# GUIDE TO MANAGING CULTURAL DIVERSITY

in small and medium enterprises



[GESDIMEP PROJECT] Progress Initiative. DG Justice. European Commission







MINISTERIO DE EMPLEO Y SEGURIDAD SOCIAL















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# INSTITUTIONAL PRESENTATION

umerous research studies show that cultural diversity adds value to companies, boosts the possibilities of capturing talent, improves the organisational culture and increases the number of customers, with minimal economic costs.

One of the research studies, carried out by the European Commission<sup>1</sup>, highlights the five most significant advantages of implementing active Diversity policies:

- Strengthens an organisation's cultural values.
- Improves the institution's reputation.
- Helps to attract and retain very talented people.
- Boosts staff motivation and efficiency.
- Increases employee innovation and creativity.

The Managing Cultural Diversity in Small and Medium Enterprises project (GESDIMEP) specifically targets workers and owners of small and medium enterprises, which make up the majority of Spain's business community. It also targets business organisations, trade unions, NGOs and other civil society institutions, immigrants associations, universities, business schools, business incubation centres, which are key agents in promoting the Management of Cultural Diversity in SMEs, and any other professional environments that are involved in managing cultural diversity.

I would like to reflect a little on what has been learnt during the course of the GESDIMEP research:

- Some companies have managed to produce a "cultural diversity management policy", opening up internationalisation possibilities and generating more productivity.
- In small and medium enterprises, "cultural diversity management" is taken on by the employers. That is why the institutional support offered by public administrations, universities, NGOs, business organisations, chambers of commerce and unions is of great importance.
- Various companies, administrations, unions and business organisations, third sector bodies and universities, invited to the seminars organised by us in Barcelona, Seville and Valencia and the Final Conference in Madrid, are carrying out effective new initiatives to adapt to the diversity of their environment. Companies are increasing contact with customers and suppliers of different nationalities, cultures, religions, customs, languages... and in this new business reality we will benefit from different organisational cultures if we know how to manage this properly.

There are more than six million people born outside Spain living here in 2014, so we want to be conscious of the fact that proper management of our cultural diversity is not just a legal and moral obligation, but also impacts directly on a company's results. It is therefore vital to assess the performance of the diversity management programme implemented in our companies to gauge and evaluate its results qualitatively and quantitatively.

If we know how to manage cultural diversity, we will achieve both economic and social benefits which create industrial harmony in as delicate an area as employment.

We must be aware of our cultural and corporate wealth here in Spain. Being aware that creativity is vital for coming out of the crisis, we must support the fight against all forms of racism, xenophobia and other related intolerance.

Marina del Corral Téllez
Secretary General of Immigration and Emigration

# PROJECT INTRODUCTION AND PRESENTATION

The Managing Cultural Diversity in Small and Medium Enterprises project (GESDIMEP) has sought to obtain an analysis on cultural diversity in small and medium enterprises, in municipal areas with a higher immigrant population and, where appropriate, with greater racial or ethnic diversity, bearing in mind that more than 99% of the Spanish business community falls under this category.

This project has allowed us to identify transferable actions that can help to improve the management of cultural diversity in the workplace, strengthening the positive image of integrating immigrants and ethnic minorities in small and medium enterprises.

The approach made to the municipal officials of those populations with higher rates of immigration has also been especially important, because they are potential sources of labour hiring for small and medium enterprises and to also raise the awareness of the benefits of proper cultural diversity management in small and medium enterprises.

We have carried out these objectives by:

#### I. Producing a diagnosis of the situation in Spain.

For a diagnosis of the cultural diversity management situation in small and medium enterprises, it was considered important to conduct both a quantitative and qualitative study on the subject.

We firstly prepared a series of questionnaires designed to gauge, on the one hand, knowledge of the concept of cultural diversity management, the importance of promoting these types of practices in companies, their appreciation of the degree of application of these types of practices in SMEs and their perception of the work that social bodies, local bodies and other public administrations, chambers of commerce, business associations and confederations and universities should carry out to support and promote the application of diversity management policies in SMEs.

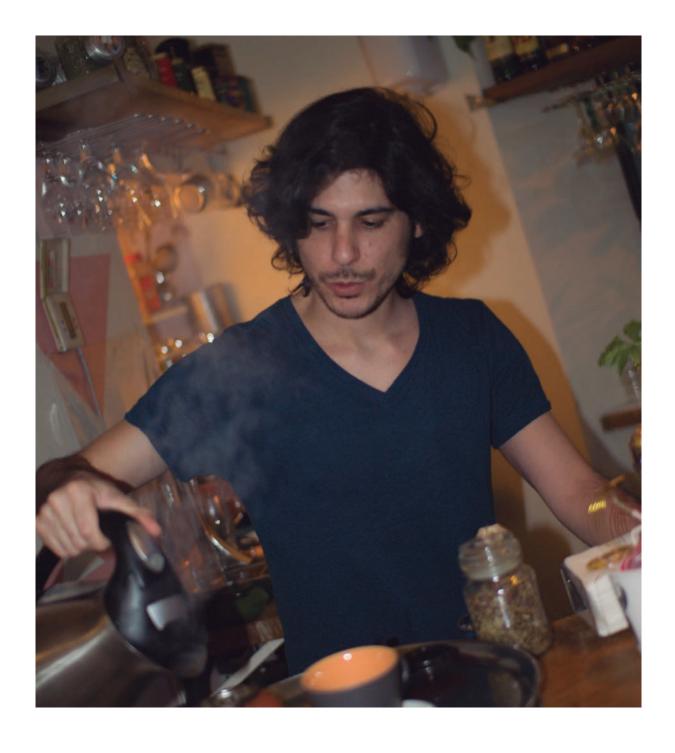
The qualitative study was focused on holding three seminars and a Final Conference on the subject in four autonomous regions with a high percentage of immigrants: Catalonia, Andalusia, Valencia and Madrid.

Each seminar was structured into three areas: business management of diversity, the role of local bodies in promoting diversity management and links between managing diversity and equal treatment policies.

We analyse the results of both studies in chapter four of this publication.

- 2. Reviewing the secondary sources, which meant we could analyse the main reference documents on cultural diversity management in SMEs.
- 3. Analysing proposed SME examples whose practices are transferable.
- 4. Communicating and disseminating the experience through

- The organisation of the three seminars, held in 2013 in Barcelona, Seville and Valencia.
- The organisation of an international conference on 13 March 2014 in Madrid, as the meeting place to discuss the results obtained.
- The preparation of two publications (one web version in Spanish and English and another summarised version on paper and in web format in Spanish, Basque, Catalan, Galician and English), in which we indicate tools that we believe can help SMEs become aware of the specific benefits of proper management of cultural diversity in a business environment, also promoting equal opportunities and non-discrimination for immigrants and ethnic minorities.



# 3 DIAGNOSIS OF SITUATION



Increased globalisation has meant a transformation in the way in which the production of goods and labour in general is organised. An example of this is the delocalisation of the production of multinational companies and their increasing ability to fragment production processes and outsource them, turning the contemporary company into a kind of chain or network. (García, 2010)<sup>2</sup>.

There is no longer a place where all the work and production of multinational companies and all their workers are concentrated. In fact, the company is organised into subdivisions which operate in one country or another depending on the advantages of that locality for production purposes and achieving its goals.

Nowadays a shoe is designed in New York, the leather for making it is produced in Africa and the end product is manufactured in an Asian country. This flexibility and the short time frame have become, as Sennett points out<sup>3</sup>, two of the central features of how work is organised today. Changes in the location of production and movement of goods and services have been accompanied by movement of people.

These movements have risen sharply in recent decades and their demographic impact has transformed the urban landscape of many countries, making it far more colourful and multicultural. The total number of international migrants has increased over the past ten years and gone from 150 million in 2000 to 214 million today;in other words today one out of every 33 people in the world is a migrant<sup>4</sup>.

- 2 García, J. (2010) "La condición migratoria" (The migratory condition), in Lacomba, J. and Falomir, F. (Eds)., From migrations as a problem to migrations as an opportunity. Codevelopment and migratory movements, Catarata, Madrid.
- 3 Sennett, R. (2000) The corrosion of character. The personal consequences of work in the new capitalism, Anagrama, Barcelona.
- 4 IOM, report on world migration in 2013 http://www.publications.iom.int and United Nations Trends on the total migrant stock, 2008 review, http://esa.un.org/migration

This increasingly diverse social reality affects organisations, so it is important to manage cultural diversity not only as a basic element that helps to create social cohesion and equal treatment, but also as a management strategy because it improves productivity since it helps to organise work favouring business innovation.

Managing cultural diversity should not be viewed solely **in terms of human rights** or equal treatment and non-discrimination policies. This is an essential approach, but it does not exhaust the possibilities of managing cultural diversity.

The UNESCO Universal Declaration on Cultural Diversity <sup>5</sup>, advocates in art. I and 2 that: cultural diversity is a source of exchange, innovation and creativity, as necessary for humankind as biodiversity is for nature. In our increasingly diverse societies, it is essential to ensure harmonious interaction among people and groups with plural, varied and dynamic cultural identities as well as their willingness to live together. Policies for the inclusion and participation of all citizens are guarantees of social cohesion, the vitality of civil society and peace. Thus defined, cultural pluralism gives policy expression to the reality of cultural diversity. Inseparably linked to a democratic framework, cultural pluralism is conducive to cultural exchange and to the flourishing of creative capacities that sustain public life.

In the European Union and Spain, discrimination is prohibited by Treaties, Directives, the Spanish Constitution and various laws, and may even constitute a crime under our Penal Code in article 314. Some studies indicate that migrants or people of certain ethnic backgrounds are discriminated against when it comes to finding employment.

As the 2012 report<sup>6</sup> on Evolution of Racism and Xenophobia in Spain points out, the workplace plays a key part in perceptions that the Spanish population has of immigrants. Also, the study Perceived discrimination due to racial or ethnic origin in employment and training<sup>7</sup> of the Council for the Promotion of Equal Treatment and Non-discrimination of People based on Racial or Ethnic Origin analyses the evolution of perceived discrimination due to racial or ethnic origin by potential victims, and highlighted that 46.7% of those people surveyed in 2011 perceived employment discrimination (3 percentage points more than 2010), or the special Eurobarometer 2012 report on discrimination<sup>8</sup> shows that 56% of Europeans and 58% of Spaniards feel that ethnic discrimination is widespread.

We should also **focus on other business management approaches**, such as the definition provided by the European Union Diversity Management Manual: "Diversity Management is the active and conscious development of a future oriented, value driven strategic, communicative and managerial process of accepting and using certain differences and similarities as a potential in an organisation, a process which creates added value for the company" <sup>9</sup>

<sup>5</sup> http://portal.unesco.org/es/ev.php-URL\_ID=13179&URL\_DO=DO\_TOPIC&URL\_SECTION=201.html

<sup>6</sup> Cea D'Ancona, Ma Ángeles and Vallés Miguel. Evolution of Racism, Xenophobia and related Intolerance. Oberaxe-Ministry of Employment and Social Security. 2012 Report.

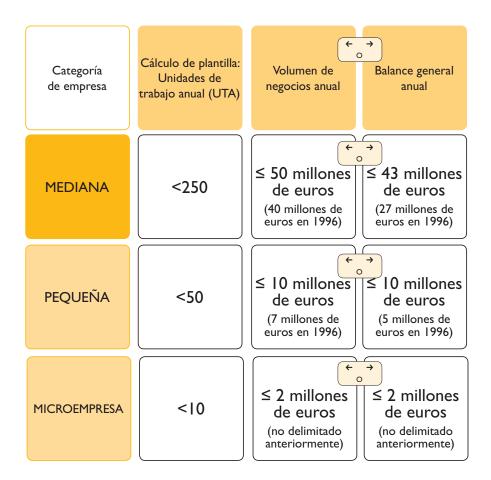
<sup>7</sup> http://www.igualdadynodiscriminacion.org/recursos/publicaciones/2013/monografia\_empleo.htm

<sup>8</sup> Eurobarometer 78.1. Public Opinion in the European Union. Autumn 2012. European Commission.

<sup>9</sup> Guide to managing cultural diversity in the company. Red Acoge: Diversity Management Manual published by the EU under the European Community action programme to fight discrimination (2001-2006)

Managing diversity is also a vital business management strategy for attracting new customers, opening new lines of business and boosting competitiveness. If those SMEs that do not implement cultural diversity management policies yet, became more aware of the benefits of it, they would include talent and innovation resulting in a better work environment and optimisation of limited resources.

This project focuses on SMEs. In the European Union, small and medium enterprises (SMEs) belong to a group of companies made up of between 10 and 249 workers (fewer than ten employees is a micro-enterprise) and whose annual turnover is less than 50 million euros. The annual general balance sheet of SMEs must not exceed 43 million euros either<sup>10</sup>.



In Europe there are an estimated 23 million SMEs (companies with fewer than 250 employees), representing 99% of the business community and around 75 million jobs<sup>11</sup>. Many of them already manage their businesses taking into account the cultural diversity variable. In fact, we know of many experiences of where good Cultural Diversity Management is an opportunity for companies that need tools to turn the existing diversity into an asset.

