



CENTRE FOR ORGANISATIONAL STUDIES
The José M. de Anzizu Foundation

COS

COS, Aragó, 204 – 08011 Barcelona
Tel: +34 93 452 08 44, Fax: +34 93 323 73 17
e-mail: cos@eada.edu
website: <http://www.cosbcn.com>

NEWSLETTER No. 17 – NOVEMBER 2004

Letter from the Editors

Dear Friends and Colleagues,

As we write this the results of the US elections have just been announced and people the world over reflect on the implications for themselves and their countries for the next 4 years. The theme of working and living in a culturally diverse world has been very important for us this year at COS. The Roundtable held in Collbató, Barcelona in July brought together 35 people from 15 different countries and 4 continents. It was a true celebration of cultural differences, and how these can be handled between individuals, within organisations and across nations. We are at present preparing a small publication to reflect the chemistry that took place during 3 very intense days and at the end of this newsletter we include a summary written by one of our conference reporters.

Locally in Barcelona the first of a series of world events called Forum 2004 took place between May and September, with the underpinning themes of: World Peace, Sustainability and Cultural Differences. Our Roundtable was linked to the Forum and the subject of the meetings held for our local Barcelona Group have also looked at different aspects of managing cultural diversity in organisations. A summary of these is included below.

Working and living in a world that seems to be ever shrinking and the pace of life ever increasing, it is cliché that change is a fact of life and what was here yesterday is no longer today. In the COS headquarters we have decided to devote the coming year in the Barcelona Group, to look at a few local and family run companies that have recently celebrated 100 yrs of existence to see how they are able to take forward the heritage of their past histories and adapt to the demands of business in the 21st century.

We are already thinking about the next Roundtable in 2006 which we hope will be held in London and we will carry forward and build on some of those themes explored in July in Collbató.

Please do contact us with your comments and suggestions we would love to hear from you.

Jose M de Anzizu
Louise Schubert

Summary of the Barcelona Group Activities for 2004

19 February 2004

Agilent case—**José M^a Rodríguez**, Professor of Personnel Organizational Management at IESE and **Carlos Vivas**, Former Director General of Agilent (see below)

In this session there was a presentation of the case study:- "Agilent Technologies' Shared Services Centre in Barcelona" which looks at the management of cultural diversity in multinational teams. Professor José M^a Rodríguez, who wrote the case, explained that Agilent succeeded in making diversity an active issue in the company and described the different steps that they had taken.

Carlos Vivas who after working for the parent company Hewlett Packard for 23 years was appointed as Director in charge of setting up Agilent Technologies in the Barcelona World Trade Centre. He explained that it was the first centre of its type in Catalonia, with 600 people from 32 different countries where 23 languages were spoken and is an example of how a centre with so many different cultures can achieve positive results.

Jose M^a Rodríguez described four main factors that had contributed to its success:- the high standard of education of the employees, the design and distribution of the workplace cubicles, the work groups are made up of different nationalities with no dominant culture and all are small in size and the fact that they are all young open minded people.

14 April 2004

IKEA-Roger Löthgren (General Manager, IKEA Badalona)

Roger Löthgren opened the first IKEA in Barcelona seven years ago and has been with IKEA for many years working in several other countries. He pointed out that within the IKEA organisation internationally, Diversity is handled differently in each country according to the local situation and priorities. During recruitment, the values held by potential employees are considered more important than the qualifications that they earned. For IKEA diversity has two main dimensions: the first one takes into consideration age, gender, sexual orientation, ethnic origin and race and the other looks at work experience, education, status, position in the company.

At IKEA Badalona (Barcelona) there are employees with eight different nationalities coming from Europe, South America and Morocco. Values such as simplicity, honesty and humility are very important. One of the main benefits of diversity for IKEA is the basic ability to be able to reflect the diversity of their customers in the staff that attend them and to better understand their needs.

26 May 2004

Visit to Forum Barcelona 2004 Welcome from **Carlos Vivas**, Assistant Director General. Carlos Vivas (having left Agilent Technologies to take up this new position), made a presentation to the small group on the history, objectives and main exhibitions to see during the visit we were about to make. A guided tour followed and this gave us an opportunity to see the main highlights and to come away with an overview of this highly ambitious project. The main themes of the Forum 2004 were:- World peace, Sustainability and Cultural Diversity. The exhibits, displays, symbols, participatory events, special exhibitions, dialogues, theatrical and musical experiences reflected these main themes throughout the Summer and our visit gave a taste of what had been planned. The next Forum will take place in Monterrey, Mexico in 2007.

2004 COS Round Table

“Managing Cultural Diversity: Making it Work”

Below we include one of the reports that were written following the Roundtable. As already mentioned above a publication will follow shortly with more articles and points of view that have been expressed around the themes of the different sessions.

Managing Diversity – The organisation or the individual

During the first half of the 2004 COS Round Table (RT) (“Managing Cultural Diversity: Making it Work.” Barcelona (Collbató) 2nd-4th July 2004), the main focus of learning and discussion was on individual differences, the importance of cultural intelligence and the celebration of our uniqueness. I would like to propose that organisations can also benefit by looking at themselves as a collection of people, and in order to take advantage of these differences, they have to go to the individual level within their organisations to understand and manage diversity. It is precisely because of the uniqueness of individuals within organisations that there is no one-size-fits-all solution for managing diversity be it cultural or otherwise. However, there are four basic factors: Leadership, Education, People, and Communication; that apply to any organisation when dealing with diversity management .

