	3310	23.5%	76.5%	3590	22.3%	77.7%	280
2004	8235	17.4%	82.6%	3796	26.0%	74.0%	-4439
Jun-05	1458	24.3%	75.7%	1381	36.1%	63.9%	-77

Table 6: Breakdown of New Starters and Leavers by Ethnicity

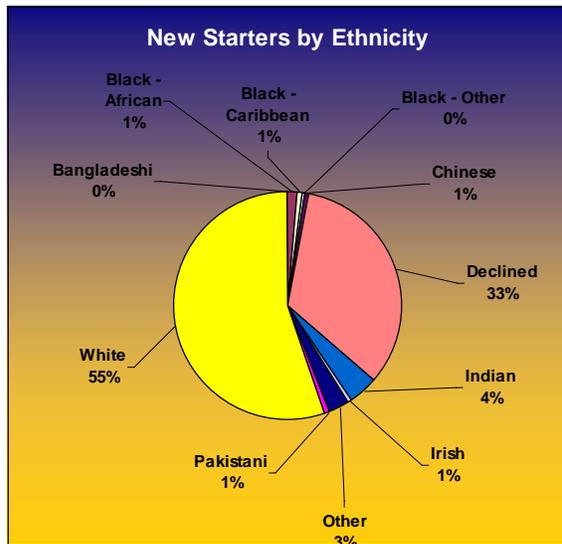
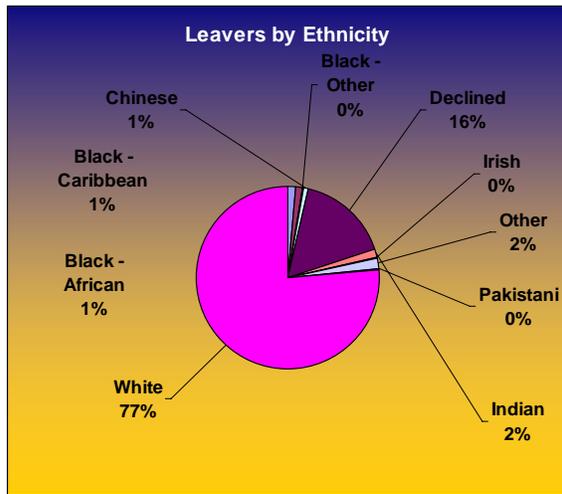
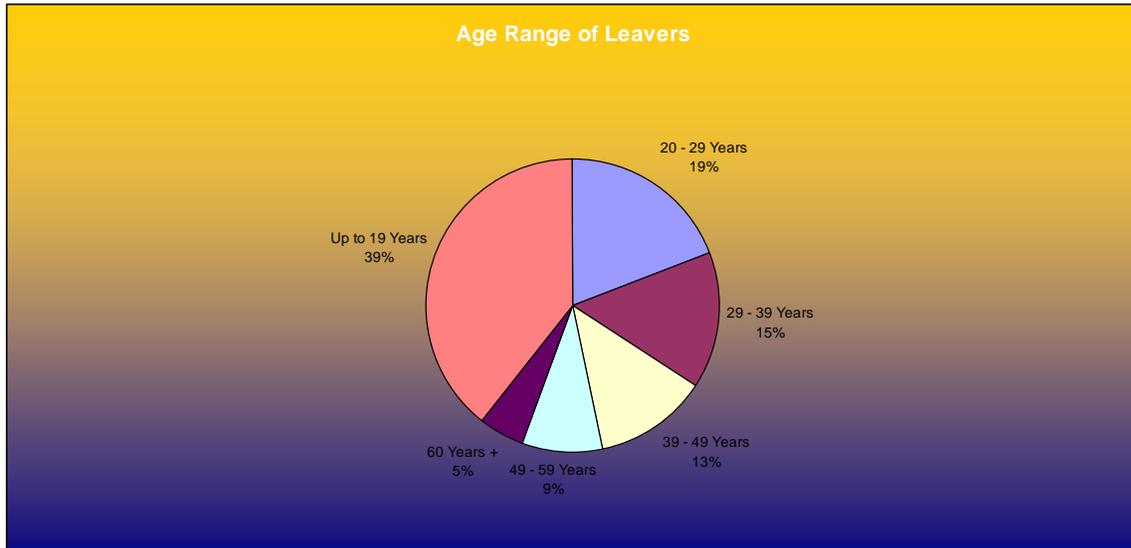


Table 7: Breakdown of New Starters and Leavers by Age



By monitoring turnover levels by different demographic criteria, ServiceCo has been able to determine that in 2005, the number of women starters has increased since 2003 from 22% to 36% (beyond the female proportion of the total workforce) The number of women leavers is in line with the female proportion of the total workforce and therefore if such a level can be maintained, the proportion of women in the workforce is on the increase. Without data by business group, we cannot say with certainty, but it is likely that the increasing levels of female employment is mostly in the health areas of the business and not in transport (as is supported by the qualitative data presented later in this report)

Longitudinal figures are not available by ethnicity or age for leavers and starters, but we can also see that at 45% in 2005, the numbers of minority ethnic new starters far exceeds that of the minority ethnic proportion of the total workforce. However the fact that the rate of minority ethnic leavers stands at 23% should be a continuing cause for concern. Younger workers (less than 30 years) account for 47% of starters and 59% of leavers, representing proportions in excess of those age ranges in the total workforce. It should be noted however that while ServiceCo appears to have been successful in recruiting staff under the age of 20 years (18%), they are losing them at a much faster rate, with this group

forming 40% of leavers in 2005. This flags up the fact that recruitment alone is not an indicator of equality, i.e. increasing workforce diversity does not mean that the firm is an 'equal opportunities' employer or that this recruitment leads to retention of staff or the changing of workplace cultures (such themes are dealt with in the later sections of this report)

The ServiceCo data is not detailed enough to cross reference between turnover rates and demographic statistics, and so we are not able to determine whether the 34% of employees who have been employed for less than one year are also disproportionately female, minority ethnic or young and thus are accounted for in the leavers statistics.

4 Research project findings

4.1 Stakeholder experiences and perceptions of equality and diversity at ServiceCo

The experiences and perceptions of equality and diversity at ServiceCo of three key stakeholder groups were investigated – management staff, trade union officials and representatives and non-management employees. From the analysis four key themes were identified relating to perceptions and experiences of the stakeholder groups:

The discussion in the sections that follow is organised around these four themes. The findings focus on interview and observation data from three specific sites within ServiceCo Health and Transport and on more generalised company-wide data from observations undertaken at ServiceCo Head Office. These were at 1) an Equality Training Seminar for senior/middle managers, largely Heads of Business, with some senior members of company-wide divisions, including Finance, People Support, Communications, IT, Insurance and Legal and 2) two 'Great Debate' consultation meetings with a range of non-management and management staff from different Business Groups.

The fieldwork in **ServiceCo Health** was undertaken in the Great Western Hospital (GWH), Swindon. In 1999 ServiceCo signed its fourth health Private Finance Initiative (PFI) contract with the GWH, where ServiceCo currently employs approximately 330 people. ServiceCo's work at GWH comprises Facilities Management, consisting of four services areas: Housekeeping, Estates, Portering, and Catering. At GWH, ServiceCo recognises two unions – UNISON and Amicus. As noted above in specification of organisational structure, we have no reliable data on density in either of the Business Groups.

Fieldwork in **ServiceCo Rail** was undertaken at the OLE Alliance (OLEA) Penkridge depot, where ServiceCo is part of a consortium of organisations

engaged in upgrading the West Coast Main Line. At Penkridge, ServiceCo recognises one union, Amicus although we have no information on union density here.

Fieldwork in **ServiceCo Road** was undertaken at Coleshill depot in Warwickshire, where ServiceCo is responsible for a highways maintenance and major projects contract for Warwickshire County Council. The contract has been in place since 2004 and Coleshill is the main depot site where approximately 75 staff are based, including managerial, operative and all administrative staff. There are approximately 110 other ServiceCo staff employed on the contract based at three other sites.