<sup>10</sup> Commission recommendation, of 6 May 2003, on the definition of micro, small and medium enterprises (Text with EEA relevance) [notified with number C (2003) 1422] Official Journal no. L 124 of 20/05/2003 pages 0036 – 0041

<sup>11</sup> https://ec.europa.eu/eures/main.jsp?lang=es&catId=9674&myCatId=9674&parentId=20&acro=news&function=newsOnPortal

The 2011 project Managing Diversity in the Workplace GESDI, led by the Spanish Observatory on Racism and Xenophobia, focused on working directly with professional environments, such as companies, business organisations and other agents interested in introducing diversity management processes in their organisations. As a result, indicators on Equal Treatment and Non-discrimination, Human Resources, Communication, Organisational Commitment and Processes were agreed as a self-diagnosis and analysis tool for cultural diversity management. More than thirty organisations were evaluated based on the indicators, with the project justified because the organisations listed in the publication were considered success stories. Recommendations were also proposed for the appropriate management of cultural diversity in professional environments. One of the results of the project was the preparation of a guide<sup>12</sup>.

It has been considered important in this opportunity to address the subject of managing cultural diversity exclusively within SMEs, because the inclusion and management of cultural diversity is one of the challenges which SMEs face in the coming years.

**Both perspectives, Human Rights and Business Management**, are two of the challenges to be faced by small and medium enterprises in the coming years, strengthening the positive image of integrating immigrants and ethnic minorities in companies and professional environments.

Good diversity management in companies and organisations is possible. Other actors, such as local bodies and other public administrations, universities, business organisations, chambers of commerce, unions, NGOs and immigrants' associations, would need to be made aware of the contributions and complicity that they can offer. Important institutions for the company which in many cases are able to collaborate and provide cultural diversity management support tools.

To connect, to collaborate, to learn and to share are objectives of an intelligent and prosperous society. With an internationalised market, highly diverse territories, delocalised production, etc. companies and other organisations may on occasions need a new outlook, a new agenda to help them achieve a positive transformation, not without risks.

## International background

The aforementioned Unesco Universal Declaration on Cultural Diversity in 2001<sup>13</sup> sets a precedent for Managing Cultural Diversity, awarding the status of common heritage of humanity to cultural diversity.

For its part, the European Union (EU) has promoted the importance of properly managing diversity through different mechanisms (strategies, documents, funding programmes, etc.): specifically, the article 22 of the European Charter of Fundamental Rights states that "the union respects cultural, religious and linguistic diversity<sup>14</sup>".

In addition to the European legislative framework, numerous international studies carried out<sup>15</sup>, (see appendix I) look at the issue of Managing Cultural Diversity.

What's more, EU ministers competent on the matter of integrating immigrants, who met in Zaragoza in 2010 at a Ministerial Conference on this subject, agreed among other issues: to consider cultural diversity as an opportunity for Europe's economic and social progress and a tool for tackling discrimination, and to adopt a global approach with the participation of key stakeholders for stimulating the management of the diversity and exchanging experiences and business initiatives.<sup>16</sup>

In the project seminar held in Barcelona, Myrtha Casanova<sup>17</sup>, Founder of the European Institute for Managing Diversity, pointed out that Professor Di Stephano of the University of Lausanne and his team carried out valuable research to help understand the impact of diversity on all areas of the environment<sup>18</sup>. The study was conducted in 6 countries (Japan, United States, Canada, Brazil, Germany and Italy) with 72 groups. The result of the study shows that teams/ groups made up of diverse people tend to be chaotic, homogenous teams/groups tend to be obsolescent and only diverse team/groups that manage the inclusion of their participants achieve a higher level of creativity, innovation and efficiency generated in the organisation.

<sup>13</sup> Unesco Universal Declaration on Cultural Diversity. 2 November 2001. Available at http://portal.unesco.org/es/ev.php-URL\_ID=13179&URL\_DO=DO\_TOPIC&URL\_SECTION=201.html

<sup>14</sup> http://europa.eu/legislation\_summaries/justice\_freedom\_security/combating\_discrimination/I33501\_es.htm

<sup>15</sup> See APPENDIX I

<sup>16</sup> http://explotacion.mtin.gob.es/oberaxe/inicio\_descargaFichero?bibliotecaDatoId=225

<sup>17</sup> Myrtha Casanova, Founder of the European Institute for Managing Diversity. Barcelona Seminar. October 2013. 18 Information available on the website: http://www.iegd.org/spanish800/innovacion.htm

Some EU countries have been incorporating Cultural Diversity Management in the general functioning of their societies and also in their companies, since the mid-20th century: How have they done this? What are the common elements? Are these experiences transferable?

**Belgium** has developed an Equality and Diversity Label (Label Égalité Diversité), encouraging business owners to introduce diversity in their economic, social and commercial strategies.

In 2008, **France** developed a Diversity Label (Label Diversité)<sup>19</sup>, certifying the commitment of organisations in promoting diversity. Organisations are awarded the label after being assessed by a Committee made up of representatives from the government, employers' associations, trade unions and the national association of human resources directors.

In this respect, the Comprehensive Strategy against Racism, Racial Discrimination, Xenophobia and other related Intolerance<sup>20</sup> includes as one of its employment objectives: "develop the preparation and application of Diversity Management Plans in Organisations" and thus encourage the establishment of Diversity Charters or Labels

This certificate aims to prevent and combat discrimination. It gives us the idea of promoting diversity through specific and measurable actions, such as raising awareness among managers, training of HR managers, community actions, internal audits...The Diversity Label complements other quality certifications (such as ISO, etc.). Convinced that managing diversity has an economic and social role to play, they created a structured framework so that companies could implement diversity policies. The Diversity Label is therefore a state initiative created to re-assess the neutrality of business practices, particularly those relating to Human Resources management. The company prepares and submits its application, the AFNOR Certification assesses it, the necessary changes are analysed and the company submits its modifications to the National Certification Commission for the final certification. Periodic assessments are carried out to see whether the certification should be maintained. The process distinguishes between public institutions, companies with more than 50 employees and those with fewer than 50 employees.

The Diversity Label not only has to do with managing cultural diversity, but also the 18 reasons for combating discrimination contained in French law: gender, disability, religious affiliation, ethnic group, sexual orientation, age, etc.

<sup>19</sup> The French Diversity Label. A lever to prevent and combat discrimination. Association Française des Managers de la Diversité. Fondation Agir Contre l'Exclusion.

http://www.afnor.org/profils/centre-d-interet/dd-rse-iso-26000/archives-actualites/le-label-diversite-un-engagement-concret-et-efficace-en-faveur-de-la-prevention-des-discriminations

<sup>20</sup> Comprehensive Strategy against Racism, Racial Discrimination, Xenophobia and related intolerance. Available in Spanish and English at http://explotacion.mtin.gob.es/oberaxe/inicio\_descargaFichero?bibliotecaDatold=207 and http://explotacion.mtin.gob.es/oberaxe/inicio\_descargaFichero?bibliotecaDatold=211

## 3.2 National background

Spain has not remained untouched by the influence of globalisation. Its productive areas and labour market over the past decade have been supplied by workers born overseas, especially in sectors such as agriculture, services, construction, some areas of the health sector including geriatrics, and industry.

Different studies have been conducted and guides produced whose objectives have been to raise awareness of the importance of proper *Diversity Management* and the proposal to prepare tools to lead workforces with personnel from diverse backgrounds. Generally these have been promoted by Third Sector organisations, Research Institutes, Public Administrations and some universities, focusing their attention on processes and procedures to follow for managing diverse teams<sup>21</sup>.

One of the publications is the "Guide to managing diversity in the workplace", prepared by OBE-RAXE, and referred to in the introduction as work of which this project is a continuation. It mentioned that diversity in organisations is about recognising differences, both socio-demographic (age, gender, ethnic background, sexual orientation, nationality, training, number of years in company, role, academic level...) and human capital (knowledge, cognitive schemes, experience, values...), which make people unique and groups diverse. Indicators were agreed in this guide that serve as a self-diagnosis and analysis tool for managing cultural diversity, in areas such as equal treatment and non-discrimination, human resources, communication, organisational commitment and organisational processes.

At the start of the economic crisis, the discourse on managing diversity had to address two different situations: on the one hand, the shrinking of the labour market and subsequent increase in unemployment, which is much higher among the immigrant population than the Spanish population, and, on the other hand, the Spanish business landscape turning its attention to export activity and greater internationalisation. According to the EOI study on "Internationalisation trends of Spanish SMEs in 2011"<sup>22</sup>, the main internationalisation strategy of SMEs is exportation. The study showed that Spanish companies, particularly the very smallest ones, see internationalisation as a domestic market solution, while larger companies consider market diversification important.

#### 21 See the websites:

Instituto Europeo de Gestión de la Diversidad: http://www.iegd.org/spanish800/diversidad.htm

Instituto de Estudios Superiores de la Empresa (IESE): http://www.iese.edu/es/

Universidad de Cádiz: http://www.uca.es Fundación Cepaim: http://cepaim.org/ Red Acoge: http://www.redacoge.org/ Cruz Roja Española: http://www.cruzroja.es

Fundación Diversidad http://www.fundaciondiversidad.org/

22 Internationalisation trends in Spanish SMEs 2011 EOI available at http://www.eoi.es/savia/search/node/tendencias%20internacionalizacion

Furthermore, we have the emergence of the *knowledge economy* and new concept of work and innovation, which is gaining momentum with what Zamagni<sup>23</sup> calls the third industrial revolution, the era of technological innovation. This is a fundamentally different era to the early 20th century when work was structured around the manufacturing economy and where work performance depended on the business owner's ability to organise their assembly line.

In contrast, in the knowledge economy, an increase in productivity is not associated with exploitation of the workforce or the mechanical division of tasks, but rather competitiveness and good work performance depend on a company's ability to innovate which in turn depends on any new and good ideas offered by its employees.

This is therefore contrary to the Taylor model which worked like a pyramid with a chain of command, in which the directors gave the orders and those at the end of the production line obeyed, and were not supposed to think. The knowledge economy considers it is important for the company to generate conditions that allow it to take advantage of all contributions from its human capital, because good ideas are not the exclusive prerogative of only some of its members. This means changing the traditional way of thinking about managing human resources.

What Micheal Polany calls tacit knowledge is of particular interest currently. Bosses cannot force their employees to give them new and good ideas. For such ideas to arise and be shared in the company, a particular type of interpersonal and intersubjective relationship is needed between



23 Cf. Zamagni, S. "Reciprocity and fraternity. The role of feelings in the economy", at 20th Étnor Seminar: The goal of the economy and the company to build a good society, Étnor, Valencia, 2010. (In press).

the company's workers and their bosses. According to Zamagni, the only way of obtaining tacit knowledge is through a type of relationship known today as a reciprocity relationship which we believe will arise more easily in those companies that apply diversity management policies.

Cultural diversity management is a key factor for consolidating innovation as driver of growth. This is a practice which provides social cohesion in that it encourages inclusion practices in equal conditions and innovation generated through exchange of knowledge in heterogeneous work groups.

As shown by the GESDI project and other similar studies which analyse actual cases of companies that implement cultural diversity management (see APPENDIX II), the current cultural diversity management situation in Spain reveals how some companies and sectors have made great progress in this area making use of specific diversity management tools, while others are still working on the barriers to include the difference.

There are publications that insist on the human rights perspective that we mentioned above and which focus on the necessary prevention and fight against racism, xenophobia, racial discrimination or other related forms of intolerance, such as the annual reports of the NGOs: SOS Racismo <sup>24</sup>, Amnesty International<sup>25</sup>, ACCEM<sup>26</sup> Romani Union<sup>27</sup>, Roma Secretariat Foundation<sup>28</sup> or Movement against Intolerance<sup>29</sup>, the studies of the Spanish Observatory on Racism and Xenophobia <sup>30</sup> (although these studies look at both perspectives), the document *Living Together, Combining Diversity and Freedom in 21st Century Europe* of the European Council<sup>31</sup>, and the studies of the Council on promoting equal treatment and non-discrimination of people based on racial or ethnic origins<sup>32</sup> and other publications of the Secretary of State for Social Services and Equality<sup>33</sup>.

There are also publications that outline the cultural diversity management tools and strategies and procedures for their application in companies and organisations, because it increases the perception that their implementation opens new markets and boosts corporate profitability.

- 24 http://federacionsosracismo.wordpress.com/about/
- 25 http://www.es.amnesty.org/index.php
- 26 http://www.accem.es/es
- 27 http://www.unionromani.org/
- 28 http://www.gitanos.org/
- 29 http://www.movimientocontralaintolerancia.com/
- 30 http://explotacion.mtin.gob.es/oberaxe/inicio
- 31 Living together. Combining diversity and freedom in 21st century Europe Report of the Group of Eminent Persons of the Council of Europe (2011). Available at

http://human-rights-convention.org/2011/05/11/living-together-combining-diversity-and-freedom-in-21st-century-the-group-of-eminent-persons-presents-its-report/

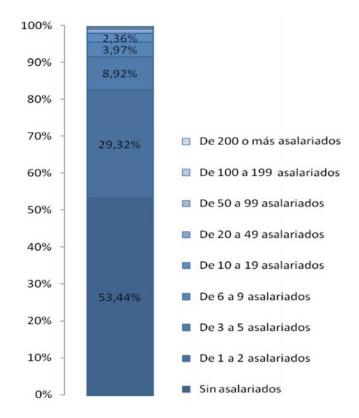
- 32 http://www.igualdadynodiscriminacion.org/recursos/publicaciones.do
- ${\bf 33\ http://www.msssi.gob.es/ssi/igualdadOportunidades/noDiscriminacion/publicaciones.htm}$

## 3.3 Close-up of the industrial fabric

Companies have employees, suppliers, customers, processes, personnel management, resource management, energy expenditure, investment, etc. Companies produce saving and wealth. The reality of a company is complex and requires a close look. Consideration also needs to be given as to how demographic and cultural changes are changing market demand.

