

Diversity statements for leveraging organizational legitimacy

Val Singh and Sébastien Point

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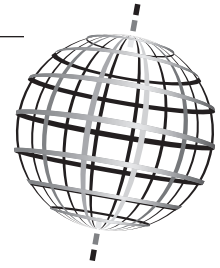
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Article abstract

European companies are increasingly putting “diversity statements” on corporate websites. Websites are important because they are used by members of the public, especially the younger generation, to seek information about companies. Legitimacy theory is often cited as one explanation for having good diversity policies, but we found no research in the diversity, HRM or social accounting literature with empirical evidence of different types of legitimacy associated with diversity. We examined on-line diversity statements from 174 top European companies for evidence of legitimacy-enhancing messages, and coded them by type of legitimacy. We show that diversity statements are presented in ways associated with two different types of legitimacy (pragmatic exchange and moral). International differences are also highlighted. These findings will help practitioners to design diversity statements based on a better understanding that legitimacy is a multi-faceted construct, and help them avoid the dangers of empty discourse, i.e. inconsistency between words and reality.

Diversity statements for leveraging organizational legitimacy



VAL SINGH

Cranfield School of Management

SÉBASTIEN POINT

Université de Franche-Comté

Ecole de Management Strasbourg - Université de Strasbourg

RÉSUMÉ

A travers leurs sites Internet, les grands groupes tendent à multiplier les discours sur la diversité. Les sites Internet sont devenus des outils de communication importants tant ils sont utilisés par le grand public, ou appréciés par la jeune génération pour la recherche d'informations. La théorie de la légitimité est souvent citée pour expliquer le fait d'avoir une bonne politique en matière de diversité. Cependant, aucune recherche ne stipule de quels types de légitimité il s'agit. Notre analyse de 174 sites Internet des grands groupes à travers l'Europe souligne deux types de légitimités (pragmatique et morale) fréquemment associées à ces messages sur la diversité. Des différences entre pays sont mises en exergue. Des préconisations sont également formulées pour mieux appréhender la légitimité comme une notion multi-faces et éviter de construire des messages vides de sens, inconsistants vis-à-vis de la réalité.

Mots clés : légitimité, management de la diversité, discours, Internet, Europe.

ABSTRACT

European companies are increasingly putting "diversity statements" on corporate websites. Websites are important because they are used by members of the public, especially the younger generation, to seek information about companies. Legitimacy theory is often cited as one explanation for having good diversity policies, but we found no research in the diversity, HRM or social accounting literature with empirical evidence of different types of legitimacy associated with diversity. We examined online diversity statements from 174 top European companies for evidence of legitimacy-enhancing messages, and coded them by type of legitimacy. We show that diversity statements are presented in ways associated with two different types of legitimacy (pragmatic exchange and moral). International differences are also highlighted. These findings will help practitioners to design diversity statements based on a better understanding that legitimacy is a multi-faceted construct, and help them avoid the dangers of empty discourse, i.e. inconsistency between words and reality.

Keywords: Legitimacy, diversity management, social disclosure, websites, Europe.

RESUMEN

A través de los sitios de Internet, las empresas europeas tienden a multiplicar los discursos sobre la diversidad. Los sitios de Internet se han convertido en importantes herramientas de comunicación tanto para el público en general como para las nuevas generaciones que realizan sus búsquedas de información en estos. La teoría de la legitimidad es citada frecuentemente para explicar la existencia de políticas en materia de diversidad. Sin embargo, ninguna investigación estipula de qué tipos de legitimidad se trata. Nuestro análisis de 174 páginas Web de grandes empresas europeas subraya dos tipos de legitimidad (pragmática y moral) frecuentemente asociada a estos mensajes sobre la diversidad. Se enfatizan las diferencias entre países. Estos descubrimientos ayudarán a los profesionales a diseñar fórmulas para comprender mejor la legitimidad como noción multifacética y evitar la construcción de mensajes carecientes de sentido y la inconsistencia entre las palabras y la realidad.

Palabras claves: legitimidad, gestión de la diversidad, discurso, Internet, Europa.

There is a growing trend for diversity to be considered as an integral part of corporate strategy and an indicator of corporate social responsibility (Global Reporting Initiative 2002). The internet provides a new medium for promotion of diversity policy and corporate ethics. Hence, many companies now use the internet for public relations to communicate their corporate diversity policies to various stakeholders, making statements about their approaches to managing equality and diversity (Hon & Brunner 2000). We will refer to these henceforth in the paper as "diversity statements".

Such communications are used to show that the organization is going about its business in a legitimate way. According to legitimacy theory, companies should

take measures to ensure that their activities, image and reputation are acceptable to their stakeholders (Lees 1997). Previous research in the accounting field has suggested legitimacy as a motivation for disclosing human resource management information in annual reports (Adams et al. 1998). Others in the diversity field suggest that having good diversity policies is likely to enhance corporate image and legitimacy (Cox & Blake 1999; Benschop 2001).

