

**IMPORTING DIVERSITY MANAGEMENT:
CORPORATE DISCOURSES IN FRANCE AND GERMANY**

by

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Abstract

The last years have seen the idea of Managing Diversity (MD) travelling from the U.S. to Europe and gaining popularity with a growing number of European companies. In this paper, we look at the ways in which the 38 largest French and German companies have taken up elements of the MD discourse and integrated them into their annual reports and corporate web sites. We find that the firms in our sample do not present the coherent MD discourses one would expect in a U.S. setting, but a kind of patchwork, which relates elements of an overall MD discourse to elements that are more closely related to the particular social and cultural contexts the firms are operating in. Building on an explorative comparative analysis we try to identify both pressures for the adoption of the U.S. model and forces that lead towards a stronger adaptation of the underlying ideas to local contexts. We develop different possibilities for the future development of MD practice in a European context and highlight a set of decisions companies have to answer when they want to put the transformational potential of MD into action.

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This paper concentrates on how the North-American discourse of Managing Diversity (MD) is translated into European management practice, and more specifically into two cultural and institutional environments: France and Germany. We ask three questions: Firstly, what are the diversity discourses of major French and German companies? Secondly, how can we explain the similarities and differences among MD discourses in France and Germany? And thirdly, what are principal options companies have in translating MD from the U.S. to Europe?

We first show how the discourse on diversity in U.S. has evolved from Affirmative Action (AA) and Equal Employment Opportunities (EEO) to MD, highlight the cultural embeddedness of the MD discourse, and develop an approach of comparing diversity-related discourses of leading French and German companies. Our analysis focuses on similarities and differences in annual reports and company web sites of the 38 largest corporations in France and Germany. In our discussion we contrast economic and institutional pressures with forces rooted in cultural and socio-political traditions. Based on our findings, we finally propose three alternative routes for adopting diversity discourses in a European context.

From Affirmative Action to Managing Diversity

In the U.S., MD has been among the most popular Human Resource Management (HRM) strategies of the 1990's (Litvin 1997). It refers to a particular way of dealing with differences between groups and individuals in organization, and demarcates itself from prior approaches like AA or EEO, even though the contemporary MD discourse in the U.S. can be understood on the basis of these prior approaches.

AA and EEO regulations were set up by the U.S. government in the late 1960s to create pressure on businesses to increase diversity by facilitating the access to employment for clearly defined minority groups. The principal reason was the recognition of a long time of unequal treatment at work of particular groups within the United States. Thirty years later, AA and EEO legislation continue to exist, but the public discourse on diversity has taken another form: Over time, AA and EEO policies have helped to make organizations more diverse in terms of race, gender and national origin (Dass and Parker 1999), and have created a common language for reporting data on race and ethnicity allowing today for an identification and explicit consideration of minorities and their cultures.

In the late 1980s, several demographic analyses claimed that the 21st century would be marked by a demographic shift towards a higher share of women, immigrants, and other minority groups in the U.S. labor force (e.g., Johnston and Packer 1987). Workforce diversity would become a social and organizational reality, further reinforced by the internationalization of the economy. Over the last years, the expectations of demographic changes, together with the globalization of markets, global mergers and alliances have replaced the argument of past injustices as a main rationale for the consideration of diversity (Cascio 1995).

The rhetoric has shifted as well (Kersten 2000). Recent MD initiatives concentrate on a positive valuation of differences. Instead of framing the relation with the other at work in terms of prejudices, stereotypes, racism, and in response to outside request, MD is presented today as a proactive strategy for maximizing the utilization of employee potential.

Accordingly, companies have started to present diversity as a source of competitive

advantage. Cox and Blake (1991) outline a number of such claims: Diversity creates a better understanding of local markets and customers, it increases a firm's ability to recruit people with different backgrounds, and it reduces the cost incurred by turnover of non-home country managers. In other words, diversity attracts and helps to retain qualified people. In addition, it is associated with enhanced creativity, problem solving and system flexibility. Valuing differences makes people feel that they are valued for what they are, which is supposed to lead to higher productivity.

Unlike AA, most MD initiatives do not result in concrete actions (Miller 1994). They advocate, on a rhetorical level, a change in individual behavior together and a transformation of organizations and their culture (Kersten 2000). MD is a responsibility of the whole organization, and not just of the personnel function (Ross and Schneider 1992). While AA addressed differences essentially in the context of recruiting new organization members, MD replaces the more statistically oriented understanding of diversity underlying AA and EEO (Rosenzweig 1998) with a focus on the expression of diversity in team processes.

AA typically focuses on particular minority groups and their difference in terms of age, ethnicity, gender, physical abilities, race and sexual orientation. MD concentrates on the individual and adheres to a more inclusive definition of diversity (Kersten 2000; Rosenzweig 1998), as in the example of Hewlett Packard: "Diversity is the existence of many unique individuals in the workplace, marketplace and community that includes men and women from different nations, cultures, ethnic groups, lifestyles, generations, backgrounds, skills and abilities" (Hewlett Packard 2001). Here, diversity is defined on the basis of a variety of possible differences at the individual level without reference to any particular social group. Moreover, Hewlett Packard's definition includes both so-called primary and secondary

attributes of diversity (Litvin 1997), of which only the first one is traditionally included in AA and EEO considerations. While primary attributes refer to characteristics that are visible (mostly reflected in the physical features of individuals), immutable, not related to any particular job, and impermeable (the degree to which an attribute can be altered), secondary attributes regroup characteristics which are typically invisible, can be altered, are job-related and generally more psychological in nature. While AA concentrates on primary attributes, MD typically relies on the notion of "culture" as a link between visible and invisible diversity attributes (Torrington and Hall 1998; Cascio 1995).

