

DIVERSITY MANAGEMENT AS EMPLOYER BRANDING STRATEGY – THEORY AND PRACTICE

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Abstract

The main objective of the following article is to present issues associated with managing diversity in the context of strategic human resource management. The first part discusses the concept of diversity and managing (DM) including reasons and goals of diversity management. Second part enumerates main macro-economic conditions undermining business strategic orientation on diversity management and rules of EU labor market policy fixed in “Diversity Charter” platform for organizations. Further parts explain the relations between diversity management and employer branding, clarify links between diversity management and human resource management and specify benefits flying from diversity management for the company. Last – but one part of the paper summarizes the results obtained from last surveys done between “Diversity Charter” signatories, one survey comparing different EU countries (2014) and two surveys (2013, 2014) done on the sample of Polish organizations who signed European Diversity Charter. In a last part theoretical and practical conclusions are summarized. Diversity management allows join issues of corporate social responsibility and goal oriented management. Diversity management has to be seen by top management as the value of an autonomous and economically justifiable, because improving competitiveness, encourages creativity and innovativeness, end sometimes reduces labor costs. Diversity management has also be still obligatory actively supported by main stream of government policy – diversity management seen in macro scale reduces social expenses and improves quality of human capital, thus supports labor market, which translates directly to the state public finances and the scale of the tax burden.

Key words: diversity management, employer branding, management strategies.

Classification JEL: M12 – Personnel Management; M14 – Corporate Culture.

1. Introduction

Over the last several few years, it is getting clearer that organizations commence to pursue workforce diversity as a competitive necessity. The diversity of employees can be a source of success and tangible benefits for the organization, if it is managed effectively. The main goal of diversity management is to create such conditions and model of organizational culture in which people gain a chance to collaborative learning, peer learning, which in turn leads to a better use of their talents and abilities. Contemporary organizations are carefully assessed by stakeholders, including customers and employees, and this evaluation in conducted on many areas. Not only the products and services offered by the company are evaluated but also, increasingly, its picture as a subject creating job places and specific organizational culture. When the company is highly rated on the market, it is perceived as a representative of the brand: both material (product/service brand), as immaterial (employer brand, corporate social responsibility brand). Today, most valuable asset of companies is their innovativeness which promises sustainability. The innovative status proves company is able to deliver innovation, and innovation can be interpret as a special kind of over brand which includes not only traditional product brand, but also employer brand and social/ecological responsibility brand (*Matuska, 2014, pp. 88–91*). Attribute of fair and attractive employer allows the organization to attract talented employees to be hired, but also to build the image of organization with “social face”. However, both personal (for employee – individual/team), and social (for society) aspects are usually of secondary importance for company firstly oriented to reach business goals. But to make any business needs to engage people and to

build micro society inside (corporate citizenship) and outside (customers) of the company. The deep socio-economic crisis of the end of the first decade of XXI cent is quite commonly seen as a result of excessive shift towards economic targets at the expense of achieving social objectives with a particular shortage in the area of fundamental values (*Jamka, 2011, p. 65*). Today, during time of slowly refreshment in a global economy it is more and more obvious that first companies built on values have chance for sustainability. One of the business concepts helping to create financial value of the company based on fundamental values is just “diversity management” (DM). Diversity management expresses the assumption that workforce diversity, especially in XXI cent, announced the ‘age of people’ (*Hesketh, 2014, p. 15*) is the right tool to create the sense of identity with the organization as well as to its financial success (*Florkowski, 1996; Hubbard, 2004; EY, 2014*). Thus, DM has the fundamental impact both for the social inclusion, corporate performance, and sustainability. But what diversity and diversity management exactly are?

2. The concept of diversity

In a simplest (but very broad) understanding diversity is “*all the ways in which we differ*” (*Hayles, 1992*). However, in fact diversity is a complex, multidimensional concept as a whole and because of it we will not find one definitive definition of diversity. Thomas (*1995*) acknowledges that diversity does not automatically mean “with respect to race and gender” and describes diversity as not synonymous with differences, but encompasses differences and similarities. According to various authors, diversity is:

- A plural term with different perceptions in different organizations, societies and national cultures without any unitary meaning (*Cassell, 2001*);
- “*The variation of social and cultural identities among people existing together in a defined employment or market setting,*” (*Cox, 2001*).

Generally, there are narrow or broad definitions of diversity. Narrow definitions tend to reflect Equal Employment Opportunity (EEO) law, and define diversity in terms of race, gender, ethnicity, age, national origin, religion, and disability (for example, *Wentling & Palma-Rivas, 1997*). Broad definitions may include to the diversity notions like: values, personality characteristics, education, language, physical appearance, marital status, lifestyle, beliefs, and background characteristics such as geographical origin, tenure within the organization, and economic status. Even health, body size, family background and shape are also categories for grouping people (*Humphries & Grice, 1995*).

Similarly, in the literature we will find different typologies of diversity. E.g. Morrison (*1992*) categorizes diversity in four levels: (1) diversity as racial/ethnic/sexual balance; (2) diversity as understanding other cultures; (3) diversity as culturally divergent values, and (4) diversity as broadly inclusive construct (cultural, sub-cultural, and individual). Griggs (*1995*) classifies diversity into *primary* and *secondary* dimensions:

- a) The primary dimensions of diversity (hard to change) are those human differences that are inborn and/or that exert an important impact on our socialization and have an ongoing impact throughout our lives. The six primary dimensions include: age, ethnicity gender, physical abilities/qualities or race. Primary diversity shapes our basic self-image and has great influence on how we view the world;
- b) The secondary dimensions of diversity are those that can be changed and include: educational background, geographic location, income, marital status, military experience, religious beliefs, and work experience.