"Legitimacy is a social judgement that is ultimately accorded the organization by its constituents" (Ashforth & Gibbs 1990: 177). Companies try to manage their legitimacy because it "helps to ensure the continued inflow of capital, labour and customers necessary for viability" (Neu et al. 1998: 265). However, legitimacy is a multi-

1. Auteur à contacter pour toutes correspondances : Institut d'Administration des Entreprises - Université de Franche-Comté - 45 D, avenue

de l'Observatoire - 25030 Besançon cedex - France - Tel: +33 (0) 381 666643 - Fax: +33 (0) 381 666737 - Email: s.point@free.fr

faceted construct. The literature identifies different types of legitimacy; for instance, pragmatic, moral and cognitive legitimacy (Suchman 1995; Palazzo & Scherer 2006), but the different forms of organizational legitimacy in corporate social disclosures have only recently started to attract research attention (Dart 2004; Long & Driscoll 2008).

There is a gap in knowledge regarding the type of legitimacy associated with good diversity policies. In the diversity field, there is an assumption that having such policies will attract legitimacy without specifying how or what type. A new means to attract legitimacy is provided by the internet. In our view, if companies are not aware of the types of legitimacy that their diversity statements may attract via their contents, their message may be only generally descriptive rather than supporting the desired sense-giving. This has important implications for those responsible for designing diversity statements; for example human resource and public relations departments.

The aim of this paper is to address that gap, drawing on the legitimacy and corporate social disclosures field to bring deeper understanding of how diversity management can be used to attract different types of legitimacy. We seek to identify how companies legitimate their diversity management values, policies or practices by the use of language in the recent and important public medium of the Internet.. Our study does not seek to measure the legitimacy attracted by diversity statements, but rather explores how the espoused beliefs in the diversity statements are used as legitimating devices, to identify whether the appeal of the discourse is to pragmatic interests or to moral concerns about diversity. Our research questions are therefore: Do on-line diversity statements reveal legitimizing characteristics? If so, what type of legitimacy is involved? In this paper, we will present the different types of legitimacy emerging from our analysis of on-line diversity statements of 174 top European companies across eight countries (Finland, France, Germany, Netherlands, Norway, Sweden, Switzerland and the UK).

First we outline diversity management, before examining different types of legitimacy and the literature on disclosure of human resource management policies in public arenas such as websites and annual reports. After reporting our methodology and consideration of the use of websites as a data source, we illustrate claims of different kinds of legitimacy that emerged from the diversity statements and identify a new component of charismatic legitimacy. We explore cross-national differences and then conclude by discussing the contribution, limitations and implications for researchers and for practice.

Literature review

Diversity management

Similar to the shift of personnel management to HRM in the early 90s, diversity management represents an alternative

approach, moving from the fairness and justice case of equal opportunities. It represents a shift from policies designed to protect those of different sex, ethnicity, physical ability, etc to the majority (by ensuring equal treatment at work) to a business case approach (Kandola & Fullerton 1998; Dass & Parker 1999). The business case for diversity addresses the business needs for diversity and the expected business benefits from adoption of its approach, including a wider internal talent pool, enhanced employee recruitment and retention, improved corporate image and reputation, greater innovation and enhanced marketing opportunities. Even though European countries have had equal opportunities legislation for three decades on gender (but more recently on other differences such as ethnicity, religion and age), the newer diversity management approach is increasingly being adopted. It is said to ensure better understanding of the changing marketplace, and better quality decision-making and solutions via the unleashing of creativity from different ways of thinking and diverse experiences (Cox and Blake 1991).

It should be noted here that critical management theorists, notably Lorbiecki & Jack (2000) have deconstructed the diversity management discourse to show how the 'new' approach can perpetuate inequalities for those who are 'other' than the white male norm by essentialising and fixing the categories of difference, by focusing on particular categories with little regard for their intersections, by ignoring historical inequalities based on difference, and by controlling the 'managed diverse'.

Just as companies draw up codes of ethics and communicate these internally to attract legitimacy (Long & Driscoll 2008), they put out information about their approaches to diversity management and sometimes their rationale for their actions to both internal and external stakeholders. Much of this communication is through language, particularly through texts, or 'discourse', which can be used as a strategic resource (Hardy et al. 2000). Hon & Brunner (2000) see diversity in relation to public relations having two overlapping components, the internal related to the workforce, and the external relating to a wider audience. They also commented that there was little research in this field.

In the USA, diversity management is now well established (Jayne & Dipboye 2004), and there are increasing mimetic forces leading companies to publicly endorse diversity as a means to gain legitimacy. As institutional theory would predict, many UK companies are following suit (Kandola & Fullerton 1998), but they are often endorsing diversity management in conjunction with equal opportunities management rather than displacing it (Liff 1999).

Corporate social disclosures have increased as companies reveal not just mandatory but also additional information about their activities. Clarke & Gibson-Sweet (1999) found that large companies with a high public presence were particularly concerned with promoting their environmental

policies and community involvement in annual reports.

Adams et al. (1995), reportedly the first in the field of mandatory and voluntary disclosures on equal opportunities in annual reports, found little detailed information on equality in 1991 annual reports of top companies in the UK, where only disability policy disclosures were mandatory. Given the low levels of disclosure on equal opportunities, they rejected legitimacy theory as an explanation for disclosure, as companies would presumably wish to be seen to be complying with the law. Comparing information disclosed in FTSE 100 companies' annual reports and on websites, Campbell et al. (2003) considered the explanatory power of legitimacy theory in voluntary social reporting, but results were inconsistent as the volume of social disclosure varied between companies, sectors and over time.

