

Diversity in a Downturn

At the end of last year twelve leading organisations took part in a seminar on managing diversity in a downturn, organized by Rutherford Associates and kindly hosted by BT. Although recession was new to the majority of participants, there was general consensus that recession has in the past been an enemy of equality and diversity and that diversity professionals had to be vigilant. This work can be hard in good economic times.



Women at Risk

Downsizing can hit the most vulnerable hardest. Pregnant women were seen as being most at risk both in terms of some less well regulated companies seeing them as an easy option in redundancy. See Fawcett Society Campaign (<http://www.fawcettsociety.org.uk/index.asp?PageID=644>)

and also because some women themselves may, despite their company's commitment to working mothers, see taking redundancy at this time as the best option in difficult times. This is building up problems for companies in the future when they are in a better economic climate and regret the loss of talent. Organisations have, in the past few years, been trying hard to hold on to their talented women employees by supporting them through pregnancy and after. A couple of workshop participants said that their organisations were still doing this regardless of the economic environment.

The current political climate has seen a core group of women ministers leave the Cabinet. Women in the City are also reporting a tough and extremely competitive environment as people try to hang on to their jobs. This may be contributing to them taking early redundancy.

One investment bank saw this as a time to focus on their diversity drive e/g/ by providing coaching and courses for returning from maternity which had resulted in increased retention. It has also continued in its talent management and goal to retain and promote more women with management still held accountable for results.

Another investment bank said that in efforts to have more senior women they may have prioritized gender over talent for some promotions and they were now seeing a backlash. There was also over analysis when women were being made redundant for fear of legal action and cases were being delayed when they shouldn't be. All this can add up to resentment and claims of 'special treatment' for female employees.

Another participant saw older people as being vulnerable as pressure on them to accept early retirement as part of a company's downsizing was strong. This again may mean the loss of valuable skills experience and knowledge from the company.

Diversity by another name?

Diversity replaced equal opportunities as a more acceptable concept for the private sector but now diversity is fast being replaced again. Equality was associated with unions, groups and legalism. Diversity was more popular with notions of individualism, difference and culture combined with a business imperative. Inequalities may have been acknowledged by some but rarely made explicit. Inequalities are now being pushed further into the background as diversity is being replaced by 'inclusion' perhaps an even less controversial concept. A lawyer reported that diversity may have negative connotations which inclusion does not have.

Another global company was referring to their new diversity strategy as 'cultural intelligence and adaptability'. Others are focusing on talent management and leadership and leave the diversity implications out of the titles.

The same issues are being packaged in a different way to appeal in a new economic reality and to maintain a momentum of change instead of a backlash.

Emphasizing difference

In recent years law firms have made considerable efforts to retain female employees given their relatively high intake at graduate level and one workshop participant said that despite facing huge redundancies – they were focusing on female talent as providing the skill set required for the future. This was deemed to be relationship building skills, and there was also an emphasis on cultural inclusion as the company's global goals remained a priority. Rather than talk in terms of equality or diversity the company positioned the emphasis on gender as client focused.

The turn to an emphasis on women's difference is another familiar response to a recession and one that we should be wary of as this difference can be used as a rationale to exclude as well as include. *A comment piece on this will be published on this topic on the website soon.*

Flexible working

A common response to the challenge of diversity in a downturn is for organisations to focus on the legal issues i.e. the ones they absolutely have to. At present these would be maternity provisions, flexible working and disability.

There was also discussion on how flexible working can be pushed as a solution to the recession and companies need to make cuts. However there is not always a match between where hours need to be cut and the people who may want to work flexibly for family reasons. One workshop participant referred to requested flexible working and obligatory flexible working. No one in the seventies ever called the three day week flexible working! The opportunity for advocating flexible working is made strongly by Working Families in their paper Flexible Working in a Recession. For a free download go to http://www.workingfamilies.org.uk/asp/employer_zone/e_publications.asp

If you have any comments or your own experience of managing diversity in these difficult times please send them to info@rutherfordassociates.eu and we will post them on the website.