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**The Status of Diversity Management in Large Enterprises in Small European Countries - A Cross-sectional Study Conducted in Austria**

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# **The Status Quo of Diversity Management in large enterprises in small European countries – A cross-sectional study conducted in Austria**

## **ABSTRACT**

Starting from North America in the last decade of the 20th century Diversity Management has swept over to West European countries. The first influences and effects are already recognizable in these countries. To what extent Diversity Management has played a role in large enterprises in small European countries like Austria was previously unknown. A cross-sectional study, conducted in Austria, tries to show the status of Diversity Management in large companies. The study asks questions and tries to give answers about the following points: How familiar is Diversity Management in large Austrian enterprises? How widespread is the understanding of Diversity Management? To what extent have Diversity Management measurements already been adopted? Are there integrated Diversity Management concepts implemented? How is the value of Diversity Management estimated? Furthermore we tested six hypotheses to see, if there are correlations between these questions.

## **INTRODUCTION**

Starting in the 90's in America, Diversity Management has received increased attention in Europe during recent years as well. In the United States, companies had noticed the importance of social diversity years ago; the companies in western European countries are following now (Blom & Meier, 2002). Mainly large, international corporate groups with subsidiaries in small European countries like Austria have already purposely implemented Diversity Management in order to take advantage of the potential of the variety of their staff members. Companies like Procter & Gamble Austria Ltd. (2006), Microsoft Austria Ltd. (2006) or Smith & Nephew Ltd. (2006) have already introduced their global corporate Diversity strategy in their European subsidiaries, as well as in Austria.

In addition, increased interest in a small country like Austria can be noticed in the public sector as well: different conventions and conferences are taking place, and the first course on Diversity Management of the “Austrian Society for Diversity” as well as the magistrate department MA 17 for Integration and Diversity (Magistrate of Vienna, 2006) have been founded in Vienna. Also at university the topic of Diversity Management has achieved increased notice in both research and training.

The main target of the discussion of diversity in the economic context is to gain a strategic, sustainable advantage compared to the competitors (Köhler-Braun, 1999). A systematic and conscious management of diversity can contribute considerably to achieve this aim, although within the context of the company the concept of Diversity Management can consist of different topics and characteristics depending on the perception and understanding of diversity.

Therefore the increasing importance of the variety of staff members also effects a small European country like Austria. Up till now, there is little knowledge to what extent Diversity Management has already been realized in Austria’s large companies, which has been investigated by conducting the present research.

The research gives a comprehensive description of the current situation of Diversity Management in Austrian large companies. Within the framework of the study we tried to find out, how far Diversity Management is known in Austrian large companies. Furthermore we wanted to investigate, to what extent measures have already been implemented in order to promote the variety of staff members in Austrian companies and if comprehensive and systematic concepts of Diversity Management are already applied in Austrian companies by now.

The ongoing change of the determining factors for Diversity Management and the reasons for the increased variety in staff members are reducing the number of mono-cultural companies enormously. It becomes more and more important though to accept the increasing heterogeneity of organisations, to identify the variety of staff members as a key success factor for companies and therefore promote and appreciate the differences.

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According to Aretz & Hansen (2002) companies nowadays are more and more confronted with external and internal diversity due to economic changes on the sales markets (diversity of needs of customers), the supply markets ('global sourcing') and the labour markets (shortages, mobility) as well as the employee structure (different nationalities and cultures, different professions and diverse qualifications, demographic structures, 'gender') Figure 1 shows the changes due to external and internal trends. These trends refer to legal, demographic and cultural changes as well as changes in business relationships.

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If the companies succeed in reacting properly to these changes and in achieving improvements of sales and turnover due to systematic management of diversity, an increase of the profitability of the companies can be achieved in the long term.

Due to a representative company survey in Germany (Ivanova & Hauke, 2003) concerning the reasons for Diversity Management, 76 % of the Human Resource Managers believe that the proceeding globalisation and expansion of the European Union is the main reason for Diversity Management, followed by the demographic development with 68 % and the changes in the structure of employment with 51 % of agreement.

## **LITERATURE REVIEW AND HYPOTHESIS**

„Diversity is the sum of everything that is not equal. Diversity is heterogeneity and is the contrary of homogeneity. Diversity is essential” (Tiessen Favier, 2004). Diversity exists in different ways and everywhere, even within organisations relating to the staff members and the organisational culture. Tiessen Favier (2004) transfers the findings of biology to economics and comes to the following conclusion referring to diversity: „Diversity allows survival (sustainability) even when the environmental conditions change dramatically“.

Diversity in the corporate context means, that the variety of the staff members and the different attributes are in the centre of consideration. Though to now, there is no common definition or approach to consider the different attributes (dimensions) of diversity. In fact, the classifications of the relevant attributes are continually expanded.

During the development of Diversity Management different approaches to classify diversity have emerged, and the supporters of those approaches have different points of views of Diversity Management.

Summarizing the definitions of different authors, we have identified four fundamental components that seem to be important in connection with Diversity Management and therefore can be seen as the four core elements of the definitions:

- The recognition of the variety of staff member, of the differences and similarities within an organisation (Haselier & Tiel, 2005, Thomas, 1996),
- The appreciation of diversity as a resource (Hauke & Ivanova, 2004, Aretz & Hansen, 2002),
- The systematic promotion of diversity by implementing measures and action plans (Cox, 1994, Hauke & Ivanova, 2004) and
- Diversity as a strategic resource and contribution to the company's success and profitability (Aretz & Hansen, 2002, Hauke & Ivanova, 2004).

Diversity Management as a management concept can be described as a combination of all Human Resources measures and approaches, which are implemented in order to describe and establish the differences and variety of staff members within the organisation, to accept and appreciate them as well as to increase the efficiency and the companies success (Finke, 2005). This definition includes all of the four important elements that have been identified above.

But even more precise and accurate is the definition of Stuber (2004), who argues that Diversity Management is awareness, consideration and consistent appreciation of differences as well as the active use and promotion of diversity in order to increase the company profitability. This definition has been chosen to serve as the basis for further comments and has been used for the empirical study conducted.

The empirical research has been aimed at large companies in Austria in order to describe the status quo of Diversity Management concerning the knowledge about and reasons for Diversity Management, the understanding of Diversity Management as well as the application of measures to promote diversity and concepts for the implementation of Diversity Management.

The objective was the exploration of the relatively unknown empirical circumstances by conducting a comprehensive description of the situation of Diversity Management in Austria (Kromrey, 2000). A generalisation of the results to all small European countries and all Austrian companies is limited. The results of the research show a description of the Diversity Management in Austria (cross-sectional analysis). Therefore no assumptions about the trends and the development of Diversity as well as the application of measures and concepts in order to promote diversity can be made.

The research topics on which the survey has been based are the following:

- To which extent is the topic Diversity Management known in Austria's large companies and what are the reasons for the increased variety of staff members? (knowledge about and reasons for diversity)
- How can the current understanding of Diversity Management in Austria's large companies be described concerning the attributes of diversity (dimensions), the exposure to diversity as well as the benefits and costs of Diversity Management? (understanding of Diversity Management)
- How can the implementation or non-implementation of measures to manage diversity be described in Austria's large companies? (application of measures to promote Diversity and of concepts for the implementation of Diversity Management)

Referring to these questions and research topics we can identify three research dimensions, on which the survey design and the instrument of the investigation (questionnaire) is based: knowledge about and reasons for diversity, understanding of diversity and the implementation of diversity in Austria's large companies.