Organizational Legitimacy

Legitimacy is viewed as "a generalised perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions" (Suchman 1995: 574). It can also be defined as an entity's status underpinned by legitimizing processes (Lindblom 1994). There are two main approaches to legitimacy studies. Strategic theorists see legitimacy as an operational intangible resource, which can be utilised by managers, and manipulated by the use of symbols, signs and language (Pfeffer 1981). This is an externally facing view where legitimacy is a resource required by a business in order to operate. In contrast, institutional theorists see legitimacy as a set of constitutive beliefs (Powell & DiMaggio 1991), where external influences help to construct and maintain the cultural belief systems that determine how the organization is run, understood and evaluated. We acknowledge the importance of both perspectives, recognising that legitimacy is socially constructed yet also constructs meaning.

Lindblom (1994) takes the view that legitimacy is a condition of congruency with the values of the social system, and its assessment is made over time by 'relevant publics', internal and external. Legitimacy is supported by a legitimising process of justification by the organization to the relevant stakeholders and society, and this may be reactive to a threat or proactive. The objective of disclosures such as voluntarily disclosed diversity statements would be to communicate the corporation's values and behaviours that not only comply with the law but also with social expectations. The intent may be to educate the stakeholders, to attract positive evaluation or even to manipulate the relevant public's perceptions of the organization.

Suchman (1995) distinguishes between three main types of legitimacy: pragmatic, moral and cognitive. Pragmatic legitimacy would relate to exchange of benefits as well as interdependencies between the organization and its various stakeholders (employees, managers, investors etc.). Another form of pragmatic legitimacy is dispositional

legitimacy where the institution is seen as a good citizen, relating to a perceived greater general good, and resulting in attributions to the organization of shared good values such as decency and honesty. Moral legitimacy is concerned with evaluation of outputs and consequences, having the right procedures and structures and having moral leaders. For example, procedural legitimacy would be acquired by the embracing of socially accepted diversity policies and procedures, whilst structural legitimacy could be sought through structures (such as diversity councils) that indicate the organization's capacity for dealing well with diversity. Cognitive legitimacy is concerned not so much with exchange of benefits or moral evaluation but rather with individual sense-making, plausibility and scope for resistance. It has two forms, according to Suchman. First is comprehensibility, which means that legitimacy is achieved as people make sense of the account and relate it to their experience or perceptions of reality. Second is taken-for-grantedness, where the message is so strongly embedded that it would be unthinkable to consider any challenge to it.

The organizational legitimacy types suggested by Suchman are presented in Table I.

Pragmatic legitimacy is related to the self-interest of the actors and audience, whilst moral and cognitive legitimacy imply the interest of the wider organization and society. However, whilst claims for pragmatic and moral legitimacy can be readily identified in discursive practices (such as diversity statements), cognitive legitimacy is embedded in social and behavioural norms and cultures, so evidence is less tangible, although it may be discerned in discursive tools such as texts, according to Suchman.

Suchman (1995) also identifies three strategies to gain legitimacy. The first is to conform to the dictates of existing audiences. However, conformity strategies depend on the nature of the type of legitimacy sought. A conformity strategy claim for pragmatic legitimacy might involve association with other legitimate bodies, such as respecting the UN Charter on human rights. The second strategy is to move beyond conformity, but without changing very much from before. For example, the organization could concede some degree of support for a diversity network without commitment to tackle the organizational culture within which the unequal diversity relations had flourished. The third and most proactive strategy is to change the environment, subsequently going beyond existing beliefs to provide new explanations of social reality. The strategy is to persuade people to accept the new reality through explanations, providing indicators of success, proselytising for the new morality, building a set of new believers, and institutionalising the new order. Over time, the culture changes, and cognitive legitimacy may be achieved.

Ashforth & Gibbs (1990) also describe two means by which organizations seek legitimacy: substantive and symbolic. Substantive management is about ensuring that

TABLEAU 1
Suchman's (1995) typology of legitimacy

Pragmatic Legitimacy	Moral Legitimacy	Cognitive Legitimacy
<i>Exchange, Self-Interest</i> Based on exchange of benefits, appealing to self-interest of stakeholders	<i>Evaluational, Consequential</i> Considering whether the organization is doing the right thing, achieving morally acceptable outputs, considering consequences of actions	<i>Comprehensibility</i> The social world is chaotic, so message has to appeal to help people make sense of the account and relate it to their own experience and perceptions of reality
<i>Interdependence</i> Recognition that the organization and its stakeholders are interdependent on making this work for mutual benefit, and for larger interests	<i>Conformist, Procedural</i> Conforming to socially accepted moral standards, using appropriate and effective procedures	<i>Taken-for-Grantedness</i> The social world has been transformed into a set of 'givens' that confer legitimacy. This is so embedded that there is no alternative to the legitimate view of the organization
<i>Dispositional</i> The organization is inherently legitimate in the way it acts, like a responsible person	<i>Structural</i> Having the necessary structures, systems and processes in place to operate to socially accepted moral standards	
	<i>Charismatic</i> Having a figurehead championing the standards, especially new moral standards	

the organization delivers legitimate role performance, and that it conforms to the values, norms and expectations of its constituents, especially when its peers are also conforming; i.e. coercive isomorphism as described by Powell & DiMaggio (1991). Symbolic management is about ensuring that the role performance appears to be legitimate, espousing socially acceptable goals (such as valuing diversity), and possibly using impression management techniques (Schlenker 1980) in the construction and reconstruction of accounts of events that might impact legitimacy.

