

EMEA DIVERSITY NEWS 36

CORPORATE EDITION



Summer 2010
Editorial

Dear Readers,

In my morning commute, I take great pleasure in the colourful array of flags from around the world displayed in windows, hanging from balconies and even draped across people in the street. The World Cup in many ways embodies successful Diversity & Inclusion. The diversity of teams, many of which play alongside their opponents in local leagues, spans across all continents and draws support from citizens of other nations. Team identity and national identity blend together for this one month of football, once every four years. The inclusion of the variety of teams at the World Cup is also notable, ranging from the world's greatest, to the underdogs and even the politically controversial. And just like life, team skills with the slightest stroke of luck can bring an unexpected victor. As the games continue, it is almost as if the world stands together on the stadiums to celebrate and cheer D&I, and when we return to normal life, the borders will rise again.

In some other areas, national divides are becoming unusually fuzzy. A recent study in France revealed that 2/3 of the French would like to “adopt” French-speaking Belgium (Wallonia) into their borders. Oddly, has yet to be asked if they would like to be a part of France. The relatively recently created nation of Belgium with an initially imported king and a religiously founded *raison d'être* of not wanting to be with the protestant Netherlands, the bilingual country keeps on struggling with its integration – despite some of the major EU institutions being located there. And Belgium also did not make to the football World Cup. Perhaps the Diversity Charter that exists in the Brussels Capital Region can serve as an impetus for future unification.

In this month's Corporate edition, explore how Citigroup is overcoming unconscious biases, how mentoring programmes are becoming more innovative, and how Italy is balancing home responsibilities. Also, discuss our People Management focus on stress at work, find out which organisation just promoted three women to top management, and much more.

Enjoy reading and until time,

Perry Hwang

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DIVERSITY DIMENSIONS

The Business Case for Global Gender Balance

According to a new report from the European Commission, the economy would benefit by having full representation of both men and women in top positions. The report, “More women in senior positions – key to economic stability and growth,” shows that women continue to be severely under-represented in economic decision-making. In the corporate world, men account for nearly 89% of the board members in Europe’s biggest listed companies. Norway stands out as the only country nearing gender balance with 42% women and 58% men on the boards of the largest listed companies – the result of a legal quota. At the same time, several studies now show that there is a positive correlation between the share of women in senior positions and company performance. For example, a study conducted in Finland found that firms with a gender-balanced board are on average 10% more profitable than those with an all-male board.

Additional evidence of the importance of involving women in the economy comes from the study “Women & Mobile: A Global Opportunity”. On a global average, a woman is still 21% less likely to own a mobile phone than a man. This figure increases to 23% if she lives in Africa and 24% if she lives in the Middle East. There is considerable evidence that greater mobile phone penetration rates are associated with faster economic growth, job creation and profitable businesses. A recent study by Ovum (2006) showed that the mobile industry had already created 3.6 million jobs (directly and indirectly in India and was expected to add a million more jobs annually). Additionally, a survey in South Africa and Egypt found that 62% of businesses in South Africa and 59% in Egypt attributed increased profits to mobile phones (Vodafone, 2005).

Women business owners in particular perceive the phone as an essential productivity tool, with more than half saying they have used a mobile phone to earn additional income. These statistics indicate a strong link in increases in mobile phone penetration and faster economic and business development. However, “the business case for Gender Diversity is crystal clear for most senior managers,” reports Diversity consultant Michael Stuber from his talks, presentations and workshops with top leaders. “The real challenge is to get the male middle ranks beyond their emotional reservations based on stereotypical perceptions of women”. This assessment is backed by many surveys of female talent, that shows prevalent biases that are often difficult to address.

How can you use it?