Around Europe the immigrant population as a workforce is growing in many sectors, and this fact must continue to grow, in order to compensate both the ageing of the native population and our pension systems.

#### Empresas por estrato de asalariados



Fuente: DIRCE (Instituto Nacional de Estadística) y elaboración propia.

The size of companies in Spain's industrial fabric is one of its most noteworthy features in terms of diversity management. The National Institute of Statistics indicates in the Central Companies Directory (CCD) all Spanish companies and their local units located on national territory. Attached is a table showing the presence of micro-enterprises and SMEs in Spain. This highlights how important it is that initiatives for managing diversity are focused on these companies.

	Total			Sociedades anónimas			Personas físicas		
	2013	2008	2000	2013	2008	2000	2013	2008	2000
Total	3.146.570	3.422.239	2.595.392	96.600	113.130	131.079	1.619.614	1.857.931	1.662.679
Sin asalariados	1.681.588	1.754.374	1.417.221	27.209	25.617	24.927	1.091.811	1.242.389	1.183.491
De I a 2 asalariados	922.646	958.711	666.054	17.942	19.221	23.728	423.748	472.830	368.291
De 3 a 5 asalariados	280.643	345.848	246.660	10.887	12.567	16.939	81.230	108.749	81.402
De 6 a 9 asalariados	125.029	160.460	108.534	10.147	11.741	14.437	17.837	25.288	19.663
De 10 a 19 asalariados	74.204	110.369	85.259	11.450	15.809	19.366	4.297	7.299	7.996
De 20 a 49 asalariados	39.506	61.709	49.855	10.313	15.690	18.997	691	1.376	1.866
De 50 a 99 asalariados	11.745	16.242	12.362	4.039	6.016	6.532	0	0	0
De 100 a 199 asalariados	6.130	8.061	5.373	2.300	3.278	3.278	0	0	0
De 200 a 499 asalariados	3.450	4.511	2.910	1.474	2.127	1.986	0	0	0
De 500 a 999 asalariados	885	1.117	697	432	582	532	0	0	0
De 1000 a 4999 asalariados	643	725	396	338	408	303	0	0	0
De 5000 a más asalariados	101	112	71	69	74	54	0	0	0

Source: INE 2014.

According to data provided by the National Institute of Statistics (INE), referring to and reflecting the resident foreign population in Spain (in January 2013 and July 2013), on 1 January 2013 there were 5,072,680 people and on 1 July 2013 there were 4,870,487. The main nationalities of foreigners on 1 July 2013 were as follows: Romania 746,604 people, Morocco 736,121 people, United Kingdom 314,585 people, Ecuador 240,735 people, Colombia 194,812 people, Italy 181,673 people, China 167,067 people and Germany 151,891 people.

Regarding employment status, according to data from the Labour Force Survey (EPA), the foreign population is notable for its highest level of activity, which translates into higher employment rates than for the not foreign population, but also higher rates of unemployment since the beginning of the crisis (up 10 percentage points higher in 2013).

#### Activos, Ocupados y Parados

	Medias anuales (datos EPA revisados según la base poblacional 2011)						
	1997	2000	2004	2008	2013		
TOTAL							
Cifras abs. (en miles)							
Población	32.584,5	33.593,1	35.928,8	38.390,2	38.638,6		
Activos	16.809,7	18.002,3	20.375,8	23.065,6	23.190,2		
Ocupados	13.345,6	15.505,9	18.142,3	20.469,7	17.139,0		
Parados	3.464,1	2.496,4	2.233,5	2.595,9	6.051,1		
Tasas (%)							
Actividad	51,59	53,59	56,71	60,08	60,02		
Empleo	40,96	46,16	50,50	53,32	44,36		
Paro	20,61	13,87	10,96	11,25	26,09		
EXTRANJEROS							
Población	397,0	810,1	2.595,7	4.457,0	4.083,7		
Activos	221,7	534,4	1.918,8	3.551,5	3.234,0		
Ocupados	175,1	454,2	1.659,3	2.929,7	2.034,0		
Parados	46,6	80,2	259,5	621,8	1.200,0		
Tasas (%)							
Empleo	44,11	56,07	63,92	65,73	49,81		
Paro	21,02	15,01	13,53	17,51	37,11		

Fuente: INE , EPA

According to figures from the Public Service of Employment, in December 2013, in Spain there were a total of 4.701.338 people unemployed, 555,728 of which were foreign. Therefore, foreign applicants in unemployment, in December 31, 2013, represented 11.8% of the unemployed workers in the state level."

#### Trabajadores extranjeros afiliados a la Seguridad Social en alta laboral

Unidades miles de trabajadores

	1997	2000	2004	2008	2012
TOTAL (I)	12.932,1	15.062,9	17.081,8	19.005,6	16.738,6
AGRARIO (2)	1.305,1	1.300,2	1.273,0	1.204,5	1.168,1
Industria	2.417,8	2.649,4	2.655,3	2.638,7	2.103,5
Construcción	1.145,6	1.612,4	2.013,7	2.182,4	1.123,4
Servicios	8.021,7	9.469,8	11.129,8	12.979,9	12.343,6

Fuente: INE 2014.

On the other hand, we must note the significant role played by the incorporation of the foreign population registered in Social Security, until the start of the crisis, the incorporation of the foreign population registered in Social Security. The number of workers affiliated increased from 12.9 million in 1997 to 15 million in 2000 and reached 19 million in 2008. However, the effect of the crisis has also been noticeable in affiliation, so that the number of contributors in 2012 returned to stand at 16.7 million. By sector, it is remarkable that from 1997 to 2012 there were 4 million workers in the service sector, while in other sectors the figures for affiliated workers were very similar or lower than in 1997. The strong increase of workers in the construction sector, which attracted a number of foreign workers was lost completely at the end of 2012.

## Trabajadores extranjeros afiliados a la Seguridad Social en alta laboral por sector de actividad. Datos a último día de diciembre

	TOTAL	Agrario	Industria	Construcción	Servicios
2009	1.811.879	276.535	134.989	200.384	1.197.913
2010	1.792.533	282.066	130.625	173.402	1.202.524
2011	1.717.239	273.359	121.749	132.284	1.182.685
2012	1.624.926	215.954	109.714	101.378	1.197.285
2013	1.525.702	185.082	102.154	86.781	1.151.403

Fuente: MEYSS

Data for foreign workers affiliations, which publishes the General Treasury of the Social Security under the title "Last day of the month" are available on the Social Security website:

 $http://www.seg-social.es/Internet\_I/Estadistica/Est/AfiliacionAltaTrabajadores/SeriesDeAfiliacionPublicadasDesdeI999/2013/2013AUltimoDialindex.htm$ 

Indeed, in recent years it has been lost a 16% of foreign workers affiliated to Social Security, where the most significant losses were 91,453 in agriculture, 32,835 in industry and 113,219 in construction; however, in the services sector, which has more skilled labour, the fall has been less pronounced from 1,197,913 to 1,151,403, which is a sector decline of 3.85% in the affiliation.

In terms of the skilled labour of these foreign workers, it should be pointed out that many of them have opted for self-employment and registering with the RETA (Special Scheme for Self-Employed Workers) to work on a self-employed basis.

We can define a self-employed worker (not to be confused with an individual entrepreneur or businessman) as the individual performing regular, personal, direct, self-employed and off the field of management and organization of another person, a business or professional activity for profit, giving occupation for employed persons<sup>34</sup>.

There is a lot of diversity among migrant workers: there is unskilled labour, but also many workers are highly skilled professional people who quite often occupy under-skilled positions.

Cultural diversity is particularly evident with immigrant groups, but they are not the only ones who bring diversity to our society. From a broad perspective of the term, we can consider many diversities that coexist in our complex societies: the cultural diversity of ethnic minorities, such as the Roma population, the cultural diversity of those citizens with full rights who come from migrant families, the diversity of beliefs and religions not necessarily associated with migration, linguistic diversity and diversity of national identity, and much more besides, for example other diversities less connected with culture, such as sexual orientation, gender identity, abilities, age, etc. which define all of us as diverse.

Another dimension of diversity in the Spanish labour market is represented by the Roma population. The latest Report on Roma Population and Employment, published in 2012<sup>35</sup>, shows the impact of the economic crisis for this population in relation to employment data, in comparison with the previous study in 2005.

First, the activity rate in Roma (68.9% for the group aged 16 to 65 years) is slightly higher than the majority population, and the employment rate (43.8% for the same age range) is lower at four points then the population in general, while the unemployment (37.5%) is sixteen points higher than the general population.

In addition, access to the labour market is too marked by underemployment and temporality which makes the insertion process to be highly vulnerable. It should be noted that among the employed Roma population, nearly 26% said "occupation is as such collaboration in family economic activity", which reveals a non-standard situation.

The Government of Spain, intending to confront this reality, has foreseen in successive Action Plans for Employment, employment measures and training activities for specific groups more vulnerable, including the Roma.

Note that one of the priority areas of the National Strategy for Inclusion Social and Roma in Spain 2012-2020<sup>36</sup>, adopted by the Council of Ministers the March 2, 2012, is the access to employment and self-employment, with special emphasis on gender equality. This priority is also required by other Plans such as the Strategic Plan for Citizenship and Integration<sup>37</sup>, or the Comprehensive Strategy against racism, racial discrimination, xenophobia and related forms of Intolerance<sup>38</sup> including employment measures, inter alia, training or access to employment. The Multi-Annual Work Plan 2013-2015 of the Council for the Promotion of Equal Treatment and

<sup>35 2012</sup> Report on the Roma Population and Employment. Roma Secretariat Foundation / Ministry of Health, Social Services and Equality.

<sup>36</sup> Ministerio de Sanidad, Servicios Sociales e Igualdad. Estrategia Nacional para la inclusión nacional de la población gitana en España 2012-2020 https://www.msssi.gob.es/ssi/familiasInfancia/inclusionSocial/poblacionGitana/estrategiaNacional.htm

<sup>37</sup> Strategic Plan for Citizenship and Integration 2011-2014. Ministry of Labour and Immigration http://extranjeros.empleo.gob.es/es/IntegracionRetorno/Plan\_estrategico2011/

<sup>38</sup> Comprehensive Strategy against Racism, Racial Discrimination, Xenophobia and related intolerance. Ministry of Labour and Immigration.

Non-discrimination of People by Racial or Ethnic Origin<sup>39</sup> identifies the area of employment as one of its priorities for action.

Given that employment is one of the key areas for enabling better integration of migrants in host societies, we should briefly mention the so-called active employment policies as one of the cornerstones of the integration policy.

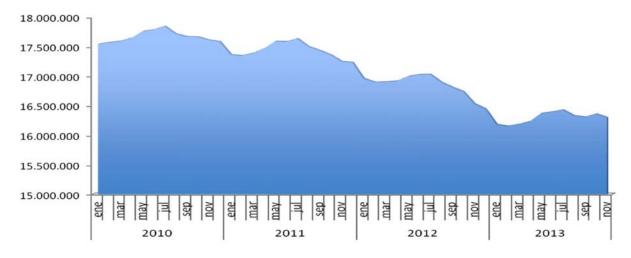
Active employment policies cover a series of orientation, employment and training programmes and measures which aim to: improve access to employment opportunities for the unemployed; adapt training and retraining for the employment of workers and promote entrepreneurship and the social economy; focusing particular on groups with labour market integration difficulties (either due to structural or circumstantial reasons) for whom specific measures are implemented.

The Integrated Action Plans of the Labour Inspectorate and Social Security for 2011, 2012 2013 included in the Work Conditions Area, under the heading "Employment and Labour Relations", a programme called "Discriminatory Conditions of Immigrants", designed to plan inspection actions in this area.

Let us analyse some data:

In recent years (from 2010 until November 2013, latest available data), the number of workers registered with Social Security has fallen 7.14%, from 17,546,011 to 16,293,543.

#### Total de trabajadores en alta en el total del sistema

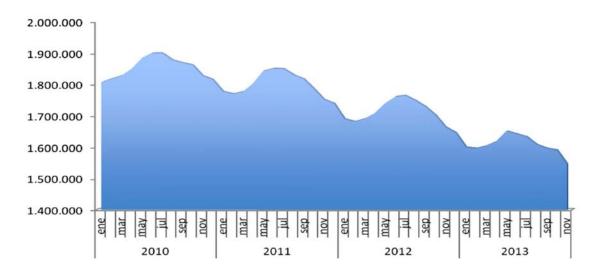


Fuente: Ministerio de Empleo y Seguridad Social y elaboración propia.