Norton and Fox (*1997*) argue that employees’ diversity and organizational change are inextricably linked, and that these two elements have rarely been integrated sufficiently to meet the demands of today’s fast-paced economy. Organization that wants to build consciously its competitiveness in the market should respect diversity of manpower and

intentionally build diverse social environment which helps to gain humans' creativity, innovation and high motivation at work, and thus also – better performance. Diverse workforce also helps to understand the needs of diverse customers, thus is important for successful marketing activities.

If we would put the question: who (in organization) is responsible for diversity management, we probably should answer: the dominating managerial approach that starts from the leadership and affects human resources policy and practices.

3. Diversity management concept and its context

The process of intentional including issues of workforce diversity into management is called *diversity management*. Diversity management refers at least to three disciplines: human resources management, work law, marketing and change management, which mutually derive from their work. However, data collected from global surveys during ongoing downturn show that is first closely related to strategic management (*Minchington, 2013, pp. 2–3*). It shows necessary is to perceive DM in a more general context, not only as part of HRM or personnel marketing strategy, but as the matter of successful leadership.

The concept of diversity management (DM) was introduced in 80th of XX cent in USA, when business consultants established the argument that a diverse workforce should be seen as a competitive advantage rather than just as only a legal constraint. Diversity management is generally understood as a management strategy based on the belief that the diversity of the staff (all possible aspects under whose terms of people differ from one another and are alike), is one of the key the organization's resources, which under certain conditions can become a source of business benefits (*Konrad et al., 2006*). Researches specify that the management diversity initiatives has moved far away beyond legal compliance with equality legislations to accepting and valuing differences (*Cassell, 2001*), learning from diversity and towards the full and equal utilization of capabilities through empowerment and inclusion (*Cornelius & Bassett-Jones, 2002*). It was caused by right understanding the influence of a range of contemporary conditions undermining the broad acceptance for diversity in organization.

3.1. Macro-economic conditions of DM

Some key global trends that determine companies to think about diversity management are: 1) Necessity of changes; 2) Demographic trends causing workforce structure transformation; 3) Globalization; 4) Hard competitiveness; 5) Demand for business transparency and fairness. Nowadays organizations operate in the environment which is constantly and often unpredictably changing. Changes occurring in economy, organizational processes and procedures, customer requirements etc., mean that employers who will be able to manage changes, have the opportunity to achieve a competitive advantage in the market.

Referring to the environment of the organization, essential for the development of the concept of DM are: demographic changes, transformations in the structure of human resources' competences and changes in attitudes towards work. Decreasing working-age population, different perceptions of the role of work in human life by young generation and lasting war for talents make the difficulties in recruiting and retaining the right employees in organizations (*Wojtaszczyk, 2012, p. 13*). Another factor that determines the need for taking actions in the area of DM is globalization. First of all, companies more and more frequently realize their businesses on the transnational level. Secondly, advanced information and communication technologies mean that it is actually impossible to build employer brand exclusively in one market, or in a selected region.

Next determinant of DM is fierce competitiveness. Nowadays, more and more employers attach great importance to talent management, based on the assumption that it is a prerequisite for building a competitive organization in the long term. In particular this applies

to those organizations for which attract and retain talented employees is not easy. Therefore, many employers adopt DM policies in order to secure long-term career aspirations and needs of dedicated and talented employees.

Transparency and demand of business fairness are other factors influencing the necessity of implementing DM programs in organizations. Nowadays employees have the possibility to share their opinions with a wide range of people through online channels. Therefore the information transfers to the labor market by the employer must be authentic and transparent, as it will be verified by its current and former employees.

3.2. DM in European Union policy and initiatives

The European Union (similarly as USA, Canada, or Australia is doing for longer time) for at least several years disseminating the idea of diversity management between enterprises of EU member states as a strategic policy of labor market. In 2010 was established so –called “Diversity Charter” as the tool for the employers co-operation on EU-level exchange Diversity Charter Platform¹³. Till now already 13 countries assigned “Diversity Charter”: Austria, France, Germany, Ireland, Luxembourg Sweden, Spain, Poland, Estonia and Finland. The idea of the charter was funded by the European Commission under the project “Support for voluntary initiatives promoting diversity management at the workplace across the EU”. The platform allows to promoters of the existing diversity charters to meet on a regular basis, to share their experiences and develop common tools. Among the greatest achievements of this initiative is the key fact that already (till 2014) over 7,100 companies, including enterprises, public bodies, NGOs and covering over 13.6 million employees, have signed the charters. According to recent survey the project is successful and idea of DM fast disseminates in space of European Union, what is illustrated by following accumulated results collected in recent survey report (*Wondrak, 2014*):

- Ab. 500- 600 new EU enterprises join the initiative every year;
- A substantial majority (95%) of charter members said that the signature of the charter has had an impact on the development of their diversity policies and activities; total arithmetic mean for EU signatories is 3.23 (in a scale of 1 = no impact to 5 = strong impact), the impact is stronger in those countries which are active for longer period (i.e. 3.27 for France, 3.88 for Spain);
- DM priorities differ between particular countries, but most common interests had been focused on: gender equality (for 48% of charter members), generations (46% for senior, 45% for young people), disability (44%), racial or ethnic background (28%), sexual orientation (16%) and gender identity (15%) – they were given less attention;
- Some charters mentioned that not all signatories were aware of the EU-level platform and its activities. This shows that there is a scope for an enhanced promotion of the platform activities within its members.

