Diversity and Public Sector Performance

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**Introduction**

Any discussion of public sector human resources management would be incomplete without consideration of the impact of diversity issues. 'Diversity' is a complex and emotive subject and covers a vast territory of issues.

Creating conditions and practices that enable and encourage all employees to produce their best is a challenge for all organisations. Creating conditions and promoting practices that enable and encourage all employees to want to produce their best is a challenge for all managers. Advising, supporting and facilitating these conditions and practices (and communicating good practice) is a challenge for and the responsibility of all HR practitioners. There is widespread recognition that HR practice plays a vital role in bringing people in and bringing people on in organisations. There is widespread recognition of the part HR plays in ensuring that the right people are in the right place doing the right thing. This role is even more imperative than it has ever been (Thomson & Mabey 1994). Bringing out the best in all employees presumes the existence of certain organisational conditions: safety, motivation, shared vision, support, development, and scope for expression of identity (freedom/permission to be and work differently and in ways that play to your strengths). ‘Managing diversity’ serves as an overarching label for this type of practice.

Over the past few years, efforts to get 'diversity' onto the strategic agenda of all UK government departments have been reinvigorated. This has led to public service organisations (both at central and local level) investing in an array of 'equality' and 'diversity' initiatives, some new, some repackaged and some old, trusted favourites. However, this mullet-pronged approach is still a heavily procedural response to what remains essentially the challenge of culture change.

This paper aims to draw out the specific links between human resources practice and diversity management. It will attempt to map out the main issues and challenges of diversity for public sector organisations. This paper will specifically provide an overview of the UK Government's approach to diversity management and will describe some of the initiatives that have been put into place to support the implementation of the diversity agenda.
**Assumptions and General Comments**

- Different countries, sectors and organisations have different interpretations of the concept of diversity and different approaches to the priorities for action (UNDESA/IIAS 2001). It would be of limited value to try to make direct comparisons of 'progress' across different countries.

- There are likely to be differences between self-perception and external views of the state of play. There might be a tendency for organisations to over-play positive developments and under-play some of the struggles. The issue of 'accuracy in reporting' is both important and problematic, and it can be reduced to 'a matter of interpretation'. The tendency in the public sector for numbers, tables and targets can be helpful to a point but can also obscure real experiences and problems that lie behind the statistical and numerical data.

- There is also a difference between espoused policies and practices. It is not just a matter of 'what' is implemented but also 'how' it is implemented and 'who' is leading the initiative. HR practitioners, managers or diversity specialists may well want to recommend the introduction of certain diversity practices. The extent to which these will be adopted is likely to depend on a number of factors. These include the proposer's position and status within the organisation, the quality and strength of their relationship with strategic management especially the Permanent Secretary or CEO, their influencing skills, the weight of supporting evidence for that practice, a convincing argument for the position advocated, and so on.

**The Concept of Diversity Management**

Diversity is a complex subject. It has many dimensions and can be analysed at the national, country level and institutional level (UNDESA/IIAS 2001). Although many useful different definitions are on offer (Maxwell 2004; Ospina 2001) attempts to pinpoint one single, common definitional framework for diversity and diversity management is difficult (Maxwell, 2004 p.183). Further, despite claims that it is integrated into organisations, in practice it is still at risk of being misunderstood and misrepresented.

It is interesting to note that the rationale for diversity management has been reframed over time. Whereas in the past, the explanation for need to pursue diversity management was grounded in the 'moral imperative' ('it is the right thing to do') and the legal imperative ('there is a legal obligation') it is now strongly underpinned by the 'business imperative' ('it makes good business sense'). Rutherford and Ollereanshaw (2002) conducted a survey of 140 organisations across the public and private sector with aim of finding out what types of diversity practices organisations were adopting. The study also looked at which organisations were making equality and diversity business priorities and what links they saw between this and their overall business performance.

The study showed that the 'business case' was the most often cited driver (71%) for diversity and equality initiatives and 80% of organisations said there was a link between good diversity practice and overall business performance. If nothing else, this suggests that the current language of diversity management is permeating through to organisations. The 'business case' is now the common reason presented for action on diversity training programmes.