<sup>39</sup> The Council is Spain's equality body, for the purposes of the provisions of article 13 of Directive 2000/43/EC implementing the principle of equal treatment of people irrespective of their racial or ethnic origin. It is responsible, among other functions, for providing independent assistance to victims of discrimination when pursuing their complaints, autonomously and independently carrying out analyses and studies and publishing independent reports and promoting measures that help achieve equal treatment and the elimination of discrimination, making any necessary recommendations and proposals.

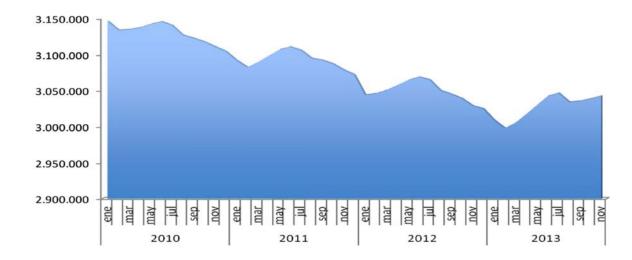
During the same period, the number of foreign workers registered fell 14.84%, from 1,806,873 to 1,545,170 people.

#### Afiliación de trabajadores extranjeros



Fuente: Ministerio de Empleo y Seguridad Social y elaboración propia.

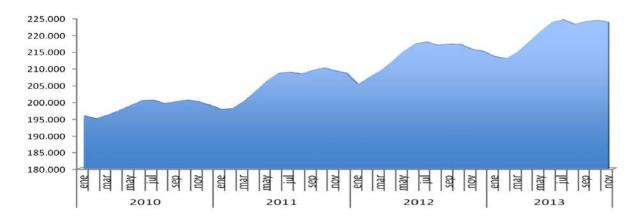
#### Trabajadores afiliados al Régimen Especial de Trabajadores Autónomos



Fuente: Ministerio de Empleo y Seguridad Social y elaboración propia.

In contrast to changes in general affiliation figures, the number of foreigners registered with the Special Scheme for Self-Employed Workers has increased 14.26%, rising from 195,750 to 223,671 people.

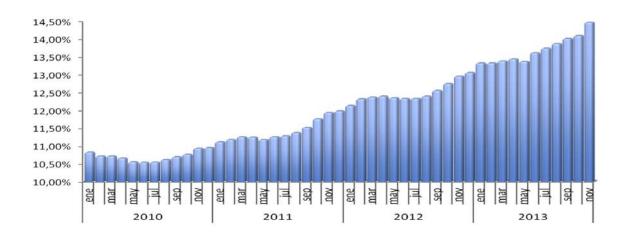
#### Afiliación de trabajadores extranjeros al Régimen Especial de Trabajadores Autónomos



Fuente: Ministerio de Empleo y Seguridad Social y elaboración propia.

The percentage of foreign workers registered with the Special Scheme for Self-Employed Workers out of the total number of foreign workers registered with Social Security has risen from 10.83% in January 2010 (10.55% in June 2010) to 14.48%.

## Porcentaje de trabajadores extranjeros afiliados al Régimen Especial de Trabajadores Autónomos sobre el total de trabajadores afiliados extranjeros



Fuente: Ministerio de Empleo y Seguridad Social y elaboración propia.

# FIELD OF STUDY METHODOLOGY AND RESULTS

Cultural diversity is present in all social spaces: public space, schools, health centres, public administrations, associations...We are all diverse and we all have the challenge of taking advantage of the cultural richness of being diverse.

Participative methodology has been considered an essential part of the project to help collect information from institutions, bodies and organisations to gauge the level of knowledge and implementation of cultural diversity management actions in our country.

For this, a series of questionnaires were prepared to assess the level of knowledge of the concept of cultural diversity management, perception of the implementation of these practices in companies, SMEs and business organisations, and the task that must be performed by trade unions and social organisations, universities, local bodies and business confederations to support and promote the implementation of diversity management policies in small and medium enterprises.

Four types of questionnaires were designed for local bodies, organisations (trade unions, immigrants, businesses, business schools, NGOs, etc.), Universities and SMEs, from September to November 2013, by the Spanish Observatory on Racism and Xenophobia.

For greater reach, collaboration was requested to forward the questionnaires to institutions that had participated in this project: Spanish Federation of Municipalities and Provinces (FEMP), Business Confederation of Small and Medium Entrepreneurs (CEPYME), Department of Immigration of the Regional Government of Catalonia, Department of Migration Policies of the Regional Government of Andalusia, Department of Integration and Development Cooperation of the Regional Government of Valencia and Department of Immigration of the Autonomous Region of Madrid.

A total of 1,282 questionnaires were sent out key agents and entities and 178 completed and received, providing valuable information for the seminars held in Barcelona, Seville and Valencia and for producing a small snapshot of the basic aspects of the implementation of cultural diversity management in SMEs.

A total of 11 questionnaires were received from chambers of commerce and business confederations, 24 from companies and SMEs, 43 from NGOs, 17 from foundations, 9 from unions, 64 from local bodies and other public administrations, and 9 from universities.

The results of their analysis are presented below and reflect the contributions of the key agents in promoting and supporting diversity management in SMEs: local bodies, universities, third sector, unions, and associations for business owners, self-employed workers and chambers of commerce.

# 4.1 Results of the analysis of questionnaires in the third sector

In the third sector there is a lot of awareness of the issue of managing cultural diversity. 100% of respondents have heard about cultural diversity, 94% believe that in their institution cultural diversity is managed and 88% say that they have worked in areas related to managing cultural diversity. These percentages show that it is a pioneering sector well aware of the issue of cultural diversity and adept at relating to people of different cultural origins.

This perception is confirmed when asking about the definition of managing cultural diversity, which was answered by 92% of respondents. The more minimalist questions cover at least one of the aspects of managing cultural diversity and, overall, the definitions cover all areas of managing cultural diversity: integration in equal conditions, recognition and appreciation of the difference through a policy that addresses the particularities of people without any detriment to equal treatment.



In this respect, various definitions highlight the importance of generating a corporate culture that addresses intercultural communication and helps integrate the workforce around a common project. Many point out the type of policies or practices that an organisation that manages cultural diversity should implement. It is also recognised that within diversity lies the potential to innovate, develop new ways of doing things within organisations and in general an ability to open new markets and reach diverse audiences.

In terms of knowledge of good diversity management practices in SMEs, the results are a little more encouraging. Many of the organisations that responded to our questionnaire implement social and labour integration programmes for groups at risk of social exclusion. This may be the reason why 86% of respondents claimed that their institution has an ongoing relationship with SMEs. 46% said that they could name an SME that implemented cultural diversity management policies. This percentage represents almost half of those who said that they have an ongoing relationship with SMEs. This result shows that if SMEs are implementing cultural diversity management policies, in many cases they are not communicating so.

The information was more limited when people were asked to go into detail, naming specific SMEs that implemented cultural diversity management policies. We obtained a list of 37 companies, some of which were not SMEs or were large companies or other social sector organisations.

To the question on whether managing diversity boosted the competitiveness of SMEs, 84% responded positively. And to the question of why is it more competitive? 80% gave some type of reason. Regarding the opinion of Third Sector organisations on the potential advantages to an SME of managing cultural diversity, responses were overwhelmingly affirmative: yes, a SME is more competitive if it manages cultural diversity well... ¿but what are the reasons why?

According to Third Sector organisations: there is an improved work environment, increased motivation, feeling of belonging, larger market, better adaptation to the current model of society, better prospects, gains in innovation and creativity, better adaptation to changes, talent capture and greater internationalisation potential. It needs to be pointed out that although organisations are very capable of defining the advantages of good cultural diversity management for SMEs, when it comes to providing specific examples of good practices responses were very limited: it is as if at the moment there is more theory than practice on managing cultural diversity.

## With regard to the question: ¿What does managing cultural diversity mean in a SME?

For most organisations there is a clear association between managing cultural diversity in a SME and defending human rights, dignity, the fight against discrimination, equal opportunities (they talk about being unbiased in selection processes, accepting and understanding diversity, treating everyone fairly, integrating, etc.)... linking this to business improvement and specific marketing actions, knowledge generation, training, optimisation of results, etc.

SME Cultural Diversity Management = more business competitiveness + more rights

There is also a broad consensus on what tools SMEs need to implement cultural diversity management policies. These are: information, advice, awareness campaigns, training, action protocols, examples of transferable practices, establishment of public recognition.

It is also worth pointing out a shared opinion that managing cultural diversity must involve the whole company, from directors to employees, i.e. generate a certain shared business culture and not consider it as a matter that only affects the Human Resources Department. Some organisations also offer their own material and programmes displaying their work in this area.

The next question was to find out the reasons why SMEs might consider managing cultural diversity a challenge. 86% believe that SMEs are unfamiliar with the issue of managing cultural diversity. Although it is not a costly management policy, 68% believe that applying cultural diversity measures is not expensive for SMEs. An interesting statistic is that approximately 50% believe that SMEs do not have the tools to manage cultural diversity. However, 82% agree that one of the major obstacles to applying diversity management policies is because SMEs do not view this as a necessity.

The reasons why they think that managing cultural diversity is not considered important are: there are no links established between the well-being of the workforce and productivity of the company, with the same stereotypes predominating in SMEs as in society (fear of the unknown, choosing the comfortable option of doing things the way they have always been done, etc.), lack of implementation of basic HR management procedures (for example, a catalogue of positions with well-defined functions), and ignorance of the resources to use for managing cultural diversity.

To the question of whether there is any difference in economic sectors with regard to managing diversity, 76% considered that there are differences. To the question of what they are, the answers obtained were as follows: large companies manage cultural diversity more than SMEs because they have more resources, but there is more cultural diversity management in sectors that have a higher number of immigrants (such as agriculture, construction, hotel and catering, care of elderly people, direct services that require public attention, technology, services and foreign trade).

Several answers to the questionnaires warn of the danger of exploiting undocumented people in the underground economy: an unwanted situation in which diversity is synonymous with inequality and vulnerability, exploitation. It goes against the proper meaning of cultural diversity management, because in such a situation competitiveness is taken advantage of through exploitation, and it also goes against the fundamental rights and dignity of the person.

# 4.2 Results of the analysis of questionnaires in local bodies

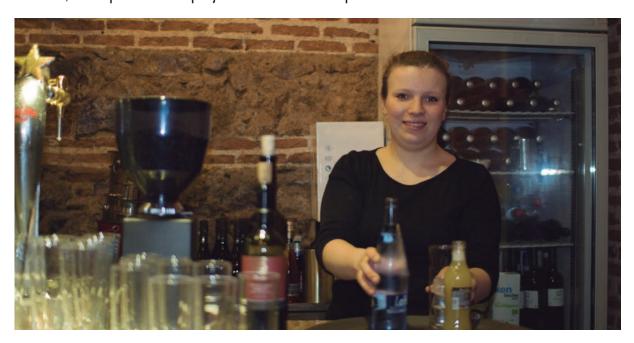
Practically all local bodies that have completed the questionnaire have heard about managing cultural diversity. The percentage drops considerably to only half of local bodies when asked whether the institution in which they work carries out any cultural diversity management action.

Most local bodies say that SMEs are more competitive if they properly manage cultural diversity. They recognise the important role that municipalities have of properly managing cultural diversity, although approximately one in three do not consider that they have a role as promoters and guarantors of cultural diversity management in SMEs and/or Municipal Enterprises.

Local bodies believe that properly managing cultural diversity involves the following issues:

Regarding the main difficulties, local bodies believe that turning cultural diversity management into an asset for SMEs is a challenge mainly due to three factors: firstly ignorance of cultural diversity management, followed by lack of training and, finally, the fact that it is not viewed as a necessity. There is a proposal to adapt services to new cultural realities that manifest at a local level, mainly through any of the following actions:

- Hiring of professionals with skills in languages of the main nationalities present in the municipality.
- Encouraging intercultural mediation services in different areas of local life under municipal jurisdiction (access to housing, social services and employment).
- Adaptation of local government regulations to new realities: new sports and cultural practices in public space, opening of religious places of worship, opening of ethnic stores, etc.
- Promoting positive measures to hire people from immigrant backgrounds, especially women, to help overcome prejudices in the municipal workforce.



# 4.3 Results of the analysis of questionnaires in Trade Unions

The responses to the questionnaires reflect the opinion that equality is an indicator of the quality of employment and helps increase competitiveness. The questionnaires also show the active role that trade unions claim to play in advancing equality policies and their role as promoters of formalised business commitments (collective agreements, equality plans, etc.) as promoters and participants in the development of formalized commitments and normative value (content of the equality plans, protocols harassment and collective agreements) that guarantee equal treatment and equal opportunities and non-discrimination in all aspects of the relationship labour, from access to employment until the expiry of the employment relationship, while promoting a culture of respect and value diversity in the workplace.