Finally, AA and MD build on different metaphors. With the traditional "melting pot" metaphor, AA assumes that opening up a company to minorities will eventually lead to a situation in which these minorities assimilate. MD on the other hand advocates a richer (because more diverse) workplace reality which is frequently associated with the images of a "salad bowl" or a "patchwork quilt" (Harris and Moran 1996; Kersten 2000; Peppas 2001).

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TABLE 1 ABOUT HERE

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Table 1 resumes the changes in perspective from AA to MD. Moving from AA to MD implies a change in focus from rules and regulations to more general values and a logic of competitiveness and market success. By contrasting two ways of dealing with differences in organizations, AA and MD, we have revealed the assumptions and the logic on which the contemporary discourse of diversity (MD) is based. In the following section, we question the universality of the MD discourse.

Importance of social context for MD

MD is presented as a panacea for managing workforce diversity, and has established itself as a particular management approach in many U.S. companies (Litvin 1997). Several authors, however, criticize the universalist claims associated with MD: Dass and Parker (1999), for instance, argue that organizational approaches to managing diversity should always reflect the context in which they develop, whereas other authors criticize in primarily the application of the American model to other cultural settings because the development and logic of MD can only be understood in the context of several decades of U.S. minority integration policies. A recent study of implementation of MD practices in South Africa, for example, has found that diversity related management practices had to be locally reinterpreted because they had no counterpart in the legal and cultural context of South Africa to build upon (Strydom & Erwee 1998).

It is important to consider the nature and the use of categories which form the concept of diversity. The same nominal category can be specified differently: Does a manager's proximity to a particular function (e.g., marketing, sales, or operations) depend more on her current position or on the positions she has held during her entire career (Knight et al. 1999)? Does "race" refer to geographical, historical, cultural, or biological categories? Some authors go as far as to question the existence of scientifically objective diversity categories (Litvin 1997; Marks 1997; Todorov 1989; Martiniello 1995). From a social perspective, however, even biological categories like "race" can, in some contexts, become a significant when they become social categories to which individuals are ascribed. The meanings these categories

acquire as signifiers of boundaries among particular groups (Cornet 1997) depend on the social context in which they are embedded.

Growing awareness of diversity issues in Europe

What is the situation for the consideration of diversity issues in Europe today? Explicit MD programs were still relatively rare in Europe in the mid 1990s, with the exception of some Scandinavian countries (Cornet 1997). Today, some signs indicate a growing importance of diversity issues in Europe: In the year 2000, the 8th Human Resources World Congress in Paris officially advocated diversity as a new source of competitive advantage (Delaunay 2000); in June 2000, the European Union adopted the principle of equal treatment irrespective of racial or ethnic origin; and several major European companies have begun to publicly embrace the notion of diversity. The CEO of the French conglomerate Vivendi-Universal, for instance, recently stylized himself as a defender of cultural diversity: "My personal philosophy will always push me towards being an enthusiastic follower of the ideas of diversity, mixing and multiculturalism." (Messier 2001, translation by the authors). And it seems that diversity is increasingly treated in European management education, especially in HRM textbooks. A leading French text, for example, relates diversity to the individualization of HRM practices, and states that "individualization is a response to the growing diversity of the men and women who make up the organization in terms of qualification, age, seniority, initial training, geographic origin, as well as in terms of aspirations, values, and behavior. An HRM policy is needed that is adapted to each employee (or each segment of the personnel)" (Peretti 1998: 15; translation by the authors).

While "diversity" as a general idea seems to enter the European scene, the spread of U.S. models of diversity management to European management practice raises some doubts: To what extent can U.S. approaches to diversity become meaningful in a European context, and what are the opportunities and risks associated with transposing this concept from one context to another? To address these issues we will ask in how far local applications of diversity management should reflect the social reality of the country in which they are adopted, and in which ways they could become meaningful in a European context.

The empirical study

We have chosen to analyze diversity related discourses from the thirty-eight largest companies in France and Germany. The sample companies -- which included 19 French firms 18 German firms, and 1 French-German merger (Aventis) -- were chosen on the basis of size (measured by revenues) from a ranking published by Fortune magazine in 1999 (see tables 2 and 3 for an overview over the companies included in the sample). Data were collected from the companies' year 2000 annual reports (1999 when 2000 was not available) and company web-sites. On the web sites, our research focused on HRM, recruiting, and career oriented areas. We studied annual reports and company web sites in the original languages, French and German.