The literature on managing diversity emphasizes the potential organisational benefits. According to Maxwell (2004), Ospina (2001) and others this includes:

- improved recruitment and retention
- reduced staff turnover and absence costs
- greater creativity and flexibility
- enhanced customer service
Mant (1995) describes the three types of individual needs and expectations that have emerged as part of the psychological contract for worker in developed economies. These are:

- the need for equity and justice
- the desire for security and relative certainty
- the need for fulfilment, satisfaction and progression.

Using this analysis to support the argument for effective diversity management, Maxwell (2004) suggests that the first of these explicitly relate to equality in general while the latter two implicitly relate to managing diversity in that security, fulfilment and satisfaction are founded on self-identity (Maxwell 2004 p.185)

**Diversity, Human Resource Potential and the Civil Service**

The integral relationship between good employment practice, effective human resources practice and diversity management is encapsulated in the following policy statement:

"The Civil Service needs to make better use of its most important resource – the staff – by providing the prospect of a career with a good employer, offering challenge and reward; by developing their skills to meet the managerial, technical and competitive challenges they face; and by ensuring equality of opportunity for all members of staff, irrespective of background, gender, race and disability."

Continuity and Change, UK Government White Paper July 1994

The diversity agenda within the UK is grounded in over three decades of ideas about and attempts to promote equal opportunities. Equality legislation has been in place since the mid-1970s. In recent years, European Union equality and Human rights directives and recommendations have added additional weight to existing UK equality legislation and practice. In addition, these legal imperatives have been matched by a strong political commitment to equality and diversity issues within the public sector. Promoting equality and managing diversity management are now an integral part of the current UK Civil Service Reform agenda. Specifically, the Civil Service has been mandated to make a *dramatic improvement* to diversity within the Service, both in terms of employment practice and service delivery.

The Modernising Government White Paper spells out the Government's vision very clearly. The Government wants to create a public service that reflects the diversity of the society it serves and takes full advantage of available talent:

"A truly effective diverse organisation is one in which the differences of individuals bring are valued and used. Currently we tend to minimise differences and to expect everyone to fit into the established ways of working. We should not expect them to. We should be flexible to allow everyone to make the best contribution they can. This has to be reflected in our ways of working, our personnel practices, the way managers manage".

Modernising Government White Paper 1999

Specific diversity management initiatives within the UK Civil Service include the following:

- **Diversity Surveys**

At the end of 2000, the Civil Service conducted an attitude survey of almost 16,500 staff from across the Service. This focused on equal opportunities and diversity issues and was intended to serve as an indicator of whether the Service was developing a culture that truly values and makes the best of the diversity of talent. The results show that civil servants have broadly positive views about the Service's approach to equality and diversity and they compare favourably with results from similar surveys in other sectors. The report also notes that people feel that diversity is not valued in the fullest sense - whilst difference are respected, they are not really made use of. It is interesting to note that certain groups of staff report significantly less favourable experiences, especially disabled staff and staff from ethnic minority backgrounds. Another issue of note is the small but significant proportion of staff who reported that they have been bullied, harassed or discriminated against in the past year. Again, certain groups of staff reported this experience in higher numbers than others.
On the issue of work/life balance, the survey reports indications that government departments and agencies are making available flexible working patterns to enable staff to better balance home and work life. However, findings suggest that part-timers and staff who are primary carers feel that they face more barriers to getting on in their career. The Cabinet Office is sponsoring a flexi-working pilot, and a number of government departments already have provision for more flexible working.

♦ Equality in Performance Review Research

In 1999, thirteen departments, in conjunction with the UK Cabinet Office and the Council of Civil Service Unions (CCSU) commissioned research into the outcomes of performance appraisals to investigate whether and how the outcomes differed for different groups of staff. Basically, this showed a pattern of ethnic minority staff and disabled staff receiving lower than average performance ratings than white and able-bodied staff respectively, and of women receiving higher ratings than equivalent men (at the lower grades). Further research to understand the underlying causes for these imbalances was commissioned.

In June 2000, six government departments and the Council of Civil service Unions jointly sponsored this second stage of the research. This study is regarded as being considerably more comprehensive than any undertaken previously, either in the Civil service or elsewhere. The second phase of this study suggests that the performance management systems are in themselves robust and not the underlying cause for the discrepancies identified. Rather, the study suggests that the discrepancies in ratings are more likely to be related to the way in which people are managed and developed, and related to managers' beliefs and perceptions about what constitutes 'effectiveness'. The study identifies a number of strategies to deal with any perceived discrepancies including independent quality assurance, building management capability, equality proofing systems and procedures, and continued monitoring of progress and outcomes.