An interesting findings containing where DM issues are located in organization structure:

- 57% of the respondents have a person in charge of diversity management, for the majority (52%) DM is attached to the HR department, in case of 25% – is guided by top management. More than the half of signatories (60%) has installed a direct reporting line to the board.
- Surprisingly, only 7% of the persons responsible for diversity are assigned to CSR. This shows that, despite some thematic overlaps, the approaches are treated differently in most organizations (what is not understandable).

¹³ European Commission portal: http://ec.europa.eu/justice/discrimination/diversity/index_en.htm

The European Commission and exchange Diversity Charters Platform have already addressed the need of further actions on measuring all possible impacts of diversity management and has presented some good practice examples¹⁴ in its publication “Assessing Diversity Impact in Business” (*European Commission, 2013*).

4. Diversity management benefits

Making certain decisions and actions every organization considers both costs and benefits of its performance. So the question arises about what are the benefits of diversity and diversity management in the organization? The Chartered Institute of Personnel Development (British governmental institution responsible for HR issues in UK) in its report from 2006 revealed four positive effects of managing diversity: 1) Diversity in employment promotes cost – effective employment relations; 2) Enhances customer relations; 3) Enhances creativity, flexibility and innovation in organizations; 4) Promotes sustainable development and business advantage. The research executed Focus Consultancy in 2008 under auspices of EU (*European Commission, 2008*) has suggested that there is a positive relationship between diversity and innovation in a business context: respondents strongly associated diversity and innovation - both product innovation, as operational innovation. The summarized, most commonly perceived business benefits flying from diversity for organization are (*Konrad et al., 2006; Kirton & Greene, 2005*):

- Increased understanding of different customers (since they are also diverse);
- Boosted creativity and innovation - as different viewpoints are brought forward;
- Improved utilization of the competencies of all employees;
- Strengthened commitment towards the employer/organization and decreased employee turnover;
- Deeper interest towards the organization among competent applicants;
- Boosted image of the organization among various stakeholders;
- Greater adaptability and flexibility in a rapidly changing marketplace;
- Chance for attraction and retaining the best talents;
- Reduced costs associated with turnover, absenteeism and low productivity;
- Return on investment (ROI) from various initiatives, policies and practices;
- Chance for gaining and keeping greater/new market share (locally and globally) with an expanded diverse customer base;
- Increased sales and profits.

Hubbard even had elaborated the tool called ‘Diversity scorecard’ (*Hubbard, 2004*) which has six components: 1) Financial impact; 2) Diverse customer/community partnership; 3) Workforce profile; 4) Workplace climate/culture; 5) Diversity leadership commitment; 6) Learning and growth. However, this tool is not very used till now and only few companies decided to use it. The tool which is more and more wide used is European Diversity Charter platform which brings regular feedback from realized benefits and barriers in dissemination of DM between companies and institutions in European space. The good comparative material offers freshly delivered by European Commission report (*Wondrak, 2014*) which illustrates how DM policy of EU Diversity Charters members (enterprises from 13s EU countries) is mirrored in their HRM practices:

- Only 104 signatories (6%) disclosed values with regard to an increase of target groups with the organizations’ employees. The average values range from +29% in

¹⁴ As a good EU good case studies were presented following enterprises: Orange Poland, Hewlett- Packard Austria, PSA Peugeot Citroën Spain, Kaubamaja Estonia, ISS Palvelut Finland, Deutsche Telekom Germany, BNP Paribas Group Luxembourg, Folksam Sweden, Sodexo France.

people involved in work-life balance programs over +28% in ethnic minorities up to +25% in persons trained. Although the results are not representative, they show the first effects of “diversity and inclusion” activities on the composition of companies’ workforces.

- Charter signatories take diversity seriously developing and implementing concrete measures. About two thirds (66%) of the responding signatories have included diversity in their corporate culture. 56% have integrated diversity into internal and external communication. 46% of the charter members reviewed their HR processes with regard to the principles of non-discrimination and promotion of diversity. Only 19% use indicators to monitor their diversity policies.
- More and more charters signatories are realizing that the management and promotion of diversity and equality has a strong business case. Since the implementation of diversity policies most respondents surveyed have noticed considerable improvements in different areas. The positive effects range from an integration of diversity into the company’s overall corporate social responsibility policy (in 60% of responding signatories), more respectful behavior patterns (47%) over fewer conflicts among staff arising from differences in culture, age etc. (46%) to attracting and retaining talented people (46%). One out of four companies (25%) said that diversity had an impact on their overall business performance (*Wondrak, 2014, p. 8*).

