



English summary
of Fafo-rapport 2022:27

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Increased mobility across national borders has resulted in a more diverse workforce, and more attention is therefore being paid to how enterprises can benefit from and manage ethnic diversity. In this project we have studied employers' attitudes and practices when it comes to ethnic diversity in the workplace. One of the project's objectives has also been to design and test questions that can function as indicators of employers' attitudes to ethnic diversity.

To elucidate these topics, we have conducted a representative survey in a net sample of 1500 employers. In the questionnaire we have included vignettes as well as more standard questions. Vignettes enable the respondents to voice their opinion about specific scenarios, irrespective of their experience.

We have investigated the employers' views on the value of ethnic diversity and identified two dimensions: diversity as a moral issue and a view of diversity as economically favourable for the enterprise. Both these perspectives on diversity receive less endorsement in the manufacturing and service industries than in public administration, education, and health and social services.

In general, the analyses indicate that the employers see ethnic diversity as positive for their reputation as well as for their relationships with customers and service users. A majority of the employers regard recruitment of people with an immigrant background as part of their corporate social responsibility. Furthermore, the economic advantages of having an ethnically diverse staff are highlighted.

We also investigated the extent to which employers endorsed two concrete policies to change the composition of enterprises: increased ethnic diversity or a more even gender balance. We made use of a quasi-experiment in the form of vignettes, and asked employers to give us their views on two practices: one where women or people with an immigrant background are actively recruited, and one where women or people with an immigrant background are actively prioritised for promotion to managerial positions. Employers tend to take a more positive view of active recruitment than of measures that aim to change the composition of the management group – irrespective of whether the objective is to promote gender balance or increase ethnic diversity. However, there is a significantly higher proportion of employers who oppose such an initiative if women are actively recruited, rather than people with an immigrant background. Furthermore, we find a significant difference in the support for practices seeking to promote a specific category of candidates to management positions. Thirty-four per cent of the employers welcome such measures if the objective is to promote gender

balance in the management group, whereas 20 per cent support such a measure if the aim is to promote ethnic diversity in the management group.

Finally, we investigated concrete measures that can help increase diversity in the enterprises. The majority, 68 per cent, respond that increasing the proportion of employees with an immigrant background is not a specific objective for them. This notwithstanding, nearly one-half of the respondents answer that it is their practice to invite at least one job applicant with an immigrant background to an interview. We found that a little more than one in every three enterprises has a mentoring or buddy scheme for people with an immigrant background. The same proportion report to emphasise diversity in their external communications. In addition, 28 per cent of the enterprises provide Norwegian language training as an option. Only a minority provide training in diversity management. Furthermore, we identified the ways in which notions of ethnic diversity entail consequences for the social working environment and enterprise profitability. The enterprises believe that ethnic diversity has a major impact on workplace well-being. Somewhat less than one-half also answer that ethnic diversity has a positive impact on innovation and productivity. One in every three respondents believes that ethnic diversity is beneficial for communication in the workplace.

In a perspective of discrimination and fairness, diversity means that groups that previously were underrepresented in the labour market should be included on equal terms with majority groups. Employees with an immigrant background are not expected to bring with them other types of resources and perspectives into the work situation, but rather serve as evidence of enterprises showing corporate social responsibility and combatting discrimination. An alternative approach makes strategic, but limited use of diversity by positioning employees based on their specific background. One example is to link employees from a specific country with customers or service users who share this background. In this perspective, diversity will be seen as useful, productive or profitable by providing access to specific target groups, and boosting reputation by signalling diversity to external audiences. A majority of the employers in our survey consider ethnic diversity to be positive for their reputation and relationships with customers and service users, as well as for well-being, innovation and productivity.

In this study, there are several enterprise characteristics that influence the attitudes to ethnic diversity and measure to promote diversity. First, we find that women managers tend to take a more positive view of ethnic diversity in the workplace than their male counterparts. This is an isolated effect of gender when controlled for other variables. Second, we find that many of the issues we have identified are associated with the industry to which the enterprises belong. Private sector enterprises, such as retail trade and services, are more negative to ethnic diversity both as a moral issue and in terms of profitability. Enterprise size measured in number of employees was shown to have an unsystematic effect,

but we find that enterprises with more than 100 employees are more likely to endorse an objective to increase the number of immigrants and/or to invite at least one job applicant with an immigrant background to an interview, provided that they are qualified. We have also seen that having experience with employees who hail from beyond the Nordic region has a positive effect in many contexts. Those who have employees with an immigrant background take a more positive view of ethnic diversity, in terms of both moral and profitability considerations.

Attitudes are hard to measure, and measuring how attitudes change within a short space of time is even more challenging. Attitudes change slowly, and it is difficult to capture real changes when measured at short intervals. By monitoring what kinds of measures are implemented, terminated or continued, we can capture patterns in the ways in which employers relate to ideals of ethnic diversity. If the objective is to design indicators that can capture variations in the attitudes to ethnic diversity among employers on an ongoing basis, we would argue that the indicators should be based on concrete practices rather than on general questions about attitudes. Employers are in a unique position when it comes to opportunities to act on their intentions. Patterns of behaviour can thus be mapped more meaningfully on an ongoing basis, annually or bi-annually. Questions pertaining to general attitudes should be asked at longer intervals, for example every four or five years.

Although attitudes can be difficult to measure, in this study we have isolated two dimensions in the attitudes to ethnic diversity. We have chosen to refer to the first as *diversity as a moral consideration*. This dimension is captured in questions focusing on how recruitment of people with an immigrant background is part of the enterprises' corporate social responsibility, how enterprises that fail to recruit people with an immigrant background miss out on valuable competencies, and that prejudices among employers may exclude those with an immigrant background from jobs for which they are qualified. The second dimension concerns how ethnic *diversity can yield a positive economic return* by giving insight into the customers' or service users' needs, and that ethnic diversity is a reputational asset. We believe it will be appropriate to continue focusing on these dimensions.

In the discussion of future indicators, it is also opportune to consider whether a large-scale representative survey of Norwegian enterprises is the best route to gain more knowledge. We have conducted a survey among 1500 enterprises, which is a relatively high number, but nevertheless only enough to portray a general picture, since this type of material cannot be broken down into great detail. Other approaches to this problem complex can also be envisaged, however. Registry statistics contain information that can be used to identify workers with an ethnic minority background. To capture attitudes and actual practices, analyses of such registry data can be used to target surveys towards industries where

there are concentrations of immigrant-origin labour, or vice versa, industries where there are few immigrant-origin groups represented. Attitudes and practices identified by such surveys will not be representative for the labour market as a whole, but this information could nevertheless produce more specialised and tailored analyses that would be useful for specific integration efforts. Such specialised surveys could also be combined with representative studies. Limiting such representative studies to every four or five years could then be considered as an option. Following up the surveys with a qualitative strategy should also be considered.