♦ Tackling Under-Representation

Tackling under-representation and target setting forms a visible feature of the current programme of action. The employment of women, ethnic minorities and disabled people in the Civil service compares favourably with other employers both public and private sector. However all groups are under-represented at senior levels.

By way of response, the Civil Service has set up specific targets for tackling this concern. The Service has set targets to double the number of people from ethnic minority backgrounds, women and employees with disabilities within the Senior Civil Service (the top 3000 jobs). The aim is that by 2004/5, 3% of top posts will be filled by people with a disability, compared with 1.5% in 1998. The figure in October 2002 was 2.0%. On gender, the target is that by 2004/5, 35% of senior posts will be filled by women, as compared with a baseline of 17.8% in 1998. In October 2002, the figure was 25.8%. Finally, the target for people from ethnic minority backgrounds is 3.2% set against a figure of 1.6% in 1998. In October 2002, 2.8% of people in the senior grades were from ethnic minority backgrounds (Source: www.civil-service.gov.uk/statistics).

Other initiatives aimed at making the civil service more representative include outreach work with universities (especially the non-traditional, new universities) and community groups. There have been specific concerns about the numbers of black and Asian graduates entering the fast-stream. In response, the Cabinet Office sponsors an annual Civil Service Ethnic Minority Careers Fair to encourage more applications to the Service from under-represented groups. The Cabinet Office also sponsors a development programme to help ethnic minority graduates handle the fast-stream selection procedures. Furthermore, various community organisations receive sponsorship to raise the profile of the Civil Service and promote the Service as an open, inclusive and progressive employer. For example, the Cabinet Office sponsors www.Blackbritain.co.uk. This is a web-site for Black communities which features recruitment details for jobs across all government departments.

The Cabinet Office is sponsoring a development programme called Pathways. This is aimed at providing ethnic minority staff with an opportunity to realise their potential and to prepare them for the Senior Civil Service. This is a two-year scheme combining training sessions and mentoring support. In terms of examples of action on gender issues, the Civil Service works in close partnership with Opportunity Now. This is an organisation
that works with employers to realise the full potential of women at all levels and in all sectors of the workforce. Also, plans are underway to pilot a Job Share database to help the 60,000 people who have alternative work patterns and want to change jobs within the Civil Service. In addition, the Civil Service launched a programme called Elevator Partnerships. This is an informal mentoring scheme in which some of the most senior women in the Civil Service are paired up with more junior women for a year. The junior women are those who are seen as having potential for progression but who may have been overlooked for various reasons such as by being part-timers, having had career breaks or being specialists.

Moving on to the work on disability issues within the Civil Service. There is a general acknowledgement that progress on disability matters has been slower than that for women and ethnic minorities. The Cabinet Office is steering a number of interventions aimed at addressing this shortfall. This includes the following:

- Reviewing the Bursary Scheme for talented civil servants with a disability.
- Ongoing 'Workable in the Civil Service' programme designed to find work placements throughout the Civil Service for disabled graduates and undergraduates.
- Sponsorship of the recruitment newsletter 'Ready Willing and Able' and web-site www.readywillingable.net to raise awareness of career opportunities within the Civil Service for disabled people.
- Production of a Reasonable Adjustments best practice guide for Civil Service departments.
- Development of a Code of Practice for Monitoring Disabled Staff to gather accurate data on the number of disabled staff currently working within the Civil Service.

In addition, two reports published in June 2001, ‘Civil Service Diversity Survey’ and ‘Equality in Performance Review’ highlighted particular concerns about the career deficit experienced by disabled people. Also, the paper, 'Disabled Staff in the Civil Service: Addressing the Career Deficit Challenge' noted that there is a significant career deficit in the Senior Civil Service but also at lower grades. A career deficit refers to a consistent under achieving in grading terms compared with non-disabled colleagues.

Most organisations seek to address similar career deficits by increasing the recruitment of underrepresented groups. This report argues that disability is different from other areas of equality in that the vast majority of disabled people in work become disabled during their working life. The report states that the career deficit experienced by disabled people is therefore best improved by more effective attendance management procedures which are aimed to retain, develop and improve opportunities for disabled people working in the Civil Service. The retention and career development of disabled Civil Servants will depend very much upon their level of satisfaction with regard to how their employer treats them. Low levels of satisfaction will lead to increased absenteeism and poor productivity that both contribute to increased ill-health retirement. Improved satisfaction will help disabled employees take greater responsibility for their own career development.