Thus, the business strategy oriented on diversity management brings a range of positive implications for HRM processes (and also for marketing), and there are two main beneficiaries groups of this impact; the internal pool of stakeholders – employees already engaged with the company, and the external market of the potential employees (see Figure 1 and Figure 2).

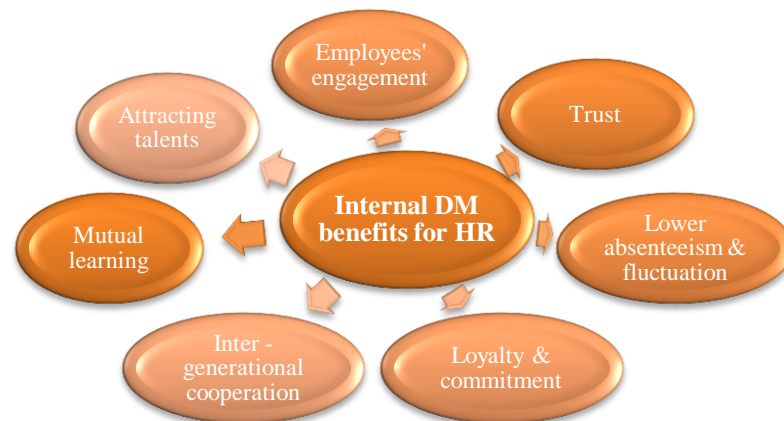


Figure 1: Internal DM benefits for the organization in the area of human resources management (own study)

As it is specified in Figure 1 and Figure 2, there is a range of different benefits of diversity management for HRM: organizations are able to focus less on overcoming talent shortages, significantly enhance employees’ engagement pipeline, improve retention, and increase shareholder s’ value. It would be probably impossible to calculate all over mentioned DM benefits in money, but the some positive ROI (return of investments) benefits which fly from diversity management to company can use traditional HRM metrics including: cost per hire, engagement levels, time to fill, retention rates, turnover rates, absenteeism, headcount,

time to productivity, total costs of labor to revenue, etc. Just the same measures are used to evaluate ROI on employer branding activities (www.kellyservices.com.my).

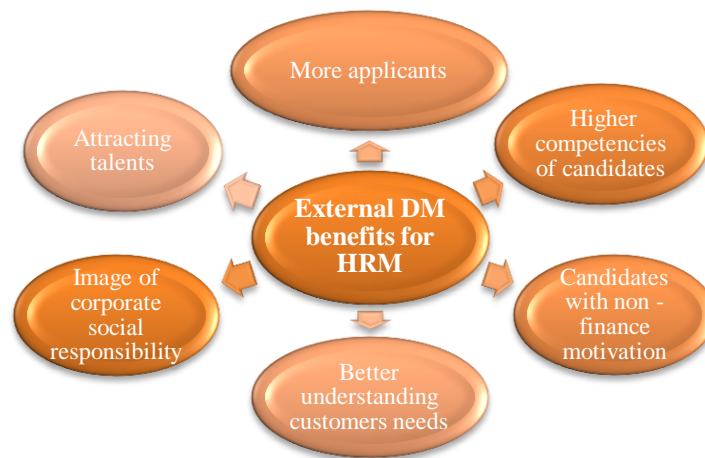


Figure 2: External DM benefits for the organization in the area of human resources management and marketing (own study)

The questions arise: what are the success factors of diverse managing and what principles should be implemented to construct effective DM policy in organization? We suppose the conditions necessary to successful development of diversity management can be extracted from the factors that were defined as critical to successful employer branding (Griffin & Clarke, 2008, pp. 2–3), and they include:

- Definition – a company must first understand what DM it means, and what it means for its overall brand;
- Execution – includes activities such as: developing a plan, securing resources and working the plan;
- Engagement – DM activities resonating among its current employees, when they report the company as an equal and fair place to work, as well as they resonate to candidates who can attribute the organization an employer of choice;
- Achievement – it is necessary to monitor and evaluate how DM pays off as regard of particular organization.

It can be added that in order to leverage the full potential benefits of diverse workforce, organizations are urged to realign the diversity management strategy to the overall business strategy and objectives of the organization. It means the necessity of direct engagement of CEOs to formulation diversity management policy (Klarsfeld, 2010). Some authors also stress (Hubbard, 2004) that organizations need to highlight the importance of diversity in organization's vision and mission statements. Moreover, it has to be clearly understood by top management that DM builds positive Public Relation communicates and proves company's Corporate Social Responsibility. Corporate websites and other Public Relation communicators should be used as a mean of communication, revealing its public statement of the organization's commitment to workplace diversity.

5. Diversity managing as a core element of employer branding

The analysis of diversity management content and function suggest its direct reference to employer branding (EB), although the latter notion is much more bride as the concept and includes diversity management together with other issues. However, they both have many

elements in common: target groups, objectives and communiqué transmitted in the process of shaping the intentional image of the employer.

The first important common element seems to be *identity* of the organization. Identity of the organization is a starting point for employer branding, but also diversity management puts the identity of employees with organization as the main target. According Hatch and Schultz identity of the organization “(...) refers broadly to what members perceive, feel and think about their organizations. It is assumed to be a collective, commonly-shared understanding of the organization’s distinctive values and characteristics (Hatch & Schultz, 2007, p. 327). Identity is also defined as a symbolic, collective interpretation of employees, referring to what the organization is and what it wants to be.