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TABLES 2 AND 3 ABOUT HERE
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Annual reports and corporate web sites can be understood as artifacts of organization culture. We have argued above that the concept of diversity is more related to values and culture than to specific program or actions. Following Hodder's (1994) idea that artifacts and material culture participate in the construction of social relationships, web sites and annual reports provide clues about the companies' cultures and the ways in which they construct diversity. In addition, company reports not only contribute to the structuring of social reality, but can also be seen as reflections of internal and external stakeholders' expectations of an organization's human resource practices (Fiol 1989).

The data interpretation followed a procedure of thematic coding (Flick 1998), which allows to understand the social distribution of perspectives on a phenomenon. In theory, thematic coding implies that data are collected by episodic or semi-structured interviews based on topical domains in order to allow for comparability. We have emulated this logic by selecting the relevant textual material on the basis of a relatively wide semantic field around the issue of diversity at work. The raw data selected for each of the 38 companies were presented as "cases". Open and later on selective coding was applied to each individual case in order to develop a more general thematic structure. Once the essential thematic domains for understanding diversity had been identified we compared the thematic emphases across cases.

There are several limitations to our research approach. First, ranking companies by revenues privileges high revenue industries (e.g, banking or retail). To us, this seems less problematic because the service industry is one of the main drivers for diversity management (Cascio 1995) and because our sample remains relatively diverse with respect to industry, ownership, or degree of international orientation. This variety could, on the other hand cast doubt on the possibility to perform comparative analysis and to separate for example country from industry

influences. We have found no systematic patterns of industry differences and therefore assume that the differences we observe can be meaningfully related to the countries in which the companies have their headquarters.

One could further ask why we concentrate on the thirty-eight *largest* companies in France and Germany. While it is very likely that these companies are different from the greatest part of the economic activity in both countries, the sample companies are very present in the popular business media and serve as general role models for managers in the respective countries. Due to their size and their international activities they are probably also the most exposed to possible challenges of diversity. Large companies play a leading role in the development of management practices, are under constantly public scrutiny, and need to produce legitimate discourses for important stakeholders. We therefore assume that their discourses also reflect the general state and orientation of the diversity discourses in the two countries.

Thirdly, our research has to address the classic problem of international field research: equivalence and comparability (Punnet and Shenkar 1996). Languages difference make a one-to-one correspondence between the concepts impossible, and throughout the study of our diversity discourses, we asked ourselves whether we correctly addressed the issue of diversity in the two countries. One strategy was to gather data in French and in German in order to stay as closely as possible with the original discourses. Another strategy was to build on a wide understanding of "diversity" in order to include as many instances of diversity related discourses as possible. And we relied upon the familiarity of the researchers with the institutional contexts, cultures and languages of France and Germany, as well as an intensive discussion and comparison of interpretations among the researchers in order to reduce problems of equivalence and comparability.

Some of the potential limitations of this study stem from the empirical material itself. Instead of interacting with organization and their members to collect accounts or observe diversity related practices, we focused on *texts*, which, while certainly participating in the construction of social reality necessarily provide a limited picture. It is important to consider how and for whom these texts were produced and published, and what particular conventions they adhere to (Atkinson and Coffey 1997). While, due to limitations of space, we cannot say much about the rules and conventions for establishing annual reports and corporate web sites, we would argue that both are influenced by particular audiences and editing rules. Some companies in our sample address diversity related issues solely in their annual reports, while others talk about differences at the workplace only on their web sites. However, we could identify no coherent pattern of how content and form differed according to the respective medium. For the analysis presented below, we have chosen to consider annual reports and corporate web sites as different, yet complementary media of corporate communication.

Diversity discourses in France and Germany

In virtually all of the 38 cases from France and Germany we could identify diversity related issues. In other words: Almost all of the largest French and German companies have to some extent assimilated diversity discourse in their annual reports and/or company web sites. But neither the French nor the Germany sample companies could be characterized by one single and coherent discourse. Diversity does not appear as a particular, concrete set of programs or actions. Instead, it emerges as a general and diffuse value-related category. None of the companies refers to diversity as an issue in its own right. Diversity is typically referred to in the context of other issues, like, for example, global positioning or recruiting policies. The

underlying conceptions of diversity and its organizational consequences remain implicit.

About one third of the sample companies present structural data about employee demographics but do rarely make explicit what the presented numbers are supposed to mean in the context of the company. The company reports and web sites use general terms and only rarely mention particular social groups despite men and women, which are typically referred to in an almost mechanical way, like in "every man and every woman of the group EDF is valuable" (EDF 2001; translation by the authors), in the title of Alcatel's annual report's HRM section "the women and men of Alcatel in the heart of the internet" (Alcatel 2001; translation by the authors), or in the section title of the corporate web site of Crédit Lyonnais "The men and women of Crédit Lyonnais".

The company discourses are different from one another with respect to the *types of differences* considered, the nature of *management activities* concerned, and the overall *legitimization* of the companies' diversity claims. Demographic categories, which dominate in the US, are relatively rarely referred to in the sample firms (only one of the French companies makes an explicit reference to race, and two relate to sex, whereas in the German sample seven firms make explicit references to sex and four to categories like nationality, origin and religion).