But in addition to this work, the employee's representation in the framework of its powers, is acting with respect to business decisions, as guarantor of equality between men and women regardless of their personal and social circumstances. In both cases, trade unions presume that, like society, the labour market and business staffs are diverse. Consequently, to achieve equality and to overcome any disadvantage is necessary to consider this diversity in both collective agreements and daily trade union activity, taking into account the needs for different circumstances of workers, which engender a culture of respect for diversity and its value in business environments.

# Results of the analysis of questionnaires in SMEs and Chambers of Commerce

When we asked Chambers of Commerce whether they had heard of cultural diversity management we received the following replies: 50% of these institutions say that they work or have worked on managing cultural diversity, 100% confirmed that they have an ongoing relationship with SMEs and believe that 60% of them are more competitive implementing cultural diversity management policies. Companies that implement cultural diversity management have taken a step forward, with these types of policies providing added value through the hiring of people of any racial or ethnic origin, sex, age, etc. with suitable technical skills and which help improve knowledge and access to the global market.

When asked whether it is a challenge for SMEs to turn cultural diversity management into an asset, 95% said they were unsure. The same percentage confirmed that is not considered a necessity in companies while the remaining 5% claimed that the tools are not available for this.

All of the Chambers asked consider it positive that employers are aware of diversity in society and know how to properly manage it. This same percentage claims that SMEs need specific cultural diversity management tools to adapt them to their needs and get companies to become more competitive. They also agreed that society must tackle discrimination in all its forms.

They propose that an SME uses the following tools to help manage cultural diversity properly:

- Hold forums-meetings to exchange experiences on managing diversity.
- Preparation of a Cultural Diversity Management plan adapted to the company's reality.
- Raise staff awareness of cultural openness.

# 4.5 Results of the analysis of questionnaires in Business Organisations

After asking business associations whether they had heard of cultural diversity management, 100% said they were aware of it. 60% of these associations acknowledge that they implement cultural diversity management practices in their institutions and the same percentage assumes that it works or has worked in these areas.

They all demand useful tools so that SMEs can properly manage cultural diversity. Tools such as: Information and training.

Much of its work is to conduct mediation proceedings. Mediation has a clear commitment to teach that a greater cultural wealth of the people within their organizations increases their competitive position against companies that do not manage cultural diversity and thus they limit their chances of success because of a lack of adaptation to the changes are occurring in their environment.

Business organisations must make companies aware of properly managing cultural diversity, detecting any difficulties in accessing employment or concerning the entrepreneurship of people from other cultures. They must provide training and employment needs for better integration.

# Results of the seminars held as part of the GESDIMEP project

In addition to the questionnaires, the GESDIMEP Project in collaboration with autonomous regional governments held three seminars in Barcelona (15/10/2013), Seville (05/11/2013) and Valencia (28/11/2013) in which more than 40 speakers took part, along with representatives of the Ministry and regional governments who shared their experiences on managing cultural diversity from the perspective of SMEs, university sphere, business organisations, the third sector, local bodies, trade unions, immigrant's organisations and NGOs.

The seminars were presented as three roundtables, in addition to the institutional opening and conclusions presented by the three experts (Myrtha Casanova, Founder of the European Institute for Managing Diversity in Barcelona, Sonsoles Morales, expert in Diversity Management in Seville, and Marta Muñiz, Director of the Department of Business Internationalisation and Diversity Management at the University Pontificia Comillas in Valencia).

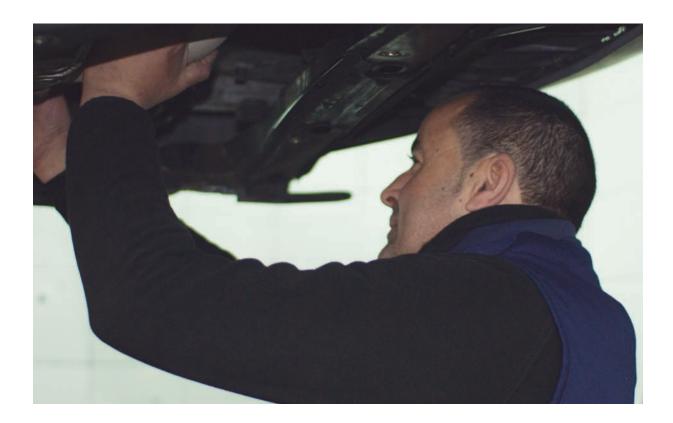
The roundtables were structured into three blocks: Business Management and Cultural Diversity Management, Local Bodies and Equal Treatment, and were made up of 4 or 5 speakers representing the various agents that have an impact on the cultural diversity management of SMEs. The format was a guided discussion between the participants followed by an in-depth debate with the audience.

A total of 256 people attended the seminars, with those themes and issues worth highlighting as follows:

- From the perspective of local bodies, worth noting are the specific actions on information and awareness raising being implemented by different municipalities to promote equality and non-discrimination. The most important experiences include that of the City of Castellón which has a Communication and Intercultural Area for working with intercultural mediators in areas of employment and hiring immigrants.
- The Barcelona seminar stood out for the role of social companies as pioneers and promoters of cultural diversity management practices, such as Salta, from the Ared Foundation in Barcelona, a catering company that mainly works with women, or the restaurant business Mescladís, from the Intercultural Citizenship Foundation, also in Barcelona, which basically works with young people. Both highlight their role favouring equal opportunities and bring to the fore the richness of diversity as a business and social asset.

- We were also able to find out about the CEPAIM Foundation projects in terms of advising SMEs on managing cultural diversity, with their diversity plans and ethical approach. And the practices implemented by the Department of Employee and Community Responsibility of the company Ferrovial especially in terms of specific tools to fight discrimination (complaints box), and training projects for union representatives in managing cultural diversity introduced by the Workers' Commission of Catalonia.
- In Seville, we looked at the specific nature of religious diversity as part of cultural diversity management together with the Pluralism and Coexistance Foundation: the complexity of these issues and impact on the daily life of people and companies, the work of major institutions such as the Andalusian Red Cross in favour of equal opportunities regarding access to employment and the use of cultural diversity of CODENAF in its cultural diversity management programme for SMEs in its territory. On the Business Management and Cultural Diversity Management table we had the opportunity to find out from companies such as Agromartín, NH Hoteles and small businesses from the area about the challenges and difficulties faced by organisations with a diverse workforce and some key management strategies when it comes to forming culturally diverse groups, as well as the benefits and advantages that these companies have experienced by implementing cultural diversity management measures.
- The Valencia Seminar gave voice to the reality of the Roma population through the Roma Secretariat Foundation who explained the work of individual and community intervention conducted to improve job market opportunities; We knew from UGT-País Valenciá Union about the role of trade unions and employee representation in firms as drivers of equality policies and measures, both at the policy level and in companies, and guarantors, in the workplace, in the absence of discrimination in the employment relationship for any personal or social circumstances; The importance of communication in cultural diversity management with ACCEM; and to the clear importance of the fight against any type of intolerance and promotion of equality which the Movement against Intolerance has been doing for years. We had the opportunity to discuss and discover the benefits of cultural diversity management as regards the internationalisation of companies from Acocex, the Spanish Association of Foreign Trade Consultants, which outlined the importance of managing cultural diversity as a core asset of SMEs that are expanding their activity outside Spain. We also got to hear about other cultural diversity management experiences in companies such as Dispromerch and organisations such as the CeiMigra Foundation and the Professionals, Self-Employed Workers and Entrepreneurs Organisation, OPA.

# KEY AGENTS IN THE PROMOTION AND SUPPORT OF MANAGING CULTURAL DIVERSITY IN SMEs



SMEs are not islands. Progress must be made on cultural diversity management in collaboration with different institutions whose activity impacts on the life of SMEs: business organisations, academia, local governments, trade unions, third sector organisations, etc. Only by assuming our cultural diversity management responsibilities in each area and working together we can create tools and strategies that help anticipate and resolve cultural diversity management situations, with equality and non-discrimination.

We assume that cultural diversity management is a subject of general interest and that all institutions play a role in its implementation. Let us look at what role each of the following social partners might play.

## 5.1 Local bodies

What contribution can a municipality or an association of municipalities make to the issue of cultural diversity management in small and medium enterprises?

Local bodies play a key role in promoting and encouraging cultural diversity management which, undoubtedly, affects the business community of their locality.

They may serve as a link and stimulate the issue of cultural diversity management at a local level. There are several examples of how a business owner has approached their local council for advice and help on how to incorporate cultural diversity management in their business. Local bodies must be prepared to offer sound technical advice to businessmen and women on cultural diversity management. Here are some of the actions they can carry out:

- To recognise those experiences which do take into account cultural diversity management, for example with "local awards or prizes" to the best business owners that manage cultural diversity.
- To stimulate cultural diversity management policies in companies through awareness, promoting campaigns that enable the incorporation of these policies in companies. For example, this could be positively valued when opting for public tenders.
- To promote, coordinate and fund projects and encourage agreements with business organisations involved.
- To promote coexistence in all its areas bearing in mind cultural difference.
- To have professionals prepared in cultural diversity.
- To promote the hiring of cultural mediators that help technical personnel with their work.
- o To carry out campaigns that show that we all are part of society, regardless of origin.
- To condemn racist, xenophobic or intolerant discourses
- To integrate the multicultural perspective in programming activities, implementing projects, hiring personnel, managing public space, etc.
- To provide companies tools for managing cultural diversity in the business environment.
- To encourage companies to adopt cultural diversity management measures.
- To promote the preparation of protocols and systematic procedures.
- To prepare cultural diversity management guides in the business environment.
- o To promote quality accreditation systems in this area for companies.
- To provide technical support, promote mainstreaming, knowledge of reality, the participation of immigrant citizens or ethnic minority groups.
- To serve as an information source on personnel diversification policies and show by example the advantages of implementing these types of policies and adapting various tools to the reality of companies and organisations in the area, specifying and providing tools and existing studies to define and facilitate the implementation of these types of policies.

## **5.2** Universities

Current legislation on university education in Spain provides (Royal Decree 1393/2007, of 29 October, on the organisation of official university studies) that training in any professional activity must contribute to knowledge and development of Human Rights, democratic principles, principles of equality between men and women, solidarity, environmental protection, universal accessibility and design for all, and promote the culture of peace.

Beyond this legal framework, it is clear that universities are the key player in training future businessmen and women and should **include in their curriculum cultural diversity management subjects**, so that when students enter the business world they can automatically apply them with conviction.

Universities must be knowledge producers and disseminators on cultural diversity and the potential benefits of its management. This is one of the conclusions from the fieldwork of the GESDIMEP project: the need to include different cultural diversity management subjects at different levels.

In addition to training actions, universities can implement other key actions to promote cultural diversity management:

- Raise awareness of the fact that society is diverse and communicate this, so that all its public and private institutions reflect that rich diversity.
- Conduct research on cultural diversity.
- Enable international mobility for example through hiring or foreign teacher and student exchange programmes.
- Conduct detailed studies and specific training in particular sectors after developing these studies.
- Publicly express their commitment to cultural diversity.

In Spain, some practices are being carried out, such as:

The Chair of Business Internationalisation, Diversity and Professional Development of the Pontificia Comillas University which was created in 2009 to analyse the effects of globalisation and business internationalisation on managing people and help both organisations and professionals to face the challenges of these effects.

Since its creation, the Chair has been designed as a meeting point for universities, businesses and institutions and to carry out research projects, hold forums and seminars and produce publications of practical use to design human capital management policies that promote work innovation and efficiency. Thanks to the research and knowledge dissemination activities carried out, and its close collaboration with businesses and other scientific and academic institutions, the Chair has become a centre of reference in the study of international labour mobility, development of intercultural skills, knowledge transfer in transnational organisations and diversity management.

In this context it has been found that cultural diversity management is one of the key aspects for surviving in global environments and a source of competitive advantage for those organisations that want to be leaders in their markets. Consequently, analysing the effects of diversity on the company and designing tools that help organisations to capitalise on and manage diversity have become priority research areas in the Chair.

Also, the School of Social Work at the Complutense University of Madrid, on the proposal of the Department of Social Work and Social Services, teaches a course in its curriculum called "Social Work and Cultural Diversity".

The objectives of this subject include students beginning a learning process that gives them an insight into matters which in their future professional career will help them manage the reality of cultural diversity through strategies focused on real social inclusion. Irrespective of their professional field, social workers include among their users people with different cultural references.

On the one hand there is an effort to raise awareness of prejudices, to promote intellectual and life attitudes, not merely tolerance but respect for differences, becoming familiar with certain concepts that give them a broad view of the complex realities of cultural diversity (Morin, 1999). (Bourdieu, 1999). (Sennett, 2003).

### 5.3 Third Sector

The Third Sector is a set of private non-profit making entities that promote inclusion and social cohesion, equal treatment and the fight against, among other areas, racism, xenophobia and other related intolerance, focusing particularly on society's most vulnerable groups. The concept defines non-governmental and non-profit making entities, in contrast to the "first sector" or public sector (governmental and non-profit making) and the "second sector" or private sector (non-governmental and profit making).