The identity of the organization requires identification with the company and internalization – i.e. adoption and assimilation of organizational values (Sulkowski, 2005, pp. 7–8, 24–25). And if the organizational values include ‘diversity’ – both DM as EB which are implemented in a given company – are mutually coherent and interconnected. Employer branding requires taking actions consistent with the identity of the organization – and similarly – does diversity management. The main objective of EB is to build the image of the organization which: cares about the interests and needs of their employees, invests in their professional development, as well as observes and responds to trends emerging on the labor market. The three major benefits of strengthening organizational employer brand, identified in studies conducted by Hewitt Associates, are: enhanced attraction, retention and engagement (Mosley, 2009, p. 5). As the diversity management represents the part of EB, the above conclusions are addressed to it also.

The second common area is *values* offered by both. Employer’s branding is established on the background of corporate values which create specific organizational culture. The package of values expected from the company is evaluated at the moment of recruitment by the potential applicant for job vacancy. And according to Nigel Wright Consultancy, employer brand (so also diversity management) consists of five key values to the potential applicant:

- Interest value – the extent to which an individual is attracted to an employer that provides an exciting work environment, has novel work practices, and makes use of its employees’ creativity,
- Social value – the extent to which an individual is attracted to an employer that provides a working environment that is fun, happy, and provides a supportive team atmosphere,
- Economic value – the extent to which an individual is attracted to an employer that provides above average salary, an attractive overall compensation package, and job security and promotion opportunities,
- Development value – the extent to which an individual is attracted to an employer that provides recognition, self-worth, and confidence coupled with career-enhancing experiences and a base for future employability,
- Application value – the extent to which the employer provides an opportunity for the employee to apply what they have learned and to develop others in a customer orientated and humanitarian environment (*Employer Branding Report, www.nigelwright.com*).

Organizations have an employer brand whether they know it or not. The brand has included the values addressed to diversity management, or not. But it makes difference, not only from the point of public image of the organization, but first – from the point of its probable productivity and then – competitiveness. Based on the assumption that enterprise has determined the value of its brand in retaining its most valuable employees, which are not only most talented, but first – most motivated, and identifying themselves with company’s

economic goals – we can assume that just diversity management has an impact of company's competitiveness, although it could hardly be measurable in different cases.

Summing up, diversity management shapes both employees' corporate identification inside of the organization (internal DM effect), as well as – corporate social responsibility outside of the organization (external DM effect). The first one – corporate identity – has the impact on employees' motivation and engagement in work (so probably also on work efficiency) and shapes brand inside of company, the second one – corporate social responsibility – acts as an important public relation tool shaping brand outside of company. All of it suggests existence of the feedback between employer's branding and diversity management seen as the projection of the organizational culture and its corporate values.

The probable interconnections between all those factors are shown in Figure 3.

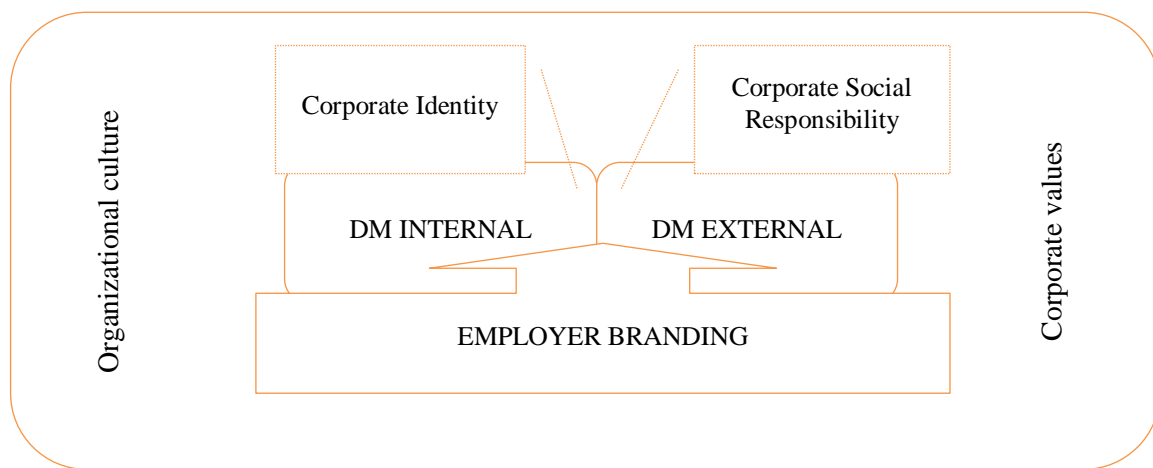


Figure 3: Links: employer branding – diversity management – corporate identity (own study)

Then, diversity management is not only an important intangible asset, but can be also a tangible asset, especially in insecure times where it is hard to build corporate trust and to retain most talented coworkers which are usually the youngest and the most mobile (so they are keen to leave company quite easily). Then – better is to have dedicated and loyal coworkers who developed the commitment to the company and will not leave it so easily. What is crucial, just the culture of the organization is the main factor facilitating diversity management, or oppositely – acting as a specific psychosocial barrier in promoting DM contents. And organizational culture reflects the way of perception for the main social and macroeconomic factors influencing people living in a given territory, during given time, and especially – the perspective of employers.