When talking about the involvement of leadership in diversity initiatives frequently the focus is put on the executive board. Although there is still as great lack of diversity at the board level, a fact that has been highlighted time and time again by various articles, organisations are at last paying real attention to the make up of their board and moving away from the presence of the “token” diverse executive. As boards become more aware of the advantage of diversity, they encourage the appointment of diversity “champions” either in the shape of Chief Diversity Officer or individuals within the business who can walk the talk. However, the board is only a very small part of the organisation and for diversity initiatives to be successful every person at every level of the organisation has to also lead by example. In order for individuals to be able to do this they need to be empowered, supported by the organisation, given the opportunity to experience different cultures and the chance to learn about how best to deal with diversity through various educational experiences.

Education is not only being in a classroom with others to learn from the professor. Sometimes the best education happens through suitable and effective work assignments either within the same country or overseas. In order to assist employees in getting up to speed faster during such assignments, cultural and language training can be used to give them the necessary daily tools. However, education must be seen by the organisation as a long-term investment, as it sometimes takes time for the real value of the education to become apparent. Learning from each other, the sharing of success and/or failures also help to keep awareness high within the organisation. At the same time the company needs to share and educate those individuals outside its internal walls, be it customers, suppliers or future employees.

The movement of people across the globe and the mix of cultures in various countries has produced a diverse labour pool for organisations to choose from. However, at the same time organisations have to also sell themselves to candidates in order to attract and retain the best. How an organisation communicates internally and externally plays a big part in the perception of its actions and attitude towards diversity. No matter what media is used it is important for the real face of the organisation to show through. Organising information days

at schools and universities, providing scholarships to various target groups or being involved in the local community all communicate with the current and future employees of the company.

The issue of diversity and its influence on attraction, reward and retention of employees have been researched and documented numerous times. What is important is for organisations to pay attention to those factors that are particular to their group of employees and not just their industry, competitors or business in general. A high-tech company with employees with an average age in the late twenties may not consider age diversity as an important factor, but prefer to address the issue of gender. Whereas, an established company in a slow moving industry may prefer to attract young blood to the organisation in order to secure its future.

No matter which aspect of diversity an organisation decides to focus on, how it deals with the above four factors in turn is influenced by its level or stage of development. As discussed at the final session of the COS RT, organisations (just like people) go through four different stages of development: Unconscious incompetence, Conscious incompetence, Conscious competence and Unconscious competence. It is hoped that with regards to diversity there are no companies (at least in the western world), that are in the first stage of unconscious incompetence, not knowing that they are not managing diversity. Once organisations become aware of diversity issues they then move to the conscious states. First knowing that they are incompetent and then stepping up to being competent. The final stage can be likened to doing things on auto-pilot i.e. when managing diversity is ingrained in the heart and soul of the organisation, and an integral part of its behaviour and strategy.

Ultimately every organisation relies on its individual employees to accept, understand, set and implement the diversity policies and initiatives of the company. An organisation can not function without its employees be it from the cleaning lady to the CEO. But in order to function as one, employees need to work and act as a unified group. And since we are all individuals and unique, the only way for this unification to happen is to be aware of, and understand these differences. Only then can an organisation claim to have taken the first step towards attempting to manage, learn and benefit from the existing and potential diversity of its employees.

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Chairpersons: Gay Haskins (LONDON BUSINESS SCHOOLS) and Sybren Tjimstra (TIMS CONSULTANCY).

Participants:

José M^a de Anzizu (COS), John Bing (ITAP INTERNATIONAL), Catherine Mercer Bing (ITAP INTERNATIONAL), Max Boisot (UOC & WHARTON), Chen Derong (NORSK HYDRO), David Dinwoodie (EADA), Chris Earley (LONDON BUSINESS SCHOOL), Sergio Gardelliano (UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION), Saehi Han (ITAP INTERNATIONAL), Virva Herlitz (RIGHT MANAGEMENT CONSULTANTS), Adolf Ihde (AIRBUS), Lalit Johri (ASIAN INSTITUTE OF TECHNOLOGY), Shadi Khoroushi, John Kopetz (EADA), Stephan List, Michel Marchand (EDF CORPORATE UNIVERSITY), Stephen Martin (ITAP EUROPE), Liz Mellon (DUKE CORPORATE EDUCATION), Gary Mellon (SENECA GROUP), Ngu Muna (LONDON BUSINESS SCHOOL), David Parcerisas (EADA), Martin Rahe (EADA), Jeffrey Ramsbottom (MANCHESTER BUSINESS SCHOOL / CEIBS), Loïuse Schubert (SCHUBERT CONSULTING), Werner Schubert (SCHUBERT CONSULTING), Sylvaine Siebertz (AIRBUS), Hans Sigl, Katarina Sigl, Carlos Soriano (BODEGAS TORRES), Sylvia Tjimstra (LONDON SCHOOL OF ECONOMICS & POLITICAL SCIENCE), Marju Unt (ESTONIAN EUROMANAGEMENT INSTITUTE) and Theo Van Campen (ALLEVO HEALTH CARE).