Other authors have drawn on the Suchman framework of legitimacy types. Dart (2004) discusses the model in relation to social enterprise as an alternative to the usual economic perspective, identifying that social enterprise could be seen as morally and pragmatically legitimate. Reviewing legitimacy from a CSR perspective, Palazzo & Scherer (2006) argue for a shift from cognitive and pragmatic legitimacy to moral legitimacy. Their paper provides a very useful review of the legitimacy literature. They hold that organizations have to be increasingly proactive to achieve moral legitimacy, because providing public awareness is not

enough for today's democraticised citizens. They want to have dialogue; they want to see evidence of organizational responsibility, and senders of corporate communications need to recognise their audiences' changing status.

This literature review has shown that work on legitimacy, codes of ethics and corporate social disclosures can be usefully drawn on by diversity researchers to gain a better understanding of the nature and utility of diversity statements as tools for attracting legitimacy.

Methodology

According to Campbell et al. (2003: 572), "the internet is possibly the most powerful means of providing targeted information to specific concerned stakeholders as a legitimisation strategy". As more people (not just in the business world but particularly the younger generation considering their careers) use the internet to access information, corporate websites constitute an increasingly important data source as well as a tool for public relations (Winter et al. 2003).

Following a literature review, we undertook in 2003 a desk-based study of websites of 174 top companies in eight European countries: Finland, France, Germany, Netherlands, Norway, Sweden, Switzerland and the United Kingdom. These countries can be clustered into four different cultural groups: Anglo-Saxon (United Kingdom), German (Germany, Switzerland), Latin (France) and Nordic (Finland, Netherlands, Norway, Sweden) (Hofstede, 1980). Companies were selected on two criteria: (i) inclusion in

the top group of their national stock exchanges listed in the Financial Times (for example, all 40 firms in the French CAC 40 Index)², providing an original sample of 241 companies; and (ii) having diversity disclosures on their websites, which reduced the sample to 174. The sample started with a census of the top group of firms in each country, because they are important as employers and leaders of the business environment in their country, and hence we would expect them to be concerned about their legitimacy in terms of

TABLEAU 2
Diversity statements that contain appeals for pragmatic legitimacy

Sub-Type	Statement
Exchange, Self-Interest	The main objective of our People Policy is to strengthen Hydro's competitiveness. We want to be a dynamic, diverse and energetic organization where everyone contributes to innovation, performance improvement and first-class results. Accordingly, we want Hydro to be known as a company offering opportunity, challenge and reward to talented people. Our company culture should help release the full potential of each employee as well as the entire organization. To stay ahead as a global multi-business company, we need to develop and improve continuously – adapting to the challenges and needs of our various activities. This places requirements on us all, both in terms of our professional competence and how we interact at work (Norsk Hydro, Norway)
	An environment conducive to top-notch performance includes equal opportunities for men and women, evidenced by practice. Women with children are offered flexible working hours and the use of a crèche at the Group's Head Office in Basel. Which facilitates a satisfactory combination of career and family. (Bâloise, Switzerland)
	We aim to attract and retain the services of the most appropriately skilled individuals. We are committed to treating employees at all levels with respect and consideration, to investing in their development and to ensuring that their careers are not constrained by discrimination or other arbitrary barriers to advancement. We will seek to maintain a flow of information with employees to maximise their identification with, and ability to contribute to, our business. (Anglo-American, UK)
Inter-dependence	We are seeking to build the leading global team in the industry. Based upon this, our mission is to promote diversity and intercultural understanding and learning. (Adidas, Germany)
	We treat all our stakeholders the way that we want to be treated with consideration for individual and cultural diversity. (Aegon, Netherlands)
	One of Finnlines' key values is employee satisfaction, a goal which the Company aims to achieve by being a reliable and motivating employer that treats its personnel with fairness and equality and promotes the continuous development of its employees' professional skills and competence. (Finnlines, Finland)
Personifying, Dispositional	Benefiting from differences is an important aspect of our business for many reasons: Increasing creativity, mirroring the marketplace and improving attraction and retention are particularly noteworthy. While we believe that diversity is one of the key drivers for our business success, it is also at the heart of Nokia's values and the Nokia Way. (Nokia, Finland).

2. As the UK's FTSE 100 Index was very large compared to the other exchange indices, we decided to limit our sample to the top 50 firms.

diversity management.

We examined website pages to find specific corporate diversity statements, also using search engines for key words 'diversity', 'equality', 'discrimination', etc. in the respective languages as well as in English. We limited data collection to website material, excluding annual reports even where available as downloads, because of differing legal requirements for reporting such policies. Following Adams and colleagues (1998), we focus on the nature of the texts themselves, not the senders' intent nor the interpretations of the recipients of the discourse, which should form the basis of later studies.

We undertook iterative rounds of analysis. In order to handle the large number of data sources, statements were imported into the qualitative analysis software NUD*IST 6. First we read the statements several times to familiarise ourselves with the texts. Drawing on Suchman's typology (1995), as shown in Table II, we drew up a preliminary coding scheme to label any part of the documents that indicated legitimacy claims, but kept this flexible in case new types of legitimacy claims were found. For example, we identified evidence suggesting that charismatic legitimacy had both personal (leader as champion) and corporate (company as leader amongst companies) components. We coded separately and then met to agree the content of each node and discuss the few disagreements to resolve the coding of the item during the analysis period. The inter-coding reliability reached over 80 per cent between the two researchers. Reports were then made for each node in the hierarchical tree structure of coding. Many statements show indications of more than one type of legitimacy, which fits with expectations from legitimacy theory that organizations are likely to pursue various types of legitimacy simultaneously, using different strategies based on different logics (Suchman 1995). Differences occurred across the statements from the eight European countries, which we will discuss later.

