

# Germany's National Report

## WP 2.6

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## Executive Summary

This report presents the findings of the EDIFY EDU European Project Work Package 2, which aims to fill the gap in the Business Management education sector in Germany regarding competencies related to workplace equality, diversity, and inclusion (EDI).

First, the report delves deep into the current state of business management education in Germany, using proposed European educational competency frameworks such as LifeComp, EntreComp and DigComp competencies to map out the most relevant training provisions. In order to gain further insights into this field, the researchers conducted in-depth interviews and focus groups with professionals and students alike. Additionally, they examined EDI related experiences that these individuals managed to gather both within their workspace and during their education.

The report also discusses the discrepancies between current policies and practices and the social impacts of existing and emerging labour market laws and policies. The labour market profile reveals that Germany faces persistent inequalities and barriers in achieving EDI. Discrimination, unequal opportunities, and limited access to resources are prevalent, disproportionately affecting women, people with disabilities, and other minority groups. It is therefore recommended to adopt five certain objectives and policy options related to strengthening existing legislation, increasing transparency in pay structures, enforcing obligations to employ individuals with disabilities, introducing programs and incentives and investing in EDI vocational education and training programs in order to create a more inclusive, equitable, and sustainable labour market environment.

Moreover, the report underscores the need for an improved undergraduate business education related to EDI, as outlined by the European Commission, to eliminate gender discrimination in the workplace and on the labour market. There is a gap in students' understanding of EDI education, and they are only exposed to limited or no EDI elements during their training. Unconscious biases still exist despite efforts to be inclusive, so more training is needed to help students learn how to recognize and address them.

As part of the report, nine competencies are recommended for addressing EDI issues at work, such as EDI related leadership, HRM, organisational culture, legal frameworks, as well as dealing with unconscious bias and discrimination, increasing cultural competence, collaborative communication and knowledge in financial literacy. The micro credential modules developed as part of the EDIFY EDU project (Work Package 3), which complement the identified competency gaps, should take into account these competencies, which are aligned with the European frameworks (EntreComp, LifeComp, and DigComp).

## Section 1: Introduction

Undergraduate business management education in Europe and the US share common ontological and epistemological assumptions based on classical management theory, referred to as scientific management. These early views, unconscious of gender and race discrimination, informed the foundations of modern business management. The work of Taylor, Fayol Weber, Mayo, McGregor, Maslow, Herzberg and Schein, contributed to the evolution of business management thinking and schools of thought including: Scientific management, Bureaucracy, Human relations, Competitive advantage, and Shareholder value maximisation. They have also shaped management practice conveying an image of who managers must be (Petriglieri, 2020).

Cummings (2016), noted the views of some scholars in relation to a decline in new ideas in business management studies, and points to the tendency to look to “best practice” instead of aiming for “next practice”. Furthermore, there is a gap between business management studies and the realities of management practice (Smith and Lewis, 2011). According to Petriglieri (2020), the challenge facing management is not the lack of new theories; it is the strength of the old ones, and he argues that it is impossible to build the future using the blueprints of the past. Attempts by Lillian Gilbreth and others interested in improving the working conditions of women in industry, attempted to expand Scientific Management theory to consider the position of women and include a more humane and ‘soft’ approach to management. However, despite the early efforts to recognise women’s positioning in the labour market, diplomatic circles and international labour ignored women’s interests (Oldenziel, 2000). Scientific Management became associated chiefly with an accounting model of efficiency increasingly identified with Ford’s assembly line, especially in Europe. The new emerging business management theory combined paternalist notions with ideas about profitability, engineering concepts of mechanical efficiency and a military conception of discipline (Oldenziel, 2000).

The post-World War II period witnessed the spread of business schools at universities, where the first serious histories of management were written that outlined the fields noble origins and helped legitimise them as “university worthy.” The Ford and Carnegie reports outlined the legitimate form of a business school and its curricula, and with a further growth spurt in student numbers and advances in pedagogy and publishing, the first textbooks (as we know them) emerged en masse. Business management education based on a limited and flawed foundation continues to be taught throughout Europe and globally in leading business schools, and inadvertently perpetuating labour market segregation and discrimination in relation to gender and other intersectionalities. Little has changed in 200 years, there is still no critical mass of women at the higher positions of organisations, from which women can access important organisational dynamics.

The need arises for a new education model, one that takes into consideration equity, diversity and inclusion. It needs to be capable of transferring new knowledge in the workplace and contributing towards the alleviation of the existing gendered labour market and workplace EDI discriminatory practices.