Within the research the following assumptions have been hypothesized and investigated on a positive correlation:

*Hypothesis 1: If Austrian large companies have subsidiaries abroad, they are more likely to implement measures to promote the diversity of the organisation.*

*Hypothesis 2: Subsidiaries of international companies established in Austria are more likely to implement concepts for Diversity Management than Austrian companies are..*

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*Hypothesis 3: The higher the knowledge about Diversity Management in a company is, the higher evaluated are the benefits for the company by the management.*

*Hypothesis 4: The better the understanding of Diversity Management within an Austrian company, the more likely it is to have a Diversity Management concept implemented.*

*Hypothesis 5: The better the understanding of Diversity Management within an Austrian company, the more measures to promote diversity have been implemented.*

*Hypothesis 6: The higher the benefits of Diversity Management are assessed, the more measures to promote diversity have been implemented.*

## METHOD

### Design

The descriptive survey model (cross-sectional survey) is a design used for the collection and analysis of empirical information in order to describe and identify a certain topic of interest at a certain time (Kromrey, 2000). As a descriptive analysis of the status quo concerning Diversity Management in Austria's large companies has been intended, we have chosen the written survey as the appropriate method of analysis.

In fact we have conducted an online-survey, to which the participants have been invited by e-mail, because a high number of participants can be reached at low costs and within a short period of time. In addition, compared to a paper-pencil-survey the online-survey saves substantial time and cost resources.

The survey is divided into three different areas corresponding to the research dimensions identified above, which have been operationalized by drawing up questions as well as different values and characteristics. Figure 2 shows the design of the questionnaire.

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The numbers given in the graph are the same used for the hypothesis (H1 – H6).

On the one-side a descriptive analysis of the socio-demographic items is conducted, on the other hand correlations of the items are tested according to the hypotheses above, shown in the graph by using arrows.

the TOP500-companies of Austria of the year 2004<sup>1</sup> serve as survey objects which are identified every year by the Austrian economy magazine trend and published in the special issue „golden trend“. On the basis of a contact list, which has been provided by psychonomics Ltd (market and organisational research), Human Resource Managers and managers responsible for human resource matters of the TOP500-companies have been invited to take part in the survey.

The Top500-list of the year 2005 has not been available for the survey, as it was published in the economy magazine trend in June 2006 and the survey was conducted in April 2006. For the research, all 500 companies have been invited to the survey, because the descriptive statistics requires a high representivity of the sample. The sample therefore corresponds to the population of the research, which is the number of responses, that should be valid for the research. (Kromrey, 2000)

A generalization of the results for all companies of small European countries and Austria is not reasonable and has not been aimed at in the target of the survey, a generalisation of the results for the population however is possible.

### **Procedure**

The empirical research was conducted in April 2006. After the design of the questionnaire and the programming of the online-survey, a pre-testing had been executed, before the research was started. The questionnaire had been available online on the homepage of SurveyMonkey.com Corporation for the whole field time and accessible by following a link in the e-mail of the invitation for the survey.

The Top500-companies of Austria were invited to take part in the survey by an e-mail-invitation on April 13th, 2006. The survey was addressed primarily to the HR-Managers and managers responsible for HR-topics. On April 25<sup>th</sup>, 2006 a reminder was sent to all companies by e-mail, which had not taken part yet in the survey, in order to remind them to fill in the

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<sup>1</sup> The trend's list of the TOP500-companies of Austria is based and ranked on the net turnover given in the annual profit and loss statement less taxes as duty on tobacco, petroleum tax and customs accounted in forwarding companies. (source: trend, 2006)



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online survey. The survey was closed on 28<sup>th</sup> April, 2006 and the overall field time therefore was 15 days.

The statistics software SPSS was used to analyse the results. The attributes of the research dimensions were statistically evaluated in reference to the company-specific socio-demographic items in order to gain a clear picture of the three research dimensions concerning Diversity Management in Austria's large companies.

The following statistical methods were used: univariate statistics (frequency distribution [absolute, relative], means, and statistical spread), correlations.

### **Participants**

In total 56 companies had taken part in the survey, which comes up to a total return rate of 11.2 per cent, including 15 companies which had cancelled the survey during execution, which has led to incomplete information and results.

In order to find out if those companies which had cancelled the survey differ significantly from those participants who had not, we have conducted a significance testing for independent samples (see Table 1). The results of the testing should provide further information, if the answers of these two groups concerning the first research dimension 'knowledge about Diversity Management' are significantly different or not.

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Insert Table 1 about here  
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The t-testing shows no significant difference in any variable of the dimension "knowledge about Diversity Management". This leads us to the conclusion that there are no relevant differences in the answers of the two groups (participants who cancelled the survey and participants who did not) and can therefore be seen as coincidental. The fact that 15 participants cancelled the survey during execution therefore will have no influence on the entire results of the research.

In order to guarantee a consistent and comparable analysis, the answers of the participants who cancelled the survey have been excluded from further analysis. The final return rate of the research is therefore a total number of 41 participants or a relative return rate of 8.2 %.

Due to the socio-demographic items we can draw the following picture: In total 33 companies with more than 250 employees (80.5 %) have taken part in the survey. These companies are

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mainly doing business within the sectors industry/production (46.3 %) and commerce (34.1 %). The categorization of the company size is based on the number of employees according to the categorization of the European Union, whereby one very small company (less than 10 employees) and seven middle-size companies (between 50 and 250 employees) have taken part in the research.

When considering the different sectors “electrics and electrical engineering” (14.6 %), “food and luxury food” (12.2 %), and “Others” (19.5 %) was the highest. The industry sectors used in the survey are based on the categorization of the TOP500-list published in the Austrian economic magazine trend. Within the scope of the survey the number of industries has been reduced to 15 in total. As the number of industries is still very high, the results spread very much considering this item. Other important industries relevant for the research results are ‘information technology and telecommunications’ (9.8 %) and ‘chemicals and chemical products’, ‘power supply’, and ‘pharmaceuticals and biotechnology’ with 7.3 % each.

Considering the geographic situation most of the companies that participated in the survey are situated in Vienna (36.6 %), Lower Austria (17.1 %) and Salzburg and Upper Austria (both 12.2 %). 53.7 % of the participants are headquartered in Austria whereas the rest of the companies taking part in the survey have their headquarters abroad, either in the rest of Europe or North America and just a subsidiary is located in Austria.

Most of the participants answering the questionnaire are members of the HR-department (78.0 %) or in the executive board (14.6 %) and hold a position in the top or middle management. In addition 61.0 % of the participants claim to be working longer than 6 years for the company. Due to those facts we can assume that the answers concerning the research are reliable and qualitative.