The report identifies a number of mechanisms available to improve the representation of disabled people in the Civil Service including:

- Project led recruitment as developed by Centrica and the Employers’ Forum on Disability (this mainly involves pre job interview training).
- Secondments into higher-grade positions of disabled people (this might be attained by appointing suitable candidates who were 'pipped at the post' by a better candidate but could be appointed on trial basis).
- Head hunting of high-flying disabled people through executive search agencies (less easy than it sounds because effective networks are not in place).
♦ Departmental Diversity Action Plans

All government departments are required to have Diversity Action Plans that identify their diversity commitments. Most now do have diversity action plans - however basic - against which they are required to report back to the Cabinet Secretary via the Cabinet Office. The latter provides a central steer to departments on diversity implementation disseminates good practice and is responsible monitoring and gathering data on progress from the various government departments. Most departments now have a specific diversity and equality policy. Some also have separate but related policies on harassment and bullying given that this was an issue of particular concern as identified through the Diversity Survey.

♦ Diversity Advocates

Diversity has been given a higher political profile. For example, in the UK Government there are Ministers with designated responsibility for Equal Opportunities, Women, Disabled People and Race Equality. Furthermore, the current Cabinet Secretary and Head of the Civil Service takes an active interest in the implementation of the diversity agenda within the civil service. Formally, he makes six-monthly reports to the Prime Minister on progress being made on the Government's diversity commitments.

In terms of accountability at the administrative level, each Permanent Secretary is personally responsible for ensuring his or her department delivers fully on its diversity commitments. In addition, a number of new specialist posts and roles have been created in an attempt to help departments focus their ideas and channel their actions to deliver on the freshly laid out diversity management agenda. For example, various senior civil servants have now been given designated roles as Diversity Sponsors and Diversity Champions to spearhead the diversity work within and across departments.

♦ Diversity Objective-Setting in Forward Job Plans

All Civil Service managers (and in some departments this applies to all staff) are now required to have a specific diversity objective within their Annual Forward Job Plan. This requirement has presented a challenge for some parts of the Civil Service and the Cabinet Office is monitoring the approach being taken by different departments. Some Civil Service managers report that this presents yet an extra burden and are not adequately prepared to guide their staff on this requirement. Some departments have attempted to provide basic guidelines on what constitute 'good diversity objective-setting' and have provided briefing sessions. The assumption is that over time, line managers and staff will become more skilful at this and be able to set sharper, more relevant and more meaningful diversity objectives.

♦ Diversity Training Support

Diversity Awareness training for all managers is now mandatory. Specifically, all Civil Service departments were required to train their managers in diversity by November 2001. In order to monitor the progress being made in this area, the Cabinet Office has undertaken a Review of Departmental Diversity Training programmes. This shows that not all departments met the target.

The review also suggests that Civil Service departments are at different points of departure, targeting different audiences, delivering different content and using different delivery mechanisms. Some departments have seen diversity awareness training as part of the bigger change agenda. Some have integrated diversity training into existing development programmes. Some have provided tailor-made diversity training events. Some have only targeted middle managers, other all managers. Duration of training events ranges from half a day to five days. Many have used external consultants for the delivery; some have used internal training specialists. Delivery mechanisms used include distance learning materials, training videos, e-learning via the Intranet, interactive theatre and tutor-led sessions. On the issue of expenditure, responses ranged from 'Don't Know' to £60-70 per person through to £120-150 per person.
Networks and Support Groups

The Civil Service sponsors a number of diversity networks and support groups. This includes, for example, a civil service-wide network to provide a forum for dialogue on race equality issues across the civil service. It is also intended that this will act as a channel between senior managers and ethnic minority staff. The network - the Civil Service Race Equality Network (CS-REN) - is a new umbrella organisation set up by departmental race equality groups from across the civil service. The Cabinet Secretary and Head of the Civil Service has made himself Champion of this network which gives it much needed strategic links.