4.2 Management staff

This section draws on in-depth interviews at ServiceCo Health GWH with seven members of supervisory/management staff; observation at representative consultation meeting (People Forum monthly meeting at GWH); an Equality Training seminar at ServiceCo Head Office and two 'Great Debate' meetings at ServiceCo Head Office. Nine in-depth interviews were conducted with a range of line management and supervisory staff, as well as interviews with the HR Business Partner (white woman) and the Facilities Director (white man). Six of the nine were white women, the remainder were white men. Two union representatives were interviewed, a white woman and white man.

At ServiceCo Rail (OLEA), two managers (white men) were interviewed and six non-management staff (five white men, one minority ethnic woman) were interviewed.

At ServiceCo Road six managers and supervisors and four non-management staff were interviewed. The nature of the roles and type of management/supervisory responsibility varied from contract management to operative supervision. All were male and white, though one identified as being from a non-UK ethnic background. The four non-management staff included one white male (graduate trainee), one minority ethnic woman (administrative) and two white male operatives.

Interviews covered three main areas (i) context of the equality and diversity policy and concepts in relation to the individual interviewee; (ii) job-related diversity/equality issues; (iii) overall view of equality and diversity in ServiceCo. Questions in (i) explored the respondent's general awareness and understanding of equality and diversity concepts and of these issues within ServiceCo. Questions in (ii) looked at the individual managers' roles and incorporation of equality/diversity objectives and any equality issues facing them in their roles. Questions in (iii) covered perceptions of the equality/diversity culture and climate

in ServiceCo. Essentially the interviews were attempting to understand what diversity and managing diversity means to and for management within ServiceCo.

4.2.1 Understanding of Equality and Diversity

As set out in section 3.2.2 ServiceCo is using both the traditional language of equality and newer language of diversity to describe its policy initiatives. Therefore, interviews explored managers' understanding of the concepts of equality and diversity. Some respondents had more extensive answers than others, with some revealing lack of awareness about the policy and the concept.

There was a general awareness of the term 'equality' with a common understanding being that it was concerned with treating people the same, with this resulting in treating people fairly. However there were some exceptions, with some managers indicating little awareness, for example *"I heard of equality but no, I don't understand"* (Supervisor, Health).

There was very limited awareness of the concept of 'diversity', with, for instance, line managers in Road relating it to ServiceCo's work organisation or job roles and one manager saying he *"didn't connect diversity and equality at all."*

Understanding in other Business Groups was also uncertain:

"It's not a word I'd use. I suppose it's all to do with, probably just ethnic origins and religions and that. Just, you know, acceptance of somebody's being different or have problems working with different people" (Manager, Health)

"We only had an e-mail from Jackie saying that this research is going to be done. My first reaction, if I am totally honest was, do I need to go because I have no ethnic minority people in my department. And straightaway she says "Well, actually it means about age, male/female, and other such issues". Which, yeah, I probably am aware of but never

equated it to equality. And I never really understood, to be honest, what the word diversity means, if I am totally honest.”

This last manager went on to qualify and develop her perspective, including some broader aspects of individual differences:

“Well, I think it is important. Because you do need to appreciate and respect everybody as an individual and actually not show any difference because they may be black or white or old or young or, you know, it is important that you treat anybody the same. But be aware of differences so that you can train them adequately or make sure that health and safety is covered for whatever reason. If they are a young person and they are new to a working environment, cover it at that level. If they are an older person with possibly disabilities that they have accrued during their lifetime, that you are aware of those types of things. It’s about the whole thing, the whole shebang about treating everybody as an individual.”

(Manager, Health)

The implications of this lack of understanding or confused understanding are potentially complex. Most managers seemed to believe that diversity is synonymous with equality, which in turn they saw as about managing people ‘the same’, i.e. effectively not treating them worse because they are ‘different’. Therefore managing diversity was about resolving any issues/conflicts that come up between staff or in relation to grievances. Thus this represents a view that the approach to equality and diversity within ServiceCo is reactive rather than proactive.

We asked managers at the Health Staff Forum, to indicate what ‘diversity’ meant to them. A senior manager at the Forum started to talk on this point and the HR representative present intervened and The senior managers present were requested not to respond as they had recently attended the training seminar on these issues. This enabled observation of two points. First, the complete lack of response from staff who had not been through training suggested both individual

and general organisational lack of awareness of the ideas and issues. Second, once discussion resumed, there was a series of comments by some senior managers present that suggested what had been taken from the training was legislative compliance and not the necessity for behavioural change. Generally, the short discussion in the Forum around these issues produced either (what seemed to be embarrassed) silence from the group or 'old-fashioned' sex/gender jokes from senior management, suggesting a lack of awareness or acceptance of the realities of managing diversity. Whatever the intention of the speaker, these comments played on stereotypes and unlikely to encourage the culture change that some other senior managers regarded as important.

This observation from a senior manager at the Forum contrasts with other senior managers in interview. This was most notable in HR, where a member of the senior management team described her concept of diversity as:

“Accepting and acknowledging the differences there are in people and utilising those. Not labelling differences, but we are all going to be different and we’ve all got parts to play. And those, if we utilise those, that’s got to be a good thing.”

Observation from the Forum suggests that translating this concept into organisational behaviour represents a clear and ongoing challenge.

4.2.2 Policy in practice

Overall, there was very little criticism of ServiceCo policy and its initiatives and managers held positive perceptions of what they knew of the ServiceCo equality and diversity strategy. However, actual knowledge of policy initiatives became more limited further down the managerial hierarchy, to the point where supervisory and line management staff with direct, daily responsibility for groups of staff in particular departments, were largely unaware of specific policy or strategy in this area. In other words, they had nothing to base views on.

Some managers saw discussion of equality and diversity as simply *labelling* existing managerial functions and strategies which they had carried out for years and had thought of simply as managing people, trying to treat people fairly and as “*staff welfare, HR-side issues*”. The core of the ideal-typical concept of managing diversity as a general management responsibility is clearly not established in ServiceCo’s internal culture. This clearly has potential implications for acceptance and implementation of Head Office policy on equality and diversity in the future as the agenda is rolled out. This suggests a need for more awareness-raising at supervisory and junior/middle management levels.

However, there was also a general perception that ServiceCo is serious about ongoing training for staff and that therefore any forthcoming equality/diversity training would probably be ‘carried through’ by managers. This perception of the company as genuinely committed to training staff suggested potential for change in internal culture:

“I like to think that I am pretty tuned in to it anyway. It won’t be anything that I am not really used to and understand. It’s times when you have to be careful what you say and what you do. You have to meet different people’s needs, personalities, religion, gender, sexuality and everything. But I could be wrong. I am sure I will find out on the course.” (Manager, Rail)

This attitude ran in parallel with the perception, held particularly noticeably in the Transport Division, that policy moves were an HR area of expertise and primarily concerned with legislative compliance:

I think ServiceCo will want us to realise at the back of our minds, we have got to be able to understand the warning signs if you think somebody is possibly storing up information to make a claim on yourselves. (Manager, Rail)

I think probably [the Diversity training was] to make us aware how if we do things wrong, the company can be prosecuted. I think that was the general

impression I got when I left...It's got to be done properly otherwise you can be taken to the cleaners as they say. (Manager,??)

The perceived prioritising of legislative compliance was borne out by the specific emphasis of one of the trainers in the Equality Training seminar. Legislative pitfalls were stressed, with illustration from a recent case where ServiceCo was found guilty of racial discrimination, resulting in a large financial penalty: *"That's why we're doing this training now, because of cases like this."* Line managers in Road, who had attended a half day seminar related to equality and diversity run by ServiceCo HR, recalled the primary focus of the seminar as being equality legislation: *"We are now far more vulnerable to people suing us basically."* Further, the function and the value of the seminar was seen as providing an update on recent legislative developments.