- Reconfirm the business case for gender Diversity

How we can add value

- Re-assess your Gender Diversity Strategy, including recommendations to impact your numbers
- Compile an industry-specific Gender Diversity Best Practices report

France and Germany: Supporting Disadvantaged Youth

With programmes such as ‘Espoir Banlieues’ and ‘Chance²’, France and Germany are concretely fighting inequality for disadvantaged youth. The 2010-revised French programme ‘Espoir Banlieues’ (transl. ‘Hope Suburbs’) began in 2008 and supports the employment and employability of young people from “les banlieues”, the low-income districts with a high percentage of non-integrated minorities. Since the launch of the programme by the French Ministry of Economy, Industry and Employment, 38 CEOs, mostly from large public companies, have committed to employ 22,000 young people from disadvantaged areas as part of internships or training contracts. In addition, the state along with the signatories have agreed to support 45,000 young people under 26 with a “contrat d’autonomie”, a new form of contract for professional inclusion, which provides a half year of government support measures for vocational integration (active job search, training, coaching, etc...). At the end of this period, this group would be placed in sustainable employment with their apprenticeship skills and qualifications. Companies such as Coca Cola and the Elior Group are

strongly committed to the programme. In 2008, Coca Cola pledged that 15% new recruits would come from “les banlieues” and having reached their goal, they have increased their 2010 target to 20%. In February 2010, the Elior Group committed to hire 685 people aged under 26 who live in ‘les banlieues’, and to take on 450 interns and 300 young people on work-study schemes. Elior has already recruited 461 under-26 year olds living in areas identified by the French government in 2008 as priority urban zones.

Germany’s support for disadvantaged youth comes in the form of education. With the new programme ‘Chance²’, pupils in the 9th and 10th class with migrational and non-academic backgrounds will be concretely supported to reach their Bachelor’s degrees. The University of Duisburg-Essen (UDE) will develop the new program over a period of seven years with the donation of €2.3 million from the Mercator Foundation. With a

goal of increasing the graduation numbers of disadvantaged youth, the organisation hopes to activate hidden potential. The long-term goal is to abolish the existing inequality in education between those with and without migration backgrounds. In the 4 years before A-levels, the four focus areas are: writing and speaking, field of study, trial-time at Universities and mentoring. In addition, the pupils will receive a educational stipend for expenses such as books and materials. If the participants chose to continue their studies at UDE, they will enter the second phase of the programme and will continue to be supported practically and financially until they complete their degree. During the two phases, the participants will have continual support by the same educational aides. In addition, the participants’ parents and schools will be invited to various informational events. By this coming winter semester, a group of 30 pupils and 20 first semester university students will begin the programme and will be supported until their graduations.

How can you use it?

- Explore the benefits of recruiting young talent from different cultural backgrounds

How we can add value

- Revamp your graduate recruitment strategy to be truly inclusive and find top future, GenY talent
- Develop new ways for your company to develop and leverage ethnic minorities internally

ORGANISATIONAL STRATEGIES

Gender Mentoring Expands Across Organisations

AXA Winterthur, with the support of European Diversity Research & Consulting, has established a Gender Mentoring programme to bring their career motivated women into higher ranks. With the participation of the entire board, 77 women applied for the programme and 43 were matched with higher-level Mentors in the first year. The symbiotic relationship provides the opportunity for each pair to learn from each other through exchanging experiences, asking specific questions about career management while receiving personalised tips for success, and networking in different business areas and levels. With the full support of top leadership, the interest of high potential women and a successful first round, AXA Winterthur is propelling change towards gender equality.

Organisations in France are also beginning to work together to reach gender equality through a new programme from BoardWomen Partners (BWP). This programme utilises the best of French business leaders, including a AXA Group Head, to increase the percentage of women on the executive levels and boards of large companies in France. For the first time, the CEOs and presidents of boards of very large companies in France who believe that gender diversity will contribute to better governance are working together towards a common goal.

Based off the 'FTSE 100 Cross-Company Mentoring Programme' created by Peninah Thomson, the programme develops a pool of pre-nominated women through direct access to CEOs and Chairmen of the boards. The pairs consist of a mentor, who is a president of a participating company, and a Mentee, the member of another company participating in the program. Each Mentor nominates one or more high-level women to be matched with another mentor. To date, the programme has brought together 20 presidents and 20 Mentees.