As recorded in the Third Sector Yearbook on Social Action in Spain 2012, the Social Third Sector consists of the following in our country: 29,000 entities; 635,961 workers; 1,075,414 volunteers; 47.6 million cases of direct care given to people; an economic volume equivalent to 1.62% of Spanish GDP<sup>40</sup>

As in the struggle for equality, people's dignity and fight against discrimination and intolerance, a deserved tribute must be paid to social movements. There is much still to do, we must not fall into the trap of being naïvely optimistic about advances made yesterday not being lost tomorrow, but it is important to acknowledge the advances which have led movements such as feminism, the LGTB group, disabled people, the movement against racism: groups that have

fought and continue to fight against intolerance and for equal opportunities. They have repeatedly championed social transformation which public institutions have been able to translate into collective achievements.

Third Sector organisations are characterised by a vocation of solidarity and commitment to citizenship and people facing social exclusion. Much of the activities that they carry out are designed to promote social inclusion through social and labour integration, prevention of racism and xenophobia and forging a just and intercultural society. It is a sector very much aware of the issue of diversity management and which has a lot to offer to cultural diversity management in small and medium enterprises, especially in those organisations which are specifically concerned about immigration related matters.

Many of the people to whom they offer their services and with whom they have a relationship frequently form part of some diverse cultural group or embody multiple diversities.

This contact allows them to gain a broader insight into the world views of these groups, their life expectations, how they conceive work and the personal fulfilment projects that they bring to the host society.

This advantage in being able to access and understand diversity positions them as institutions able to mediate between companies and people of different cultures, religions, genders or sexual orientation, abilities or generations. This is an activity they have been carrying out through social and job integration and community action programmes and in the fight against racism, xenophobia and other related intolerance.

However, when it comes to contact with SMEs, there do not appear to be smooth communication channels between both sectors.

Perhaps the pending task for social bodies (and for SMEs and other companies too), to help improve effectiveness by promoting cultural diversity management, is to prepare strategies that guarantee more effective communication with the business sector and open doors to establishing relationships of mutual understanding and cooperation.

To achieve this aim it may be useful to promote the training of their technical staff in sales, communication and marketing strategies so that they have access to the language and concerns of the company and can establish more fruitful relationships, thereby taking advantage of the resources, help and tools that the social bodies have for offering companies.

#### 5.4 Trade Unions

Trade Unions play a crucial role in the fight against employment discrimination and in managing cultural diversity, and can offer employers very useful actions and tools to achieve equal opportunities and eliminate discriminatory situations.

At a European level, trade unions have been working on equality policies for years, combating discrimination in all its categories and tackling its most typical signs and investing in new forms of action and collaboration with companies and other organisations.

The action of trade unions is divided in many areas of activity:

The Social Dialogue established in national tripartite agreements between the Government and the trade and business representative organizations in order to guide the main social and labour policy principles, creating different policy instruments or bilateral agreements, to the work carried out in the representation of workers as foreseen in the Statute of Workers Law, according to specific rules (staff representatives for companies with fewer than fifty employees and more than 10, and company committees when the staff is larger than 50 workers). The role of trade unions is therefore different; on the one hand, to contribute to the promotion of policies of equality in general in the workplace to all companies, regardless their size; on the other to incorporate to the collective agreements and in the action of the delegates of these policies in large, medium and small businesses, ensuring the respect for the of workers rights.

In different areas of collective bargaining (state level or company level) the objective is to get a content of the collective agreement to ensure equality in all aspects of employment, from the access to extinction of the labour relation, with the inclusion in every case, specific clauses to ensure this equality regardless of personal or social workers circumstances.

The workers representation in enterprises, on the other hand, should develop a strong monitoring activity in the framework of its powers, to ensure the absence of discrimination (including discriminatory harassment) to any circumstance both at work and related to businessmen decisions.

### Associations for business owners, self-employed workers and chambers of commerce

The characteristics of Spain's industrial fabric largely determine which players disseminate diversity in SMEs.

Business owners associations, self-employed workers associations and chambers of commerce are one of the major players for achieving success in disseminating diversity management, because:

- They work directly with small and medium enterprises which make up, as shown, more than 90% of Spain's industrial fabric.
- They presently implement several diversity management actions such as:
  - o Training for integrating immigrants.
  - o Business support programmes for women.

Related to the first, the actions in the project are mainly workshops, courses or training sessions to improve the social and labour integration and qualification of immigrant workers in Spanish society and business actions. The contents of these workshops revolve around issues of guidance and advice on matters relating to labour relations, employment contracts, rights and duties of workers and other areas to improve the social integration of immigrant workers in our society.

Talking about programmes for women, we can highlight among others:

- Business Support Programme for Women (PAEM), which is financially supported by the European Social Fund and the Ministry of Health, Social Services and Equality and coordination of the Superior Council of Chambers in order to, first raise, information, advice and guidance to entrepreneurs and business women in relation to the onset or development as self-employed professionals or the implementation or operation of business activities in various subjects.
- Microloans to Entrepreneurs, Women Entrepreneurs. It offers support, advice and information
  to women seeking technical and financial support for their business projects through Microloans
  for Entrepreneurs, Women Entrepreneurs, through an agreement signed by the Ministry of
  Health, Social Policy and Equality and the Council Senior Cameras for implementing the MSSP
- RECAME Program, Mentoring Red Spanish Cameral Businesswomen.

Whose goal is that experienced businessmen and businesswomen are patron to at least three entrepreneurs, supporting them from the beginning and during the early years of their career as entrepreneurs. This program is carried out through the agreement signed between the Directorate General for Enterprise and Industry of the European Commission and the Council of Chambers.

However, these actions should form part of a global strategy for managing diversity in small and medium enterprises, given the impetus to internationalisation from managing diversity and the rest of the benefits described in this publication.

When we talk about key players, specifically chambers of commerce, we should highlight that this is the only body to which, up until a year ago, membership was mandatory for all small, medium or large enterprises. The main objective of chambers of commerce was exportation (companies' foreign trade) and even though cultural diversity management was not included in their organisation charts, it is necessary to work directly with the High Council of Chambers of Commerce to include in their institutions active cultural diversity management policies in companies and implement specific programmes on this matter.

In some cases, such as that of self-employed workers' associations, the increase in the number of foreign workers registered with the Special Scheme for Self-Employed Workers makes them ideal partners for disseminating diversity management among their representatives.

Self-employed workers' associations play a key role in disseminating cultural diversity management due to direct contact with small business owners. This means **the Public Administration** needs to make a greater effort to work more closely with these associations if we truly want cultural diversity management to become a reality in our companies, because 90% of Spain's businesses are self-employed workers.

Business organisations currently play little or no part in implementing cultural diversity management activities, which is why we demand greater involvement of these organisations so that they work dynamically with the companies they represent and start to implement actions that enable such knowledge and training in these companies to ultimately benefit their businesses.

## 6 TRANSFERABLE EXAMPLES



After conducting documentary research on cultural diversity management in SMEs, looking for transferable examples of policies implemented internationally and nationally, identifying specific success stories through questionnaires received and first-hand knowledge that we have obtained on holding seminars, the GESDIMEP Project has considered it important to compile Transferable Examples that might inspire SMEs and other social partners to better manage cultural diversity.

These Transferable Practices are designed to be an example of the many successful actions already being carried out in Spain by businesses in general, Third Sector organisations, academia, public institutions, business organisations, trade unions, immigrants 's organisations and NGOs. These are actions that show that incorporating cultural diversity management in our companies is not only possible but also beneficial: it opens up a relatively new reality that is gradually expanding and becoming commonplace. We are aware that there is still a long way to go in terms of achieving equal treatment and opportunities and that far too many discriminatory situations still arise at all levels of the workplace: selection processes, salaries, possibilities of professional promotion... but it should also be appreciated that where we are today is thanks to everyone and this should be lauded.

We have wanted to provide a few examples of Managing Cultural Diversity actions in SMEs and other organisations that we believe may be a useful path to follow.

In the following pages we will relate various practices that constitute the foundations of cultural diversity management, trying to make them sufficiently brief but also descriptive to put us into position and serve as an inspiration for addressing matters of interest to an SME, such as types of products, customers and generation of corporate identity.

The experiences we have gained in cultural diversity management can be transferable to others, perhaps with the need for training, guidance or advice, and can help us to generate a common culture and put the focus on issues that companies never considered in the past.

We present some achievable practices which, tailored to the company and specific context, can help to advance cultural diversity management and be more socially and economically productive.

#### Equal treatment and non-discrimination

To discriminate is to treat some people differently and unfavourably compared to others. Discrimination is based on the belief that not everyone has equal rights and dignity, and that differences can therefore be made between individuals leading to disadvantages for them; the person who discriminates considers that some people are superior to others so people should therefore be treated differently. Discrimination therefore goes against one of the fundamental principles of the Declaration of Human Rights which asserts that all people are born free and equal in dignity and rights. All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood. It also violates one of the basic democratic principles which is the necessary equality and dignity with which all people must be treated.<sup>40</sup>

There is direct discrimination when, on grounds of racial or ethnic origin, a person is treated less favourably than another is, has been or is going to be treated in a comparable situation; so same indirect discrimination exists when an apparently neutral provision, criterion or practice puts persons of a particular racial or ethnic origin at a particular disadvantage compared with other persons, unless that provision, criterion or practice is objectively justified by a legitimate aim and the means of achieving that aim are appropriate and necessary.<sup>41</sup>

#### What will my company gain if I implement equal treatment policies?

The company **Marco Aldany** conducts blind CV selection processes, without any personal information about the candidate for the position (man/woman, age, etc.). This ensures the hiring of the best profiles for each position offered without taking into account any other personal criteria. **http://www.marcoaldany.com/index.php** 

Should I communicate to my workers messages about the importance of equality and dignity? Should I insist that workers be respectful to each other?

Can derogatory comments even with a touch of humour be an issue?

<sup>40</sup> José Manuel Fresno. Chapter 3: Equal treatment and non-discrimination of immigrants and ethnic minorities in the workplace. Guide to Managing Diversity in the workplace <a href="http://explotacion.mtin.gob.es/oberaxe/inicio\_descargaFichero.action?bibliotecaDatoId=210">http://explotacion.mtin.gob.es/oberaxe/inicio\_descargaFichero.action?bibliotecaDatoId=210</a>

<sup>41</sup> COUNCIL Directive 2000/43/EC of 29 June 2000 on the application of the principle of equal treatment between persons irrespective of their racial or ethnic origin. http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32000L0043

#### Corporate culture

Culture reflects a way of being and doing things. This characteristic is what allows us today to differentiate one company from another. When the principle of respect for and value of cultural diversity takes hold, teams work together better and see the company as a collective project that belongs to them.

How can I make people from other cultures and religions feel more identified with the company?

Are we proud of our company's cultural diversity?

Is the creativity and knowledge of cultural diversity recognised?



#### Work environment

**Provide an optimum work environment** that takes into account the fact that cultural diversity directly affects aspects that benefit the company, such as exchanging new and good ideas that encourage innovation, good employee relations or having access to a more diverse customer base.

#### What does my company gain with a good work environment?

The company **Agromartín S.L**, with a part of its workforce made up of foreign workers, says that something as simple as being concerned for your workers, knowing about them, their personal situation, celebrating good news, birthdays, parties, etc., i.e. generating a good environment in the workplace, makes up for the loneliness that many workers far from their family and home feel. It makes for a positive work environment, a more committed workforce and increased productivity.

www.agromartin.com

How can I take advantage of cultural diversity to create a good environment in my company?

Should I occasionally organise some activity in the company that promotes cultural exchange?

Have I thought about potential conflicts if I do not properly manage cultural diversity?





#### Cultural diversity management training

Managing cultural diversity is closely related to mutual understanding, learning and collaboration. Successful training will produce positive results for the company.

What will my company gain if I invest in cultural diversity management training?

In Andalusia a group of agricultural companies that hire immigrants to work during the harvests have seen that it is a good idea to train their staff in cultural diversity management due to the impact that this has on the work environment and productivity of their workers. For this reason they have requested the Cepaim Foundation, within the framework of the Mares project, to design them an online training course on diversity management for their middle managers and staff in general.

http://www.proyectomares.es/index.php/es/

The company Indra has opted for diversity training, Indra considers that cultural diversity boosts innovation and gives the company a basic level of competitiveness. That is why diversity is considered a key factor for business sustainability. It trains its entire workforce in diversity, but by designing the training for each of its workers with assignments tailored to specific needs in terms of skills and abilities. It manages diversity based on differentiation and segmentation and creating unique career paths for each person. Customised training is a key element in this process.

http://www.indracompany.com/

Am I aware of cultural diversity management training courses offered by NGOs, local institutions, and or other public administrations, trade unions, business organisations, universities and

self-employed workers associations?

Can cultural diversity training improve my company's competitiveness and prospects?

#### e

#### Internal communication

Working in culturally diverse environments means ensuring that we understand one another, avoid implicit messages and promote regular dialogue and a culture of mutual recognition and collaboration. What is not communicated does not exist.

#### Do you know your workforce's opinion on production processes?

To promote internal communication, **Ferrovial** introduced a suggestion box which employees can use anonymously to show their grievances and proposals to human resources department. Launching the suggestion box has enabled the company to acquire more information on the work environment in its offices, obtain valuable information on anything that does not work properly and implement any corrective and improvement actions which have improved the performance of work groups and specific offices. What's more, in many cases, people make their comments and suggestions with names and surnames, raising therefore the level of trust between the various chains of command in the company.

http://www.ferrovial.com/

Do you bear in mind the cultural diversity of the workforce to include their opinions or suggestions?