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## RESULTS

### Knowledge about and reasons for Diversity Management

Generally we can assume, that the majority of the participants have already heard about the concept Diversity Management (34.59 % very often, 26.83 % often), but on the other hand the content is just 'well known' (34.15 %). 17.07 % have never heard of Diversity Management so far and 19.51 % have occasionally. The participant answered that they mainly have heard about the topic through magazines and journals (22 answers, multiple choice possible) as well as through the media (12 answers) and internal, company-relevant affairs (12 answers). Additionally the topic received the participant's attention because of courses at university, which had been mentioned four times to answer the open-ended question 'Others'.

More than half of the participants (56.10 %) claim to know the content of Diversity Management either ,very well' or ,well', whereas 14.6 % do not know the topic at all.

At present the relevance of variety in staff members is assessed as „low“ (39.0 %) or „middle“ 31.7 % in Austria's large companies. However 56.1 % of the participants believe that diversity will become more and more important in the future. This leads us to the conclusion that Diversity Management is still at the beginning of its development in Austria.

The reasons why Diversity Management supposes to gain more and more importance in Austria vary, but were assessed very similarly by the participants, which leads to a quite homogenous result. The relevance of the reasons for diversity has been assessed by a scale from 5 (very strong) to 1 (not at all). Figure 3 shows the average assessment.

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Insert Figure 3 about here  
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The graph above shows that globalisation and internationality are seen as the most important factors for Diversity Management in Austria. Nearly as important are the changes in values, the increasing need for individuality as well as the demographic development of the society (compare with Figure 3).

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## Understanding of Diversity Management

The second research dimension of the survey, the understanding of Diversity Management, consists of a set of variables including the association with and the levels of development of Diversity Management as well as the profits and costs of Diversity Management.

First of all the topic of interest has been associated with the variety of staff members within the companies, according to the model of Herriot & Pemberton (1995). The results show, that 34.90 % of the participants appreciate the differences of the employees and that the companies try to respond individually to the needs of every single employee (“Valuing”). 31.71 % of the companies however say that every single staff member is treated equally (“Assimilate”) and 24.39 % try to take care of special needs of different groups of interest (“Protect”).

The next question addresses the different paradigms of the development of Diversity Management according to Thomas & Ely (1996), which represent the different levels of understanding of diversity. The results show that most participants (41.46 %) follow the learning and efficiency approach, which can be seen as the highest stage of development and mostly corresponds with the appreciation level “Valuing”.

A lot of companies though are still on the first stage of development and believe, that every single employee should be treated equally (34.15 %), and that a company-wide anti-discrimination policy should lead to equal treatment of the staff members.

Conducting the survey, we also wanted to find out what dimensions of diversity are seen as relevant within the companies at the moment. According to the dimension model of Gardenswartz & Rowe (1998), the core dimensions have been asked. The results are shown in Table 2.

According to the Austrian companies that took part in the survey, the core dimensions age (46.3 %) and gender (53.7 %) are the most important ones at the moment. It is noticeable as well that more than a quarter of the participants argue not to take into account any of the dimensions separately. The dimensions of ethnicity and disability are mentioned next, whereas religion and sexual orientation are taken into account just a little bit in Austria’s large companies. These results are similar to the findings of a survey conducted in Germany, which has led to nearly the same outcome.

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Insert Table 2 about here

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In order to find out which dimensions are seen as relevant as well in Austria besides the core dimensions, we have taken in the survey the model of Milliken & Martins (1996) in order to get an overall picture of dimensions important in Austria's large companies (see Table 3). According to that model, the dimensions professional competence (70.7 %) and personality (56.1 %) can be seen as most relevant, with a big gap to the frequencies of the other values.

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Insert Table 3 about here

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The next step of the survey was to find out more about the benefits and costs of Diversity Management by assessing the importance of the different labels using a scale from 5 („I totally agree“) to 1 („I totally disagree“). The participants were asked to assess the labels due to the importance for their own company.

We can assume that the benefits of Diversity Management have been assessed very positively in general. In most cases the answers have been „I agree“, which relates to the value 4 on the scale. The biggest agreement with an average of 4.10 can be found for the argument, that the systematic promotion of multi-cultural staff leads to more „creativity and innovation“ within the teams and the overall staff (see Figure 4).

The two benefits „access to new markets and target groups“ as well as „improves relationship with customers and suppliers“ with an average of 3.93 can be seen next. In third place with an average of 3.80 are „improved communication and collaboration“ as well as „higher problem-solving capacity“. The lowest agreement can be found for the statement, that Diversity Management has no specific benefit for the company.

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Insert Figure 4 about here

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The assessment of the statements about the costs of Diversity Management confirm the high agreement to the benefits of Diversity Management (see Figure 5): The highest agreement can be found for the argument „more time and effort for coordination and integration for the management“ with an average value of 3.59, followed by the statement, that Diversity Management leads to no specific disadvantages. Furthermore it is noticeable that the other

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statements about costs of Diversity Management have been generally assessed lower compared to the statements about the benefits of Diversity Management.

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### **Implementation of Diversity Management**

Concerning the third research dimension, Implementing of Diversity Management, we have asked the companies about both specific measures to promote the variety of staff members as well as the implementation of diversity concepts. The reason is that a lot of companies have already implemented measures to promote diversity, but very often they are not communicated as Diversity Management and the companies are not aware to have implemented measures of Diversity Management. Therefore the distinction between single measures and own Diversity concepts can be seen as useful.

Referring to specific measures implemented in order to promote diversity we can conclude, that there are lots of companies that offer measures for „flexible working hours“ (34 answers, multiple choice answers possible) as well as for the „promotion of specific groups“ (34 answers). These measures are for all employees though. Measures to promote specific groups of the staff are mainly represented within the dimension age (measures for early retirement with 27 answers) as well as gender (equality measures for men and women with 28 answers). Therefore we can see that the most important dimensions of age and gender play an important role here as well.

Although most of the companies have introduced measures for diversity, in many cases they are not communicated as “Diversity Management”, neither internally nor externally. The majority of the participants (53.66 %) state not to have an overall concept for diversity. However 19,51 % have answered that they are planning to introduce a concept in the near future and therefore are just designing their concepts.

The survey came to the result that in most of the cases Diversity Management can mainly be found in the HR departments of the companies. Measures like the establishment of diversity within the HR department (12 answers, multiple choices possible) and the implementation of

diversity training and personal development (11 answers) are mostly used in Austria's large companies.

The crucial link of diversity to the company's strategy can also be found in Austria. The anchoring of values concerning diversity in the mission statement and company values (9 answers) as well as the written commitment of a company-wide diversity-strategy (8 answers) can be found within the upper range in the ranking of measures to implement diversity. It is also worth mentioning that only four companies control their own diversity targets, which is crucial in order to assess the success of implementing Diversity Management.

Summarizing the results we can conclude that companies in Austria are already using several measures and approaches in order to promote the variety of staff members (see Table 4). However a specific concept or strategy for diversity very often is missing. This can be confirmed by the following comment of a participant:

„The topics of Diversity Management have been used in our company for years and implemented by different measures and trained in specific courses (e.g. equal salaries, carrier paths for everyone, integration of foreigners, specific working hour models for women after their re-entry into work life, ...), but up to now we have not used the term Diversity Management for it.“

## **Hypothesis testing**

### ***Subsidiary abroad versus number of measures to promote diversity: Testing H1***

In analyzing hypothesis 1, we wanted to find out, if Austrian companies with subsidiaries abroad are more likely to implement specific measures to promote diversity, as they are more often confronted with differences than Austrian companies without subsidiaries. Therefore it is assumed a positive correlation between the variables “subsidiary abroad” and “number of measures to promote diversity”.

