# Ideas at Work: a Discursive Institutionalist Analysis of Diversity Management and Social Dialogue in France, Germany and Sweden

Stringfellow, E

**Emma Stringfellow**

**Faculty of Business and Law, Coventry University, CV1 5FB, UK**

**Emma.stringfellow@coventry.ac.uk**

**02476887688**

**Ideas at work: a discursive institutionalist analysis of diversity management and social dialogue in France, Germany and Sweden**

## Abstract

This article applies discursive institutionalism (DI) to a comparative analysis of the relationship between diversity management and social dialogue. Schmidt's (2008, 2010) method of 'who said what, when and why' and her concepts of actors' 'background discursive' and 'foreground ideational' abilities are used to analyse the dynamic relationship between ideas (diversity management) and the institutional environment (social dialogue and national models of integration). It is argued that diversity management provided an opportunity either to maintain or strengthen existing levels of social dialogue, or to promote a more voluntary, managerial and individualist approach to equality issues. The research demonstrates the merits of DI for providing a fine-grained explanation of the (arguably) counter-intuitive outcomes in France, Germany and Sweden. Another aim is to respond to Hauptmeier and Heery's (2014) calls for more recognition of the role of ideas in shaping the form, dynamics and products of the employment relationship and HRM.

**Keywords:** Discursive institutionalism, diversity management, managing diversity, social dialogue, comparative employment relations

Kirton and Greene (2010) argue that diversity management (DM) has - at least in its Anglo-Saxon forms - four essential components which differentiate it from previous approaches to equality: it emphasises valuing difference rather than sameness, it focuses on individual differences rather than historically disadvantaged social groups, it is a voluntary, managerial approach, and it prioritises the 'business case' over social justice arguments. The context of DM in continental Europe though is quite different, as equality issues in the 'old' EU member states are usually regulated through social dialogue, defined here as any form of joint initiatives between management and trade unions, ranging from codetermination through to binding negotiated agreements to joint projects and declarations[1]. The influence that DM and social dialogue have had on each other, however, has been largely ignored in the critical studies of DM.

This paper argues that DM could have contributed in France, Germany and Sweden to maintaining/strengthening existing levels of social dialogue on equality issues, or to promoting a more voluntary, unilateral managerial approach. The path DM actually took varied significantly across the three countries, and in ways that are not generally expected. A fine-grained discursive institutionalist analysis has therefore been employed to explain these outcomes: to what extent was DM shaped by the institutional environment in each country and to what extent were actors able to use DM to change that institutional environment?

Following Schmidt (2010), a discursive institutionalist (DI) analysis of diversity management and social dialogue should show empirically how and why ideas and discourses of DM matter for institutional change, and when they do not. The emphasis is on the dynamic and recursive nature of the relationship between the ideas and discourses being institutionalised on the one hand, and the institutional environment on the other, i.e. how DM and social dialogue

---

[1] The form and quality of social dialogue initiatives are discussed in more depth in Stringfellow (2016).

continue to shape *each other*, rather than the typical one-directional institutionalist analysis of how the institutional environment shapes DM.

The DI approach uses the method of asking *who said what, when and why* in order to examine how actors use institutions as strategic resources when introducing, shaping or translating ideas, and how they can use ideas like DM strategically to change the institutional environment. Schmidt's (2008) concepts of agents' 'background ideational abilities' and 'foreground discursive abilities' are used in order to explain how agents are able to use ideas to endogenously change their institutional environment; background ideational abilities "underpin agents' ability to make sense of and in a given meaning context, that is, in terms of the ideational rules or 'rationality' of that setting" (314). In other words, these abilities are based on agents' background knowledge of prevailing institutional logics. Schmidt argues that background ideational abilities enable actors to create (and maintain) institutions, whereas agents use foreground discursive abilities to change (or maintain) institutions: "These [foreground] discursive abilities represent the logic of communication, which enables agents to think, speak, and act outside their institutions even as they are inside them, to deliberate about institutional rules even as they use them, and to persuade one another to change those institutions or to maintain them" (ibid). The DI method of asking *who said what, when and why* can also reveal other mechanisms through which actors can create, maintain or change ideas (and institutions), such as framing, translation, bricolage, and layering (Hauptmeier and Heery 2014). This paper responds to the call by Hauptmeier and Heery (2014) in a special issue of this journal for more research that recognises the role of ideas in shaping the form, dynamics and products of the employment relationship and HRM.

The discussion is structured according to the 'who said what, when and why' method: The first part examines how the socio-political and socio-economic context shaped when DM was introduced and by whom; The second part examines what the actors were able to do with and

3

say about DM and why; The third part analyses how, when and why ideas of DM mattered for institutional change and when they did not.

**Research design**

The data in this chapter has been extracted from PhD research into trade union responses to DM in Sweden, France and Germany (Stringfellow 2015). The data was derived from documentary data analysis of political and media texts, trade union, employer organisation, consultancy and government websites and publications, human resource management manuals and consultancy publications, diversity events, training materials, diversity charters, social partner agreements and legislative texts. Documentary data was collected until 2014.

Interviews were carried out with trade union officers in 2008-2009 to ascertain their perception of the extent, quality and nature of social dialogue on DM. This was then compared with the accounts of a social dialogue approach provided by the promoters of DM in the documentary data. Interviewees were union representatives at national and sector level in all three countries with additional interviews carried out at company level in Germany to compensate for the small number of sector unions. The sample included the three largest confederations in France and Sweden (Germany having only one main confederation). At sector level, a range of unions was sought in each country to include service and manufacturing industries, varied skill levels and varied demographics, especially in terms of gender and ethnicity. Some of the French interviewees had roles as union official at both sector level and company level. There was also one regional level interviewee for France. The documentary data analysis revealed that diversity initiatives were driven almost entirely by the private sector in France and Germany. However, the public sector was eventually

included for Sweden as omitting it would have been unrepresentative due to its size and importance.