In the French sample a majority of cases (12 out of 19 companies) emphasizes the diversity of professions ("*métiers*") and competencies within firms. The notion of "professional cultures" (*cultures de métier*) seems as important as nationality or geographical elements for describing differences in a company. TotalFinaElf's web site, for example, puts diversity of professions in the first place: "you will discover a professional universe whose principal characteristic is diversity: diversity of professions, diversity of careers, diversity of cultures". BNP Paribas (2001) argues that a new training center unites "collaborators from all professions, countries

and cultures", and Saint-Gobain (2001) mentions that internal mobility helps the group to benefit from "the complementarity of professions and cultures which characterize the company".

The German companies in the sample instead of emphasizing the diversity of professions tend to concentrate on the diversity of individual managers' experiences and competencies, especially in terms of international and multi-cultural exposure. Examples include the international deployment of collaborators and knowledge exchange across national borders (e.g., Allianz 2000), international teams and cross-cultural activities (e.g., Deutsche Telekom 2001), expatriation and international job rotation (RWE Group, corporate web site) as well as the importance of international experience as a condition for promotion into senior management positions: "positions in our group's top management shall only be staffed with internationally experienced candidates" (Bayer 2001). Diversity is often represented in terms of different countries and different cultures. In many texts from both countries, differences in language and language skills play an important role in relation to recruiting and training (in particular in France), or as formal requirements for individual career advancement (especially in Germany).

Concerning *management functions*, the French sample companies do not refer to any specific diversity programs. Diversity issues are instead included in many traditional areas of HRM such as training, teamwork, recruiting (through attracting competent people from different contexts), career planning (through internal mobility), industrial relations and organizational design (through decentralization and local responsibilities). The same holds for the German sample, with the stronger accent, however, on leadership development, international subsidiaries, and the temporary expatriation of managers. In addition, the German companies

refer more frequently to concrete actions and programs, e.g. for increasing the proportion of women in management positions.

In the French sample, diversity related discourses are *legitimized* by a variety of arguments, which can be grouped around six main ideas: Firstly, diversity appears as a general value, less related to increasing company performance than to general social and moral imperatives like respect of the other, acknowledgement of different local cultures, legislation in other countries, etc. (e.g., TotalFinaElf, Vivendi Universal, Bouygues, BNP Paribas, Suez, Société Générale). The second most important argument focuses on the exchange of ideas among different professions or cultures in order to strengthen inter-disciplinary work (e.g., Saint-Gobain, Axa, BNP Paribas, Renault). The third argument emphasizes internationalization and the need for diverse recruiting (e.g., Renault, Saint Gobain) and is related to the fourth idea of diversity as a means to access a large reservoir of competent people, and to attract people with different individual backgrounds (e.g., PSA, TotalFinaElf, Suez). The fifth argument relates to the integration of different organizations or organizational units. Here, diversity facilitates normative integration and enables individuals to feel part of an organization (e.g., Suez, Alcatel). The sixth (and least frequent) argument eventually emphasizes the necessity of developing individual competencies through intercultural experience (e.g., Groupe Pinault-Printemps Redoute).

The German firms' legitimization of diversity concerns differs from their French counterparts. They refer to three main arguments: Most frequently, they emphasize the necessity of an internationally oriented HRM to increase company performance in the global economy (e.g., DaimlerChrysler, Volkswagen, Metro, Deutsche Telekom, BMW Group, Munich Re Group, BASF). Secondly, they argue that a diverse work environment increases the company's

attractiveness as an employer due to career opportunities and possibilities for gaining international experiences (e.g., Allianz, E.ON, RWE Group, Bosch, Thyssen Krupp). Some companies (Siemens, Deutsche Bank, Hypovereinsbank, Bayer, Dresdner Bank) thirdly emphasize diversity as a general value, typically in association with ideas like openness and tolerance. Most companies in both countries, present diversity more as adaptation to their environments, than as deliberate strategy.

An additional observation concerns the perceived *location* of diversity inside or in the environment of a company. For most French companies the location of diversity remains ambiguous -- in their treatment of "multicultural environment", for example, it remains open whether a company operates within this environment or whether it constitutes such an environment itself. For the German sample, diversity appears as something that is mainly located *outside* Germany. Differences are experienced outside German society, typically when German managers get in contact with other countries and/or cultures.

Discussion: Institutional pressures and cultural embeddedness

Rather than assuming that MD represents a program and a discourse that can be universally applied around the world, our goal was to question this idea by asking what form and meaning the discourse of diversity can have in a European context. Our findings indicate differences between the diversity discourses of French and German firms. Overall, "diversity" as a general value can be found in most of the corporate discourses, but its concrete orientation is clearly different from both MD and AA/EEO. The discourses take the form of "diversity patchworks", which combines and transposes elements of MD with elements from the AA/EEO tradition into the cultural contexts of the countries of adoption.

In France, the "diversity of professional cultures" serves as a distinctive feature and seems at least as important as nationality and geography. Another feature of the French discourse is the relatively ambiguous way of evoking differences as a value. For Germany, the emphasis is on individual managers' diversity related experiences and competencies. They are acquired through inter-cultural exposure and open up career opportunities. The German firms in our sample consistently treat diversity experiences as something that is made *outside* Germany.

How to explain these results? We first highlight pressures that drive French and German companies towards adoption of U.S. discourses on diversity. The literature on the diffusion and adoption of managerial innovations emphasizes three explanations: rationalist, power/politics, and institutional arguments (Palmer, Jennings, & Zhou 1993).