If we consider the total amount of measures implemented in the companies in order to promote diversity, we get the following results (see Table 4):

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According to the numbers above, most of the companies have already implemented between 7 and 9 measures (mean 6.83).

If the number of measures is correlated with the variable „subsidiaries abroad“, no significant correlation can be discovered. Therefore we can assume that companies with subsidiaries abroad are not more likely to implement measures for diversity than companies without subsidiaries (see Table 5)..

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Insert Table 5 about here  
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### ***Headquarter Abroad versus Diversity-Concept: Testing H2***

Testing hypothesis number 2 we wanted to analyze if companies with their headquarters abroad are more likely to implement diversity concepts than companies with their headquarters in Austria. This is based on the assumption, that mainly corporate groups have already implemented an overall concept for promoting diversity.

If we have a closer look at the correlation results below (see Table 6), we can detect a positive correlation between the variables „headquarters abroad“ and „diversity concept“. With a correlation of slightly above 0.50, the correlation can be seen as low. Additionally we want to say, that although the results are significant, the findings are limited due to the small number of answers. Normally each field of the cross table should consist of more than 5 answers to be considered as really meaningful..

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Insert Table 6 about here  
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If we have a closer look at the results of the cross table (see Table 7) we can see apart from the significant correlation, that in general companies with their headquarters abroad have implemented more measures than national companies or are in preparation for new measures, whereas national companies say in 15 of 22 cases, that they have no diversity concept or measures fixed and implemented.

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Insert Table 7 about here  
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In order to be able to make a reliable statement more replies would have been required.



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***Knowledge about Diversity Management versus subjective benefits of Diversity Management: Testing H3***

Testing hypothesis number 3 we have defined the variable knowledge of Diversity Management which in this case consists of the two items “Topic known” and “Content known”. It was intended to investigate if there are differences in the assessment of the benefits of Diversity Management, when the topic and the content about it have already been known in advance.

As the correlation testing is limited to two variables and does not give any information about the strength of influence to the target variable, we have conducted the test for the items “Topic known” and “Content known” separately.

First of all we have investigated the correlation between the two variables describing the knowledge about Diversity Management (see Table 8). The following results show that they are correlating extremely high with an enormously high significance.

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After that we have tested the correlation of the item “Topic known” and the means of the assessment of the benefits of Diversity Management of each participant. The correlation-coefficient according to Spearman-Rho shows a significant but low correlation. (see Table 9).

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The correlation between the item „Content known“ and the assessment of benefits is higher with an extremely high significance, due to the results below (see Table 10).

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Insert Table 10 about here  
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Summing up the results we can assume that those participants who have a higher level of knowledge about Diversity Management generally have assessed the benefits of Diversity Management higher. Although we have to assume that this positive correlation has to be considered as low. Besides this it is critical, that the two items “Topic known” and “Content known” interact with each other, which can influence the total correlation between the knowledge about and the benefits of Diversity Management.

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***Understanding of Diversity Management versus Implementation of Diversity-Concepts:  
Testing H4***

The fourth hypothesis is based on the assumption that there is a correlation between the level of understanding of Diversity Management and the existence of a systematic diversity strategy, implemented in the company..

According to the analysis no correlation could be detected and tested.

***Understanding of Diversity Management versus Number of Measures Implemented:  
Testing H5***

The fifth hypothesis was designed in order to investigate the correlation between the level of understanding of Diversity Management and the total number of measures implemented to promote the variety in staff members.

According to the analysis no correlation could be detected and tested.

***Subjective Assessment of the Benefits of Diversity versus Number of Measures Implemented: Testing H6***

The statistical analysis testing the last hypothesis investigates the correlation between the subjective assessment of the benefits of Diversity Management as well as the number of measures and actions implemented to promote diversity. Therefore it is assumed that those companies with a positive assessment concerning the benefits also have implemented more measures for Diversity Management.

As we have metric scales for both variables the correlation according to Pearson has been used for the testing. The results show an extremely significant correlation between the items „Benefits“ and „Measures implemented“ (see Table 11). It has to be said though that the correlation of 0.412 is not very high.

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To sum up the findings of the hypothesis testing we can assume, that we could calculate a really strong correlation for no single hypothesis we have investigated for this research.

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## DISCUSSION

### *Limitation of the study*

Although the intent of the research conducted has been the generalization of the results for the TOP500-companies and therefore for all large companies of Austria and other small European companies, this is now limited due to the rather small number of respondents and the results of the hypothesis testing. However we have gained a description of the current status quo of Diversity Management, which offers a first insight of the topic in Austria. The main reason for the limitation and the critical interpretation of the results is the low response rate. In some cases and for some hypothesis we have not received a statistically reliable result due to the small rate, which may have been possible under the circumstances of a bigger response rate.

Furthermore we can not exclude, that the companies, which have not taken part at the research, differ from those that have answered the online survey. Additionally we do not know the reasons for refusing to participate in most cases. Companies who have not participated in the survey may be different to those, who cancelled the survey, although the answers of the respondents who quit the survey have not been different significantly to those who did not due to analysis.

The reasons why companies have not taken part in the research are speculative. Carrying out the survey we have found out though, that some companies resist, as a matter of principle, to take part in surveys because of their company-specific values. Furthermore some companies had not received the invitation for the survey by e-mail, because they had been blocked by spam-filters and therefore, the survey had not been delivered.

### *Implications*

The results of the research allow first implications describing the current situation of Diversity Management in Austria's large companies as well as in companies of other small European countries.

### *Knowledge about and reasons for Diversity Management*

Summarizing, we can state that Diversity Management in Austrian large companies is well known in the meantime, however the knowledge about the contents of the management approach does not exist at a high level according to the answers of the participants. As a conclusion we can assume that in Austria the discussion of the topic is still at a very low level. The reason for that might be that the current level of topicality concerning Diversity

Management is still very low due to the survey results. Furthermore we can assume that the situation for other small European countries might be similar.

For future reference however the importance of diversity will increase, which can be explained by the development of the external conditions determining factors for Diversity Management. More than half of the participants believe that the changing conditions will lead to a higher importance of Diversity Management.

The participants think that the main reasons for the increasing diverse employment structure are the increasing internationalization, the changes of social values as well as the demographic changes. In Austria the legal situation is assessed less important though. This could be explained by the fact, that the directives about anti-discrimination matters set up by the European Union has not yet been turned into national laws in Austria.

### ***Understanding of Diversity Management***

The results of the survey clearly show that the level of understanding in Austrian large companies concerning diversity can be seen as advanced already. This assumption is based on the results that the benefits of Diversity Management are judged at quite a high level, and most of the participants answered that the implementation of Diversity Management would not have a specific disadvantage for their company.

We can not totally exclude though, that those companies who have already implemented measures to promote diversity have a different attitude to Diversity Management or that the participants of the survey in general have a more positive attitude towards this topic. Therefore the results of the survey have to be interpreted carefully, as the response rate is too low in order to generalize this statement.