6. Regional look for diversity managing – Polish experiences

For regional diversity management illustration we propose to analyze the results extracted from comparative report of European Commission (2014) and also results collected by Lewiatan Confederation (2013, 2014) – an organization of Polish private employers in surveys aimed to check diversity management between enterprises who attended to the European initiative of Diversity Charter in Poland. The Polish Diversity Charter (Website URL: www.kartaroznorodnosci.pl) was launched in February 2012 by the Responsible Business Forum in collaboration with the Office of the Government Plenipotentiary for Equal Treatment and the Office of the Polish Human Rights Defender. The first Diversity Charter signatories were Orange Polska (the main partner of the Polish Diversity Charter), Aviva, British American Tobacco, Danone, Deloitte, Grupa Orbis, Grupa Żywiec – Kompania

Piwowarska, L'Oréal Polska, NUTRICIA, Provident Polska, PwC, Totalizator Sportowy and Unilever. Today Polish Diversity Charter was assigned by 99 organizations employing together more than 181 000 employees.

The survey disseminated via "Diversity Charter" exchange platform in 2014 delivered results which were collected in already cited comparative report published by European Commission in Oct. 2014 (Wondrak, 2014) and the results of Poland shows in Figure 4.

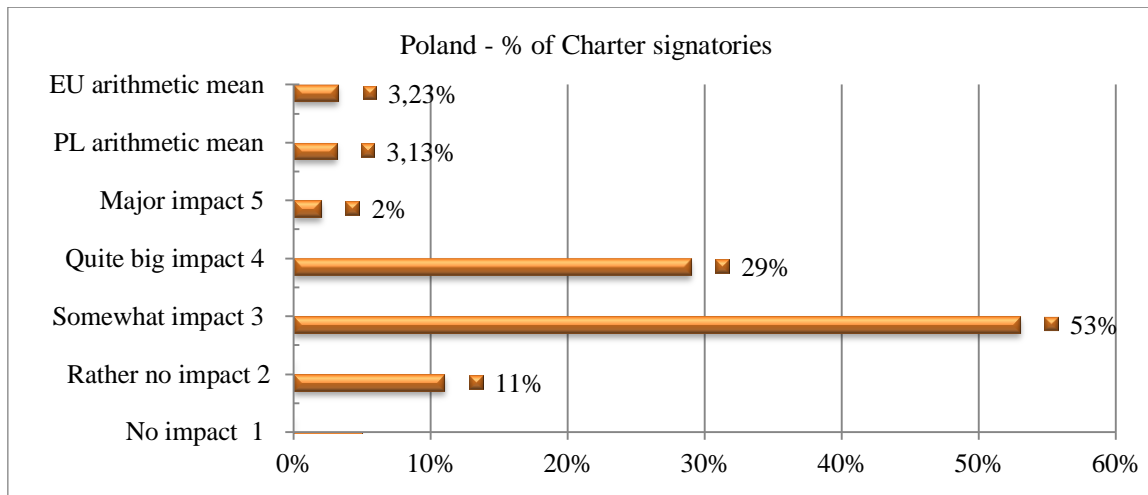


Figure 4: The Diversity Charter assignment impact on organization's diversity policy and practices – Poland (Wondrak, M. J., 2014, *Overview of Diversity Management implementation and impact amongst Diversity Charter signatories in the European Union*, p.18)

The response rate (for N= 99) from Polish Charter's member was 84% - what is interpreted as a very good result and proves serious approach of investigated organizations to the topic. Especially when we will remind 2014 is only the second year of Poland's participation in platform program. Close all (95%) of responding charter members said that the development of their diversity policies and activities had been influenced by the signature of the Charter. The arithmetic mean is 3.13% in a scale of 1 (= no impact) to 5 (strong impact) and is in line with the European arithmetic mean 3.23% (see Figure 4).

The more specific key results for Poland bring surveys called 'Diversity Barometer' evaluating the measure of Diversity Index for particular Polish charters' signatories. The Diversity Barometer research is conducted since 2013 as a project of 'Lewiatan Confederance' – an organization of Polish private enterprises. Already were published two editions of Diversity Barometer – in 2013 (Lisowska & Sznajder, 2013) and in 2014 (Lisowska & Sznajder, 2014). Diversity Index is especially elaborated tool for self-evaluation, under which any organization can achieve its individual result an indicator of diversity management in the company/institution. Provides an opportunity to assess the extent to which organization meets the criteria for the diversity management, as well as provides practical knowledge in this field. Organization, which will fill a questionnaire, receives (in addition to a numerical value, which is the individual indicator in the area of diversity management) detailed information feedback, containing a number of recommendations and examples of good practices. Recommendations are formulated in relation to the topics the organization has given incorrect answers. The tool can be freely downloaded from the website www.diversityindex.pl to be used by executives, managers and HR departments. The site also offers the special publication „Guide the diversity management” containing practical advice on a variety of ways to implement diversity management policies.

The DI indicator is generated after completing the questionnaire verifying the implementation of diversity management policies in the following six areas:

- Strategic diversity management;
- Organizational culture oriented on diversity;
- Diversity in employment structure;
- Recruitment sensitive to diversity;
- Professional development in diversity context;
- Remuneration and diversity.