However, there was also a more nuanced motivation attributed to the company's promotion of this policy which was focused more around a business case and improving company performance:

The fact that they've got these policies means that they are concerned for you, concerned about you. And the fact that they've got this policy means (...) as an organisation they have to be aware of the employee's feelings. And both under legislation and also the fact that obviously the happier people are the better they perform. So I am well aware that part of the reason they do it is because it's required by law and also it improves their standing in the industry as well... [because] again looking for new work, it is not only how you do the work, it's how your company deals with people as well. So that goes towards what contracts you get. So it's got to be perceived as a company that people want to work for, in order to get more work. So it's a no-lose situation. It helps in every aspect to have these policies. (Manager, Road?)

However despite isolated views indicating awareness of the business case, there was not a widespread perception of these issues as relating to what a senior

manager characterised as the strategy of positioning ServiceCo as an 'employer of choice', in the face of recruitment and retention difficulties. Some managers felt that this arguably positive framing of policy was seen by the workforce in a far more negative way:

I think people's perception of what they are trying to do - I mean, a lot of the comments we've had so far, [say] it's political correctness gone mad...And are we just going to bow down to these people, is the way it's been put. (Manager, Road)

There was also a feeling amongst some managers, particularly noticeable in Health, that company approach to these issues was *ad hoc*, for example, translation of fire safety instructions into Hindi; and a line manager who sat on the GWH Staff Forum said in interview that "*If I'm honest, I'm not aware of the organisation's policy on equality.*" In addition, there were views that equality and diversity issues were not given high priority within the wider remit of operational objectives:

The equality aspect of it [company priorities], it's not bold headline policy type of thing, it's something probably tucked away as part of something else. (Manager, Road?)

Many managers did not perceive equality and diversity as directly relevant to job performance of managers on a day to day basis, though in Road the need for sub-contractors to comply with equality policy was commented on.

"I think it's not going to affect me at all. Because apart from being aware of recent legislation I like to think that, you know, I am fair and I haven't got prejudices towards people. I like to think that I treat everybody as I like to be treated myself. And I think that with that underlying ethos if you like, I don't really think it's a problem." (Manager, Road)

Managers generally seemed to perceive managing diversity in practice as minimising disruption to operational targets. For example in Health some

managers experienced difficulties managing cover for Goan staff in Housekeeping requesting the same extended period of time off each year. They felt that this also generated resentment from other staff at perceived special treatment. Managers in Health perceived the greatest practical difficulties of managing diversity as in relation to race/ethnicity: for example, the company translated signs into the staff group's first language, but then discovered that the majority of this group were illiterate. It was noted repeatedly by many in Health however, that the company had taken this situation seriously and had arranged access to language training for non-English staff.

At a more senior management level, at the Equality Training seminar at ServiceCo Head Office, there was more direct consideration of diversity and equality issues, as the seminar encouraged a focused look at the issues. What the discussions indicated, however, was a lack of awareness of organisational rationales for training on these issues. For example, when the senior managers were given graph information on the breakdown of employment in the company, illustrating under-representation of women and minority ethnic employees, a head of group commented that *"Not sure what we're supposed to be doing with this information, because 'it's not about quotas' "* and another head of group responded *"But is it about what we're attracting to the company?"* Another senior manager observed that

"As I understand it, the problem comes further along the process and that initial groups are ethnically diverse but the appointments are largely white males."

These exchanges indicate senior management awareness of equality and diversity issues in terms of recruitment and selection, but that they perceive these as problems resulting from managerial action further down the organisational hierarchy. There was a parallel absence of consideration of any connection with their own managerial responsibilities and actions.

4.2.3 Equality and diversity culture

One question that is often asked of equality and diversity policies is whether the policy reflects organisational reality, as experienced by different groups. Across all ServiceCo Business Groups and different data sources, there was a perception of the prioritising of operational targets coupled with a taken-for-granted acceptance of strongly gendered (and some racialised) occupational divisions. For example, in GWH, the majority of Housekeeping staff are female and minority ethnic (specifically Goan) and, again at GWH, there was an acknowledgement of the entrenched nature of male domination of jobs in Estates, although this was framed largely as a fact of life and one that was not relevant to question or tackle because it did not pose any managerial problems. There was however a deviation in this perspective amongst senior management:

“I certainly don’t believe in “We’ve got a workforce and this is what the population looks like and your workforce has to mirror that population and if it doesn’t you are clearly not an equal opportunities employer”. But I think you should consider candidates from a wider [background] because you might find that you retain more and people are happier in their roles.”

The dominant perspective of prioritising operational targets and the absence of managerial ‘problems’ was also the case in Rail, where no women were employed in operational roles at the OLEA site. Management assessment of recruitment of women into operational roles on the project was direct and frank:

“I think there would be a lot of resistance within the workforce. But at the end of the day if they can do the job... I think one of the things that may be off-putting is there’s a lot of physical, manual labour. Maybe that’s an off-putting from a female perspective. I think there will be problems but from my own point of view, I’d have to be certain that they were damn good and they could - this is going to be right out of the equality window - the girls who are really tomboys in effect, that can hold their own and take what

they get, the jokes and the jaw. We couldn't have a timid sort of character. It would have to be quite a strong sort of character.”

The entrenched gendered nature of the occupational culture is acknowledged here. Rail managers were clear that there were also significant supply-side factors, in that very few women applied for operational roles (two in five years was the local site figure given). Here, the potential problems of treating everyone 'the same' (in line with management understanding of equality) are clear, as acceptance of existing culture means that women would have to repress difference to be acceptable to management and non-management staff.

A woman manager in Health, considering the issue of recruiting a man to her all-woman team, presented a mirror-image of gendered occupational culture to that presented in Rail:

“It needs to be somebody who can communicate with all different types of people so it would need to be for a female in that position anyway. But it's about, could they sit there and listen to them gossip all day long. Because let's face it, you've got a room full of women, they are going to be chatting about last night's EastEnders and what they are cooking for tea as opposed to football or whatever it may be. It's not that you would discriminate but you'd have to be very careful [because it would upset the team].”

It should also be noted that the occupational culture noted in Rail is very specifically *gender*-based rather than *sex*-based, in that it is a particular construction of masculinity (in this case) that is the norm. A manager in Rail discussed the problems arising from managing a male employee who was a Jehovah's Witness and who had religious objections to swearing, an accepted part of the operational workplace culture.

Managers in Road described the workforce as overwhelmingly male, and this was seen as inevitable given nature of the work roles on the contract. However,

while it was acknowledged that women were employed primarily in administrative roles and not in engineering or operative positions, the general view was that women were fairly represented in the workforce. One explanation given was that women simply didn't apply for the type of work on offer:

“But none of them (women) apply here. They just don't see it as their type of work. It's physical work. I think it's probably cultural in this country you don't see women involved in physical work or very rarely.”(Manager Road)

In addition to being perceived as unappealing to women, the physical work undertaken by operatives on the roads was also seen as a potential barrier to the employment of disabled people.

Managers in Road also suggested that equality was not a problem and did not cite specific incidents of discrimination. However, one manager identified a need to change the prevailing culture amongst the workforce which he typified as “*boys will be boys*”. He commented for example on the display of nude female posters on the premises and sexist banter on a day to day basis. He argued that employing more women on the contract would have an ameliorating effect on this.

Similar issues relating to entrenched workplace cultures emerged during the Equality Training Seminar. There was variation in senior manager's perception of 'personal' issues in the Harassment Self-Assessment Questionnaire used at the Equality Training seminar. Some senior managers (both male and female) felt that workplace display of sexually explicit calendars was acceptable, to varying degrees. One head of group said in defence of the practice “*Our women have men up*” and two of the senior women managers present qualified a comment by one of them that “*I don't like either*” with “*Some more than others, if it's bikinis, you might not mind.*” In keeping with the particular construction of gender indicated from interviews at OLEA, a sexually explicit calendar was on display on a wall of the workshop area, indicating that the training exercise example has direct policy and practice relevance for ServiceCo.