Concerning the dimensions of diversity that attributes age and gender are seen as the most important ones, which leads to the assumption that diversity in Austria is defined in a rather narrow way. The attributes of disability and ethnicity will increase in importance though, and some companies have already implemented specific measures in order to promote those dimension. If we consider religion and sexual orientation it can be noticed that hardly any measures are implemented. Therefore an appraisal about the future development of those dimensions is difficult to make.

### ***Implementation of Diversity Management***

Finally the results of the survey show that in many companies measures implemented to promote diversity are very often not communicated as Diversity Management. Measures to

promote older staff members or to promote the equality between genders are already implemented quite often in Austrian companies. Systematic concepts of Diversity Management can be found quite seldom though in Austrian companies.

The national subsidiaries in Austria very often have implemented diversity concepts because of the global strategies of their headquarters abroad, which confirms the following statement of a participant, who has taken part in the survey:

„Controlled mainly by the headquarters; adapted in the subsidiaries in the different countries (so in Austria)“

The systematic implementation of diversity can not be found very often in the companies, that have taken part in the survey. Therefore, the different measures can be found in a different extent. The implementation of diversity matters within the Human Resource Department can be found very often, whereas systematic measuring of diversity targets has been used very seldom.

### ***Recommendation for further research***

The present study shows the status quo of the current situation of Diversity Management in Austria's TOP500-companies, and therefore just gives a first impression of the development of Diversity Management at the moment. For future research we would recommend enlarging the subject of interest to all Austrian companies as well as companies with similar conditions as Austria, in order to gain a comprehensive insight of the situation of Diversity Management and to gain a solid basis for diversity research.

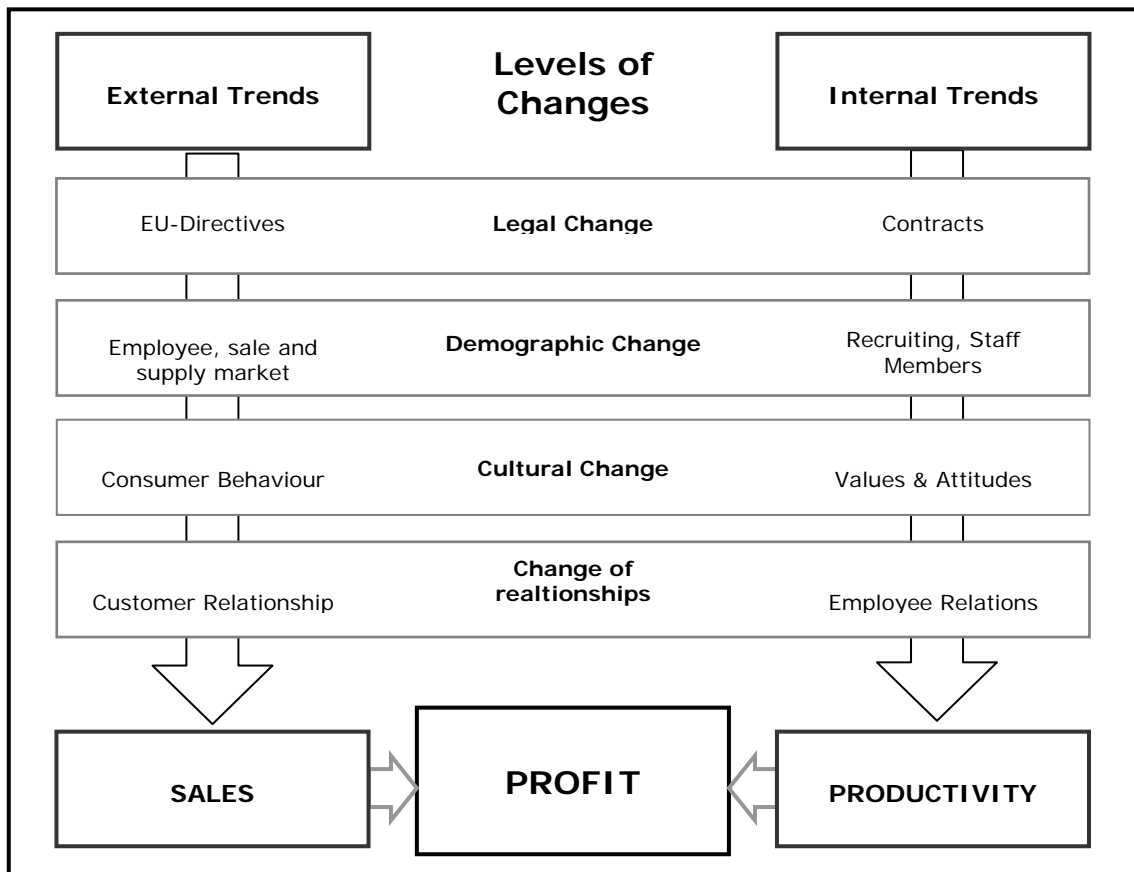
Based on a general description of the situation of Diversity Management, research should be conducted in order to investigate the core issues in the future. As potential topics of interest, we would recommend to do further research about the implementation of Diversity Management measures as well as the development of the level of understanding. In addition the effects of Diversity Management on company profitability show further research requirements.