**Interviewee sample [Table 1 here]**

France, Germany and Sweden have been selected because in all three countries there have been significant socio-political debates around DM and major national 'diversity' initiatives. They provide a useful comparison because they vary in terms of their histories of immigration and citizenship institutions, in the institutional, associational and organisational strength of trade unions, and in their industrial relations traditions (extent of state intervention and cooperation between bargaining partners). The focus of the discussion of DM here is on ethnicity, as in each of the three countries DM was first introduced in association with ethnic or cultural diversity (Stringfellow 2015).

As in any study, there are limitations to the methods and findings. The main limitation could be considered the sample size, which is not large. It has, however, saturated the national cross-sectoral level, is broadly representative of the private sector level, and takes account of the particularities of trade union structures in each country.

The focus of the research was trade union responses to DM and so only union representatives were interviewed. The research can therefore only compare the union representatives' subjective accounts of their experiences of social dialogue on diversity with the accounts of other union representatives, and with the evidence about other actors' attitudes to social dialogue in the documentary data. The latter was, however, highly corroborative of the interviewees' accounts. Empirically, a lot more research is still needed into the outcomes of social dialogue on diversity and to compare these with the outcomes of unilateral managerial diversity management policies. Ideally this should be from the employees' perspective.

**How the socio-political and socio-economic context shaped when DM was introduced and by whom**

The timing and contexts into which DM was introduced varied significantly in each country. As we shall see in this section, the 'when and where' were crucial in determining the 'who and how' in the introduction of DM.

DM was introduced to Sweden in the mid-90s, earlier than most other European countries, and at a time when the Swedish model of integration was generally considered to be in crisis. Multiculturalism had been 'imposed' in the 1970s from the top-down, rather than through any kind of grass roots civil movement. Runblom (1994) claims that Swedish society "which had been so assimilationist and skeptical of making room for foreign cultures" made "a 180 degree turn [to] declare itself pluralistic" in order to cope with a large Finnish minority whom the Finnish government wished to reintegrate back into Finland later. Although commentators agree that multiculturalism has been accepted as a policy goal since the 1970s, "unofficially, assimilation is still seen as the best solution" (Westin, 2003:3). The resulting discrepancy between official policies and institutionalised beliefs and ideologies meant that Swedish politicians and academics spent much time over subsequent decades debating how multiculturalism should be operationalised in Sweden, particularly as Sweden also aimed to set an example to the world in accepting refugees (although not economic immigrants). Severe economic recession in the 1990s brought considerably higher unemployment amongst people with immigrant background and increasing popularity of nationalist political parties (the far-right New Democracy Party was elected into parliament for the first time in 1991).

Swedish government attachés in the US picked up on the notion of DM around the time that several (Social Democrat) government documents (SOU 1996, 1997, 2005) were criticising

Swedish multiculturalism for creating a hierarchical division of the population into 'us and them', treating immigrants as inferior groups who need help to overcome their cultural deficiencies and become like Swedes. For the Social Democrat government, DM appeared to provide an answer to this perceived crisis of Swedish multiculturalism by offering a non-assimilationist type of integration with a positive rather than negative emphasis on differences (Stringfellow 2016).

The Social Democrat government therefore played the leading role in championing DM in Sweden, making a social dialogue approach more likely. Kamp and Hagedorn-Rasmussen (2004) argue that there may be a Scandinavian model of DM based on social dialogue. Indeed, the Swedish model of industrial relations has historically been one of strong, highly organised social partners pursuing relatively autonomous self-regulation with minimal state intervention and cooperative, compromise-seeking industrial relations (Woolfson et al., 2010). However, a social dialogue approach to DM was not a foregone conclusion in Sweden. The Swedish model came under pressure during the recession of the early 1990s (Kjellberg, 2009) and again in recent years, particularly from the *Laval* case, which symptomised waning consensual relations and growing distrust (Davesne 2009). Whilst the Swedish model is still one of strong centralised and decentralised bargaining, it is not inconceivable that Swedish employers could have used the idea of DM as part of an institutional 'layering' strategy towards their goal of increased individualisation.

Arguably then, it was not the Swedish model of industrial relations that led to a social dialogue approach, but the fact that the Social Democrat government was promoting DM as a solution to a perceived crisis in the model of integration. The promotion of DM in Sweden is based on a legislative approach that relies heavily on unions for implementation and enforcement. The 1999 Law on Measures Against Ethnic Discrimination in Working Life

introduced 'active measures for promoting ethnic diversity' in the workplace: all employers have a duty to undertake, in cooperation with employee representatives, active measures to bring about equal rights and opportunities in the workplace regardless of ethnic background. At national level, the social partners were involved in several tri- and bipartite joint diversity initiatives from the mid-90s to promote the business case that 'diversity pays'. In 1998 they produced a joint guide entitled 'Diversity in Working Life', and established a joint 'Council for Diversity in Working Life'.

Similarly in France, the notion of diversity appeared in connection with "an increasing awareness of the difficulties and shortcomings linked to the French model of equality and integration of immigrants and their descendants" (Bender et al. 2010:83). It is in this context that France's 40 largest companies signed a 'Diversity Charter' in 2004 (since signed by over 3000 organisations), which targets the promotion of "cultural, ethnic and social diversity". The riots in France's major cities in late 2005 elevated what was already perceived as a significant social problem to a crisis of French republicanism. DM thus became dominated by a socio-political discourse that promoted 'diversity' as the solution to the failures of French republicanism in combating ethnic discrimination.