There was recognition amongst some managers at the Equality Training seminar that working at what was referred to as 'core professional level' in ServiceCo was very demanding: a senior woman manager commented that it was *'Not very conducive to home life, or life'*. A male head of group supported this view, while acknowledging (in his intonation) the perception of these issues as focused on women workers: *"Work-life balance would probably encourage a better survival rate for men and women."*

Racialised divisions within workplaces were acknowledged, to a limited extent, by a senior manager in Heath:

"With our workforce changing, there is a bit of a divide. You know, the Goan housekeepers, the white housekeepers, they use it interchangeably themselves, they separate themselves. And collectively they sit in different groups."

As will be discussed further below, in consideration of non-management employee data, this divide is an established part of GWH culture, with both majority and minority ethnic groups relating instances of 'racism' or certainly a negative race consciousness/attitudes.

"Some of the operatives are quite, probably prejudicial in their views on various subjects and to say to them that they should not be saying this, they should not be saying that, is sometimes difficult....Well, you can take colour. And I don't want to be cruel to them, some of them are quite narrow-minded. And you know, they've got their prejudices." (Manager, Road)

In Rail, management did not regard their workplace as having race-related issues to manage and talked about an integrated workforce comprising several different minority ethnicities. However, across all three sites in Health and Transport, only one minority ethnic manager took part in the interviews. Clearly, as no research was undertaken into recruitment and selection at ServiceCo, the causes of these

phenomena are unknown. However, the prevalence of a particular conception of 'equality' amongst senior managers in the company was indicated by reaction to an example of racial discrimination given at the Equality Training seminar. The example was of an Asian man rejected for interview where his son, applying under an English name, with the same CV, was invited for interview. It was reported that the Asian man was awarded damages. A woman senior manager's reaction to this example was to focus on the behaviour of the applicants: *"Isn't that illegal? False pretences and so on?"* Another senior woman manager reiterated this point and a senior male manager made an observation about *"compensation culture."* The more pertinent point, that discrimination exists in recruitment and selection practices, was not acknowledged by any of the managers. In fact, the quotes suggest a readiness to blame the victim that should be of concern in terms of successful implementation of equality and diversity policy.

The 'commitment at senior management level' noted by most academic and practitioner commentators as one of the requirements for successful implementation of equality and diversity policies, is clearly variable on a range of relevant issues within ServiceCo. There seems to be a perception across both Business Groups that barriers to equality and diversity are more external to and independent of the organisation. In addition, for some managers, while attention to these issues was seen as laudable the perception was that it will probably have little direct effect. Issues of equality and diversity are not seen as relevant where employees are mostly white men, indicating that the issue is narrowly conceived as about race/ethnicity, rather than a broader range of social and individual differences.

A senior manager in Health acknowledged the current environment:

"In our supervisory and management levels we are aware there are some big training needs for a variety of issues and again, it's about awareness rather than being a "You will, you know, follow our diversity policy. You will

look at our equal opportunities. You know, you must remember not to do this when you are interviewing a candidate and you ask a specific set of questions to one person that you don't ask to another." Uhm, and people realising that the world is changing and so is the workforce. So people think "Well, they haven't got any children, so I don't need to ask about this sort of thing". Well, they might be caring for an elderly relative at home now. Just because you haven't got children, you know, doesn't mean you haven't got caring responsibilities. And whether you are male or female."

This manager highlights the ServiceCo HR perception that management have not traditionally considered equality and diversity issues as part of their jobs, as indicated in the discussion above. Further, there is implicit acknowledgement that legal/regulatory compliance is not enough to change attitude and behaviour. This contrasts with the perception of most managers, noted above, that the explicit focus of the training seminar programme was precisely about legal conformity.

4.2.4 Union/employee involvement

There was an almost complete absence of discussion by management of involvement with unions, either nationally or locally, on equality and diversity issues. There was some involvement in Health, but in what seemed to be an *ad hoc*, individualised form, i.e. one particular manager was noted as frequently consulting the workplace union representative on employee issues. But in general neither managers nor union representatives mentioned interaction in this area. Unions do not appear to be perceived as potential partners or useful communication conduit in managerial approaches to equality and diversity issues. This was of particular interest in that, as discussed below, one of ServiceCo's union representatives has been through the company equality training and was enthusiastic, knowledgeable and positive about the training and the issues in relation to ServiceCo in interview afterwards. One of ServiceCo Health's senior managers was more positive about to *potential* union involvement

in diversity issues, but felt that this would largely depend on the particular individuals in post at any particular time.

There seemed more of an emphasis on non-union employee involvement in these issues, notably in Health, where the monthly Staff Forum (comprising senior management, line management and non-management representatives) had been established. However, there was little attention paid to equality and diversity issues at either the Staff Forum or at the Great Debate meetings and policy development seemed to be confined to senior managerial levels.

In Road, non-management staff welcomed the regular communication with employees about a variety of issues and spoke of a culture of openness where employees were encouraged to talk about things freely. However, the view amongst administrative staff in Road was that equality and diversity didn't come up at team briefings or that they didn't recall it coming up. Whilst they were aware that policy was on the intranet, they hadn't necessarily looked it up. Similarly amongst Road operative staff there was some awareness that meetings about equality had taken place, but there was no recollection of any direct involvement or communication and they had not been asked for views on equality and diversity. One observed:

“I haven't seen a great deal as such but they bombard you with that much paperwork sometimes and you know, it's hard to, most of it is safety and everything. But I can't remember seeing anything specific about it but I might be wrong .”

For line managers in Road, cascading the equality and diversity policy down to operatives was seen as a challenge, which would have to be handled with care, because of perceived resistance:

“It's a subject that is quite difficult to introduce in some cases, some of the guys have got their own way. So we are going to slowly mention it in the toolbox talks.” (Manager, Road)

4.3 Trade Union Officials and Representatives

This section draws on in-depth interviews with three trade union representatives, one white woman (UNISON representative Health) and two white men (Amicus representatives in Health and Transport).

Interviews covered three main areas (i) context of the equality and diversity policy in relation to the individual interviewee; (ii) diversity/equality issues in relation to their trade union role; (iii) overall view of equality and diversity in ServiceCo.

Questions in (i) explored the respondent's general awareness and understanding of equality and diversity concepts and issues within ServiceCo. Questions in (ii) looked at the individual's representative role for the trade union and any equality and diversity issues facing them in their roles. Questions in (iii) covered perceptions of the equality/diversity culture and climate in ServiceCo.

Essentially the interviews were attempting to understand what diversity and managing diversity means to and for trade unions within ServiceCo Health.

4.3.1 Equality and Diversity policy

We had established from interviews with management that there was no official involvement of trade unions in the development and implementation of policy in this area and therefore interviews explored other issues. We began with trade union representatives' understanding of the concepts of diversity and equality, in order to see whether or not this seemed congruent with the 'official' organizational (ServiceCo) understanding.

Broadly, understanding of the concept of diversity was superficial and uncertain in Health (where no training had been given to non-managerial staff) and more assured in Rail (where training had been received).