From a *rationalist*, economic point of view, management techniques are adopted when they help companies to efficiently address performance gaps. Diversity management is adopted when, and because companies face increasing diversity on markets whose demands they must understand, both on the recruiting and on the consumer side. Economic globalization including a growing number of international business activities, strategic alliances, mergers, and acquisitions create a need to transcend the traditional limitations inherent in the cognitive and cultural orientations of homogenous work environments.

Power/politics and institutional approaches rely less on changing economic conditions but on the internal or external social embeddedness of managerial action. *Power* theorists have argued that novel management ideas get adopted when they help enhancing the power base of an organization's dominant coalition (e.g., Pfeffer 1997). This argument has helped to

explaining the adoption of multi-divisional organizational structures through the ascendancy of finance professionals to top leadership positions (e.g., Fligstein 1985, 1987). From a power perspective, organizational actors would propose diversity management programs in order to either take control of the organizational resources potentially associated with these programs, or, in a more fundamental way, overcome traditional and relatively stable oppositions governing social relations within organizations, such as, for example, the divisions between white and blue collar workers, male and female employees, etc. In this sense, diversity management becomes a strategic tool of managerial elites which are trying to weaken resistance to control and exploitation through fragmentizing and individualizing the work force. Humphries and Grice (1995: 30), for example, adopt this view when they criticize diversity management for its claim "to value individuals as people while at the same time minimizing their social identification with specific categories of alienated people".

While the power perspective focuses on the internal social embeddedness of the adoption decision, *neo-institutional* explanations consider the adoption of management ideas on the basis of external constituencies' expectations. Particular management techniques are not adopted because they address organizational problems, but because they enhance an organization's legitimacy towards its external environment (Meyer and Rowan 1977). Sources of institutional pressures include regulatory structures, governmental agencies, laws, courts, professions, interest groups and public opinion (Meyer and Rowan 1977; Scott 1988; Zucker 1987).

From an institutional perspective, the HRM practices of dominant players spread via benchmarking and the identification of "best practices", through consulting firms and the popular management press (Mazza & Alvarez 2000). HRM practices also spread through the

recruiting of HRM executives from companies that are perceived as being advanced by companies that want to modernize their HR function. Deutsche Bank, for example, has recently recruited Hewlett Packard's head of European HR as a global head of Human Resources. Awards serve as another vehicle for diffusion. Bayer (2001), for example, emphasizes that they have been awarded a "Total E-Quality" label for their programs assuring the equality of career opportunities for men and women.

DiMaggio & Powell (1983) have argued that uncertainty, coercion, and professional standards act as sources of organizational isomorphism. The spread of diversity management can be related to these factors. In a situation of growing uncertainty about the "right" models of HRM, the HRM practices of U.S. role models serve others as a blue prints for designing their own HRM programs. Secondly, coercion and normative pressure enter the diffusion process when European companies wanting to enter the U.S. face strong public opinion and an investment community that increasingly demands companies to position themselves with respect to social criteria. The CEOs of Daimler-Benz and Chrysler for example, have signed a common "Diversity Statement" on day one of their merger and engaged themselves to create group-wide equal employment opportunities (DaimlerChrysler 1999). Not surprisingly, the three companies in our sample that employ diversity discourses closest to the textbook U.S. model are DaimlerChrysler, Deutsche Bank, and Vivendi Universal , who have all three recently gone through mergers or acquisitions with U.S. firms.

The spread of management techniques from the U.S. to Europe is nothing new, and in this sense, MD provides maybe just another example. We have seen, however, that the U.S. diversity discourse is only partly taken up, and that it is subject to adaptation. After looking at the forces that may drive towards adoption, we therefore ask which forces push companies to

locally adapt their diversity discourses. Here, our main argument is that diversity management, maybe more than other management techniques, has to fit the culture of the adopting organization, and also to be in "resonance" with a wider social and political context (Grint 1994), or, as pointed out by d'Iribarne (1989), needs to refer to shred assumptions in order to legitimize the proposed changes.

The characteristics of the French discourse on diversity can be explained by considering their socio-cultural dimension. Why do French companies emphasize differences in terms of professions ("*métiers*") and nationality in detriment of other attributes like, for example, ethnic groups? We would argue that ethnic diversity of the population has been for a long time a reality in France. The French history is marked by more than one century and a half of immigration: A decline in its birth rate, associated with strong periods of economic growth and recurrent periods of labor shortage, have made France the second most important immigration country after the United States in the 19th century (Daguet and Thave 1996). France has experienced different waves of immigration primarily from southern and eastern Europe as well as from northern Africa. The immigrant population is heterogeneous in terms of countries of origin and individual histories. Despite more severe immigration regulation since 1974, France has always kept the image of a host country, in which "*mixité sociale*" has become a societal value as well as a respected object of the social sciences (Thébaud 2001: 25). In addition, the creation of a single European labor market has reinforced the idea that the diversity of personnel constitutes in the future a challenge that companies have to take up (Thévenet 1998), even though European immigration to France is relatively low.