The difficulties of reconciling the notion of diversity with the institutional logic of French republicanism, however, provoked vehement debates, which were headline news in the French media from 2005 to at least 2009. They focussed on the deeply controversial questions of positive action/positive discrimination for ethnic minorities and statistics on ethnicity, both widely regarded as fundamentally opposed to French republican values; Anything suspected of emphasising ethnic differences is accused of *communautarisme*; undermining the unity of the nation state and equality of citizens by putting the interests of a particular community before identification with the Republic. The institutionalisation of DM

in France has therefore been overwhelmingly dominated by attempts to reconcile it with republican values. This made a social dialogue approach all the more likely in order, as Barth (2007, page) argues, to prevent "wrong interpretations" of what DM should be.

It is well-known that French industrial relations at national level have generally been tense and adversarial, that support for unions in France is measured by their strong mobilisation power rather than low membership, that the influence of French unions rests on their relationship with the state "as a legitimating institution for state policies" (Milner and Mathers, 2013:123), and that these factors largely explain the extent of state interventionism in social dialogue to compensate for union weakness at local level. Mandatory social dialogue covers almost every aspect of working life, with the state stipulating the level and frequency of negotiations, and since 2007 the state must consult social partners before any reform of employment matters. The extensive legislation on gender equality, disabled workers and older workers stipulates implementation via decentralised collective bargaining for companies with at least 50 employees. At the same time, however, the state has also encouraged the decentralisation of collective bargaining through concession bargaining, which according to Goyer and Hancké (2004) has encouraged 'managerial unilateralism' due to the weakness of unions at company level. The state has also encouraged US-style human resource management; employer-controlled direct forms of participation (e.g. quality circles), which bypass trade unions have been particularly popular and encouraged by state intervention (Jenkins 2000, Parsons 2005, Milner and Mathers 2013). Moreover, enforcement of the laws on negotiation is weak; implementation is rarely monitored and sanctions rarely implemented (Jacquier, 2008, Milner and Gregory, 2014).

Given the existing level of equality legislation and French employers' apparent lack of incentive to implement it, a top-down, unilateral and voluntary approach to DM could well

have been attractive to French employers. On the other hand, a social dialogue approach to diversity could have been imposed by the government (as with gender equality and the integration of disabled and older workers), or be viewed by employer organisations as a soft-option to pre-empt state legislation. Indeed, the government did threaten employers with legislation to impose greater ethnic and cultural diversity in recruitment if they did not achieve this themselves within two years. This led to the negotiation of a national inter-professional agreement on diversity in 2006. Other than imposing compulsory negotiations, however, it is unclear what form legislation to force the promotion of 'cultural' diversity could have taken in the French context. Moreover, the ANDCP (now the National Association of HR Managers, ANDRH) was calling for compulsory company level bargaining on diversity anyway (Klarsfeld, 2006), as was the author of the Diversity Charter, Yazid Sabeg. It seems more plausible then that social dialogue was considered a normative requirement for organisations dealing with the much mediatised crisis of French republicanism. Concern for 'social peace and cohesion' certainly appears to be the primary rationale in the discourses of the French state, employers and diversity professionals for the emphasis on a social dialogue approach. The commitment to make diversity a subject of social dialogue is part of the employers' Diversity Charter and organisations held up as exemplars of diversity on the Charter website are those which have negotiated an agreement with unions. The Charter's website also provides guides on how to negotiate diversity agreements. The 2006 national agreement obliges companies with more than 50 employees to hold an annual 'enlarged Diversity Committee' meeting involving all employee representatives. The agreement also provides new rights to information for unions in two areas - recruitment processes and evaluation procedures - and stipulates that diversity should be included in the annual sector level bargaining. The unions are also represented in the body that decides whether to award the Diversity Label, launched by the government in 2008,

which requires companies to involve employee representatives in their diversity plan. In France then, social dialogue appeared to provide a certifying stamp of the 'right', socially legitimate interpretation of DM.

DM arrived later in Germany, where its inherent emphasis on cultural differences was not controversial. On the contrary, the focus in Germany on 'intercultural management', 'intercultural competence development' and the challenges of 'intercultural understanding' has made emphasising ethnic differences a major element of DM and there has been little critique of this amongst German academics. Neither has the German model of integration been significantly questioned or perceived to be in crisis: Brubacker (1992) and Miera (2007) describe the German model of citizenship since the foundation of the German nation state as based on the idea of an ethnically homogenous community. Citizenship is based on the principle of descent (*ius sanguinis*) and naturalisation of immigrants was seen as the exception to the rule. The emphasis on ethnic or cultural differences in DM appears to fit well with this. The 'management' of diversity arguably also fits well with the discourse of the German *Leitkultur* dominating other cultures.

This model has had broad public support and has remained institutionally very stable in public discourse, even given demographic developments that seriously challenge it (Green, 2005, Miera, 2007). Although public discourse since 2010 has acknowledged a failure of integration in Germany, the German model of integration has generally been considered to be at fault only in so far as it has not been assimilationist enough and DM was unlikely to provide a suitable response to this perception of insufficient assimilation. So when integration did become a major political issue, DM was not promoted (as in France and Sweden) as the solution to a social problem. Instead DM in Germany has emanated from American multinational corporations and diffused through mimetic rather than normative isomorphism

(Süß, 2009, Lederle, 2007). The German Christian Democrats and employer associations eventually took some interest in promoting DM, primarily by imitating the French employers' Diversity Charter in 2006. Their interest in DM needs, however, to be analysed in the light of two campaigns in which they were simultaneously investing heavily: the 'New Social Market Economy Initiative' (INSM), and a campaign against the EU anti-discrimination Directives.