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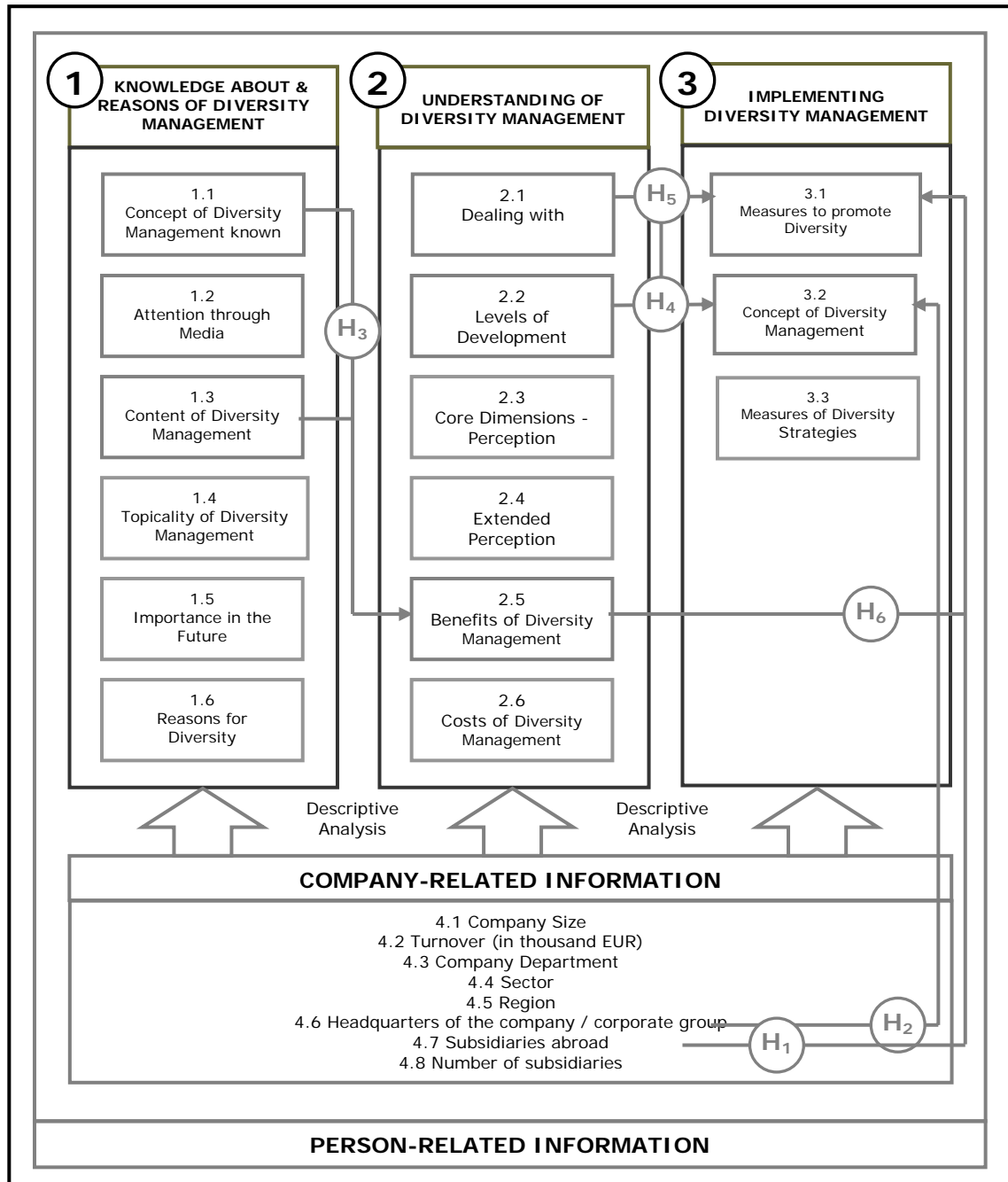
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**Figure 1**  
**Diversity becomes a necessity (according to Stuber, 2004)**





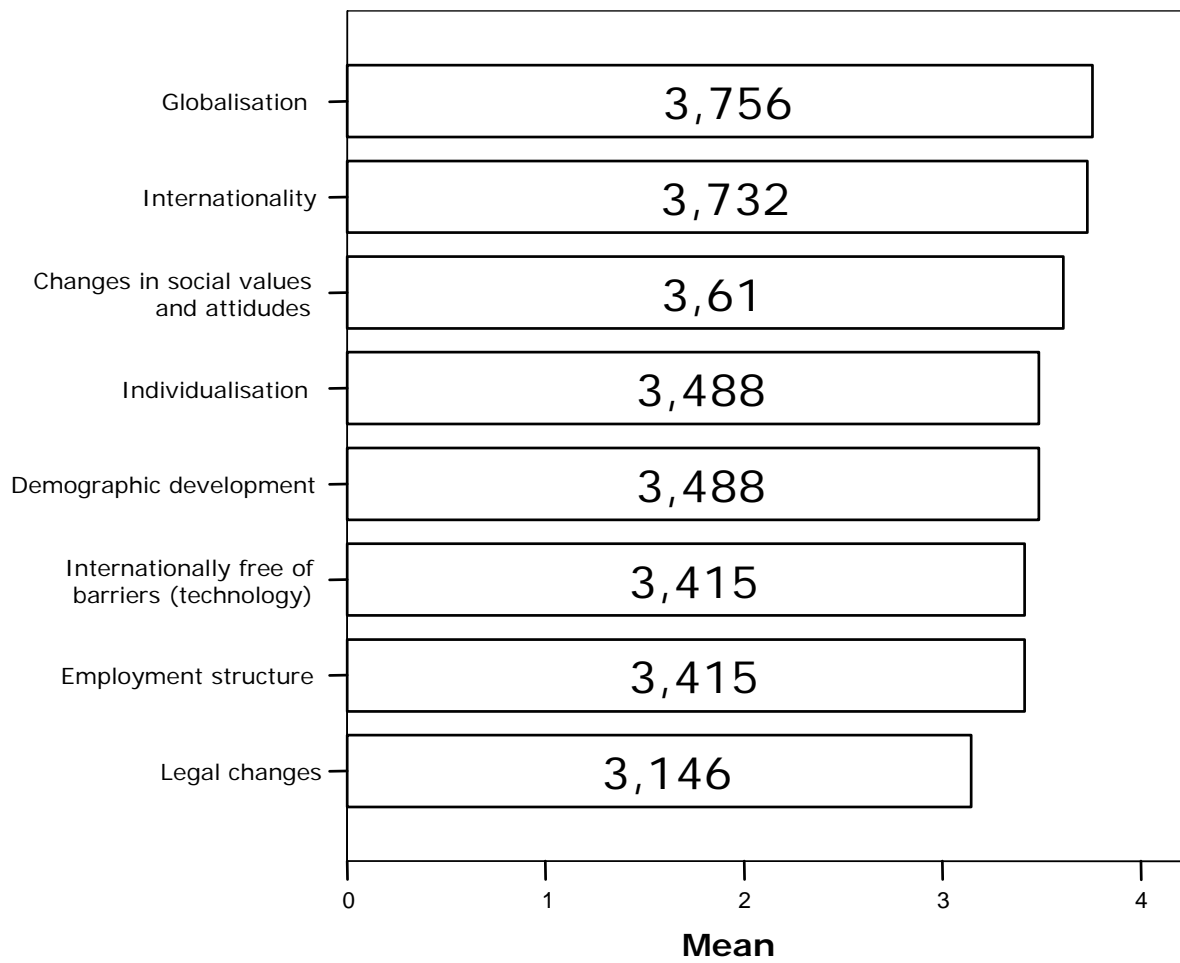
**Figure 2**  
**Survey Design and Links of Hypothesis**



**Table 1**  
**T-test for differences in Answers of Respondents who quit and who did not (N = 56)**

T-test for independent samples (significance testing)						
		Identity of variances		T-test for the identity of means		
		F	sig.	T	df	sig. (two-sided)
Already heard of it	variance equals	0.063	0.802	-1.293	54	<b>0.202</b>
	variance not equals			-1.327	26.251	0.196
Level of knowledge about DiM	variance equals	0.317	0.576	-0.351	54	<b>0.727</b>
	variance not equals			-0.372	28.106	0.712
Level of topicality	variance equals	0.172	0.680	0.047	54	<b>0.963</b>
	variance not equals			0.046	24.473	0.964
Future importance	variance equals	0.735	0.395	0.771	54	<b>0.444</b>
	variance not equals			0.824	28.529	0.417
Globalisation	variance equals	0.790	0.378	-0.407	54	<b>0.686</b>
	variance not equals			-0.438	28.967	0.665
Internationalisation	variance equals	4.171	0.046	-1.427	54	<b>0.159</b>
	variance not equals			-1.955	50.829	0.056
Demographic development	variance equals	1.371	0.247	-1.499	54	<b>0.140</b>
	variance not equals			-1.721	33.638	0.094
Employment structure	variance equals	0.306	0.582	0.345	54	<b>0.731</b>
	variance not equals			0.359	26.923	0.722
Changes in social values and attitudes	variance equals	0.263	0.610	-0.685	54	<b>0.496</b>
	variance not equals			-0.782	33.216	0.440
Individualisation	variance equals	0.099	0.754	-0.918	54	<b>0.363</b>
	variance not equals			-0.979	28.447	0.336
Legal changes	variance equals	0.033	0.856	-0.296	54	0.768
	variance not equals			-0.314	28.133	<b>0.756</b>
Internationally free of barriers (technology)	variance equals	0.045	0.833	-1.630	54	<b>0.109</b>
	variance not equals			-1.765	29.365	0.088