How we can add value

- Set-up a cross-company mentoring programme in your country or internationally
- Evaluate your current mentoring programme to include more Diverse potential

How can you use it?

- Evaluate the scope and themes of your Diversity events

How we can add value

- Design your future event with our background planning global Diversity seminars
- Innovation consulting for your current event or communication strategy

Citigroup's 7th Diversity Week

In mid-June, Citigroup held their 7th annual Diversity Week. This is the 3rd year where initiatives have expanded to all countries in EMEA and last year over 250 events took place in 53 countries across EMEA. The theme for 2010 was 'Reflecting on Unconscious Bias' where the organisation discussed how prejudice exists in each of us through how we make judgements and assumptions that can lead to stereotyping and that there are occasions where our perceptions may be faulty. In order to work to eliminate biases at Citi, groups worked to recognise how and when unconscious bias can occur and to consciously value and appreciate difference. A variety of events during

the week engaged employees to expand their networks, make new connections, challenge perceptions and become more self-aware, through serious debate, key note speeches and comedy. “This example underlines the effectiveness of well-planned communication and intervention strategies,” adds Michael Stuber, who has designed a number of cutting-edge events and programmes for leading corporations over the past 13 years. His experience tells that the key success factor is to build programmes that allow participants to take one developmental step at a time using a framework that is founded on the existing communication and learning platforms of an organisation.

POLICY DEVELOPMENT

Italy: Mandatory Paternity Leave

On June 2nd, the Italian House of Deputies began debating a new bill requiring a mandatory four-day paternity leave for all new fathers. If the bill is approved, Italian fathers will be obligated to take four days off immediately after the birth of their new child. The four-day paternity leave would be fully paid by the employing companies or by the Italian social security system for self-employed fathers. Although some companies have already implemented a mandatory paternity leave, such as Nestlé and Intesa San Paolo, the current percentage of fathers taking this time off to support their families is less than 4%. The four days may only hold a symbolic value, but they definitely represent a first step towards better balance in Italian familial responsibilities, especially regarding child care, which is still perceived as only “mothers’ responsibility”, commented Anna Mazzolari, European Diversity’s Italian project associate. According to Barbara Saltamartini, signatory of the PDL party’s proposal, “The real goal is to pass from equal opportunities to equal responsibility. We shouldn’t just think of protecting women, instead we should think of a system that allows families to reorganize themselves.” The regulations on compulsory paternity leave across Europe vary with as much as 30 days leave for fathers in Sweden, where the days can be split into 4 periods over one year, and 11 days in France. The majority of countries offer a smaller number of days, with Spain requiring 4 days plus an optional 30 days, and 3 days for the UK, Germany, Portugal and Spain.

How can you use it?

- Check your Work/Life balance initiatives for the inclusion of men

How we can add value

- Develop a comprehensive Work/life balance programme
- Provide a trend report on Corporate Parental programmes

Spain: Protecting the Use of Headscarves in Classrooms

The Spanish government will create a law on Religious Liberty to establish the use of the Islamic headscarf in public spaces, including in educational facilities. The Minister of Justice, Francisco Camaño, stated that the new legislation “must be clear” with respect to the use of religious symbols in public spaces. Even though the content of the new law is still to be determined, the Minister has stated that “all veils are not equal”, and that just as it is regarded as “common sense” to carry a cross from the first communion in all classes except physical education, the type of activity in question will determine whether a hijab can be worn. The Minister has stated that the new legislation will specify which religious accessories can be worn by citizens and in which public spaces, but their articles must be “compatible with and according to the surroundings”. Therefore, the specific regulations of different facilities -such as schools, hospitals, or military centres- will be the ones to determine which religious elements can be worn or not and in which circumstances. “It is interesting to see that some countries are supporting religious diversity and inclusion while others are trying to eliminate or ban religious clothing or symbols,” comments Diversity expert Michael Stuber, “The emergence of more initiatives, pull-backs and progress will increase over next five to ten years until eventually a consistent European approach will be found”.