However, the existing social diversity of France is a largely hidden reality. In France exist, contrary to the U.S., no official statistical data reporting the composition of the population in

terms of ethnic or cultural groups. Ethnicity as a category is absent from the academic literature, and the only categories that are available for the study of different populations within France are legal in nature: Foreigners and immigrants. Some authors criticize this situation because the statistical data do not reflect the social reality of France and hinder the understanding of social problems like racism at work and violence in the suburbs (Bataille 1999; Simons 1999). The non-recognition of social differences is justified with reference to the republican values anchored in Jacobean ideology and the history of France. Lapierre (1995), for example, argues that the Jacobean ideology together with the dogma of the unity of the nation-state has always denied the ethnic diversity of the French population and created a situation in which research on inter-ethnic relations has never played an important role.

Immigrants to France do not have an institutional platform that would allow them to elect uncontested representatives and defend their interest (Spire 1999; cited in Calvès 1999). On this point, France and the U.S. are typically referred to as opposites. France is described as a universalist republic built upon the principle of *equality*, while the U.S. is defined as a community democracy based on the principle of *equity*. This is probably one of the reasons why the politics of AA have been very much criticized by the intellectual and political elites in France (see Calvès 1999 for a review of the French critique of AA). The critique of AA in France is another element that prevents managers from openly embracing the U.S. model. The echo that MD currently finds in the French society takes the form of a debate across political, social, and academic fields. In this debate, those who defend the idea of diversity in the French context tend to be seen as either avantgardists or pro-American utopians.

While discussion about visible diversity characteristics are taboo in French firms, professions, education and competencies have always constituted important vehicles for recognized work-

related identities. In *La logique de l'honneur*, d'Iribarne (1989) shows how France historically moved from a society that was characterized by a "hierarchy of blood" to a "hierarchy of talent", and highlights the importance of the "*vrai métier*" and a certain "*noblesse scolaire*". With these arguments in mind, it is less surprising to see that the differentiation of "professional cultures" that has become one of the principal expressions of diversity in French companies.

The particularity of the German companies' diversity discourses lies in their emphasis on individual managers' competencies combined with the idea that diversity is something which can be found outside Germany. To explain this particular orientation, we would refer to the dominant public ideology, which tends to see Germany as a both ethnically and culturally relatively homogenous country. While the public discourse on migration in France emphasizes the integration of foreign and ethnically diverse population, the German discourse focuses on migration towards Germany. And while the French debate tends to focus on integration problems, the inside-outside logic of the German discourse is reflected in a fear of losing wealth and status with the admission of poor immigrants to Germany (Wehrhöfer 1999).

As in the case of France, social diversity in terms of ethnic origins or culture appears as a hidden reality in Germany. The main categories reflecting demographic diversity in official German statistics include nationality, gender, and age. Nationality serves as the main proxy for ethnic or cultural dimensions. The conservative view has traditionally been one of Germany as a democratically constituted nation whose identity depends on its population's affinity with a particular culture ("*demokratisch verfasste Kulturnation*", Wehrhöfer 1999). From a conservative perspective, Germany has never been a country favoring immigration,

and even the massive arrival of foreign workers, especially from Turkey, since the 1960s has only recently been recognized as a de-facto immigration (despite the fact that in 1999 about two thirds of the 2 million Turks living in Germany had been living there for more than 10 years) (The Federal Government's Commissioner for Foreigners' Issues 2000).

Immigrant workers have until the end of the 1980s publicly been labeled "guest workers" ("*Gastarbeiter*"), a notion which denies immigration because it infers that the "guest" will, one day, return to his home country. Only in the year 2000, with the third generation of de-facto immigrants being born in Germany, a new legal framework for naturalization, which weakens the traditional rule of *ius sanguinis*, has come into being. The social-democratic government's project of allowing for double nationalities has, however, been brought to fall by strong protest from the conservative side. In difference to the republican tradition in France, which is founded on the interrelation of citizenship and civil rights, the traditional notion of the term "nation" in Germany also carries the romantic view of a people as an ethnic and cultural entity which exists independently from a concrete state and its constitution (Wehrhöfer 1999). However, the recent political debate about the sense and non-sense of postulating a German "Leitkultur", which foreigners living in Germany should subscribe to, and the strong protest this proposition has created, are indicators, that the issue of the actual diversity of the German population will in the future become a stronger issue in the public debate.

What follows for the management of diversity in the context of France and Germany?

What conclusions can we draw from our findings and the discussion of the cultural and institutional contexts of diversity discourses in France and Germany? The apparent

differences among French and German companies, which reflect the different socio-cultural traditions of these two countries, persist despite the high exposure of the sample companies to an fairly homogenous, de-contextualized discourse on the management of diversity. In this sense, our findings support the hypothesis that diversity as an idea is in fact adopted and translated into the *language* of local cultural and political traditions. Our analysis on the other hand reveals the lack of any specifically European argument, which would reflect the particular social and economic reality of European integration. This, together with the general absence of direct concern with the actual socio-political situations in France or Germany, suggests that the translation of diversity related ideas into the European context remains so far on the surface. A more profound involvement with the idea and the role of diversity at the workplace would involve the consideration of a set of genuine European challenges and issues (like European political integration, regional conflicts, migration, etc.), and reduce the risk of MD becoming a means of diversion (Kersten, 2000).