**Figure 3**  
**Reasons for Diversity Management (N = 41)**



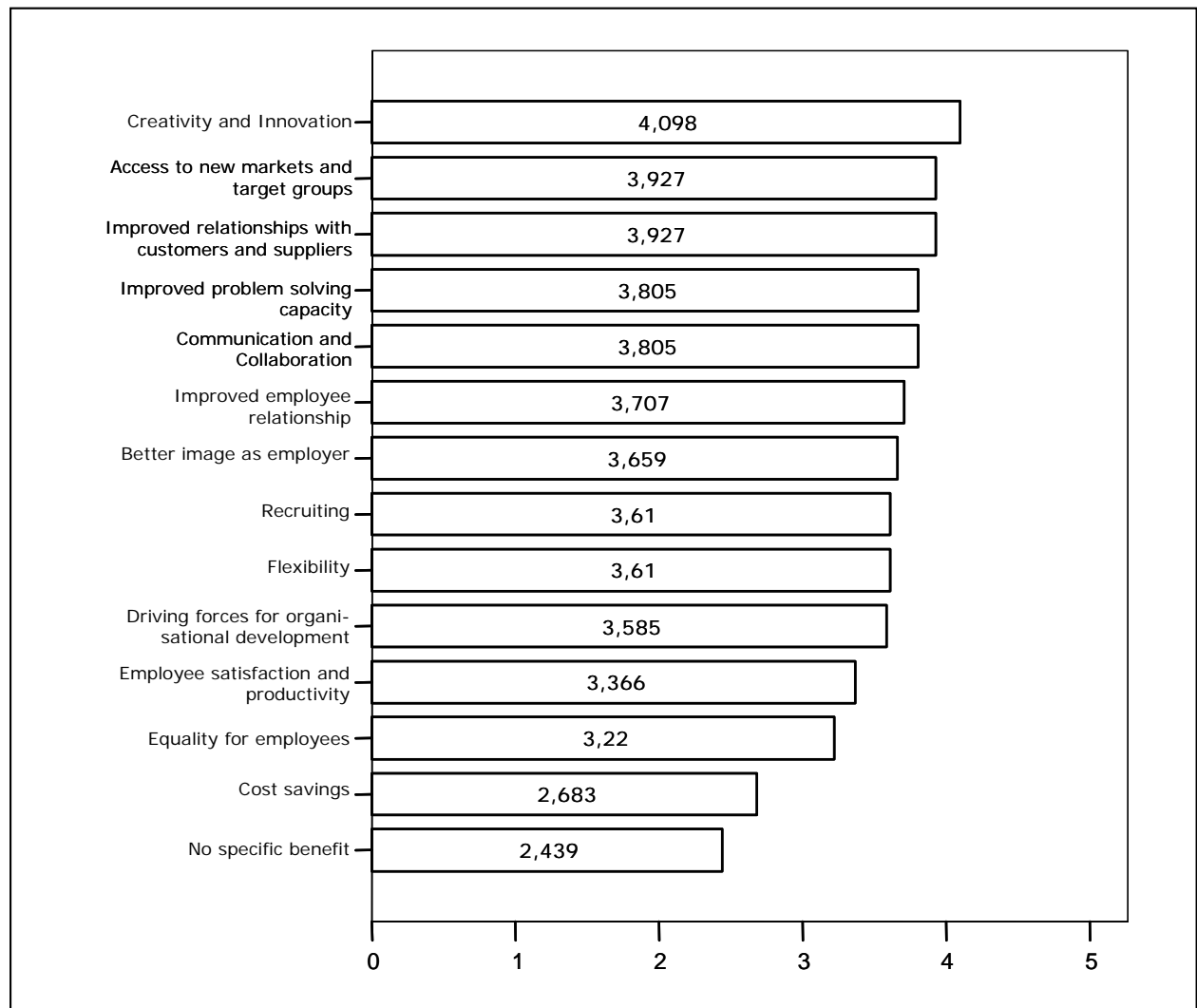
**Table 2**  
**Frequencies of Core Dimensions (N = 41)**

CORE DIMENSIONS		Replies		% of total cases
		N	%	
Core Dimensions (a)	Age	19	25.3%	46.3%
	Gender	22	29.3%	53.7%
	Ethnicity	9	12.0%	22.0%
	Religion	4	5.3%	9.8%
	Disability	8	10.7%	19.5%
	Sexual Orientation	2	2.7%	4.9%
	None	11	14.7%	26.8%
Total		75	100.0%	182.9%

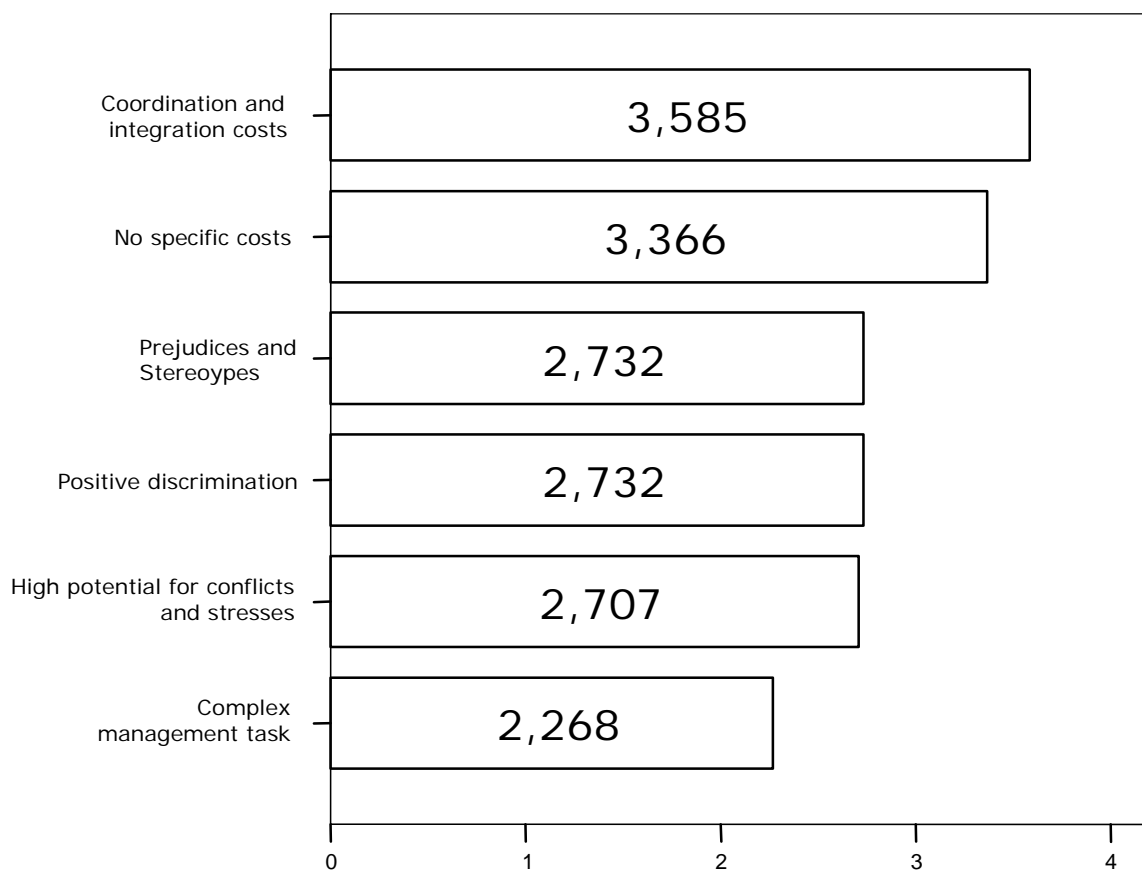
**Table 3**  
**Frequencies of Extended Dimensions (N = 41)**