“It covers a lot of things. It covers, I don't know, I might say, is it like harassment or jobs for everybody? It covers a wide range, doesn't it, diversity.” (TU rep Health 1)

“Racial understanding. I don’t really know, I presume it’s something to do with how the managers and the workforce get on.” (TU rep Health 2)

The phrase ‘equal opportunities’ was more familiar to the representatives:

“No matter what race or anything. That’s what it means, equal for everybody. I presume that’s what it means, equal for everybody. No matter where you are come from.” (TU rep Health 2)

“And...if you want a job change then they will help you and maintain, or learning skills like computers or if you want to.” (TU rep Health 1)

“It’s to be equal and to have the opportunity to do whatever you want. You know. If you wanted to move off into some other area you would be able to go and speak to someone and then have, and then for them to say “Yeah, here is the opportunity, it may not come immediately but this is the channel”, you know. So that’s how I looked at it...And it’s a choice for everyone. If you want to stay in a niche, stay in there. If you want to branch out and learn something else, then ServiceCo do provide that.” (TU rep Transport)

This uncertainty (by representatives who are also employees of the organization) speaks to the limited perceptions of equality and diversity issues amongst the workforce.

4.3.2 Policy in Practice

We were interested in understanding the trade union representatives’ experiences of the equality and diversity policy *in practice* within ServiceCo. In Health, the only example focused on related to the Goan staff group in Housekeeping:

“Like I said English is not their first language, so I think a lot of those that can’t speak very good English have actually been offered English lessons at college paid for ServiceCo.”

Neither of the representatives in Health were aware of ServiceCo’s equality and diversity policy or that there was a programme of training. Attitudes were mixed on this point in general, from the relatively positive (*“I think the spirit is there but it doesn’t always - you know what I mean”*) to the more recognisably cynical:

“I think a lot of, like I said with managers and that, I think if the policies, I mean, sometimes they make their own rules up. Or they don’t always carry out what they say they are going to do”.

This attitude seemed to be based on the interviewee’s perspective as an employee rather than as a trade union representative and was also reflected in comments from non-management staff participating in the ‘Great Debate’ (discussed below).

4.3.3 Equality and Diversity Culture

The union representatives felt that ServiceCo did not value union presence in GWH and indeed that union membership may have negative implications:

“Sometimes some people are frightened to join because you know, they might not get [promoted”].

Management support for unions was felt to be variable, with some managers seen as supportive, with others as more willingly constrained by organisational priorities, and, in isolated cases, actively hostile. In Transport, the perception was clearly positive in relation to management support:

“they are always telling us “I am there, speak to me, talk to me”. And I think that is one of the most fundamental thing of all aspects of any work, you’ve got to be able to talk to somebody”

In terms of workplace culture, the Transport representative's assessment acknowledged gendered and racialised realities:

“There's a crew room over there and there's probably fifteen, twenty blokes in there and they will be swearing, there's nude photographs, there's calendars, there's stuff like that. If you take the letter of the law a lot of that is wrong. Because they are discriminating against women, foul language, there's two Asian lads who work over there, so there are probably Pakistani jokes or Indian jokes, things like that. You've got to be careful because you want communication but in a sense you are saying “Watch what you are saying, watch what you are doing, don't do this, don't do that”. So you've got, you know, you are almost sort of capping them.. But you've got to draw the line and you've got to say this is a culture or a group of fifteen, twenty blokes who work in different areas and this is how they act together... you've got to present it in a way that they'll understand that they are not being watched, they are not being targeted and that one sentence that was said yesterday [in equality training] “It's not what you say, it's how the other person interprets it”. And there's a lot of people who would pick up on that.”

This representative's assessment of workplace realities demonstrates both the embedded character of organisational culture shaped around a dominant group but also a perceived credible potential for change.

This potential for change was not perceived in as optimistic a light in GWH. Discussing specific work groups, one of the representatives said:

“You know what it's like, they have heard it all before. So I am afraid we are all a bit cynical. We shouldn't be, but I am afraid we are”

Potential resistance to change strategies in the roll out of equality/diversity policy is a factor that does not seem to have been explicitly anticipated in the design of policy implementation.

4.3.4 Union Involvement

Respondents were asked to detail the level of involvement of their unions or themselves as union representatives in equality and diversity issues.

Only one of the representatives specifically mentioned equality and diversity issues, citing the language barrier with Goan staff, but positioning this as a health and safety issue because of the chemicals used in Housekeeping. In a more explicit echo of the senior manager above, the representative talked about divisions in the workplace:

“Our other employees [Goan staff], they haven’t come to me to say that they have been [discriminated against], because it does work both ways because sometimes when we first started here they would only work in their own community. They didn’t want to work with “us whites” as they once put it. Which is squashed out now I am glad to say.

There is a perception of Goan staff as a separate and problematic group, suggesting that although ServiceCo have implemented an initiative to resolve language difficulties (which arguably have clear potential legal implications for the company), the ‘personal’ divide between staff groups has not been addressed.

There was no reported involvement with unions nationally on these issues.

4.4 Non Management staff

In addition to in-depth individual interviews, as with management staff and trade union representatives, interviews with non management staff were also conducted in focus groups. Interviews with a large enough sample of employees to be representative across the organisation were not possible due to resource and time constraints. However we were keen to get some insight into non-management staff awareness, understanding and experience of ServiceCo policy and initiatives and of equality and diversity issues. In Health, we carried out 6 in-depth interviews with non-management employees (2 white women and 4 white men), 2 focus group meetings with 7 non-management employees (3 minority ethnic women, 3 white women, 1 white man) and observed non-management participants at the People Forum monthly meeting at GWH. In Transport, we carried out 12 in-depth interviews with non-management employees (11 white men and 1 minority ethnic woman). We also observed two 'Great Debate' meetings at ServiceCo Head Office, comprising 34 people in total, a small minority of whom were management rather than non-management employees.

Interviews covered three main areas (i) context of the equality and diversity policy and concepts in relation to the individual interviewee; (ii) job-related diversity/equality issues; (iii) overall view of equality and diversity in ServiceCo. Questions in (i) explored the respondent's general awareness and understanding of equality and diversity concepts and of these issues within ServiceCo. Questions in (ii) looked at the individual employees' roles and any equality issues facing them in their roles. Questions in (iii) covered perceptions of the equality/diversity culture and climate in ServiceCo.

The focus groups interviews were designed to be informal in order to facilitate open discussion amongst the participants, although time was necessarily constrained by work schedules. Participants were assured that their comments would remain anonymous. A member of the research team facilitated discussion by asking a small number of broad open-ended questions and took detailed

notes of the discussion. Question areas were i) Do you think diversity is valued at ServiceCo? ii) What are your experiences of equality and diversity issues at ServiceCo? iii) What are the major barriers to equality and diversity at ServiceCo and how might they be overcome?

4.4.1 Understandings of equality/diversity

In similarity to management understandings, few of the non-management employees were familiar with the concept of diversity, but there was general agreement on understanding of equality summarised by this statement from a focus group participant:

“In terms of we’re all working in the same company, all trying the same way, so we should be treated equally.” (Health)

In the Health focus groups the general feeling amongst staff was that because they worked with a mix of ages and there was a mix of ethnicities in the hospital, that ServiceCo have a positive attitude towards equality, i.e. that ServiceCo treats ‘everyone the same’. There was an interesting contribution from an employee in Rail, discussing both the concept of equality and his perception of ServiceCo’s approach to equality:

“Equality? Everybody is equal...That everybody should and I would imagine are treated the same...Obviously there’s not a lot of women in the job. Not on our side - in the offices but not on the track, it’s very rare to have a woman in the job.”

In using the words ‘*Obviously* there’s not...’ there is implicit recognition of the force of the cultural underpinning of workplace realities and an indication of the type and scale of change strategies potentially required to implement policies in this area. However the comment does indicate perception of the need to change this and ensure fairness.

In Road, there was a similar range of reactions to the questions about understanding of diversity and equality - equality equating to fairness and diversity was either not understood or connected to work organisation, as with managers. A minority view understood diversity as the presence of difference within the workforce, whilst equality was seen as ensuring similar treatment regardless of those differences.

“Equality is like I said treating everything and everyone as they are standing on the same level, on a par. And diversity is just the fact that everybody is different. So equality is treating everybody the same and diversity is recognising the fact that people are different.”