It seems that most companies have, consciously or not, chosen a path of superficially adopting parts of the original discourse on diversity. As we have argued above, the particular form and content this adoption has taken in the biggest French and German companies reflect the socio-cultural traditions, norms, values and implicit understandings of social and work-related differences in France and Germany, and this despite important international activities and world market integration of the majority of the sample companies. Even though it reflects existing beliefs and norms concerning the differences that matter, the superficial adoption of an U.S. discourse and its translation into locally acceptable categories does not address the question of actual issues and problems related to the question of diversity at the workplace. Moreover, it remains a *reflection* of existing norms and values, which does not produce any future-oriented view of how the issue of diversity in organizations should be dealt with.

The integration of MD into European HRM practices could follow three alternative avenues: The first would consist in an adoption and implementation of the U.S. discourse *tel quel*. The second alternative, would mean to engage in deconstructing the concept of MD and to develop a locally reconstructed perspective on differences at the workplace. And the third option would be not to talk about diversity at all.

The first alternative would be an uncritical adoption and implementation of the exact U.S. model. In first sight, this seems much less adequate than the surface adoption in our sample. But the protest a simple adoption of U.S. rhetoric and programs would generate in many companies could serve as a starting point for a more profound debate about the meaning of MD in a European context. Two additional consequences are to be expected when MD is adopted *tel quel*. Even today, most organizations illustrate their claims of diversity with pictures of individuals or groups. Visual representation of diversity reinforces *visible* differences among people (which might be meaningful in a North-American context) and understates the invisible differences related to language, culture, and professions that might be especially relevant to the issue of workplace diversity in an European context. And secondly, a simple adoption of the U.S. model would further de-politicize workplace differences and deviate attention (and resources) from the social and economic inequality of particular groups towards the diffuse notion of general individual difference.

The opposite route for adopting MD would imply to engage in a process of deconstructing the notion of diversity and reconstructing locally meaningful understandings of differences at work and the ways of dealing with them. Neither the question *what differences* matter in a given context, nor any particular way of dealing with them can be prescribed a priori. Dealing

with boundaries at the workplace builds upon an awareness of hidden categorizations that operate in every day workplace interaction and in society as a whole. Examples of companies in our sample that seem to go in this direction and address issues related to their particular social context include Dresdner Bank and Suez Lyonnaise des Eaux: Dresdner Bank emphasizes their responsibility as a German bank to engage against xenophobia in Germany, whereas Suez Lyonnaise des Eaux focuses on European social dialogue in order to create a counterweight to pure economic integration.

A third option consists in not adopting any particular diversity discourse at all. This is more defensible than the actual craze about diversity management might suggest. Above, we have pointed out the negative consequences of both superficially embracing and adopting the U.S. discourse on diversity *tel quel*. The major critique was that both through the individualization of differences contribute to a de-politization of organizations. Its price would be the disappearance of legitimate interests of groups of people that are actually misrepresented or unequally treated within work organizations. Organizations renouncing to adopt an all-encompassing diversity discourse would probably leave more room for these groups to organize and to make their collective concerns heard. The question is, however, how realistic this option is, given the institutional pressures towards the (even superficial) adoption of a diversity discourse.

In this paper we have presented an explanation for the particular patterns of diversity discourses in the annual reports and corporate web sites of the largest French and German companies. Our explanation has highlighted the institutional pressures that contribute to the growing consideration of diversity. On the other hand, we have emphasized the particular socio-cultural and historical contexts in which adoption takes place. This discussion has

allowed us to explain the differences among the diversity discourses of the French and German firms in our sample.

Our emphasis on socio-cultural contexts excluded other elements which would, in our opinion, warrant further discussion. As briefly pointed out above, we did not deal in much detail with the different audiences firms address in their diversity related communications. Analyzing diversity statements as rhetoric performance rather than reflections of the ways in which a firm actually frames the issue of diversity could provide an interesting perspective for analysis.

Another issue we have not dealt with in this paper concerns the "carriers", in other words: the actors and institutions that contribute to the spread of diversity as a principles for contemporary HRM. Here, a more detailed analysis of the networks and relations that bring diversity into European management practice could enhance our understanding of the development of local diversity practices.

A third direction for future inquiry would concern industry differences. While our sample does not allow to identify systematic industry differences, we have observed that the retail industry seems to make much less references to diversity issues than the automotive firms in our sample, and also that financial services firms tend to adhere to a more "humanistic" than utilitarian diversity discourse. These observations indicate a potential for more sophisticated analyses of the institutional environments that characterize particular industries.

A fourth avenue for future research could emphasize the development of diversity discourses over time. The question of convergence versus divergence could be addressed along three

dimensions: firstly, whether diversity discourses center around more functionalist or deontological types of argument; secondly, whether the emerging diversity discourses rely more on universalistic or particularistic reasoning, in other words: whether firms adopt generally agreed upon diversity categories or reconstruct the meaning of diversity in their particular situation; and thirdly, whether the diversity discourses' emphasis is on individual or collective differences.