Are there any communication channels that encourage cultural exchange in the workforce? Is communication in your company reciprocal, from employer to worker and vice versa?





#### **External communication**

Communicating the cultural diversity of our business to customers, suppliers and society in general is a strategy that fosters social cohesion, creates new business opportunities and improves the company's image.

How can I communicate to customers and the general public that my company is culturally diverse?

**Proexport**, the Association of Producers and Exporters of Fruit and Vegetables in the Murcia region, decided to support and recognise the efforts of its workers of 104 different nationalities through the production and publication of an international recipe book entitled: Sowing flavours.

In collaboration with NGOs and the Torre Pacheco Town Council, the process of compiling the workers' recipes was organised to reflect the cultural diversity of the Murcia countryside and to provide readers of the text with the best tips for turning our kitchen into a melting pot of cultures. The photo shoot for the publication of the text was held at the Torre Pacheco Intercultural Fair. Through this initiative the company publicises its recognition of diversity and the cultural richness that this generates.

www.proexport.es

What would I gain communicating my company's cultural diversity?

Should I tell customers and suppliers about my company's cultural diversity?



#### Customers

Cultural diversity in the workforce opens the possibility of new customers, knowing their tastes and needs, generating value for society as a whole. Speak to them in their own language and make the most of the diverse markets that we already have here.

Have you thought about the cultural diversity in your neighbourhood, city or locality, as potential customers?

**Delicias Kosher** is a Glatt Kosher Restaurant in Barcelona which has focused its business on the Jewish community. The restaurant offers a wide variety of quality grilled meats, traditional Jewish food and typical Middle Eastern dishes. It also offers a special catering service and home/hotel meal service. Special food is available for Shabbat. **http://www.deliciaskosher.com/** 

**Eurobook** is a bookshop specialising in languages: Spanish, foreign languages and other languages in Spain. It was established because of a growing need for books and other languages. Within this framework it opted for a range of subjects, not focusing solely on the teaching of languages, but also providing an extensive literature section (particularly English and French, and also German, Italian, Portuguese...), as well as sections on education, history, large format books, dictionaries, travel, software... The business targets the Spanish public who want to learn languages and foreigners looking for books in their own languages.

http://www.eurobookonline.com/

Do the products you offer cater to the wide range of cultural tastes and needs of your environment?

What business opportunities are available to your company from the diverse religions and cultures in your neighbourhood, city or locality?

#### Suppliers

**Supplier diversification is a competitive advantage**. It opens up opportunities to discovering and accessing new products and markets, growing your sales and business.

#### Do you have culturally diverse suppliers?

The **Ganadera de la Nava cooperative** sells the product Laban Oujda. It is a fermented milk which has the characteristics of a product considered as Halal. This term refers to the set of practices permitted by Islam. Although the term itself encompasses all types of practices, it is commonly associated with food acceptable under sharia or Islamic law (http://es.wikipedia.org/wiki/Halal) http://www.camposdenava.com/

The **San Vicente de Mogón cooperative** produces and sells Kosher certified extra-virgin olive oil. This is oil produced according to the customs of the Jewish culture and approved by a rabbi, classing it as Kosher. Kosher (or kashrut) is the part of the precepts of the Jewish community that deals with what practitioners can and cannot eat, based on the biblical precepts of Leviticus II. These rules, interpreted and expanded over the centuries, determine precisely which foods are considered pure, i.e. those which comply with the precepts of the religion and those which are not kosher.

http://www.puertadelasvillas.com/

Have you offered products that are different to those that you usually sell and which allow you to access new markets or customers from other cultures?

What is your return on selling these products?



#### Selection processes

To ensure success and to try to avoid mistakes by discarding the right person, it is important not to take decisions based on prejudice and stereotypes and to base our choice on objective criteria. Selecting culturally diverse people can provide your company with more talent.

What does a culturally diverse workforce provide?

A **coffee shop** located in a tourist spot finds that it is not attracting Japanese customers. It hires a Japanese waiter/waitress and now starts to attract Japanese customers to its business.

Is my workforce culturally diverse and is it made up of workers of different national origins? Am I objective with people of other cultures in the selection processes?





#### Organización de equipos diversos culturalmente

Having workers of different origins may require managing our company's day-to-day activities differently. For example, it may be a good idea to spread holidays in a more balanced way (as people who come from faraway places would rather choose their holidays at different times to the rest of the workforce so they can be with their families and because they have to travel long distances to their countries).

In terms of teams, the experiences of different small and large companies have determined that it is more efficient to mix teams made up of culturally diverse people rather than group them together according to the same national origins.

#### Have you considered that culturally diverse teams may be more productive?

**NH Hoteles** initially organised the shifts of cleaning personnel grouping them together by nationality. It decided to change this structure by creating teams made up of people of different national origins. At first there was reluctance to change but as time passed these intercultural teams worked much better than the former single culture groups.

http://www.nh-hoteles.es/

The company **Agromartín** used to structure its work groups homogeneously with people all of the same national origin. Common sense dictated that it would be much easier for people from the same country or region that shared the same language and culture to understand each other better. However, after seeing that results did not live up to expectations, the company decided to create diverse teams, with people from different cultures. This change resulted in far greater productivity and efficiency in the workplace.

www.agromartin.com





#### Diverse markets

If we want to access culturally diverse customers and sell our products and services to as many customers as possible, it may prove very useful to hire employees from different cultures. In order to operate in international markets, it may not be enough to know languages, the country of destination and understand foreign trade. Among other factors, it may be a good idea to have specialist and varied personnel.

That said, culturally diverse markets do not necessarily have to be international. In the locality of our businesses there are many opportunities to access and expand our customer base.

#### Do you think SMEs should target culturally diverse markets to increase their turnover?

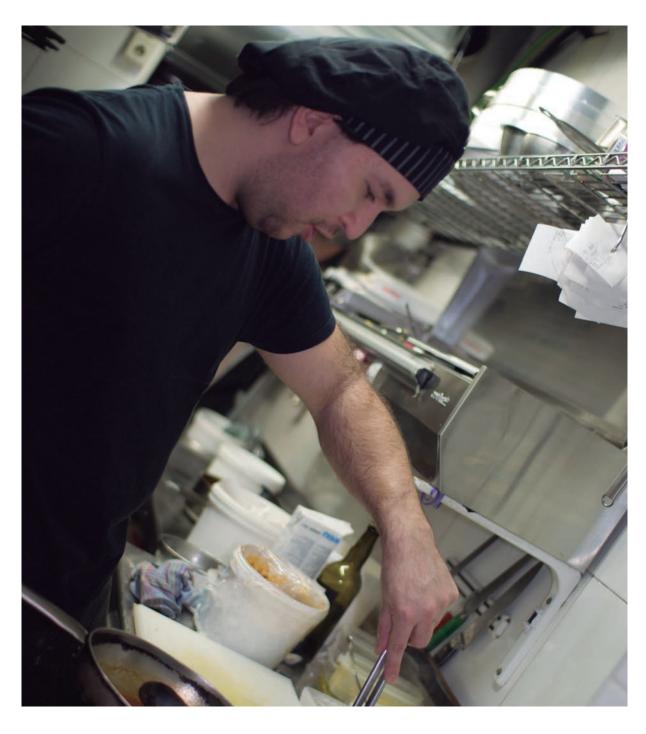
The **Spanish Association of Foreign Trade Consultants, Acocex**, is responsible for the "Exporting is Easy" project. It is a programme designed to create business networks overseas that help companies to sell more of their products in different countries. This programme establishes a firm commitment to job creation, the economic development of Murcia's companies and international dissemination and promotion. The programme is based on the creation of business networks through immigrant entrepreneurs who want to sell Spanish products in their countries of origin and immigrant entrepreneurs who want to set up companies in Spain or in their countries of origin as partners of Spanish companies. This programme also brings together immigrants who want to sign up for the Ministry of Employment and Social Security's "Productive Voluntary Return" programme, through the General Secretariat for Immigration and Emigration.

http://www.acocex.com/proyectos.asp

The company **L´ORÉAL**: has known how to adapt its products to all types of customers, developing 23 international brands in which any type of skin or hair has a specific beauty product available. **http://www.loreal.es/** 

Have you included cultural diversity management in your internationalisation strategy? Do you take advantage of the cultural diversity of your workforce to reach other markets? Are you aware of the diverse markets in your neighbourhood, city or locality?

# RECOMMENDATIONS FOR MAKING PROGRESS IN MANAGING THE CULTURAL DIVERSITY OF YOUR COMPANY



- Managing Cultural Diversity is a challenge for many SMEs, but one which is achievable and necessary to tackle in order to optimise their possibilities in a globalised and changing market. Every company, regardless of its size, sector of activity or situation, can and should consider cultural diversity management.
- 2 Try to get your company to reflect the cultural diversity of the community in which it is located. This will make it more competitive.
- 3 Discrimination is illegal, can be considered a crime and is not good business for anyone.
- 4 Contact and work with NGOs, local institutions and other public administrations, universities, business organisations, chambers of commerce and trade unions, which offer support, information and advisory services on Managing Cultural Diversity.
- 5 Effectively integrate human rights and the economic perspective in managing cultural diversity: it is not advisable to lessen emphasis on either of these two aspects.
- 6 Good cultural diversity management offers opportunities to capture potential customers both at home and/or abroad, will make your company more competitive and help it to work with more appropriate business logic and therefore avoid exposure to unnecessary risks.
- 7 A diverse staff provides new knowledge, skills and abilities that may be advantageous to the company.
- 8 Proper Cultural Diversity Management can be a useful tool to generate short, medium and long-term benefits.
- 9 Responsible and fair treatment of company personnel generates a better work environment, increases motivation and product quality.
- 10 Increase the cultural diversity of your workforce. Cultural diversity produces different viewpoints and understanding for addressing problems. Each culture's know-how represents an added value which promotes innovation in the company.
- If Companies that work responsibly and fairly towards their personnel generate a better work environment. Diversity is also rich in terms of different points of view, from different realities, and innovation is a feature of it.

We cannot lose sight of how European society has changed and, in the last 20 years, Spanish society too.







The services and products we seek are global, and so are our companies.



We are a very diverse society with the local and global society intermingling and reinventing themselves each day.







We need to adapt to this reality, suppliers, markets and internationalised customers, which is why managing cultural diversity is an essential tool.

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#### APPENDIX I

# DOCUMENTS AND STUDIES OF INTERNATIONAL INTEREST

In 2008, the European Commission carried out a study in the EU's 27 member states to try to determine what the term "Diversity" means to SMEs. The study was based on questionnaires and interviews conducted with owners and managers of SMEs of various sizes from different sectors.

The results of the study show some replies that are useful for understanding the state of the matter in the EU:

- Most respondents did not recognise the type of language and discourse used by public organisations to describe the idea of "Diversity": they did not recognise or share the theoretical concept, but were accustomed though to the practice of managing diversity in their companies with actions such as flexible working hours, staff selection processes, etc. designed to improve productivity.
- The idea emerged that the implementation of public policies on "Diversity" was a government strategy so that companies could recruit workers they did not want to hire because they were "diverse".
- The smallest SMEs in particular were often unaware of the potential benefits of cultural diversity management making them vulnerable and less competitive. They believed that cultural diversity management was a matter for large companies, something difficult to implement and which would take up time and energy that they did not have. Some of these small SMEs were sensitive though to their need for training on Diversity.
- Larger SMEs had already begun to implement cultural diversity management policies and started to become aware of the benefits and see an increase in their competitiveness.

#### 2 Diversity at work: a guide for SMEs, European Commission publication<sup>2</sup>

This is a practical guide for SMEs outlining the main issues on diversity management from a very practical point of view. The guide contains 8 main suggestions:

- I. Examine your business.
- 2. Hire staff from a group with diverse skills.
- 3. Acquire new customers and access new markets.
- 4. Plan your business based on demand.
- 5. Improve communication with employees.
- 6. Improve your image and reputation.
- 7. Assess what you have done.
- 8. Request help and advice.

You can also find other tips such as the Diversity and Instructions for key areas checklist: job description, personal requirements, job offer advertisement, selection of "suitable person for position", employee retention and business promotion.

The approach is highly practical, uses simple language and has a very manageable 12 page structure for SMEs.

#### 3 In Diversity

This is a pioneering initiative of online<sup>3</sup> courses on cultural diversity. Access is totally free by registering a user profile. Seven courses are currently available in various languages: IN Diversity Ireland, Sweden, Spain, Italy, France, England, and cultural diversity management in the company IFI. In addition to the contents that will be looked at below.

There is an option of seeing the profiles of the rest of the participants in the online courses, offering therefore the possibility of contacting other professionals working on diversity related matters, an undoubtedly very useful tool to promote networking.