However non-management employees also echoed management perceptions of operative work as men’s work. One employee acknowledged that this affected the make up of the workforce but saw this as unrelated to the equality and diversity policy:

“But obviously we are on highways maintenance contract here so a lot of the employees tend to be male especially the operatives. And there are, I suppose there must be a couple of female operatives. But I don’t think that’s got anything to do with equal opportunities or diversity policy. I don’t think we are going out of our way to recruit males specifically and not females. I think that’s just the type of work, males tend to be who we (...) attract most.”

4.4.2 Is equality/diversity valued at ServiceCo?

This drew a generally positive response from employees when asked directly in interview or in the focus group. Employees in Health focused on age and race/ethnicity in the workplace, citing the range of ages employed and the presence of people from different countries as examples of diversity. These employees were also positive about their experiences of the organisation’s attitude to people with caring responsibilities:

“[My manager] is very in touch with people who have got children and if there is a problem. He is very good about that. You could go to him and apologise and say I’ve got a little one and I can’tHe’s got children of his own, so he understands the problem.”

However, data from the ‘Great Debate’ sessions indicated that, company-wide, there was a more qualified response with regard to the ‘realities’ of management practice. There was a general perception of difference between employees and managers in attitude, demonstrated by, for example, emphasis on the importance of senior managers being seen to “*walk the talk*” – if seen to “*break one of the core values, the whole edifice will crumble*”. This was also indicated less directly in relation to line management when, in response to a question about feeling empowered to try out new things, someone said that in reality that can translate as “*not my problem, go away and solve it*”. Again, line management were criticised in response to a question about feeling valued:

“You’re just a number or a name”; “Any time you see a manager you think something’s wrong”.

An echo of the emphasis on legislative compliance seen in management data was apparent in the perceptions of some non-management employees, as indicated in this response to a question on experience of ServiceCo’s equality policy:

“I’ve never heard of a policy towards that. But I would imagine that it is, there would be equal opportunities for anybody. I don’t know if that is the policy but I would imagine, given the age that we’re in and the time we live in, I would imagine that anything other than that wouldn’t be accepted, would it.” (Health)

It is arguable that we see here the ‘environmental effects’ of anti-discrimination legislation (as discussed in the literature on equality), where, without direct

knowledge of the law, people's views of acceptability of behaviour are shaped by second-hand awareness of regulation.

As discussed above in relation to management staff and trade union representatives in Health, there appear to be clear issues of division regarded as problematic between minority and majority ethnic staff, specifically Goan Housekeeping employees. A selection of comments from white staff indicates the prevailing workplace patterns:

“To be honest they do tend to keep themselves to themselves. They are in their own little group. You know, if you get in a lift and there's four of them, they sort of talk their language, not English. So you never, sometimes you think “I wonder if they are talking about me”. You never know.”

“I've got nothing against them, I've nothing against the Goans, I am not racist. They leave me alone, I leave them alone. But I do find when they ask you for something and they've got a problem with a speech side of it, you just can't understand them.”

These quotes are indicative of an existing sub-culture in relation to equality and diversity. However the company approach to responding to these issues seems to have been erratic; ServiceCo has arranged language classes on one hand, but on the other it has apparently ignored written feedback from staff job reports on communication difficulties and the clearly widespread cultural divisions as one employee related:

“When I am on the computer we have a supposedly box for remarks, if you have to write something to do about the job...so if you feel someone needs to know anything, that kind of thing. And I often, many a time, write down ‘the nursing staff or doctor didn't say in English what we had to do’. [Never had any feedback on it]...No one has ever...come back to me.”

This feeds into a strand of opinion observed during the Great Debate meetings, summarised in one employee's comment about the survey questionnaire: “*The*

questions are a lot too open. For example, the question 'am I listened to' should be "when I'm listened to is anything done about it?"

However, in Health, the Goan staff spoken to did not raise the same issues in the same manner and seemed to feel valued in a variety of ways:

"[Co-workers and managers] talk to us very nicely and if there is anything, they make us understand. It's nice that they talk to us."

The majority of housekeeping staff is female and Goan and data suggested that they did not see any difficulties arising from this, including in relation to language, which was something mentioned as problematic by most other (White) staff. In fact one respondent said it was better that there was a concentration of Goan women in one area because, implicitly, they were more likely to understand the others' situations:

"It's better I think so because if there's a problem you can do some weekend like we help each other."

Although one of the women acknowledged that there can be difficulties because of language barriers, she also saw this as another positive reason for Goans to work together in one area.

This is a different perspective on the usual understanding of negative implications of concentration by gender/race, which has implications for managerial approaches to equality and diversity. Recognising and valuing diversity might involve *supporting* concentrations of staff for particular reasons that are identified positively by the staff concerned. In other words, managing diversity might involve diverse managerial approaches.

Occasionally, contradictions were apparent within the perceptions of a single respondent, as well as between groups. A woman worker was very positive about her workplace:

“I mean, as you see, you’ve had a walk around the office, it’s quite a mixed organisation...But I mean, pretty much gels together, everybody just gets on with everyone really. There’s not been any discrimination of any kind at all, really. Whether it’s gender, race or religion. So I mean, it’s probably, it’s not a bad environment to work for...You do get, I tell you the truth, some men are really rude to women. Seriously. Seeing is believing, trust me. One guy has like PMT every day. All the guys laughed about it because it was one of the things that was expected from him...he’s been off sick now. So that makes it a bit easier for me.”

As with the example above in the section on understanding of concepts, a societal underpinning is accepted as influencing workplace culture. This culture is ‘traditional’ in that it seems to be accepted by management in the sense that no intervention has been attempted. The contradictory perception of the workplace in relation to equality and diversity is clear in the assertion of no gendered discrimination followed by the statement *“some men are really rude to women...he’s been off sick now. So that makes it a bit easier for me”*.

This possibly suggests that people’s ideas of equality and discrimination mean something formal/institutionalised, rather than what is seen as within a ‘normal’ continuum of behaviour.

A male worker in Rail, reacting to a question as to whether he had worked with a woman on a particular job, had a thoughtful position on the issue of occupational segregation:

“No. Never...I don’t know why there’s no women here. I know it’s too easy to say because it’s more suited to men because I used to work on the oil and there’s plenty of women on the oilrigs...Maybe they do not apply for it. They don’t think they are going to get jobs, this type of job...On the whole I don’t think they’d [workmates] have a problem, I don’t think so. They would give her the odd you-know, but not against race, or women, no problem. I don’t think there’s anything in our job that women couldn’t do...Well,

there's obviously the lifting, that can be - but we are not supposed to lift by ourselves anyway. It's a two man job anyway."

This quote raises the possibility of improvements in health and safety practices leading to a reduction in traditional gendered occupational divides; i.e. if heavy lifting is no longer a requirement, in theory managers will be more open to considering women for the job. Most managers stressed that they are looking for the 'right' person for the job. However, from the gendered concentration of work in ServiceCo (mainly women in administrative roles and in Health and men in operational roles, managerial roles and in Transport) it seems that 'acceptability' criteria are as important as functional criteria.

ServiceCo's approach to Health and Safety issues in Transport was widely praised by management and non-management staff alike. For example in Road, whilst there was some recognition on the part of non-management employees that equality and diversity could be important, safety was seen as the company's top priority because of the nature of the contract and the possible exposure of staff to accidents and hazards on the roads. One employee spoke of the way health and safety is '*drilled into you*' at ServiceCo.

4.4.3 Barriers to Equality and Diversity

Participants were asked to comment on what they saw as the primary barriers to implementing the equality and diversity policy at ServiceCo.

It was clear from the 'Great Debate' discussions that internal mobility was perceived as a barrier and that people tend to feel trapped because of managers preventing their promotion in order to safeguard their own operational targets: "*don't open up doors for [us] because they don't want holes in their own area*".