Findings

By analyzing the diversity statements on websites, we found evidence of appeals to two types and subtypes of legitimacy: pragmatic and moral. Pragmatic legitimacy is based on supporting self-interest. It is usually gained from an exchange between organization and individual, based on reasons for valuing diversity or equality which actors perceive to be beneficial primarily for themselves, but also for the other party. Table II shows examples of texts revealing appeals for pragmatic legitimacy. For diversity-promoting Norsk Hydro, it is an exchange relationship, treating diverse employees so well that they enhance the company's competitiveness, and positively impact the way in which the company wishes to be viewed. For Bâloise, taking an equality approach, it is the offering of flexible working in return for a career, whilst for Anglo-American, the exchange is career management in return for

identification with and contribution to the business. Around a quarter of the diversity statements present the case as an exchange.

Also showing signs of interdependency as well as exchange, the Hydro statement acknowledges the need to persuade managers and staff to manage change in an uncertain climate for the future of the company, by continuous development. Such interdependency in an increasingly globalising world is revealed in a number of diversity statements (eg those from Adidas and Finnlines).

Another form of appeal for pragmatic legitimacy in the diversity statements is dispositional legitimacy. Here the organization positions itself as a good corporate citizen with values, goals and styles, with a general presumption of sharing values about the way to treat people of different sex and backgrounds. It is somewhat difficult to distinguish dispositional from moral legitimacy, although Suchman (1995) categorises it as pragmatic, because an exchange relationship is implied. This kind of legitimacy is claimed where the company promotes itself as doing the right thing in the circumstances, on moral grounds rather than just because there is an exchange relationship. Evidence of dispositional legitimacy-seeking is found in the association of diversity management with "the company way", and in setting out shared values for all employees, linking these to the future of the company, as the statement from Nokia illustrates.

Table III presents evidence of promotion of moral legitimacy.

The corporate desire to attract moral evaluational and consequential legitimacy can be seen in the evaluation of outputs and identification of the consequences of managing or not managing diversity. BAA is concerned about its reputation overseas whilst Carrefour reveals its moral stance by rejection of exploitation of other countries' resources. The statement by Barclays reveals that it judges itself, and claims to be seen by others, to be at the forefront of companies managing diversity proactively and well, and that this is integral to the company's business. Barclays is self-promoting and acclaiming credit through its statement (Schlenker, 1980). In all these statements, we see evidence of a relationship based on a declared moral or ethical position. Some, including Metso, cite the UN Charter of Human Rights. Thirty-three companies also indicate their awards or memberships of diversity organizations such as the Opportunity Now and Race for Opportunity in the UK, or Fasild in France, and the Women's Economic Forum in Germany, demonstrating that they have met the standards required for membership, and in some cases, received prizes – symbols of excellence. They are using conformist strategies to claim legitimacy, meeting the required standards of excellence, associating with the excellent group.

Moral procedural legitimacy could be achieved by transparency, revealing on-line the company procedures

TABLEAU 3
Diversity statements that contain appeals for Moral Legitimacy

Sub-Type	Statement
Evaluational, Consequential	<p>The good reputation of BAA is one of our most valuable assets. We must observe and respect the culture and traditions of each country in which we operate. (BAA, UK)</p> <p>Carrefour cannot just use up the resources of the countries in which it is present; it must contribute a business, training, and access to international mobility for everyone if it is to become a multi-cultural enterprise. (Carrefour, France)</p>
Conformist: Meeting Standards	<p>Metso supports and respects the protection of human rights as expressed in the UN Declaration of Human Rights. As an employer, Metso accepts the basic labor rights stated by the International Labor Organization (ILO): ... equality of opportunity and treatment. (Metso, Finland)</p>
Procedural; Policies to Deliver	<p>Business units should have in place equal opportunities policies that reflect local legal requirements and group wide good practice. They should ensure training and guidance is available on equal opportunities issues to managers and staff as appropriate. (Aviva, UK)</p> <p>The Group has an equal opportunities policy. The aim of this policy is to ensure that no job application or staff member receives less favourable treatment on the grounds of race, colour, religion, nationality, ethnic or national origin, sexual orientation, marital status or physical disability. (Alliance & Leicester, UK)</p>
Structural, Capacity to Deliver	<p>To underscore the awareness and appreciation of diversity within the company, Lufthansa has created the management function "Change Management and Diversity". (Lufthansa, Germany)</p> <p>With the theme "Many Talents, One Company, Winning Together," this week-long event is intended to celebrate, honor and educate employees about the importance of diversity in the workplace and community. (Daimler Chrysler, Germany)</p>
Personal Charismatic	<p>To illustrate top level Executive leadership, BT's equality and diversity champion is Pierre Danon, CEO BT Retail, who chairs the BT Global Equality and Diversity Forum. (BT, UK)</p> <p>We want to be a company where homogeneity and sameness is surpassed by heterogeneity and variety. This is summed up by our CEO, John Browne: 'Diversity and inclusion is one of our greatest strengths – the source of new ideas and perspectives which will shape our future as a company'. (BP, UK)</p>
Corporate Charismatic	<p>Barclays' equality and diversity strategy is at the cutting edge. We are recognised as a company, which is leading the way in this area. (Barclays, UK)</p> <p>Based upon the success of its Diversity programme, Adecco in France signed an agreement with FASILD(Fonds d'Action et de Soutien pour l'integration et la lutte contre les discriminations) and the French Labour Ministry to work together with companies to support the spread of diversity 'best practice' to other sectors. (Adecco, Switzerland)</p> <p>Having been among the first companies to champion family friendly practices, we continue to seek ways of enabling our people to achieve work-life balance. (Boots, UK)</p> <p>We try to impose trends rather than passively accepting, and suffering, from them. We've identified fifteen themes in a worldwide program on social accountability including anti-corruption, child labour, employee representation, sexual harassment and non-discrimination. (Heineken, Netherlands)</p>