The German employer associations' INSM campaign was founded in 2000 and "aims to engage with, and transform, prevailing societal norms of social justice. The first component is that a social market is a free one, not one burdened by regulation and welfare-state interventionism" (Kindermann, 2003:18). Hans Tietmeyer, head of the INSM, explained that "the new social market economy is identical with the Anglo-Saxon, the American principle" (Tietmeyer, 2001:22). The German employer associations' campaign against the implementation of the EU anti-discrimination Directives, which they proclaimed hailed the end of private autonomy and contractual freedom and would lead to an avalanche of litigation (Merx and Vassilopolou, 2007, Raasch and Rastetter, 2009), was orchestrated by the INSM and succeeded in delaying transposition of the EU Directives until 2006, three years after the deadlines. It provides further evidence that discrimination was not broadly perceived as a problem to which DM could be presented as a solution. The Federal Anti-Discrimination Agency (ADS), a body required by the EU equality directives, was finally established in 2006, but was given only very limited competences in comparison to other EU countries (Bambal, 2009). Its first Director, Martina Koeppen, declared on the ADS website that "a lasting alliance with employers was the central and comprehensive concern" of the agency, and whilst employers, politicians and members of the church were invited to the first congress of the ADS, requests for invitations from NGOs and trade unions were ignored (ibid). The Federation of German Employer Associations' (BDA) and the German

government's approach to DM can therefore be seen as a reflection of the unilateral employer approach to anti-discrimination and the deregulatory ideology of the INSM. Indeed, there has been a very notable absence of union involvement at national level in the diversity initiatives of the German government and employers (Stringfellow 2016). In particular, the German Diversity Charter (unlike the French Diversity Charter) makes no mention of social dialogue, nor has it been followed (as the French Charter was) by any national level social dialogue initiatives.

The situation is different in companies with strong works councils, which have extensive institutionalised rights on equality issues in Germany. The Works Constitution Act stipulates that the works council must enforce equality between men and women, enhance work-life balance, deal with the concerns of young workers, foster the employment of older people and the integration of disabled workers, promote the employment of migrant workers and understanding between foreign and German workers, as well as combat racism and xenophobia in the organisation. In contrast, in companies with no works council the employer is obliged (since the transposition of the EU anti-discrimination directives) to implement preventive or reactive instruments to eliminate discrimination and to encourage compliance with the law.

Until 2006 then, German law bestowed responsibility for equality matters almost entirely on works councils. However, only about 10% of private sector workplaces now have a works council, although this 10% still covers almost all large companies and therefore nearly half of the workforce. The German system of employee representation has become segmented between co-determination in the manufacturing sector and aggressive anti-union and anti-works council management strategies in the services sector (Artus, 2013). The declining coverage of works councils means that responsibility for equality matters has increasingly

been left to the voluntary discretion of employers. In 2001, for example, a draft bill on gender equality supported by the unions was successfully opposed by the BDA, who instead signed a voluntary bilateral agreement with the Social Democrat government on guidelines for gender equality (Scheele, 2001). Despite Germany's poor record on gender equality in international comparison, it seems that this issue was not a particularly controversial one in public opinion (Treas and Widmer, 2000). In contrast, incidents of right-wing extremism and xenophobic violence in the 1990s led to a social dialogue approach known as 'partnership behaviour', based on negotiated agreements for dealing with xenophobia and discrimination in the workplace. At national level then it appears that a social dialogue approach is only encouraged when dealing with perceived social crises.

This section has demonstrated the importance of socio-political context in determining which actors are the leading promoters of DM and their motivations for doing so, and thus the extent of social dialogue on DM in each country. This section on the 'who and the how' is therefore crucial in explaining the 'what and the why', which are discussed next.

**What were the actors able to do with DM, and why?**

This section examines to what extent the social dialogue actors' uses of DM have been shaped by the institutional environment (their background ideational abilities), and to what extent the actors of social dialogue have used DM strategically to change their institutional environment (through their foreground discursive abilities).

As discussed above, the Social Democrat government was the leading promoter of DM in Sweden. The initial very enthusiastic reaction of the Social Democrat government and the social partners to the notion of DM was shaped by both their background ideational abilities –

the emphasis on cultural differences, and their foreground discursive abilities – the critique of the institutionalised perception that other ethnicities are inferior. So for example, the discourse used in the social partners' 1998 joint guide emphasises that representatives of 'ethnic diversity' bring specific cultural competences and knowledge linked to their cultural background which should result in improved economic performance, particularly for accessing markets in other countries. This interpretation of DM was, however, heavily criticised by Swedish academics close to the LO union (e.g. De los Reyes, 2001) for offering no alternative to the essentialism and representations of fundamental differences between ethnic groups in the 'failed' version of Swedish multiculturalism.

This led to the LO confederation persuading the Diversity Council in 2003 to re-name itself the Council for Integration in Working Life and their joint 'Diversity in working life' guide was re-written and re-titled 'Integration in working life' (Rådet för Integration i Arbetslivet, 2003). The word diversity (*mångfald*) was expunged from the document and the section entitled 'Diversity pays' replaced with 'Arguments for integration'. According to the SACO and LO confederation interviewees, it was the association of *mångfald* with ethnic statistics and 'positive special treatment' which led them to oppose the government's proposals for compulsory company 'Diversity Plans' in the late 1990s, as these policies were considered to 'emphasise what divides us instead of what unites us'. Possibly in return for the unions rejecting compulsory Diversity Plans, the Swedish employers association, SN, also appears to have supported the unions' rejection of the diversity discourse in favour of a discourse of 'integration' (the SN website's search tool produced 513 results for the word 'integration', whereas '*mångfald*' produced only 16 results referring to workforce diversity). At national level then, there appears to have been consensus amongst social partners on the rejection of the diversity discourse. At sector level, however, several of the union federations were still using the *mångfald* discourse and business case arguments strategically as an antidote to what

they considered the particularly Swedish problem of viewing 'other cultures' as inferior, to promote milder forms of positive action through Diversity Plans, and to tackle taboo subjects amongst their members. Even amongst the union officials who rejected the *mångfald* discourse it was considered to have contributed to their learning curve in finding the right solutions and advancing equality agendas. It had also proved useful in creating win-win situations - allowing employers to come out of denial about discrimination without harming their reputation by being able to blame broader societal ideologies and mentalities. The general feeling amongst the trade unions was that the few employers who were really interested in diversity were genuinely trying to do something about discrimination, or at least demonstrate that they were not racist.