<b>EXTENDED DIMENSIONS</b>		<b>Replies</b>		<b>Percent of cases</b>
		<b>N</b>	<b>%</b>	
Extended Dimensions(a)	Humour	6	4.8%	14.6%
	Personality	23	18.5%	56.1%
	Cultural Values	9	7.3%	22.0%
	Level of Education	14	11.3%	34.1%
	Languages	15	12.1%	36.6%
	Seniority	14	11.3%	34.1%
	Hierarchy	13	10.5%	31.7%
	Professional Competence	29	23.4%	70.7%
	None	1	.8%	2.4%
<b>Total</b>		124	100.0%	302.4%

**Figure 4**  
**Benefits of Diversity Management (N = 41)**



**Figure 5**  
**Costs of Diversity Management (N = 41)**



**Table 4**  
**Number of Measures Implemented in order to promote diversity (N = 41)**

<b>NUMBER OF MEASURES IMPLEMENTED</b>		<b>Frequencies</b>	<b>%</b>	<b>Valid %</b>	<b>Cumulated %</b>
Valid	0	2	4.9	4.9	4.9
	1	1	2.4	2.4	7.3
	3	1	2.4	2.4	9.8
	4	3	7.3	7.3	17.1
	5	3	7.3	7.3	24.4
	6	5	12.2	12.2	36.6
	7	8	19.5	19.5	56.1
	8	6	14.6	14.6	70.7
	9	8	19.5	19.5	90.2
	10	2	4.9	4.9	95.1
	11	1	2.4	2.4	97.6
	12	1	2.4	2.4	100.0
	Total	41	100.0	100.0	



**Table 5**  
**Correlation Results „Subsidiaries Abroad“ and „Number of Diversity Management**  
**Measures Implemented“ (N = 41)**

<b>CORRELATIONS</b>			Number of Measures Implemented	Subsidiaries abroad
Kendall-Tau-b	Number of Measures Implemented	correlation coefficient	1.000	-.178
		sig. (two-sided)	.	.176
		N	41	41
	Subsidiaries abroad	correlation coefficient	-.178	1.000
		sig. (two-sided)	.176	.
		N	41	41
Spearman-Rho	Number of Measures Implemented	correlation coefficient	1.000	-.208
		sig. (two-sided)	.	.193
		N	41	41
	Subsidiaries abroad	correlation coefficient	-.208	1.000
		sig. (two-sided)	.193	.
		N	41	41

**Table 6**  
**Correlation Results „Headquarters abroad“ and „Diversity-Concept“ (N = 41)**

<b>CORRELATIONS</b>		Value	asymptotic standard error (a)	T by approximation (b)	significance by approximation
Nominal	Phi	.512			.030
	Cramer-V	.512			.030
Ordinal	Correlation of Spearman	.338	.148	2.242	.031(c)
Number of valid cases		41			

**Table 7****Nominal Correlation of „Diversity Concept“ and „National / Abroad“ (N = 41)**

<b>CROSS TABLE</b>		Diversity Concept					Total
		no answer	yes	in preparation	no	do not know	
National / Abroad	Abroad	0	7	5	7	0	19
	National	2	1	3	15	1	22
Total		2	8	8	22	1	41

**Table 8**  
**Correlation Results of „Topic known“ and „Content known“ (N = 41)**

<b>NON-PARAMETRIC CORRELATION</b>			<b>Topic known</b>	<b>Content known</b>
Kendall-Tau-b	Topic known	correlation coefficient	1.000	.800(**)
		sig. (two-sided)	.	.000
		N	41	41
	Content known	correlation coefficient	.800(**)	1.000
		sig. (two-sided)	.000	.
		N	41	41
Spearman-Rho	Topic known	correlation coefficient	1.000	.866(**)
		sig. (two-sided)	.	.000
		N	41	41
	Content known	correlation coefficient	.866(**)	1.000
		sig. (two-sided)	.000	.
		N	41	41

**Table 9**  
**Correlation Results of „Topic known“ and „Benefits of Diversity Management“**  
**(N = 41)**

<b>NON-PARAMETRIC CORRELATIONS</b>			<b>Topic known</b>	<b>Benefits (Mean)</b>
Kendall-Tau-b	Topic known	correlation coefficient	1.000	.267(*)
		sig. (two-sided)	.	.030
		N	41	41
	Benefits (Mean)	correlation coefficient	.267(*)	1.000
		sig. (two-sided)	.030	.
		N	41	41
Spearman-Rho	Topic known	correlation coefficient	1.000	.343(*)
		sig. (two-sided)	.	.028
		N	41	41
	Benefits (Mean)	correlation coefficient	.343(*)	1.000
		sig. (two-sided)	.028	.
		N	41	41

**Table 10**  
**Correlation Results of „Content known“ and „Benefits of Diversity Management“**  
**(N = 41)**

<b>NON-PARAMETRIC CORRELATIONS</b>			<b>Benefits (Mean)</b>	<b>Content known</b>
Kendall-Tau-b	Benefits (Mean)	correlation coefficient	1.000	.341(**)
		sig. (two-sided)	.	.005
		N	41	41
	Content known	correlation coefficient	.341(**)	1.000
		sig. (two-sided)	.005	.
		N	41	41
Spearman-Rho	Benefits (Mean)	correlation coefficient	1.000	.426(**)
		sig. (two-sided)	.	.005
		N	41	41
	Content known	correlation coefficient	.426(**)	1.000
		sig. (two-sided)	.005	.
		N	41	41

**Table 11**  
**Correlation Results of „Benefits of Diversity Management“ and „Number of Measures**  
**for Diversity Management“ (N = 41)**

<b>NON-PARAMETRIC CORRELATIONS</b>		<b>Benefits (Mean)</b>	<b>Numbers of Measures Implemented</b>
Benefits (Mean)	correlation coefficient	1	.412(**)
	sig. (two-sided)		.008
	N	41	41
Number of Measures Implemented	correlation coefficient	.412(**)	1
	sig. (two-sided)	.008	
	N	41	41