dealing with diversity and equality. This would show that policies were formally and readily accessible to stakeholders. Nineteen companies revealed their actual codes of practice on diversity, and eleven disclosed equality

policies. Several Finnish companies gave not only their own diversity policies but also detailed the legislation as well, showing how closely their procedures followed legal requirements.

We also found evidence of appeals for moral structural legitimacy relating to diversity management in the language of over a third of the sample of top European companies. Through having the right structures, just as having the right procedures, the organization can be seen to have organized itself to do the morally right thing. In this sense, the procedures and structures act as a proxy for moral legitimacy. Here, claims are revealed by describing structural changes to deal with diversity, as well as how diverse groups are progressing up towards senior management, and providing statistics of the various categories. Lufthansa states that it has set up a new function to manage diversity. These companies are emphasising their structural capacity to deal with equality and diversity.

Interestingly, Carrefour informs readers that the gender structure in its management is male dominated, but then tells proudly of the high proportion of women in management in their Far Eastern branches – this is impressive but the same statistic for women in management in their French company is not revealed. Perhaps this would be too negative for their claim to legitimacy, so attention is distracted by emphasising the more positive features of their diversity position (Hooghiemstra 2000). Pfeffer (1981) also commented on the legitimacy strategy of selective release of positive indicators, whilst at the same time not releasing information on less favourable outcomes.

There is evidence of appeals for a fourth type of moral legitimacy within diversity statements, which depends on charismatic leadership. However, this is likely to vary over time, as the corporate leaders who sponsor and champion diversity may not stay in post for long. (Newspaper reports have highlighted the frequent departures of chief executives across Europe over the last few years.) The endorsement of the diversity message by chief executives adds considerable weight (from which moral personal legitimacy may be gained), but the longevity of the legitimating discourse may be dependent on the incumbent charismatic leader's continuing tenure.

As Table III indicates, we suggest a parallel charismatic leadership category at the corporate level, where the companies promote their leading edge practices and reputation in the field of diversity. The companies claim to be champions and drivers of change, building charismatic corporate reputations that inspire other organizations, just as the individual leaders promote diversity in a charismatic way.

We found it difficult to identify specific evidence of cognitive legitimacy as described by Suchman (1995). He suggests that there may be evidence of cognitive legitimacy in the comprehensibility and taken-for-grantedness of accounts of practices and policies, although he commented that this was a rather intangible type of legitimacy to identify. The claim for comprehensibility means that the arguments should be in tune with general belief systems and should resonate with individuals' daily life experiences. We found

a few statements that provided hints about how the reality of daily life for employees, managers and customers would be better and more prosperous, if they would value, respect and learn from diversity, but equally, such a statement could be used as an example of the interdependence aspect of pragmatic legitimacy. The other type of cognitive legitimacy is taken-for-grantedness. This would be where the diversity message has been so embedded that legitimacy is firmly established, and with it, the company's reputation. This is hinted at in the report by Fortum that it has embedded gender equality into its core principles, and by AstraZeneca's embedding of diversity into the official core values of the company. The company's vision or mission statement can play a valuable role in helping to develop a balanced approach to corporate reputation (Dowling 2004). Promoting diversity within the core values indicates that the leadership of the company has endorsed the philosophy of diversity management, responding to potential concerns of some stakeholders, and proactively informing all, including managers that this is the way the culture is to be. Whether or not there is genuine endorsement of the valuing of diversity is not known (and is not the subject of this paper), but it does show that diversity was on the strategic agenda and that leaders have endorsed it. Identifying whether the diversity statements call specifically for cognitive legitimacy was much more difficult to establish than the clear appeals for the various types of pragmatic and moral legitimacy.