As in Sweden, French employers were able to use DM strategically to come out of denial about discrimination 'in style' by blaming the previous denial of ethnic discrimination on the taboos of French society and the constraints of French republicanism, which made ethnic discrimination difficult to measure. The emphasis on social cohesion and combating discrimination also explains why the dominant 'business case' argument for diversity used by French organisations was the need to demonstrate socially responsible behaviour, rather than increased profits. French unions on the other hand have used the notion of DM strategically to get more rights for workers' representatives and negotiations on discrimination (including discrimination of trade union members) at sector and company level:

> "The employers were not disposed to come and talk about the fight against discrimination, whereas talking about diversity was easier. They weren't put in a position of blame. There were meetings where they didn't come precisely because the theme was 'fight against discrimination'." (CFDT)

The French social partners were also, like the Swedes, concerned about the emphasis on differences inherent in the notion of DM, although for the French this concern arose from their background ideational abilities about 'republican values', rather than their foreground discursive abilities. And in contrast to Sweden, the French social partners were confident that they could deal with these concerns by translating the notion of diversity into something compatible with the French model of integration - precisely because French republicanism provided such a deeply and robustly institutionalised framework for translation. This can be seen from President Sarkozy's failed attempts to alter the Constitution to include the notion of diversity and allow for positive discrimination and the collection of statistics on ethnicity, (in line with his well-known admiration of the Anglo-Saxon way of doing things). Sarkozy's championing of diversity was bound to result in scepticism amongst the left-wing as his first interest in ethnic statistics had been his proposal as interior minister for the introduction of ethnic statistics for juvenile delinquency. Sarkozy's immigration and national identity minister, Brice Hortefeux, also tried to introduce ethnic quotas for immigration, but this was rejected by the Constitutional Committee. In 2008 the Constitutional Committee also rejected Sarkozy's proposals, stating that the Constitution already provided ample possibilities for ambitious positive action measures on a social and territorial basis (which can indirectly target ethnic minorities or people of immigrant descent) but forbids such measures based on race, religion or origin.

Nevertheless, the process of translating the notion of DM allowed the French social partners and other civil society actors to use their foreground discursive abilities to debate, clarify and broaden the scope of what actions could be compatible with republican values and thus acceptable. The result was closer to the traditional UK equal opportunities approach rather than an individualist DM approach: the French social partners' 'Diversity agreement' introduced a move towards a more pro-active, mild positive action approach concerning

minority ethnic groups. The social partners also produced a practical guide in 2011 for the "Prevention of Discrimination and the Promotion of Diversity in Companies" which provides practical examples of mild positive action measures fitting an equal opportunities approach.

The vagueness of the term 'diversity', however, meant that it could be used by the social partners at sector and company level mainly for the less 'sensitive' issues of gender and disability (which were already legislated anyway). Republican values were often used by social partners on both sides as an excuse for inaction on ethnic discrimination, which was still considered too 'sensitive/delicate' a subject to deal with. Nevertheless, the Association of French Diversity Managers (AFMD) has been, out of practical necessity, at the forefront of efforts in France to break the taboo around religious diversity in the workplace and to provide practical proposals on how to implement this.

In Germany, it seems that the uncontroversial nature of DM (due to the fit with the institutional logic of German multiculturalism), combined with the lack of perceived crisis in the German model of integration, left the German employers and the German government free to strategically use DM as part of their drive for a soft law approach to equality and anti-discrimination which prioritises the business case and bypasses trade union involvement. The BDA's webpage devoted to "Diversity in the economy" strongly implies that if a diversity approach does not have the effect of increasing the success of the company, it is not worth pursuing:

> "The goal of diversity is not diversity at any price or merely for diversity's sake, but is aligned with concrete goals such as the improvement of innovative capacity, the strengthening of employer brands or better sales approaches."

This is echoed in the German consultancy literature: The website of the German-based 'International Society for Diversity Management' interestingly does not mention

'discrimination' anywhere, but instead presents "the challenges of diversity management" as entirely about managing "the serious conflicts and communicative and operational tensions, which take their high toll on an organization's bottom line."

The clear emphasis on prioritising the business case and a voluntary approach allowed German employers and the German government to undermine social dialogue:

> "[the employers] say 'why do we need to sign an agreement? We've signed the Diversity Charter and that's enough'". (DGB interviewee)

There was also experience of DM being used to exclude trade unions from the discussion altogether:

> "At first I thought that [diversity] could be an idea where social partners could do something together (...) But it didn't come to that. (…) they organised an event with support from the Ministry, I called and wrote to the Ministry to say I was interested and I would like to be there and they never even sent an answer although I'm the person responsible for this issue in one of the biggest trade unions in Germany."
> (Ver.Di interviewee)

Otherwise, German employers seem to have had little strategic use for DM except in marketing terms, but not for coming out of denial about discrimination 'in style'.

At sector and company level, where codetermination was strong unions were very much involved, even taking a leading role, in defining and operationalising DM. However, in terms of using their foreground discursive abilities, even where social dialogue on DM was strong, DM had not necessarily added much to what works councils were doing already and was often no more than old wine in new bottles, with a dash of 'inter-cultural understanding' added to the traditional trade union demands for equal opportunities, integration, non-

discrimination, respect and tolerance. For Germany's strongest union, the IGBCE (chemicals sector), on the other hand, DM had provided the union with an opportunity to expand on existing sector-level anti-discrimination and equal opportunities agreements to include substantively new measures of positive action for workers with immigrant background. The positive language of DM had made it easier to sell these initiatives to both employers and their own members:

> "anti-discrimination was perceived as too negative by our representatives in the works councils because they told us (…) if an anti-discrimination agreement were negotiated then that means they are automatically admitting that people were discriminated against in their company and that wasn't so."