Our last suggestion for future research relates the issue of diversity to the organizational reality of multinational companies. When the management of diversity has to include local, cultural and social environments, the concrete way of dealing with diversity at the workplace cannot be the same in all parts of a large, multinational group. Local initiatives will have to be developed within a rather wide, encompassing frame. Otherwise a group's diversity discourses will continue to represent a surface rhetoric, which can be listened to everywhere without changing anything. Prescribing a unified diversity discourse at a group level without giving room to local actualization of ideas would clearly contribute to diversity as just another management fashion hotch-potch.

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Table 1: Affirmative action versus managing diversity

Aspect	Affirmative action	Managing diversity
Reasons of diversity related activities	Unequal treatment at the societal level	Environmental and organizational reality
Purpose	Reduce discrimination	Utilize employee potential to maximum advantage
Case argued	Moral and ethical	Performance improvement
Approach	Legally driven	Strategically driven
Time orientation	Past-oriented	Present and future-oriented
Action orientation	Reactive	Proactive
Focus	Specific groups	All employees
Kind of differences	Racial, gender and disabled persons	Demographic and individual differences
Model	Assimilation model	Pluralistic model
Management activity concerned	Recruitment	Teamwork
Remedies	Changing rules, systems and practices	Changing culture and values

Table 2: French companies in the sample

Company	Industry	Size (Revenues)	Size (Employees)	International Revenues	International Employees
AXA	Insurance	80 bn EUR	140 000	ca. 75%(for insurance)	
TotalFinaElf	Petroleum refining	75 bn EUR	127 252		ca. 56%
PSA	Automotive	44.18 bn EUR	172 400		ca. 31%
Vivendi Universal	Engineering, construction, utilities, media	41.62 bn EUR	275 591	ca. 42.8%	
Renault (1999 data)	Automotive	37.5 bn EUR	166 114	ca. 64,5%	
Suez Lyonnaise des eaux	Energy	34.6 bn EUR	421 899	ca. 49%	
EDF	Utilities	34 bn EUR		ca. 23%	
FranceTelecom	Telecommunication	33.7 bn EUR	188 866		ca. 21%
Alcatel	Telecommunication	31.40 bn EUR	131 598	ca. 85,7%	
Saint-Gobain	Building materials	29 bn EUR	171 000	ca. 67%	ca. 62%
Auchan	Retail	23.49 bn EUR	135 000	ca. 31,5%	ca. 52.5%
Groupe Pinault-Printemps Redoute	General merchandisers	24.8 bn EUR	110 000	ca.52,2%	ca. 48%
Société Générale	Financial	13.8 bn EUR	69 800		
Bouygues	Engineering, construction	11.3 bn EUR	111 350	ca. 36%	ca. 47.5%
Crédit agricole	Financial		93 244		ca. 12.5%
Carrefour	Retail	64.8 bn EUR			
Crédit Lyonnais	Financial		40 341		ca. 22,5%
BNP Paribas	Financial		80 000		ca. 75% in Europe
SNCF	Railroads	14.34 bn EUR	181 011		

Table 3: German companies in the sample

Company	Industry	Size (Revenues)	Size (Employees)	International Revenues	International Employees
DaimlerChrysler	Automotive	152.446 bn USD	416500	ca. 84 % ca. 32 % outside Germany + U.S.	ca. 50 % ca. 20 % outside Germany + U.S.
Volkswagen	Automotive	167.331 bn DEM	324400	ca. 80% of all cars sold are sold outside Germany	ca. 65 % of all cars sold are produced outside Germany
Siemens	Electronics	78.4 bn EUR	446800	ca. 76 %	ca. 60%
Allianz [1999 data]	Insurance	53.8 bn EUR	113600	ca. 60%	ca. 62%
Metro	Retail	46.9 bn EUR	179500	ca. 42%	ca. 36%
Deutsche Bank	Financial		99000		ca. 48%
E.ON (Fusion von Veba und Viag, Juni 2000)	Energy / Chemicals	93.240 bn EUR	186800		ca. 44 %
Deutsche Telekom	Telecommunication	40.9 bn EUR	227000	ca. 20%	
RWE Group [Geschäftsbericht Rumpfgeschäftsjahr 7- 12/00]	Utilities		154100		ca. 30%
BMW Group	Automotive	35.356 bn EUR	93600	ca. 75%	ca.
Munich Re Group	Reinsurance	31.1 bn EUR	36480		ca. 25 % (Group)
Hypovereinsbank	Financial		72860		ca. 50 % (especially in Austria)
Bayer	Pharmaceutic/Chemicals	30.971 bn EUR	122100	ca. 62% outside Europe	ca. 40% outside Europe
BASF	Chemicals	35.946 bn EUR	ca. 100000	ca. 78%	ca. 50%
Bosch	Technology	61.7 bn DEM	196800	ca. 72%	ca. 54%
Aventis (*)	Pharmaceutic	22.304 bn EUR			ca. 48% outside Europe
Thyssen Krupp	Steel, Technology	37.2 bn EUR	193300		ca. 45%
Dresdner Bank	Financial		51500		ca. 18%
Westdeutsche Landesbank	Financial		11400		ca. 35%

(*) French-German merger (Hoechst and Rhône-Poulenc), based in Strasbourg; data not included in the German sample