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THE ECONOMIC IMPACT OF DIVERSITY POLICIES ON COMPANY PERFORMANCE: THE CASE OF YOUNG GRADUATES OF FOREIGN ORIGIN

If there is one segment of the population that is highly affected by discrimination in the recruitment process it is undoubtedly young people. The present study focuses specifically on the case of young French people from migrant backgrounds who, despite their higher education qualifications, find it extremely difficult to secure employment.

Looking beyond the public policies that are currently based primarily on social and regional issues, a 'Diversity Charter' launched in 2004 demonstrated a desire on the part of certain companies to deal with the issue of discrimination based on origin. Those behind the charter believed that such diversity should be considered as much an asset to economic performance as a factor in social and societal policy.

ACCESS TO EMPLOYMENT FOR YOUNG PEOPLE FROM MIGRANT BACKGROUNDS

Whilst ethnic statistics are prohibited in France, many studies, surveys and testings have found evidence of discrimination against young graduates from migrant backgrounds, though France is not necessarily unique in this respect with regards to other European countries.

According to the INSEE, for example, a third (for men) and half (for women) of the employment rate gap between descendants of Maghreb immigrants and the population as a whole can be explained by characteristics other than age, qualification, family situation, geographic location and even the parents' socio-professional category. It is, of course, on this significant 'unexplained' proportion that the assumptions of discrimination are based.

THE LEGAL FRAMEWORK

The legal framework of the fight against discrimination has changed a great deal in France, particularly as a result of community action. The European Union adopted two directives on the equal treatment of people in the year 2000, along

with an 'action programme for fighting any form of direct or indirect discrimination based on race or ethnic origin, religion or beliefs, disability, age or sexual orientation'. Bringing our national law into line with the relevant European texts resulted in the law of 16 November 2001 regarding the fight against discrimination which, without challenging our constitutional principles, supplemented the applicable provisions of the French Criminal and Employment Codes.

Social partners signed a national interprofessional agreement (ANI - accord national interprofessionnel) on diversity on 12 October 2006 stating that, from the company's perspective, diversity is «a source of wealth for its development, a vehicle of innovation that will help improve the way in which it is perceived by clients, external service providers and consumers».

MEASURING DIVERSITY

The difficulties associated with measuring diversity where origin is concerned are often referred to as an obstacle, yet it is indeed possible to measure such diversity through company-level negotiation, on a voluntary and anonymous basis, in

accordance with the French legal framework.

This voluntary basis has, however, demonstrated its limits, which calls into question the setting of quantifiable objectives. For some, it is simply not relevant to legislate on the matter for various reasons, whilst others encourage the temporary introduction of quotas, the use of which would, however, presuppose a measurement indicator and an adaptation to a French model that differs greatly from its Anglo-Saxon equivalent.



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AN ECONOMIC APPROACH TO DIVERSITY

The economic impact of diversity has been examined in many studies undertaken in Anglo-Saxon countries - and in the United States of the 1980s in particular - where managing difference is perceived as a source of wealth for the company in terms of performance and competitiveness. Studies undertaken by economists and hearings conducted by the section on Economic Activities have concluded that promoting a form of recruitment that reflects the diversity of the population that the company is targeting is an advantage when it comes to conquering new markets, including at international level.

Diversity can also have an impact on an organisation's performance, and it is interesting to note that both motivation and loyalty to the company are higher among young people who have been excluded from the job market for long periods of time.

AN ORIGINAL RESPONSE: THE DIVERSITY CHARTER

The Charter, when it was originally devised, was intended to promote the employment of young graduates from 'visible minorities' by fighting against the wall that prevents them from accessing job interviews and against 'the glass ceiling' that prevents them from progressing up through the hierarchy of the company.

By late 2013, over three thousands companies and public institutions had agreed to adhere to the Charter. Whilst the first companies to sign up to the Charter were major production organisations, SMEs and micro-businesses were also incorporated as of 2007. The Charter has been implemented on a number of levels:

- on the human resources front with the revision of recruitment procedures and the creation of new tools, such as the anonymous CV, the simulation-based recruitment method, etc. The expansion and diversification of pools of applicants have resulted primarily from the development of partnerships with community associations and with university-based professional integration support centres;
- on the social and legal front with the signing of specific agreements, label schemes and special units designed to deal with discrimination and even the creation of 'whistle-blowing systems' designed specifically with discrimination in mind.

At the request of the State, a 'Diversity' label was created in order to give the Charter substance. This is awarded by AFNOR Certification based on a series of specifications and for a period of four years. It is open to all companies and has been awarded to over 200, from both the public and private sectors, to date.

The fact remains, however, that the objective of the Charter (which, in the case of 7 companies in 10, is their only commitment to fighting discrimination), namely giving the company access to young graduates from foreign backgrounds to positions of responsibility has not been achieved.

The conclusions to be drawn from these initiatives - as confirmed by the responses to the questionnaire sent by the rapporteur to a panel of companies varying in size - show that many companies interpret the concept of diversity in a very broad variety ways (including the criteria of age, gender, disability, etc.) and use it as a basis for their equality policy in general, very often alienating it from the population affected by its creation.