There were appeals to make sure every job is advertised and that in general there was more openness and fairness. The complaints about recruitment and selection processes expressed during the 'Great Debate' were indirectly supported by interview data with non-management staff, in Transport in

particular. Many if not most of the employees interviewed said that they had first got jobs in ServiceCo through contacts with existing employees. Some of the respondents related this directly to issues of discrimination, as with this employee in Rail:

“But a lot of this job, the jobs are like managed by word of mouth. It doesn’t always get advertised. It doesn’t always go that far to the Job Centre...there’s probably 300 lads who will say “I know some decent guy”. If you are a company that are white orientated anyway, you are going to get their brothers, cousins, sisters and wives and everybody. I mean, it’s just human nature.”

Participants in the ‘Great Debate’ also perceived the company as effectively discriminatory on other issues; the ServiceCo Leadership Programme (CLP) was criticised for constraining individual opportunity by targeting a very small number of people and by having a cut-off recruitment age of 35. This was condemned as ageist and it was felt that “*If you’re not on the CLP you don’t get as far*”. A young woman participant commented: “*Can they justify the age limit and still have this equality training?*”

Further, in the ‘Great Debate’ discussions, senior management commitment was not seen as solid – in some parts of ServiceCo senior management was seen as distant and of those who were more communicative, some were seen as unconcerned with equality and diversity issues. The perception was not that these senior managers were hostile, but that they were not ‘committed’. Observation of the Equality Training Session at ServiceCo Head Office and of the GWH Staff Forum suggests some limited confirmation of these perceptions. In the ‘Great Debate’, the facilitator said that there was a question on “did the last ‘Great Debate’ *deliver?*” and asked if anybody had been at that last ‘Great Debate’. Two people had and said that nothing had changed since: one of the men said “*Is it like an Irish referendum – you keep doing it til you get the answers you want?*” In answer to the question ‘Do you expect ServiceCo to do anything

about these issues?', 88 per cent of the group said no, supporting a conclusion from across all the observations there was a sense of mismatch between rhetoric and reality.

However, this sense of mismatch co-existed with competing perceptions, such as barriers being perceived as more external/independent – i.e. it's the way people are (racist, sexist, like to talk about different things, good at certain things), or women or men not applying (not women/men not being selected), which in turn are seen as genuinely difficult for ServiceCo to affect.

A separate issue relating to barriers to embedding equality/diversity was observed during the Equality Training session for senior managers at Head Office. This training is understood to be the template for the training being rolled out company-wide. There were several very positive dimensions to this training, including varied use of material, provoking thought and debate about the issues; messages about the need for inclusivity and recognising issues are not always visible and include 'outside' work issues as well. There was, in general, a clear recognition of problems by senior people and openness to these issues. However, the training was itself flawed in some important ways. Due, it appeared, to the inexperience of the trainers, too much was addressed in too little time; the main aims of the training were unclear, which was compounded by a lack of facilitation. For example, participants were shown a long list of issues/pieces of information but no explanation as to what each meant or how they could be addressed. Perhaps most importantly given the emphasis on legislative compliance, some inaccurate information relating to legislation was given.

As ServiceCo's approach to implementation of equality training seems to be to train successive layers of management who then go on to train other groups within the company, there are clearly real threats to successful implementation if the training at the first level has weaknesses. .

5 Discussion and evaluation of findings

5.1 Key Themes from the Literature

Within UK organisations there has been a movement from equal opportunities to diversity management. The literature review focused on three main areas, 1) a definition of terms and concepts, 2) an analysis of benefits for business and the benefits for employees, and 3) a discussion of the factors affecting implementation of policies. In particular, various dilemmas and challenges of diversity management were highlighted as impacting on stakeholder perceptions of the effectiveness of policy initiatives.

With regard to terminology, distinct features of the concept of diversity management can be identified, including a stronger focus on the business rather than the social justice case, on individual rather than group differences, on culture change rather than bureaucratic, formal procedures, and on the important role of the line manager rather than simply the HR manager in implementing change. However in practice, policies reflect more of a mixture of equal opportunities and diversity management initiatives, with attention being paid to both business and social justice/moral cases, and the existence of initiatives designed to recognise individual differences as well as combat the disadvantages attached to social groups. In other words, organizations have not done away entirely with established policies and initiatives.

Benefits to business of adequately addressing diversity issues were outlined, including taking advantage of demographic changes, maximising employee potential, addressing the negative effects of unfair discrimination, meeting the challenges of a globalised market, and creating new business opportunities. However, the literature review also highlighted the variable impact of such policies depending on such issues as the type of organisation and the employee relations structures and systems in place. With regard to the latter, the importance of adequately involving organisational stakeholders was emphasised, including the

involvement of employees, collective representative groups such as trade unions, and achieving the 'buy-in' of line managers.

Against the evolving policy context, this research sought to explore stakeholder perceptions of equality and diversity policy and practice in order to determine whether various stakeholders regard diversity management as the way forward for equality and whether it seems to overcome some of the perceived weaknesses and problems of traditional 'equal opportunities'.

5.2 Management staff perspectives

Line-managers are the people most directly responsible for ensuring the implementation of ServiceCo's equality and diversity policy. There is a need to understand their perspectives – the pressures they are under and the views they hold, any or all of which could prevent the policy from achieving its aims.

It is of concern that most of the line-management interviewees knew so little about the ServiceCo equality and diversity policy and had little knowledge of diversity issues more generally. Line-managers are critical to the success of diversity management.

Some of the managers seemed to have quite instrumental, arguably cynical, views on approaches to equality and diversity, associating these with company self-protection from legislation. Others appeared quite engaged by these ideas and their potential to achieve culture change within ServiceCo. Most, although not all, of these managers were involved directly in HR. Some others tended to see equality and diversity issues as re-naming established managerial approaches. A minority were explicitly open to learning and adapting styles and strategies to achieve change.

However, there was no clear dividing line between line managers and senior managers: many senior managers shared a lack of awareness both of the issues

and of ServiceCo's policy and justification for its approach to equality and diversity.

5.3 Trade union perspectives

Difficulties of access in the different fieldwork sites meant that we were only able to gain a very limited impression of trade union perspectives. However, some general comments can be made. First, it is clear that ServiceCo does not regard unions as partners in terms of identifying relevant equality and diversity issues or developing and implementing policy in this area. There is what could be seen as an ironic dimension to this observation, in that employees generally regarded the recognised unions positively, in part because employees saw them as part of the ServiceCo workplace 'way of life'. Second, understanding of the basic concepts of equality and diversity seems to be along the same lines as other pre-training employees, both management and non-management staff: diversity is an unfamiliar term and, broadly, equality is regarded as synonymous with sameness of treatment. The representatives were not aware of national-level union training on these issues, which would appear to contribute to this situation. The approach of unions at national level might also contribute to explanation of ServiceCo's lack of engagement with their recognised unions on these issues, however without further research, this remains speculation. It is likely that localised bargaining structures are most directly influential in the lack of company/union engagement in this area.

5.4 Non-management staff perspectives

Non-management staff generally shared the broad management and trade union understandings of the concepts of equality and diversity. Overall, direct data (interviews and focus groups) indicated a positive attitude towards ServiceCo management and, as equality was equated with fairness and 'same treatment', the status quo in ServiceCo was largely viewed approvingly. Anomalies or disadvantage were largely attributed to perceived external, societal factors (e.g.

women not wanting to do physically demanding work). It seems that experience of the gendered and racially concentrated nature of large areas of ServiceCo Business Groups has been accepted or naturalised by non-management staff.

In terms of the potential success of policy implementation and effecting relevant culture change, employee perceptions of current organisational responsiveness are interesting. Opinion was divided as to whether or not management is responsive to employees. In specific individual circumstances, for example a one focus group of employees in GWH talking about their manager's approach to childcare responsibilities, perceptions were positive. However, data from observation of the Great Debate meetings indicate that, company-wide, perceptions of workplace realities of ServiceCo management are more mixed. Even in the 'direct' data there was evidence of a perception that although ServiceCo was not putting obstacles in the way of diverse recruitment, it was equally not actively encouraging it. Further, despite a generally positive attitude towards management initiatives, these were seen as isolated examples in a context of prioritising traditional organisational considerations.