BUSINESS CASE

BITC: Responsible businesses recover quicker from crisis

Business in the Community (BITC) research released this month confirms for the second year running the statistically significant link between effective management of CSR issues and financial performance. The downturn has had a dramatic effect on the financial returns of companies, but FTSE 350 companies consistently managing and measuring their corporate responsibility did not fall as far and recovered more quickly than their FTSE 350 peers on total shareholder return in 2009 by an average of 10 percentage points. BITC first published this research in October 2008, when it showed that socially responsible companies outperformed their peers on total shareholder return in 2002-2007 by between 3.3% and 7.7% per year. Stephen Howard, Chief Executive, Business in the Community, said: “This research demonstrates that our assertion that responsible business is just good business is valid. Not only do responsible businesses fare better in strong economic times, but it seems that businesses who incorporate social and environmental factors into their core business are able to respond faster and, in this case, have bounced back from the financial crisis quicker.”

People Management Focus: Stress at Work

22% of workers from the EU 27 are affected by stress, the second most frequently reported work-related health problem. Studies suggest that stress is a factor in between 50% and 60% of all lost working days, which represents a huge cost in terms of both human distress and impaired economic performance. 79% of European managers are concerned by work-related stress, but less than a third of companies have set procedures to deal with it.

How can you use it?

- Closely assess the needs of the employees in your organisation

How we can add value

- Run an employee satisfaction survey to determine stress factors
- Work/Life consulting for your current strategy

In addition, findings published by AXA late last year found that almost 25 million Brits were suffering from financial anxiety, and 1.4 million were taking time off as a result. Money worries continue to be the biggest cause of stress and depression in the UK with stress-related illness costing £3.7 billion a year in lost productivity and healthcare costs. The results of this data, paired results from a recent UK study by PricewaterhouseCoopers (PwC), shows that being aware of the stressors and needs of your employee base can make a huge difference on productivity.

According to the study *'Managing Tomorrow's People'*, flexible working arrangements were rated the most important benefit by 47% of those surveyed, above performance related bonuses, which came second (19%). Flexible working was given fairly equal priority by men and women, with 41% and 54% respectively ranking this benefit as the most valuable. Moreover, a better work-life balance was seen as more achievable in the long term by 42% respondents than vastly increased responsibility and salary (39%). European Diversity Project Manager Perry Hwang commented, "This shows a monumental shift in family balance and occupational values as younger generations are establishing themselves in the workplace. All research indicates that the era of the traditional 9-5 job for the male breadwinner is gradually coming to an end." Michael Rendell, head of human resource services at PricewaterhouseCoopers continues, "Two years of recession have changed people's attitude towards work. With companies mindful of taking on new employees, existing staff have been expected to do more with less. Our [PWC] survey indicates that employees may be feeling the pressure, with large numbers hoping for a better work-life balance in the future, and half saying they would rather work for themselves... Companies that can adapt to the UK's growing flexible working culture will be best placed to sustain morale and retain top talent when the job market becomes more buoyant."

MEDIA & BITS

Female Leadership: African Development Bank

Three women have been selected to fill senior-level positions at the African Development Bank, AfDB president Donald Kaberuka announced last month. Cecilia Akintomide will serve as the first-ever female Secretary-General of the bank, while Hela Cheikhrouhou will head the New Energy, Environment and Climate Change department. Gemina Archer-Davies will direct the Corporate Human Resources Management branch. “I am delighted to make these appointments to key senior positions and to increase the number of women at senior levels,” Kaberuka said. Women account for 45% of AfDB staff but are found in less than 20% of top-level positions. “All three appointments are well merited,” he added. “I very much hope that they will be role models for the many younger staff who I know have great potential.”