However, three was still a lack of interest amongst some works councils in pursuing social dialogue on DM. The IGM interviewee felt this was a particularly so within the metal sector:

> "I think that our works councils are not very occupied with that. And when it does come they sometimes even block it. (…) there's no awareness about it. (...) And the explanations are very often performance explanations, e.g. 'they're not well trained, they can't speak German', with such explanations they try to justify things."

Where social dialogue was not strong interviewees were more critical of the 'fair weather' nature of business case arguments but felt such arguments were largely just rhetoric anyway and most were prepared to use them if it achieved their aims. Only where codetermination was still very strong (e.g. VW, BASF) were unions able to invert the business case to fit 'high road' employment relations arguments i.e. the business case was not about identifying business goals and 'harnessing' diversity to attain them, but rather fairness at work was the goal and economic success would be the result.

DM was therefore used in Germany more to maintain or support the institutionalised model of integration which emphasises cultural differences, rather than to challenge it. In rare cases German unions were able to use DM to negotiate more positive action measures, but they needed to use 'bottom line' business case arguments (particularly about cultural competences) to do so and this was likely to play into the employer strategy of using DM to prioritise business over social justice arguments.

This section has demonstrated that for varying contextual reasons, the actors of social dialogue have strategically used (or rejected) DM in varying ways to maintain or change those institutional contexts. The next section describes the recursive relationship between the idea of DM and the institutionalised arrangements of social dialogue, as well as the mechanisms through which DM mattered (or not) for institutional change.

**How, when and why did ideas of DM matter for institutional change and when did they not?**

In Sweden, the idea of DM mattered more for the Swedish model of integration and debates about multiculturalism than it did for social dialogue. The notion of DM with its emphasis on valuing differences provided a critique of the Swedish model of multiculturalism, which was accused of being hierarchical and emphasising the inferiority of other cultures. This led to significant advances in anti-discrimination policy through the law requiring organisations to carry out 'positive measures' to promote diversity. It also led the social partners to evaluate what they were doing (or not) in this respect. The debate then evolved into a discussion of whether differences should be emphasised at all and criticisms that ethnic minorities were being reduced to 'culture carriers'. DM was then rejected by the national level social partners

in favour of a discourse which emphasised promoting an inclusive integration rather than valuing differences.

Although the law on 'positive measures' prescribed implementation through social dialogue this was actually standard practice. Moreover DM does not appear to have had a great deal of impact on the extent and substance of social dialogue in Sweden. The social partners' Council for Integration, for example, has been virtually inactive since 2003 and the possibilities for social dialogue provided by the 1999 law on active measures for diversity were not exploited, largely due to lack of training for union members at local level in how to deal with discrimination.[2] Nevertheless, the notion of DM did help to stimulate debates amongst social partners on how to progress equality agendas, tackle taboo subjects and get discrimination onto (if not particularly far up) the unions' bargaining agenda.

In both Sweden and France, the model of integration (Swedish multiculturalism and French republicanism) was seen as having failed to prevent or resolve the perceived crisis of integration. The discursive institutionalist approach taken here of 'who said what, when and why' has revealed that DM appears to provide space for social dialogue when it is promoted as the solution to a crisis which pre-existing institutions could not solve. Suchman (1995:43) argues that in such cases it is more likely that actors participate in "a more thorough-going 'theorization' of the situation (…) and, in particular, of which solutions are appropriate in which contexts". This demand for foreground discursive abilities necessitates the involvement of many stakeholders in order to achieve broad social consensus and legitimacy. As can be seen from the case of France, social dialogue becomes even more necessary when

---

[2] In response to this situation a commission was set up in 2014 by the (centre-right) government to recommend how employers can work more systematically with active measures in cooperation with employee representatives (SOU 2014:41).

the Anglo-Saxon version of DM, based on Anglo-Saxon institutional logics concerning approaches to 'sameness' and difference, conflicts with institutional logics in other societal contexts, creating a greater need for a socially legitimate translation.

In France this process of translation required a new quality of social dialogue at national level. According to the French union interviewees, the negotiations for the 2006 diversity agreement were very different to the usual negotiations at inter-professional level as the subject matter was something very different to what they were used to. The social partners acknowledged they did not have sufficient expertise to begin negotiations immediately and so decided first of all to invite experts from academia, civil society and NGOs to a phase of hearings. These negotiations were therefore seen as involving a real process of dialogue, of working towards a shared understanding and producing a joint text, which was novel in the French context. However, although the national negotiations led to several sector agreements (Stringfellow 2016), the quality of social dialogue on diversity at sector and company level generally reflected the quality of industrial relations in the sector in general. In France then, the idea of DM was heavily shaped by the French model of integration but did not leave the latter unchanged (see previous section) and this recursive relationship had implications not only for the extent, but also the quality of social dialogue.

In Germany, where there was no broad consensus that the German model of integration had failed, the idea of DM with its inherent emphasis on cultural differences contributed to maintaining the perceived validity of this model. Debates in Germany have been dominated by discourses emphasising differences between cultures (which can have positive economic advantages) but that they must all conform to the over-arching rules of the German *Leitkultur* (Stringfellow 2015). This situation, in turn, allowed German employers and the German government to use DM to marginalise social dialogue - at least at national level and in the

23

sectors where it was already under attack. According to Thelen (2012) new layers are often added onto old institutions that cannot be fully renegotiated or disposed of, but the new layer creates change in the overall system and changes its trajectory. In Germany DM can be considered a new institutional 'layer' that has been strategically added to the existing institutional arrangements for equality, anti-discrimination and integration in order to shift them towards greater employer voluntarism.