Our coding framework provided matrix intersections of the types of legitimacy by companies from each country, and the results are shown in Figure 1. The highest proportion of claims for pragmatic legitimacy came from German companies (95% of those with diversity statements), emphasising the exchange of benefits with a business focus, adding value more for the company. Moral legitimacy is claimed most by UK companies (92%), followed by Dutch companies (77%). UK companies made comparatively high levels of claims to both pragmatic and moral legitimacy. To add context to the claims for pragmatic and moral legitimacy, we also show the EU data for 2004 (EC, 2004) on the proportion of female directors in the top 50 listed companies of each country, which included all the companies in our sample. If diversity management is being actively practised, then we could expect a higher proportion of women on the board. However, proportions in 2004 were still very low across the eight countries, with more in most Scandinavian and UK companies. We also considered the cultural dimensions of Hofstede (1980), where we might expect companies in the more feminine countries to be promoting diversity because they are or want to be good employers. Figure 1 shows the legitimacy types alongside the Masculinity index scores, and reveals two clusters, the Germanic and the Nordic that show some similarity in their legitimacy claim profiles. The other two countries, UK and France, represent other clusters but as they are the sole representative, it is not possible to comment. Whilst the UK companies' legitimacy claims are similar to the Germanic

cluster on pragmatic legitimacy and MAS scores, the UK firms have more claims for moral legitimacy and the UK has a considerably higher proportion of women directors. So the MAS indicator does not really help to explain the results. This may be because firms in the more masculine country cultures feel a need to counter possible claims that they do not care about employees by using the web to promote their policies and practices.

The location of the statements sometimes indicated the intended audience and source of legitimacy. Some companies had multiple page locations mentioning diversity and/or equality. For example, there were 95 statements on Careers and Human Resources pages of the websites, with five countries (France, Holland, German, Sweden and Norway) having most of their statements there. From this positioning, it would seem that legitimacy as 'the good employer' could be sought from prospective and present employees, as well as approval from equality benchmarking organizations such as Opportunity Now in the UK. In their European study into disclosures in annual reports, Adams et al. (1998) reported that UK companies tended to use disclosures to advertise their corporate social responsibility (CSR). Continuing in this vein, we found more UK diversity

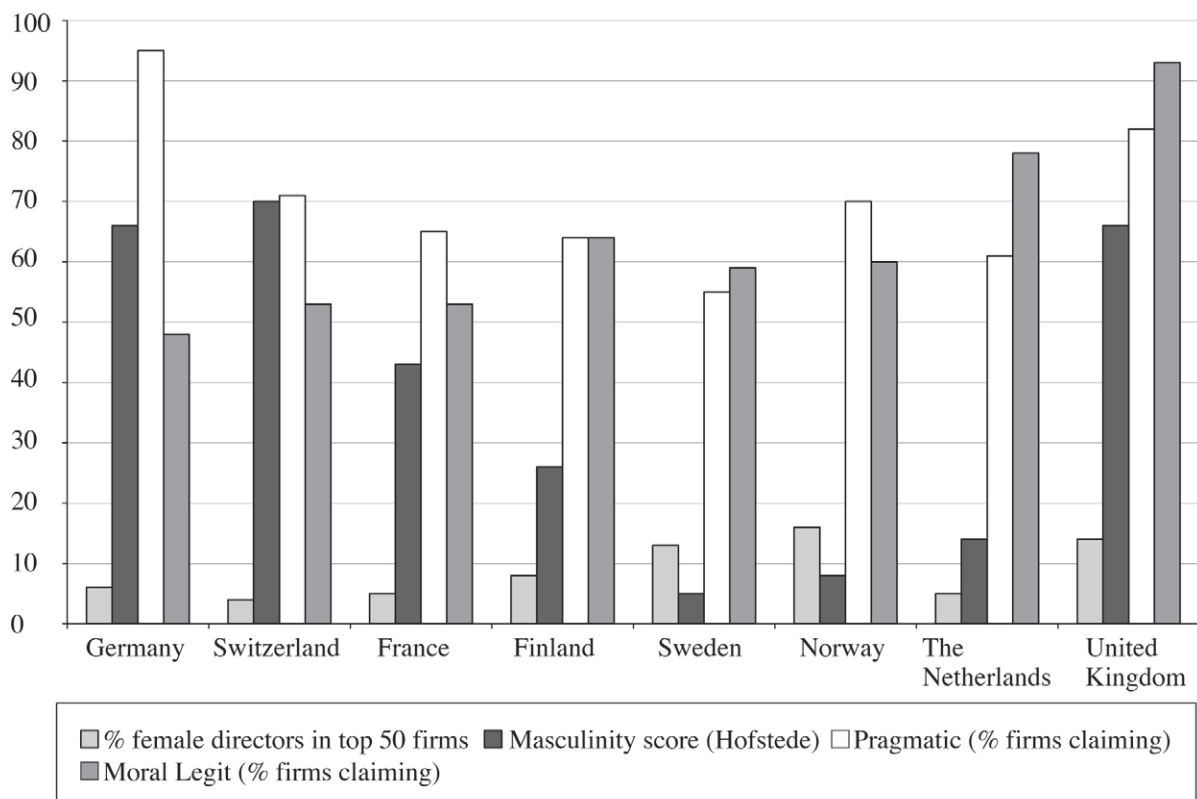
and equality statements on CSR web pages than on careers and business values pages. From the 57 statements located on Corporate Profile or Business Values pages, and the 53 under Corporate Social Responsibility (CSR) pages, it would appear that legitimacy was being sought from a more general audience including employees but importantly, also business investors, external stakeholders such as suppliers and contractors (especially public sector) and the wider public.