The most positive elements of this training package are the content of the thematic units, the availability of the courses in different languages, ease of access to training via the online platform and the promotion of networking through the contacts of the rest of the participants on the courses. The IN Diversity Spain course consists of five modules, each of which has a self-assessment exercise. The content of each course is as follows:

http://bookshop.europa.eu/is-bin/INTERSHOP.enfinity/WFS/EU-Bookshop-Site/es\_ES/-/EUR/ViewPublication-Start?PublicationKey=KE7809735

Implementation Checklist For Diversity Management. European Commission. Available at http://ec.europa.eu/justice/discrimination/files/checklist\_diversitymanagement\_en.pdf

<sup>2</sup> Diversity at Work.A guide for SMEs. Directorate General for Employment, Social Inclusion. European Commission. 2009. Available at

- Module I: Introduction to Cultural Diversity: what is cultural diversity, why it is important to manage it and what is the applicable European and national legislation.
- Module 2: Cultural diversity management: who is involved, managing diversity in relation to the company's other plans and the institutional agreement/declaration.
- Module 3: Implementation of the diversity management plan: identifying cultural diversity in the company, planning and promoting cultural management through communication tools and actions to manage cultural diversity.
- Module 4: Demographic profile of the organisation: problems and opportunities: identification of potential sources of conflict and possible positive solutions.
- Module 5: Monitoring and evaluation: basic evaluation, analysis of more detailed results, obtaining details on the process, monitoring and evaluation, feedback on results of the evaluation.

4 In November 2010 a study carried out by the French network IMS-Entreprende was published, looking at four large companies (AXA, L'Oreal, Orange and Vinci) over an 18-month period regarding the consequences of good cultural diversity management. The results indicated that business value was created, profitability increased by between 5% and 15% depending on the activity, diverse teams appeared to be the most appropriate and that good cultural diversity management was more beneficial for the company than preventing discrimination or acting to resolve it in case of any conflict.

#### APPENDIX II

# DOCUMENTS AND STUDIES OF NATIONAL INTEREST

The Methodological Guide from topics to reality. Procedures for action against prejudices related to diversity by origin<sup>4</sup>

This work points out that managing diversity is about "recognising and promoting the particularities of each person and also being able to generate a common framework to which everyone can feel connected. This is only possible if the organisation is able to create its own corporate culture, mission, vision and specific values capable of uniting and motivating all people in their workforce, so that they share and develop their talent and personal skills"<sup>5</sup>. The aim of this guide is for companies not to lose the opportunity of integrating people from various groups as they can represent a significant asset in terms of productivity, effectiveness, efficiency and internal cohesion. Its peculiarity and contribution is to offer a tool, "arguments", that help differentiate between legitimate issues and prejudices and stereotypes that have become implanted in the company due to misinformation or propaganda and which hinder communication, teamwork and, in the worst case, access to employment by people of different cultures, genders, ages, skills, religions and sexual orientation. (See p.11)

Another interesting peculiarity of the tool is that the arguments presented to dispel stereotypes and prejudices must fulfil three conditions:

- I. They must be based on the ethical principle of considering human beings as ends in themselves able to understand one another through dialogue.
- 2. They would have to be the result of logical reasoning and
- 3. It is desirable that they are based on empirical evidence and specific data.

The guide explains how to prepare the *arguments* in 5 steps. The approach is that a group of workers from the company, led by a team, create in a series of sessions a set of arguments to respond to stereotypes and prejudices previously detected in the organisation. The resulting arguments of this methodological exercise are compiled by the work team in a working document called *arguments*, which will attempt to debunk some of these misconceptions, providing a set of reasons and data that serve as a reference for preparing a new communication strategy, among diverse people.

<sup>4</sup> Gallego, D. Guía metodológica: De los tópicos a la realidad. Procedimientos de actuación frente a prejuicios relativos a la diversidad por origen", Fundación Cepaim, 2011. www.cepaim.org

<sup>5</sup> Methodological Guide, page 4.

The functions of the arguments are as follows:

- Detect and work on elements that distort the symbolic representation of reality.
- Organise communication from an intercultural perspective.
- Construct messages that dispel fear, rejection, lack of trust, etc.
- Rebuild negative perceptions in a positive light.
- Promote intercultural citizenship.

Finally, the guide provides a specific example, the *arguments* prepared for a company in which prejudices and stereotypes were becoming a true obstacle to achieving its goals. The tool provides for periodic assessment of work, so it is possible to monitor changes in attitude and relationships between staff members. Another publication worth mentioning with a strong practical orientation for managing culturally diverse workforces is the white paper on diversity.

2 "White paper on diversity. A commitment to the effective management of people and organisations" 6

The Diversity Foundation communicates the practical experiences shared in the 2011 forum where specialists and consultants led workshops on awareness-raising, training and exchange of practical experiences on managing diversity in specific areas of people management, such as: assessing communication styles in diverse environments, links between talent and diversity management, the variables that should be considered for effective intercultural communication and leadership and innovation strategies. The paper presents interesting testimonials of companies and participants in the workshops which reveal the strength and importance of these activities. One of the participants in these sessions pointed out:

"Generally I had always thought of diversity management as a way in which we can integrate people that are different to us in the company (or in another environment). I had always thought of it like this, from an egocentric viewpoint where I was the «same» and some of the others were «different». It has proved personally rewarding to completely change my initial point of view: we are all the same and we are all different, it all depends on who is observing or from where they are observing. However, I have only been really aware of this when I have experienced it myself, in the role of «it is me who is different»". (p.58).

What is interesting about this publication and others in the same vein is that there is real interest in gaining a greater insight and exploring the application of diversity management practices in the company. The following publication looks at the diagnostics and procedures for applying diversity policies:

#### Managing diversity, more than an obligation, Pin Arboledas, José Ramón; García Lombardía, Pilar; Gallifa, Ángela (IESE)<sup>7</sup>

CSR Europe data collected by the White Paper "Managing diversity in Spanish companies: challenges, opportunities and good practices" points out that while 41% of European companies have introduced environmental policies, only 13% have diversity policies. UNESCO or the European Union is promoting different awareness initiatives although, according to these authors, these measures do not adapt to the individual needs of companies, which perceive these practices as an obligation and not an opportunity.

As reflected in the paper, "a diverse company is one that has a wide representation of minorities not only by abiding by the law, but because its style of management and culture result in actively striving for diversity as an added value. According to the authors, diversity improves talent capture, enhances human capital, fosters creativity, improves the work environment, is positive for the company's reputation and helps the company adapt to today's changing environments. However, managing diversity is not simple: it is a very recent phenomenon and we lack an established theory".

To get diversity to form part of the organisation's values, the authors propose the following process:

- Diagnosis. It needs to be checked to what extent the company is already diverse and see whether it has a heterogeneous workforce in terms of gender, age, training, etc. In parallel, questions on diversity that ascertain the workforce's degree of sensitivity can be included in work environment surveys.
- Review of policies and processes. The results of the diagnosis should give rise to a review of all human resources tools (selection, promotion, training and remuneration) to correct any possible biases and introduce measures to actively search for diversity.
- Diversity management. After introducing diversity in the company, its management will depend on the specific characteristics and culture of each organisation. Training and awareness programmes will be key to achieving the proper integration of different groups.

#### 4 Recommendations guide on managing diversity in companies and other organisations. Regional Government of Catalonia, 20108

This guide stemmed from one of the measures of the National Immigration Agreement (2008) and the Reception Law (2010) on promoting the preparation of a compilation of good diversity management practices for companies and other organisations.

<sup>7</sup> Managing diversity in Spanish companies: challenges, opportunities and good practices. IESE

<sup>8</sup> Guía de recomendaciones sobre gestión de la diversidad en las empresas y otras organizaciones. Generalitat de Catalunya

<sup>9</sup> Ley 10/2010, de 7 de mayo, de acogida de las personas inmigradas y de las regresadas a Cataluña

An initiative of the Directorate General for Immigration, it was prepared by the Department of Human Rights and Cultural Diversity of the UNESCO centre in Catalonia (Unescocat) in 2010. Different business organisations also took part, such as Cecot, Pimec and Unió de Pagesos, and trade unions such as CCOO and UGT, plus different organisations belonging to the Generalitat (Catalan government), such as the Department of Labour.

Some of the examples of good practices detailed in the *guide* are the reception of new hires in the workforce by the organisation SADA p.a. Catalunya, SA, the hiring of temporary workers by Unió de Pagesos and encouraging mobility by Interpartner Assistance España. Of note are the initiatives of companies such as Noel Alimentaria, Espuña and Especialidades FAR, carried out in collaboration with the Olot Town Council and the Social Action Consortium of Garrotxa. And the PROFIT programme of the Generalitat for personnel, particularly from the hotel and catering sector, with little knowledge of Catalan in order to serve the public. The *guide* highlights the signing of diversity management employment agreements (or specific sections in collective agreements) in organisations of different sectors, such as the agreement signed between the company Escorxador de Gerona and CCOO. Other notable examples include Ferroiberica S.L., Hotel Majestic SPA, Mantilyn SA, ABD, Grupo Eroski and Danone.

New initiatives on incorporating diversity in small and medium enterprises: Club Siègle XXI a Cataluña<sup>10</sup>

The Club XXI Siègle is an association created in 2004 by senior officials and company directors of immigrant origin, with the mission of promoting French diversity through the promotion of equal opportunities.

Its main objectives are:

- Reflect on what diversity represents for France outside the scope of discrimination.
- Build a reality-based discourse through positive examples to show that diversity is advantageous and is ACTIVE for France.

To do this, the Club implements different programmes in areas as diverse as: schools, companies, universities and the Senate Chamber in Paris.

Since 2010, it has been working to support the implementation of the club in other countries such as Germany (Berlin) in 2010 and Catalonia in 2011.

The Club Siègle XXI Cataluña implemented an intensive programme of activities in 2013, most notably the following two:

- Creation of Companies through the Business Accelarator which incorporates diversity and all the characteristics suggested in this guide on the creation of new companies, generating a Diverse Company Model from the outset and in the genesis of the company itself as its ideology. The SME is created with a new style of selecting and managing personnel in its development and production processes; it is internationalised from the start and plans its growth through the prism of a global and diverse society.
- This is how it answers a key question: What are the advantages for a company that starts off diverse? All of those potentially available to a company receptive to diversity, as the results obtained in the 3 accelerations practised during 2013 show.
- University Chair which not only aims to promote the training of business owners, but also detect diverse business talent, based on the direct gestation of start-ups through recognition of enterprising teams with diverse profiles.
- The University Chair will conduct studies and promote new trends in managing diversity, but it will mostly disseminate achievements throughout the diverse business community, making use of and applying the concept of collective intelligence.

Trade union guide to managing diversity in companies and public administrations based on ethnic or racial origin, nationality, cultural origin, religious background and beliefs, birth and language. Department of migration and cooperation of the UGT of Valencia 12

The aim of this publication is to provide union representatives with instruments for carrying out their union related work in the equality and non-discrimination field to prevent racism and xenophobia.

Managing diversity in the company means adopting new and modern management and organisation models. This implies a necessary change in the business culture becoming an active, participative and conscious model of acceptance and use of differences and similarities as potential. This requires the commitment and participation of both union and business representatives.

Its preparation has taken into account the peculiarities of both regulations and areas of negotiation for its application in different public administrations.

The conceptual framework, legal framework and the benefits of managing diversity for all workers and the company itself are set out, pedagogically, over three chapters. Finally, key information is provided on how to design, implement, monitor and assess diversity in the company. The whole publication is eminently practical in nature, including models and examples that enable its simple and effective application.

Available at: http://www.ugt-pv.es/cms/index.php?option=com\_content&view=article&id=8418:guia-sindical-para-la-gestion&catid=77:ugt-pv-inmigracicuments-i-notes&Item-id=417

#### Red Acoge. Diversity in Business<sup>13</sup>

Red Acoge is a Federation made up of 17 organisations established throughout the whole of Spain created in 1991 to promote the rights of immigrants in the country.

Given the purposes of the organisation, one of the lines of work of the Red Acoge Acoge Federation is Diversity in the Company, a line which is financed by the Directorate General for Migrations of the Ministry of Employment and Social Security and the European Social Fund.

Red Acoge proposes a series of instruments for Companies so that the challenge of Managing Cultural Diversity becomes an opportunity for social and business enhancement.

Under the slogan "Diversity is a reality. Make the most of it", Red Acoge has been carrying out since 2008 a project to raise the awareness of the business community of the advantages of good cultural diversity management in collaboration with business organisations, companies, academia, etc.

The project is dynamic and participative in nature with talks and workshops of varying duration to be held directly in the company itself that can be contracted on the Federation's website very simply.

A free 35-hour online training course is also offered to produce a Diversity Management Plan adapted to the needs and characteristics of each company irrespective of its size or sector of activity.

Under the same project, Red Acoge has signed more than a dozen agreements with different companies to jointly promote activities to improve cultural diversity management.

The cultural diversity management instruments that Red Acoge offers on its website are completed with a series of six downloadable booklets in PDF format with the following contents: "The diversity management plan", "Guide to Managing Cultural Diversity in Business: Proposed action and good practices", "Reception manual model for the company", "Diagnosis of diversity in the company", "Hiring and selecting personnel: A commitment to diversity" and "Business experiences in managing diversity".



SECRETARÍA GENERAL DE INMIGRACIÓN Y EMIGRACIÓN