**Conclusion**

The empirical argument here was that DM could have either maintained, strengthened or undermined existing levels of social dialogue on equality issues in all three countries studied. The findings i.e. that DM maintained existing levels of social dialogue in Sweden, strengthened them in France and undermined them in Germany, were explained using the DI approach of 'who said what, when and why'. This revealed that the outcomes were not easily predictable or expected and that even where the outcomes seemed predictable, the explanations were not.

The DI analysis highlighted how the idea of diversity management fed into debates and conflicts over models of integration and how this related to power struggles over systems of values about social dialogue. We have also seen how actors used DM through their foreground discursive abilities to change institutionalised belief systems or increase their power resources. This research has therefore demonstrated that the implications of ideas like diversity management for power relations and equality agendas can only be critiqued in relation to a fine-grained analysis of their particular context. Almond and Gonzalez-Menendez (2014) argue that such fine-grained analysis should consider how different and contradictory systems of ideas and values relate to each other within national power

structures, rather than treat societies as mono-cultures. This DI analysis has also explained not only the variation *between* countries regarding the involvement of social partners in DM, approaches to sameness and difference, and types of business case arguments, but also the variation *within* these countries as the recursive relationship between the idea of DM and the institutional environment develops. The main theoretical contributions of the paper are therefore: A) to highlight the importance of a recursive DI approach for the analysis of different and contradictory systems of beliefs and values within countries; B) to argue that, rather than the typical approach of analysing only the *outcomes* of national debates in comparative studies, it is these debates themselves and the sub-national level variations in these debates, which should be the centre of attention and comparison. In so doing, the paper builds on Almond and Gonzalez-Menendez's (2014) suggestions for operationalising and theorising the ideational sphere in cross-national research on what governs HRM policies.

The DI analysis has also specified under which conditions DM matters for institutional change, and through which mechanisms. Put simply, this appears to depend largely on whether there is a perceived crisis of the model of integration or not. This finding begs the question then, if a social dialogue approach is still the normative requirement for dealing with a social crisis, why is it increasingly rare for it to be the normative requirement for avoiding the emergence of such crises?

**References**

Almond, P., Gonzalez Menendez, M. (2012) Cross-national comparative human resource management and the ideational sphere: a critical review. *The International Journal of Human Resource Management* 25(18):2591-2607.

Artus, I. (2013): Precarious delegates: irregular forms of employee interest representation in Germany. In: *Industrial Relations Journal*, 44 (4):409-424.

Bambal, B. (2009) Drei Jahre Antidiskriminierungsstelle des Bundes – Bestandsaufnahme und Reformvorschläge. Heinrich Boell Stiftung.

Barth, I. (2007) *Le management de la diversité : axe stratégique urgent et important ou nouveau pari de Pascal pour les organisations contemporaines ?* Congrès AIMS, June 2007.

Bender A-F, Klarsfeld A., Laufer J. (2010) Equality and Diversity in the French context. In: Klarsfeld A. (Ed) *International Handbook on Diversity Management at Work*, Edward Elgar Publishing, p. 83-108.

Brubaker, R. (1992) *Citizenship and Nationhood in France and Germany*. Cambridge, MA: Harvard University Press.

Davesne, A. (2009) The Laval case and the future of labour relations in Sweden. *Les Cahiers européens de Sciences Po,* no.1/2009. Paris.

De los Reyes, P. (2001) Diversity, Differentiation and Discrimination. A Critical View on Current Strategies and Discourses in Sweden. In: Essemyr, M. (ed) *Diversity in Work Organisations*. National Institute for Working Life, Sweden.

Green, S. (2005) Between Ideology and Pragmatism: The Politics of Dual Nationality in Germany. In: *International Migration Review* 39(4):921-52.

Goyer M., Hancké, B. (2004) Labour in French Corporate Governance: The missing link. In: H. Gospel and Andrew Pendleton (eds.) *Corporate Governance and Labour Management.* Oxford University Press.

Hauptmeier, M., Heery, E. (2014) 'Ideas at Work'. In: *The International Journal of Human Resource Management*, 25(18):2473–2488.

Jacquier, J.P. (2008) France, l'introuvable dialogue sociale. Presses Universitaires de Rennes.

Jenkins, A. (2000) *Employment Relations in France: Evolution and Innovation*. New York, Kluwer/Plenum Press.

Kamp, A., Hagedorn-Rasmussen, P. (2004) Diversity Management in a Danish Context: Towards a Multicultural or Segregated Working Life? In: *Economic and Industrial Democracy* 25(4): 525-554.

Kindermann, D. (2003) Pressure from Without, Subversion from Within: The Two-Pronged German Employer Offensive. Working Paper Series Number 6. The Canadian Centre for German and European Studies /Le Centre canadien d''études allemandes et européennes, York University, Toronto.

Kirton, G., Greene, A.M. (2010) (3rd Edition) *The Dynamics of Managing Diversity: A Critical Approach*. Butterworth-Heinemann.

Kjellberg, A. (2009) The Swedish Ghent system and trade unions under pressure. In: *Transfer* 15(3-4): 481-504.

Klarsfeld, A. (2006) Lutter contre les discriminations et développer la diversité. Regards croisés de DRH, de consultants en recrutement et d'avocats en Midi-Pyrénées. In: PERSONNEL. ANDCP, septembre: 21-22.

Lederle, S. (2007) Die Einführung von Diversity Management in deutschen Organisationen: Eine neoinstitutionalistische Perspektive. In: *Zeitschrift für Personalforschung* 21(1):22-41. Rainer Hampp Verlag.

Merx, A. and Vassilopoulou, J. (2007) Arbeitsrechtliches AGG und Diversity-Perspektiven. In: V. Bruchhagen and I. Koall (Hrsg.) *Diversity Outlooks*. Lit Verlag, Münster, Hamburg, London.

Miera, F. (2007) Multiculturalism debates in Germany. Report for EMILIE Project.

Milner, S., Gregory, A. (2014) Gender equality bargaining in France and the UK: an uphill struggle? In: *Journal of Industrial Relations* 56 (2):246 - 263.