Discussion

The Suchman (1995) model of subtypes of legitimacy was useful for our analytical framework, although many single statements contained markers for several different types of legitimacy, as can be seen from Tables II-IV. Suchman identified three strategies for gaining legitimacy moving from the passive to the proactive: conforming, moving beyond conformity with minimal change, and change. Many companies took pains to show how they were conforming to acceptable standards for managing equality and/or diversity, or even setting the standards, as indicated by Adecco, Barclays, Boots and BP. Indeed, there is evidence of a corporate level equivalent of moral

FIGURE 1

Types of Legitimacy identified in Diversity Statements, National Proportion of Female Directors in top 50 Firms and Scores on Hofstede Masculinity Index



charismatic or personal legitimacy (attracted by a leader endorsing the values of diversity), positioning the standard-setting company as a charismatic morally legitimate leader of companies.

A notable pragmatic dispositional legitimating feature of the texts is the extent to which companies seek to promote themselves as excellent corporate citizens and the emphasis on the interdependent relationship between employees and the organization. In many cases, this is presented as an equal and circular relationship – future corporate success depends upon the successful development and commitment of diverse people who depend upon the success of the organization in its new and challenging multicultural business environment.

The diversity discourse is encroaching into other European countries, as it already has in the UK (Lorbiecki & Jack 2000), and is being promoted by the European Commission (EC 2006). Our findings in the Swedish statements did not support comments made by De los Reyes that the business case predominates in Swedish debates on diversity “while arguments based on moral solidarity, ethics or justice are not particularly used in Swedish debates. Moreover, arguments other than economic ones are considered irrelevant and even self-defeating” (De los Reyes, 2000: 264). Indeed, we found that moral and ethical arguments were put forward, as can be seen in the case of AstraZeneca and Assa Abloy.

Whilst the UK's Race Relations Act came into force in 1976, the EU official directives for racial equality and employment equality only came into effect in 2000 (EC 2006). According to Blommaert & Verschueren (1998), there is still considerable xenophobia in Europe, as well as confusion over the concepts of ethnicity, race and multiculturalism, as indicated by the way in which race and ethnicity are framed through discourse as problems, so the equality and diversity statements play a symbolic and active role in addressing these issues. An EC survey of over 800 European companies in 2005 revealed that only 42% had implemented diversity policies. We would anticipate a big increase in the number of diversity statements from 2007, the European Year of Equal Opportunities for All.

Our sample of 49 diversity statements from the websites of the top 50 UK companies indicate conformity that is not found elsewhere in the sample. It may be that the common language with Americans allowed the diversity philosophy to be adopted more easily than in other European companies. We can see in quotations from annual reports provided by Adams et al. (1995) that the discourses, where present in 1991 in only a third of FTSE 100 companies, were then firmly anchored in equal opportunities and anti-discrimination philosophies. These contrast with our new data where diversity management discourses are much in evidence particularly in our UK dataset. We found that 70% of top UK companies went further than diversity management, actively promoting the managing diversity for

competitive advantage discourse, compared to an average of only 32% across the eight countries.

Our findings from the 174 statements support the strategic perspective (Pfeffer 1981) on legitimacy. There is much evidence of diversity discourses used in symbolic ways on websites to attract various types of legitimacy, as we have shown in this paper, for example in aligning the diversity statement with the mission to be the best in the sector. Whilst the statements contain claims to moral (conformist, procedural and structural) legitimacy across the eight European countries, there is only very limited evidence of claims for cognitive legitimacy, providing only partial support for the institutional perspective (Powell & DiMaggio 1991).

Conclusions

This article contributes a new perspective to the diversity management field. Our results support the proposition that companies promoting diversity have a variety of legitimacy-enhancing features in their on-line diversity statements. They seek to show their interdependence with their staff, their strengths from processes and structures, their moral stance as good corporate citizens, and their capacity to deal with the challenges of diversity in the globalising world. We extend the Suchman (2005) framework by identifying that charismatic legitimacy has both individual and corporate perspectives, with companies as well as leaders portraying themselves as leading-edge champions of change and excellence.

There are some limitations to this study. As window-dressing, corporate websites only provide one side of the picture, and research is needed into the consumer perspective. We selected only the largest companies for investigation, which may bias results as these companies have more financial resources to manage their reputation. Furthermore, the data present only a snapshot view in a fast-changing arena, where an increasing awareness of the business case for diversity leads companies to introduce diversity statements. Later studies could pick up such changes. Further research is suggested to explore in depth with a subset of companies how they draw up their diversity statements, and their motivations for the kinds of legitimacy that they want to claim. The extent to which human resource and diversity management specialists and public relations officers are involved would also be interesting. Exploration of the impact of the diversity statements should be made to see how recipients of the messages interpret the texts in terms of according the various types of legitimacy to the senders.

There are implications for researchers in the diversity field who hitherto have made general statements about diversity policies and the legitimacy that they may attract. Using the Suchman framework and these results, researchers can now be more specific about the types of legitimacy

associated with good diversity policies, and more critical of corporate statements regarding diversity. Furthermore, by bringing diversity statements into the legitimacy field, this study illustrates an application of Suchman's (1995) typology of legitimacy.

The implications for practitioners are that large European companies are already using diversity statements as strategic tools in ways that are likely to attract several types of legitimacy. Using websites in this way is important internally, to communicate to staff and particularly to managers about managing diversity. It is also important externally, as Hon & Brunner (2000) comment, because companies want to be seen amongst their peer group as good employers, and want to attract the best diverse talent or ethical suppliers and investors. This paper has shown how a variety of types of legitimacy may be attracted from these voluntary disclosures. Those responsible for designing such statements would benefit from increased awareness of the multiple types of legitimacy that are or may be implied in their corporate discourse on diversity.

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