Other Diversity and Equality Initiatives

The Civil Service has introduced a range of additional diversity and equality initiatives. The following is only an indicative list (this is in addition to the various individual departmental initiatives):

- Work Life Balance initiatives.
- Opening-up more posts to direct recruitment at senior levels.
- An Interchange initiative to provide secondments for people from diverse background from other sectors.
- Peer Reviews of diversity programmes
- Diversity Benchmarking

Generally, whilst there is a high level of interest in diversity benchmarking, the actual level of uptake and extent of application is quite low. Furthermore, many of those working the diversity field within the Civil Service are unclear about which are the most appropriate models to use, and there is some concern about affordability and sustainability.

- Racial Equality Standard

The UK Commission for Racial Equality has produced a benchmarking framework for promoting racial equality, Racial Equality Means Quality (Commission for Racial Equality 1995). The underlying premise of this framework is that quality management can be applied as a tool for encouraging racial equality to permeate throughout the organisation and all aspects of employment practice and service delivery (Speeden and Clarke 2000). Speeden and Clarke argue that racial discrimination tends to be seen as an issue for 'inner city' authorities and considered as 'unimportant' in areas where the 'ethnic minority' population is small. However, they argue that it is in such communities where discriminatory views remain uncontested and tend not to be discussed as part of the policy process (Speeden and Clarke 2000 p.95).

This framework represents serves as an acknowledgement that legal enforcement as a means of delivering anti-discrimination policy can be limited. Implementation of initiatives can be problematic as in the case of REMQ. It is based on the assumption that the organisations being encouraged to apply this framework have the capacity and capability to make it work. The survey 'Measuring Up published by the CRE (Clarke and Speeden 2000) showed that the overall take-up rate of the Race Equality standard was 57% of local authorities. The adoption of the standard was directly related to the presence of a significant minority ethnic population with a local authority area. The survey showed that a number of local authorities felt that it would be difficult to justify expenditure on expensive data-collection and monitoring procedures in areas where the ethnic minority population was small. The Measuring Up survey finds that there are significant differences between local authorities in terms of the emphasis given to racial equality within their corporate strategy. The survey also finds there is little understanding of the managerial and cultural changes that are necessary to bring about 'mainstreaming' (Speeden and Clarke 2000). There is concern that equality work is insufficiently mainstreamed - that is, integrated with the mainstream activities and processes of the organisation (EOC 1997). Mainstreaming as a principle and practice has become accepted as a tool for promoting equality and diversity
• Equal Pay

UK Government figures suggest that an 18% gender pay gap still exists between men and women despite 30 years of equal pay legislation (Personnel Today 13 March 2001). The Equal Pay Task Force, a body set up to review the current situation and make recommendations for equalising pay, identified the following barriers to closing the pay gap:

- a lack of awareness and understanding that there is a problem
- ineffective and inefficient pay legislation
- employers and unions that recognise there is a problem but do not know how to tackle it
- secrecy about pay and pay systems
- social, economic and labour market policies that miss opportunities to address the pay gap.

(Source: Just Pay report 2001).

The Task Force made the following key recommendations:

- raise the levels of awareness which involves action by the Equal Opportunities Commission and representational bodies such as trade unions
- improve equal pay legislation, introducing a requirement on employers to conduct pay reviews and streamlining tribunal procedures
- improve guidance for employers and unions and a government requirement for pay reviews in the public sector
- open up discussion about pay, with reporting of pay reviews in employers' annual report
- invite the government to assess how policies such as the National Minimum Wage, the National Childcare Strategy and the National Skills agenda could help narrow the pay gap.

Diversity and Service Delivery

Diversity management can be seen as having an outward and an inward focus. Both need to take into account access issues and total service/employment experience issues. The inward focus concerns itself with employment and institutional issues, as discussed in the previous section. The outward focus concerned with service delivery and facilitating greater social cohesion and integration within communities. Equality and diversity issues cut across all aspects of public service provision. This includes education, housing, employment, transport, leisure and recreation, the criminal justice system, the welfare system, issues of citizenship, and so on. Public service policy makers and those involved in delivery clearly need to have some appreciation of the ways in which issues of 'inclusion' and 'exclusion' are manifest across different service sectors if public service practice is to be truly 'joined-up' and meaningful. This needs to be underpinned by an understanding of the profiles of various communities, their settlement patterns, age profiles, language needs, cultural and religious practices, and so on, and any barriers they face in terms of access to and/or experience of specific public services.