The final Diversity Index is the arithmetic mean of the sub-indices for the above six areas of diversity policies and has a form of percentage index, where 100% means the full acquisition diversity in all fields organization. The main comparative results from Diversity Barometers' 2013 and 2014 are collected in a Table 1.

Analyzing its content we realize the interest with DM issues between Polish organizations increased in double during time of one year (51 respondents in 2013 and 100 in 2014). It proves that issue of diversity is in focus of Polish organizations and they are more and more aware of its importance. The global diversity index (DI) from current year (2014: 44.90%) is on non-significantly lower level in compare to index of last year (2013: 45.66%). This decrease can be interpreted by more considerable answers of respondents during second edition (half of them did it second time) of the survey and generally too optimistic evaluation of fresh charters' signatories in 2013. What is however most important – none of the charter signatories, both in 2013 as in 2014, didn't collect the maximum points (100% result in all dimensions of DI). Significantly better DI results achieved medium / bigger organizations (with more than 50 employees), and small companies very frequently completely don't understand the whole diversity management content.

Table 1: Selected data from Diversity Barometers' 2013 and 2014 (own elaboration based on: Lisowska, E., Sznajder, A., 2013, Zarządzanie różnorodnością w miejscu pracy. Raport z I edycji Barometru Różnorodności; Lisowska, E., Sznajder, A., 2014, Zarządzanie różnorodnością w miejscu pracy. Raport z II edycji Barometru Różnorodności)

Diversity Barometer	Sample*	Global DI	The highest result	The lowest result	Strategic DM	Recruitment sensitive to diversity	Professional development in diversity context
2013	N = 51 incl. n = 29 of SE	45.66%	78.41% (by MBE)	9.62% (by SE)	26%	32.95%	55.21%
2014	100 incl. n = 77 of SE	44.90%	77.13% (by MBE)	9.03% (by SE)	24%	30.78 %	60.72%

* N = global amount of charters' signatories with share of small enterprises (n, SE – employing till 50 employees), the rest – big ones are medium and big enterprises (MBE)

The best recognizable area of DM are equal employees' chances for professional development, and DI 2014 in this filed in compare to 2013 shows the highest progress. The weakest area of DM is "Recruitment sensitive to diversity" – both in survey 2013 as well in 2014. It shows that companies still not give the same chances to different candidates to obtain job. And just this field is critical for all others – if they not employ diverse employees, so any next activities are not so diverse oriented as they seeded to be. All of it shows that although Polish companies really started to think seriously about DM policy, still they are only half-part aware of its true content and possibilities and the activities they undertaken are mostly occasionally and not coherent.

The more specific conclusions extracted from the current report Diversity Barometer 2014 are following:

- The charter signatories the main focus of diversity activities identifying in: gender equality (69%), young people (54%), seniors (47%), disability (44%) and racial or ethnic background (26%). Different sexual orientations and gender identity are given less attention (16% and 15%);
- Up to 50% of the responding organizations evaluated an increase of the proportion of the target groups. The values range from +33% in people involved in work-life balance programs, +22% persons trained, +17% persons registered disabled to +16% for female in managerial staff.;
- Already 88% of the responding signatories have included diversity in their corporate culture, what is one of the highest values in the European comparison, but this policy is mostly more declared than mirrored in DM initiatives (*Lisowska & Sznajder, 2014*).

What is important, the respondents perceive many benefits flying from their diversity management activities including:

- Integration of diversity into internal and external communications (81%);
- Involvement of internal stakeholders in their diversity policy (66%);
- Implementation of actions to ensure work/life balance of employees (65%);
- Implementation of activities, awareness raising and diversity training tools (59%).

In overall, Polish charter signatories declare comprehensive improvements in different areas of their business activity as the result of DM policy including:

- Ranging from image and reputation of the enterprise (70%);
- Integrating diversity into the company's overall corporate social responsibility policy (64%);
- More respectful behavior patterns (57%) and innovation and creativity from staff members (53%).

However, there are also *critical conclusions* flying from detailed analysis of DI in particular fields of diversity management (*Lisowska & Sznajder, 2014, p. 66–67*). Gathering together they show that still a lot of companies/ institutions show stereotypic perception of diversity management, like for example:

- Companies don't commonly implement diversity management strategies because they see only Public Relation benefits in them – nor the tool to have better business results;
- DM programs associated with the Work Life Balance are usually directed only at women (according to gender stereotype);
- Majority of enterprises even though introduces elements of diversity policy, doing it in a random and occasional way. Does not conduct in-depth analysis, with which could help to identify diversity needs of the organization, and then to respond to them in a comprehensive way;
- If companies decide to DM, the most common invest is in the area of professional development and structure of employment, and the smallest interest is observed on fields of recruitment and organizational culture.