Milner, S., Mathers, A. (2013) Membership, influence and voice: a discussion of trade union renewal in the French context. In: *Industrial Relations Journal* 44 (2):122-138.

Parsons, N. (2005). *French Industrial Relations in the New World Economy*. London, Routledge.

Raasch, S. and Rastetter, D. (2009) *Die Anwendung des AGG in der betrieblichen Praxis*. http://www.migration-boell.de/web/diversity/48_2135.asp

Rådet för integration i arbetslivet (2003) *INTEGRATION I ARBETSLIVET. Vägledning för företgag, mydigheter och organisationer*. Svenskt Näringsliv, Arbetsgivarverket,

Landstingsförbundet, Svenska Kommunföbundet, Försäkringskasseförbundet, LO, TCO, SACO

Runblom, H. (1994) Swedish Multiculturalism in a Comparative European Perspective. In: *Sociological Forum* 9(4): 623-640.

Scheele, A. (2001) Government-employer agreement prevents equal opportunities law. European Industrial Relations Observatory (EIRO) ID: DE0107231F.

Schmidt, V.A. (2008) Discursive Institutionalism: The Explanatory Power of Ideas and Discourse. In: *Annual Review of Political Science* 11: 303-26.

Schmidt, V.A. (2010) Taking ideas and discourse seriously: explaining change through discursive institutionalism as the fourth 'new institutionalism'. In: *European Political Science Review* 2(1):1-25.

SOU (1996) *Sverige, framtiden och mångfalden – från invandrarpolitik till integrationspolitik.* Statens Offentliga Utredningar SOU 1996:55.

SOU (1997) *Sverige, framtiden och mångfalden – från invandrarpolitik till integrationspolitik.* Statens Offentliga Utredningar 1997/1998:16.

SOU (2005) *Det blågula glashuset – strukturell diskriminering i Sverige. Betänkande av Utredningen om strukturell diskriminering på grund av etnisk eller religiös tillhörighet.* Statens Offentliga Utredningar 2005:56.

SOU (2014) *Nya regler om aktiva åtgärder mot diskriminering.* Statens Offentliga Utredningar 2014:14.

Stringfellow, E. (2012) Trade unions and discourses of diversity management: A comparison of Sweden and Germany. In: *European Journal of Industrial Relations* 18(4): 329-345.

Stringfellow, E. (2015) *Trade union responses to diversity management in France, Sweden and Germany.* PhD thesis, University of Warwick.

Stringfellow, E. (2016) Social dialogue – an 'essential dimension' of diversity management in Continental Europe? In: A. Klarsfeld and E. Ng (eds) *Research Handbook of International and comparative perspectives on diversity management.* Edward Elgar

Publishing

Süß, S. (2009) *Die Institutionalisierung von Management konzepten. Diversity-Management in Deutschland*. München, Mering, Rainer-Hampp-Verlag.

Thelen, K. (2012) How Institutions Evolve: Insights from Comparative Historical Analysis. In: J. Borchert, S. Lessenich (eds) *Der Vergleich in den Sozialwissenschaften, Staat-Kapitalismus-Demokratie.* Frankfurt, Campus Verlag.

Tietmeyer, H. (2001) Die soziale Marktwirtschaft erneuern : Prof. Dr. Hans Tietmeyer zum 70. Geburtstag ; Reden und Beiträge für die Initative Neue Soziale Marktwirtschaft. Cologne.

Treas, J., Widmer, E.D. (2000). Married women's employment over the life course: Attitudes in cross-national perspective. In: *Social Forces* 78(4): 1409-1436.

Westin, C. (2003) Striking a Balance between Diversity and Social Cohesion: Examples from Sweden. Paper presented to The Challenges of Immigration and Integration in the European Union and Australia conference, 18-20 February 2003, University of Sydney.

Woolfson, C., Thörnqvist, C., Sommers, J. (2010) The Swedish model and the future of labour standards after *Laval.* In: *Industrial Relations Journal* Vol.41(4): 333-350.

**Table 1**

| Confederation | Federation/sector | Region | Company | Respondents |
|---|---|---|---|---|
| **Sweden** | | | | |
| LO (blue collar) | | | | 1 |
| | Kommunal (LO public sector) | | | 1 |
| | Byggnads (LO construction) | | | 2 |
| | HRF (LO hotels and restaurants) | | | 1 |
| | IF Metall (LO industrial and metal workers) | | | 1 |
| | Handelsanställda (LO retail) | | | 2 |
| SACO (graduates) | | | | 2 |
| TCO (white collar) | | | | 1 |
| | Unionen (TCO service sector) | | | 1 |
| | Finansförbundet (TCO banking and finance) | | | 1 |
| **Germany** | | | | |
| DGB | | | | 1 |
| | IGM (metals) | | | 1 |
| | Ver.Di (services) | | | 1 |
| | IGBCE (chemicals and mining) | | | 1 |
| | | | Dresdner Bank (Ver.Di) | 1 |
| | | | Lufthansa (Ver.Di) | 1 |
| | | | BASF (IGBCE) | 1 |
| | | | Volkswagen (IGM) | 1 |
| **France** | | | | |
| CFDT | | | | 1 |
| | CFDT Chemicals | | | 1 |
| | CFDT Banking | | | 3 |
| | CFDT Metals | | | 1 |
| | CFDT Insurance | | | 1 |
| CGT | | | | 1 |
| | CGT Metals | | SEB | 1 |
| | CGT Banking | | HSBC | 1 |
| | CGT Chemicals | | | 2 |
| | CGT Textiles | | | 1 |
| | | CGT Lyon | | 1 |
| FO | | | | 1 |
| | FO Chemicals | | | 1 |

| | FO Metals | | | 1 |
|---|---|---|---|---|
| Total | | | | 38 |