To illustrate the complexity of this challenge, ethnic minority communities make up a significant proportion of the UK population and face specific challenges in terms of access to employment opportunities (Cabinet Office 2003). The report "Ethnic Minorities and the Labour Market" (Cabinet Office 2003) concludes that despite 40 years of anti-discrimination legislation, racial discrimination in the labour market still persists:

"In recent decades Britain has become a much more ethnically-diverse country. Some ethnic minority groups have done increasingly well, not only in the education system but also in the labour market. These changes have brought widespread benefits to the nation's culture, economy and society. Nevertheless, despite the marked progress made by some, too many members of ethnic minority communities are still being left behind. Even those individuals who achieve academic success do not necessarily reap the rewards in the workplace that their qualifications merit." (Foreword by the Prime Minister, Cabinet Office 2003 p.2)
Ethnic minorities currently make up 8% of the UK population but they tend to be clustered in Britain's major cities. Over 75% of ethnic minorities live in Greater London, the West Midlands, Yorkshire and Humber side, and the North West and Merseyside. Ethnic minorities have a younger age profile than the population as a whole and will account for half the growth in the working-age population over the next decade. Further, ethnic minority communities have differential access to education, housing and employment, and discrimination remains a feature of their experience.

Britain's ethnic minority communities are reported to have consistently experienced unemployment rates twice those of Whites (Leslie et al. 1998). Kirkton and Greene (2000) highlight that the picture is even more complex and argue that "labour market opportunities are mediated and constrained by gender, race, age, disability and sexual orientation, albeit in qualitatively different ways" (2000 p38).

On the issue of ethnic minority population and employment, the situation is made complex by the fact that currently there are wide variations in the labour market achievements of different ethnic minority groups. Indians and Chinese are, on average, doing well and often out-performing all other groups in schools and the labour market. However, members of other groups such as Pakistanis, Bangladeshis and Black Caribbean's experience, on average, significantly higher unemployment and lower earnings than other groups. The report suggest that this poses not only economic costs but also potential threats to social cohesion and that improving performance in schools and in the labour market is a major priority for Government (Cabinet Office 2003 p.4).

The report expresses specific concern that all ethnic minority groups - even those achieving relative such as the Indians and Chinese - are not doing as well as they should be given their education and other characteristics. Various reasons for this are given including the fact that ethnic minority groups can be concentrated in areas of deprivation which bring problems of poor public transport and isolation. However, there report also points to strong evidence that discrimination also plays a significant role. "Whilst equal opportunities legislation has had some success in combating overt discrimination and harassment, indirect discrimination, where policies or practices have the inadvertent result of systematically disadvantaging ethnic minorities, remains a problem" (p.7).

In terms of action to address these challenges, the report argues for a fresh approach that goes beyond traditional anti-discrimination policies to address the many factors that are barriers to success in jobs and careers, including targeted action on schools, jobs, housing and employment. For example, in terms of better understanding the experience of ethnic minorities and employment, factors such as employment levels, unemployment levels, occupational attainment/progression within the workplace, earning levels and levels of self-employment would need to be examined.

The report argues that economic integration is a vital part of broader social and civic integration and is likely to bring about a return in both economically and in terms of stronger social cohesion. The report's overall message is that Government policies and service delivery need to take account of these issues but recognise that there are differences between these communities in terms of their needs, experiences and problems:

"…it follows that Government can no longer apply the same polices across the board. Instead we need a much more fine-grained approach with interventions tailored to meeting the different need of particular groups" (PM, Cabinet Office 2003 p.3).

As an attempt to better understand the needs and expectations of the various communities it serves, the UK Crown Prosecution Service (CPS) conducted a series of 'dialogue' events in 2001 involving policy makers and representatives of different agencies and voluntary sector groups working with local communities. The events focused on various diversity issues concerning disability, race, and domestic violence and identified recommendations for the future action by the CPS. This included developing support systems for disabled people, changing the way in which racist incidents are dealt with, and continuing community engagement. This serves as an example of inclusive, consultation based policy-making and service delivery.
Diversity Management: essential ingredients

The Rutherford and Ollenearnshaw (2002) report states that it is not length of time of implementation of diversity policies that produces successful outcomes. Rather, it is the extent of their integration in 'business' strategy.