The *specific recommendations* closing the report are following (*Lisowska & Sznajder, 2014, p. 71–73*):

1. *Developing and promoting tools for organizations supporting diversity management.* Recommended tools: calculator costs associated with hiring or not hiring people with disabilities; calculator costs associated with hiring and recruiting of women from the group of men 55+ and men from the group 60+; simulator timesheets for each

- of possible flexible form of employment; auditing job places to meet the needs of people with various disabilities.
2. *Changing the approach to the dissemination and implementation of diversity management.* Diversity management should be promoted as the value of an autonomous and economically justified, and not as a tool to achieve short-term tax benefits or benefits of image-only (as it is now in the light of the provisions of law, e.g. due to the employment of disabled persons companies have tax deductions).
 3. *The introduction of additional services for the tasks of the state labor inspection.* Although Polish companies have a growing knowledge of the existing legislation, notably those arising from the Labor Code, still there are cases of abuses by employers – including incidents of unfair treatment in the workplace. National Labor Inspectorate should offer support to enable the prevention of such phenomena (e.g. as assistance in developing relevant internal documents, procedures in the event of such a situation, as well as employees of the education system in this area. Such support should be made mandatory for organizations where took place a formal complaint to the inspection or the Labor Court).
 4. *Education at school (each level) taking into account the diversity topic.* The fact of favoring or discriminating people from specific social groups in the workplace is due to the early established personal stereotypes and prejudices towards employees. Thus, the school should be actively involved in the promotion of diversity and equal opportunities, introducing education in the field of anti-discrimination. These issues should be a compulsory part of the curriculum at every stage of education.
 5. *Diversity management more stressed in curricula of management studying (tertiary education level).* People studying trends related to the topic of management are prepared to effectively recruit, motivate, and evaluate employees, but issues related to the management of diversity, equal opportunities and anti-discrimination, are still small field included in the programs of study. Diversity management should be one of the key issues in programs preparing future business owners, managers, and HR staff.
 6. *To serve a good example of the public administration.* Public administration should set an example for the companies in the employment of persons in a particularly difficult situation on the labor market.
 7. *Social campaigns for employment of people in difficult situation on the labor market and for managing diversity.* On a larger scale and in a manner designed directly to employers should be taken of educational activities, raising knowledge about employing people from different social groups (e.g. people with disabilities, persons under 30 years of age, people over 50 years of age, etc.), as well as the management of diversity in the workplace.
 8. *Promoting good practice in the field of diversity management.* Diversity management is still often perceived by Polish companies/organizations as an abstract phenomenon, not congruent to the national business conditions. It is therefore important to promote good practice in the field of DM, including age management, diversity management in relation to people with disabilities, use of solutions to work-life balance.
 9. *Promotion of partnerships in woman-man relation.* Promoting partnerships in the family and equitable sharing of responsibilities related to child care and domestic should be supported by public administration. Promoting these ideas should be done through nationwide social campaigns, but also debates and other events aimed to facilitate the implementation of the partnership model of women and men in their professional and non-professional roles.
 10. *Redefining the concept of work-life balance.* Concept of work-life balance is most commonly associated with reconciling work and family life. However, due to social and

cultural changes are also changing lifestyles and patterns on leisure activities. Choosing work in organization now everyone takes into account the possibility to combine their work with family situation, science, hobby or preferred pastime. For this reason, it is necessary broader understand the concept of work-life balance, including solutions for the reconciliation of professional and private life widely understood.

To sum up, we can add that that Polish initiative to assign 'Diversity Charter' seems to be very important to redefinition of HRM and business strategies by organizations operating in Poland. Also, the speed of dissemination of diversity management issues gives the chance that diversity slowly will clarify its real content and not only public relation's but also economic values. But it is still far away as a norm for Polish companies and institutions. However, worth nothing is remind the level of starting point for the topic: Poland is only since 2004 the member of EU (and only since 2012 charter's signatory) and together with Estonia they are only two (till now) of countries representing former post-communistic block, which had created specific stereotypes and attitudes towards work and which are partially still present in a common cultural mentality. And as we mentioned before, the overall results of Polish only two years lasting diversity campaign are on the average level of European (*Wondrak, 2014*). However, diversity management in Poland is the process of change – both in the organization who introducing new solutions and testing its effectiveness, as well as change in a society's way of thinking about work and workforce relations and conditions.

7. Conclusion

Nowadays, the issue of diversity management is becoming increasingly important, although still not all organizations are aware of it. However, more and more companies realize that their future success may depend on whether they are able to attract, recruit and retain employees with the different assets and that diversity offers not only good social image, but also chance for better performance. Diversity management allows join issues of corporate social responsibility and goal oriented management. Everything of it is possible "under umbrella" of employer branding which is already well accepted as an important contemporary sustainable business strategy. Obviously, very useful are initiatives already undertaken and they should be continued: to disseminate diversity management good practices, as it is offered by the European initiative "Diversity Charter" platform, to develop diversity effects measures. It would bring more benchmarking possibilities if more EU countries will join the "Diversity Charter platform and when CEOs would obtain hard measures enabling them to perceive diversity management as an economic asset. But also necessary is to analyze diversity management in a general context as the matter of successful leadership. Because of it so important is to perceive diversity management as a core part of overall employer brand strategy – not only as HRM or personnel marketing strategy. Diversity management has to be seen by top management as the value of an autonomous and economically justifiable, because improving competitiveness, encourages creativity and innovativeness, end sometimes reduces labor costs. Diversity management has also be still obligatory actively supported by main stream of government policy – DM seen in macro scale reduces social expenses and improves quality of human capital, thus supports labor market, which translates directly to the state public finances and the scale of the tax burden. Because of it necessary is the involvement of the public administration, the organizations of business environment and NGOs to promote both Social Responsibility, as well as Employer Branding through prism of diversity management. Simply – managing diversity is socially and economically profitable.

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