Moroccan MP Saloua Kerkri-Belkeziz lauded the appointments as “a major step forward for Africa”, and she hopes they will be an inspiration for Morocco to appoint more women into economics and finance management positions. Bochra Belhaj Hmida, former president of the Tunisian Association of Democratic Women, had mixed feelings about the appointments. “Of course this is a positive step towards gender equality and the encouragement of women to access decision-making positions,” she said. But appointing women to high-level jobs should not be a newsworthy event, Belhaj Hmida said. “Stressing that appointments are ‘due’ is nothing but a proof that there is a continuous need to provide justification in order for women to have their rights – and that is not normal,” she added.

Diversity Top 10 for Global Diversity

DiversityInc’s well-known ranking of the top companies for Diversity is now evaluating Global Diversity programmes. The 2010 and first round of global-diversity research involved 12 countries—Australia, Brazil, Canada, China, France, Germany, India, Japan, Malaysia, Saudi Arabia, Sweden and the United Kingdom—focusing on what demographics were measured and what best practices were utilized. Forty-five companies with at least 10 percent of their operations outside of the United States completed the global surveys, which were separate from the DiversityInc Top 50 survey. IBM, Pricewaterhousecoopers and Accenture took the top 3 spots.

A few facts about the 2010 top 10 are:

- All of them have formal programs to prepare employees to work outside of their native countries and 90 percent have formal programs to prepare the employees’ families
- Almost all of them have specific programs globally to recruit and develop talent of women and “minority groups” (defined differently in each country)
- Almost all of them have diversity training and anti-harassment global policies

In the 10 years of providing the DiversityInc. ranking system, the creators of the system now clearly recognise that “diversity” is much more than a simple management practice. It is now a value which is supported, nurtured and enforced by the CEO. Firm leadership builds cultures that treat differences as assets and purposefully manage equity. This is the same process that makes an organization more finely tuned to ideas and concepts that maximise responsible market behavior and avert disaster. They create organisations where you want to work and companies you want to do business with, treat their communities with respect and build rather than use.

While these trends are also very visible in the EMEA region, it is less clear if the evaluation format of the US-based DiversityInc. organisation adequately acknowledges the vast differences in operating in the many different environments that the EMEA region provides – and implementing D&I there. The current benchmarking initiatives commissioned by the EU specifically addresses these differences and builds in additional dimensions into the aspect of international mobility.

NEWS ABOUT US

European Institute for Managing Diversity: Free Checklist

The European Institute for Managing Diversity (EIMD) is about to release it’s newest tool: ‘How to Select a Diversity Consultant’, a checklist for corporate and organisational practitioners. This tool aims to support companies in finding the best Diversity vendor for their specific situation. With tips on defining a project, identifying partners, requesting and evaluating proposals, this European D&I tool will ensure that you find a service provider to best provide your company’s specific needs – and apply a meritocratic process in your search and selection of a Diversity vendor.

For more information on the EIMD or for further information on the checklist, contact Anna Mazzolari at research@europeandiversity.com.

The 13th European Dance Festival

Every year, the Cyprus Ministry of Education, the Rialto Theatre in Limassol and the embassies of the member-states of the European Union co-organise a European Dance Festival. Of the three candidates proposed by the German Goethe Institut, the DIN A13 Tanzcompany, featured in European Diversity’s “Dance with Diversity” DVD in 2008, was selected to represent Germany in the competition. The Cologne-based dance company in cooperation with the Ghanaian Dance Factory Accra is one of the few dance companies worldwide whose members consist of both abled and disabled dancers. The Cyprian Ministry and the jury accepted the Goethe Institut’s proposal as “an opportunity to open the European Dance Festival not only to cultural and aesthetic diversity, but also to allow diversity in the realm of contemporary dancing itself - diversity that breaks open common aesthetic paradigms and gives space to dancers with different physical abilities”.

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