The study identified a four-stage process of integration:

- explicitly considering equality and diversity in overall objective-setting and business planning
- using existing business processes for integration
- measurement
- accountability

Further, the study identified a number of factors that support the successful integration of diversity and equality in organisations. These include:

- leadership - identified as a key factor in terms of policy initiation and implementation
- corporate values - as a means of integrating diversity
- role of the diversity function - issue of status and seniority of these roles
- ongoing support - such as training as a means of spreading ownership, commitment and responsibility for diversity
- full-scale integration and sustained action rather than piecemeal measures

The 'Advisory Panel on Equal Opportunities in the Senior Civil Service' report confirms that the 'corporate values', culture and ethos of the Civil service remains a key obstacle to change. Despite various initiatives progress has been slow because "such initiatives have tended not to be an integral part of mainstream management and personnel practice" (p.2). Mainstreaming is about making sure that at every stage in the life of a policy or programme the potential impact on different groups of the population is actively considered and taken into account where necessary.

Also, the 1998 report Succeeding in the Civil service - a Question of Culture commissioned by the UK Cabinet Office set out to review the enablers and barriers to entry into the senior ranks of the Civil Service. This report states that of those surveyed only 25% feel that promotions are entirely based on merit and this figure falls to 10% for ethnic minority respondents. The study also suggests that there is still a strong perception that networking and patronage are too influential as factors in development and the current culture encourages those who are different to conform to the 'norms' in order to get on.

More generally, in order for diversity management practices to be effective they need to be set in the context of a number of basic 'good' organisational practices. To illustrate, the Watson Wyatt Human Capital Index (HCI) study states that there are specific 'human capital practices' that are related to performance and shareholder value (Watson Wyatt 2002). The study identifies 36 so-called 'human capital variables' (practices and policies) associated with better performance, which they report claims are globally consistent. These are grouped into six dimensions:

1. Clear Rewards and Accountability: practices such as paying above the market and effective performance management aligned to business goals, "Promoting the most competent people, terminating unacceptable workers, having an effective appraisal system, and improving poor performers are examples of successful performance alignment" (Watson Wyatt 2002 p.10)
2. Recruiting and Retention Excellence: practices such as an effective recruiting process, a positive employer brand, focus on key skills retention and creating a secure environment.
3. Collegial, Flexible Workplace: such as employee input into how work gets done, higher trust in senior management, the total employee experience in the workplace, and a lack of workplace hierarchy. "The total employee experience in the workplace is closely linked to the degree of involvement employees have in how their work gets done and the degree of flexibility they have in organising how they want to work" (Watson Wyatt 2002 p.14)

4. Communications Integrity: practices such as effective use of employee surveys, sharing strategy and financial data with employees and employee input into decision-making

5. Prudent Use of Resources: potentially draining practices include developmental training for career advancement, 360-degree feedback programmes, excessive paternalism and 'unintelligent' use of temporary employees.

6. Focused HR Technology: practices such as using technology to improve service and accuracy or to cut costs.

HR Function Effectiveness has also been identified as an important factor. This includes it being highly efficient, closely aligned with business needs, focused on strategic issues, measuring accurately the value to the business of what it is doing and prioritising efforts accordingly. All of these dimensions, aimed at promoting better performance and a better return for shareholders, constitute sensible approaches that could also support diversity management principles and practice.

Further, diversity management is more likely to be effective responsibility for it is shared and not just seen as the 'chore' of the Human Resources or specialist diversity function. In this context, the UK Cabinet Office usefully identifies areas of responsibility for managers, individuals and the HR function (Cabinet Office 2003b p.5). For example, the Human Resources function is responsible developing and reviewing the Department's equality and diversity Action Plan, providing equality and diversity training and co-ordinating other activities such as childcare provision and the staff diversity networks and providing guidance to managers and individuals on diversity matters.

In summary, diversity management is good people management. Effective people management can lead to improved performance and better service delivery. Diversity management is not a single programme or a one-off intervention. If it is to be effectively implemented it needs to be developed as an integrated, ongoing set of management and organisational practices. This includes:

- a clear organisational diversity strategy
- strong vision supported by a clear values statement
- visible & consistent commitment from political leadership and senior managers
- mainstreaming diversity into all polices & procedures
- a robust HR framework and practices
- encouraging and facilitating a culture of learning

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