5.5 Equality and diversity policy and practice within ServiceCo

When fieldwork commenced, ServiceCo was at the very early stage of policy development and implementation. Delivery of training around equality and diversity issues was aimed at senior managers and higher line-management levels. It is not possible therefore to assess impact of training on the organisation in general or even at particular sites. It is, however, possible to evaluate ServiceCo's existing culture and approach to these issues and, on the basis of this, to speculate on future developments.

ServiceCo has decided to use the language of equality rather than diversity. It is arguable that this is more than a choice of language and that the observed (and reported) emphasis in training on legislative compliance suggests that ServiceCo's motivation for implementing policy has an inherent tension. A key argument for development of the policy was stated to be positioning as an

‘employer of choice’ – a business case argument implying a proactive approach throughout the organisation; however, the emphasis on avoidance of problems implicit in the stress on legislation (a tradition equal opportunities regulatory approach) perhaps suggests internal contradictions at senior policy development level. A more positive interpretation is that both arguments are considered important by ServiceCo senior management, but the variable perception of issues on the ground and of the equality training itself suggest that lack of clarity at senior level has left space for a more confused and/or negative understanding further down the organisation. This is all the more significant when it is considered that ServiceCo has chosen a model to roll out the equality and diversity agenda that relies on each Business Group developing their own strategy.

Monitoring data is commonly used in organisations to identify issues that an equality and diversity policy might address. As set out in section 3.2.3 of this report, the level of workforce monitoring at ServiceCo is limited mainly to broad categories such as gender and ethnicity. Within this, there are notable gaps, particularly the lack of monitoring on disability. The explanation offered by senior management for not looking at disability is that it is no longer legally required, which further supports a view of ServiceCo’s equality and diversity policy as having a strong legal compliance motivation.

Beyond these broad categories, there is no monitoring at a more detailed level, looking for example at a range of demographic statistics across occupations, levels or grade boundaries, or by business sector. This is problematic in terms of policy development, because it means that ServiceCo is unable to expose the patterns of occupational segregation that exist and therefore develop targeted appropriate policies and initiatives.

Our interview samples and data gathered from the interviews indicate that there are patterns of occupational segregation that one would imagine should form the basis of equality and diversity policy making, however there is no statistical

confirmation of these patterns from the monitoring data. For example ServiceCo Road and Rail are predominantly male and white, and ServiceCo Health has an overwhelmingly female house keeping and catering staff (with housekeeping being additionally predominantly minority ethnic) , while portering is predominantly male. Another pattern identified relates to turnover. It is clear from the monitoring data that exists that the ServiceCo workforce is very transient (34% of employees employed for less than one year), whilst ServiceCo also suffers from relatively high turnover rates (particularly for minority ethnic, female and young employees). However the data collected is not detailed enough to cross reference between turnover rates and demographic statistics, and so we are not able to determine whether the 34% of employees who have been employed for less than one year are also disproportionately female, minority ethnic or young and thus are accounted for in the leavers statistics.

ServiceCo certainly uses these monitoring statistics to inform policy, indeed under each set of statistics are set out summaries of the issues to emerge, reasons to address the issues, and possible action steps. However a significant weakness is that this data in its very limited range is not necessarily giving a full enough picture of the equality and diversity issues at ServiceCo which would lead to the most appropriate policy making. For example, looking at the commentary under the statistics on length of service:

“Training and Investment in employees is high and retention must be a key goal. ServiceCo should aim towards retaining employees for at least three years, especially where investment in the individual is high - e.g. graduates.”

Therefore, there is recognition that a transient workforce is a problematic issue. The proposed action points are to aim towards retaining employees for three years, particularly those, like graduates who have received high levels of investment by ServiceCo. However, it is unclear from the available statistics whether this is an appropriate policy response, because whether there is high

turnover within the graduate training scheme has not been captured. If the loss of staff is predominantly at a lower level in the organization, then obviously a policy response based around graduates is perhaps misplaced. It is also unclear whether there are problems of turnover across the organization or only in particular business groups. Looking back at the qualitative data, it is interesting to note that issues of the transient nature of the workforce was brought up by only one manager. Therefore, while it is clear that the existence of a high turnover of staff could have significant implications on the equality policies developed (particularly if it transpired that there were particular gendered, age-related or ethnic patterns to this), this is clearly not seen as an equality and diversity issue by the overwhelming majority of managers, trade union representatives or non-managerial employees.

ServiceCo has not had an emphasis on equality and diversity before and therefore training of managers and non-management employees is clearly important. The particular training approach that ServiceCo has adopted has some weaknesses, principally that it relies on non-professional equality trainers, plus questions about the accuracy of the information disseminated and the arguably inadequately structured format. Furthermore, the 'cascade' approach to training means that there are dangers that these weaknesses are repeated throughout the organisation. In turn, this has implications for management and non-management employee understanding of the issues and buy-in to the policy intended to address the issues.

In the sites visited, ServiceCo staff appeared to have a generally positive view of the organisation's approach to equality/diversity issues and to training support more broadly. There is no 'training fatigue' evident in other organisations with a longer-standing policy and therefore it seems that ServiceCo is potentially well placed to use training as a means of supporting and implementing the policy. However, the perception among some ServiceCo managers that issues of diversity are irrelevant where mostly white men are employed is something that will need to be addressed by more than training and may require further thought

along the lines of formal performance objectives and a review of organisational processes and procedures: managers are not used to thinking about these issues *as part of* their core job. Again, leadership and perception of organisational commitment is key here. At present, there seems to be a lack of enforcement or direction from the centre of the organisation. There also seems to be a lack of consideration of the potential benefits of employee involvement mechanisms in developing, implementing and monitoring policy and outcomes around these issues.

5.6 Concluding Summary

As we have said before, the equality and diversity policy at ServiceCo is in its early stages. As one might expect with the very early development of policies, there are inconsistencies and inaccuracies in the policy documentation as it stands at the present time that will need to be addressed. For example campaign material mentioning age discrimination as an issue, but this does not form part of the formal policy statement.

At the moment, the policy agenda has not been established firmly enough so that there is a clear and consistent message being disseminated. Therefore, it is not so surprising that the level of understanding by non-management employees and line managers is limited. Most of these people have not yet received any basic training or in some cases received any information. The variable level of understanding amongst the more senior managers is of concern, as these people will be taking the lead in rolling out the policy agenda within, and determining the nature of the policy structure and initiatives necessary as they apply to, the various sub sections of the ServiceCo Business Groups. In addition, amongst the wider workforce, the level of acceptance of gendered and racialised work patterns and cultures should also be of concern, because it indicates the extent of change that will be required to implement an equality and diversity culture within ServiceCo.

This will doubtlessly require significant buy-in by a range of organisational stakeholders, including non management employees. At the moment, ServiceCo's equality and diversity policy is predominantly top-down and has not as yet involved stakeholders other than senior management in its development. Developing appropriate employee involvement mechanisms around equality and diversity issues will be a key challenge for ServiceCo in the future.

In terms of the policy document, it is perhaps to be expected that the policy is very 'broad brush' and looks quite similar to that found in many large organisations. However, there is little in the policy at the moment that reflects the specific realities of ServiceCo, for example the fact that a large proportion of its workforce may be low paid and transient. Also, there is no clear articulation or conception of what it means to ServiceCo to be an 'employer of choice'. For example, would/should this involve developing policy initiatives to break down the horizontal and vertical gender/ethnic segregation that clearly exists in the company?

Once the initial rolling out of the equality and diversity agenda is complete it is to be hoped that some of these issues will begin to be addressed.

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