## Section 2: Research Aims and Objectives

The national analysis aims to 1) demonstrate how multiple and intersecting social statuses shape business management education and labour market participation; 2) explore how business management in higher education acts as a conduit in the perpetuation and embedding inequalities in the structure of the labour market; 3) demonstrate how business management education inadvertently stratifies and eschews labour market participation resulting in unequal treatment and unequal opportunities, glass ceilings and inaccessible corridors, for a significant percentage of the labour market. These aims will be addressed by the following:

- Create new knowledge and understanding of the current situation and practices in EDI business management education across different European partner countries by:
  - Assessing the existing Higher Education management education courses and mapping of Learning Outcomes with EntreComp, DigComp and LifeComp
  - Assessing the VET management education courses and mapping of Learning Outcomes with EntreComp, DigComp and LifeComp
  - Comparing desk research on EDI European and national policies with private sector engagement on management education
  - Conducting qualitative research among business experts and representatives involved in focus groups/coaching circles and interviews for the collection of qualitative data.

## Section 3: Business Management Education

The aim of this activity is to map the most relevant training provisions in the field of business management education.

### 3.1 Methodology

We divided the assessment of the business management courses between the two German project partners. P7 TUD took over assessing the Undergraduate Business Management Education courses, while P8 Pro Arbeit as the labour market actor took on the specific tasks related to the labour market and mapping strictly VET training courses in the field of Business Management.

In order to find the best business undergraduate academic programs in Germany, TUD conducted a thorough search using the German portal "Studieren" <https://studieren.de/> This is considered as the number one search engine for courses and has an extensive collection of available study programs in Germany. After conducting our search, we found that there were 2,887 relevant business programs offered by 449 higher education institutions across Germany. To further narrow down our choices and ensure that diversity and inclusion were considered, we searched for specific keywords such as "equality", "diversity", "inclusion", "multicultural", "multicultural/intercultural," "gender" and "international" both in English and German languages within course titles, descriptions, individual module descriptions, and learning outcomes if available. Our results showed that out of all these keywords searched for only three yielded limited results: six results each for the keywords "inclusion" and "gender," no result was obtained from searching "equality" or "multicultural/Intercultural" while there were 33 results returned when searching with keyword "diversity", and a total of 190 courses appeared when we used the keyword "international". We then analysed the program descriptions of an initial sample of 235 courses before identifying 17 best practice programs. Further we looked for EntreComp, LifeComp and DigComp elements within the modules descriptions of the courses which included overviews of lessons taught as well as corresponding learning outcomes; some modules had comprehensive details while others contained less information. Overall this process allowed us to identify top-rated Business Undergraduate Academic Programs across different higher education institutions in Germany which were relevant for further analysis.

Pro Arbeit located the platform kursnet from the Bundesagentur für Arbeit (The Federal Employment Agency) as a large database of CLT courses, for everyone wanting to expand their professional skills or who are unemployed and wanting to retrain. There was no possibility to narrow down on the keywords in the Business Management category. Thus courses of the IU Akademie as a provider of CLT courses as well as those of the platform kursfinder.de were analysed.

### 3.2 Overview of Profile

#### 3.2.1 Undergraduate Business Management Education

Although the German government has implemented various initiatives to promote EDI in higher education, there are just a handful of programs which offer courses on equality, diversity and inclusion. The government initiatives include, for example, the National Code of Conduct for German Universities Regarding International Students outlines the principles and best practices for promoting equal

opportunities and diversity in the admission, enrollment, and support of international students.

Almost 90% of all BA programs in business which are offered in Germany are more theoretical and also focus on subjects such as bookkeeping, controlling, finances, microeconomics, taxes etc.

It was found that only approximately 50 out of 2,887 relevant business programs cover practical aspects of entrepreneurship and digitalization.

The study of inclusion in Germany is more commonly connected to fields such as social work, health care pedagogy and therapeutic pedagogy rather than business management. Gender and Diversity studies are traditionally considered part of social sciences in Germany.

To further examine the role of diversity and inclusion in business undergraduate programs, we identified 17 best practice academic B.A. programs which highlight EDI. These specific B.A. programs provide excellent examples for research into the intersectionality between diversity management principles within entrepreneurship education curriculum design strategies aimed towards inclusivity promotion across various sectors within society or organisations alike, while improving intercultural competencies among students who wish to pursue careers in businesses driven by innovation-driven entrepreneurial ventures that promote socio-economic development goals set out by their respective communities or regions.

Three programs of the selected best practice courses offered the most number modules in EntreComp, LifeComp and DigComp which matched the European frameworks: Responsible Entrepreneurship, B.A. from Tomorrow University of Applied Sciences, Strategic Diversity and Inclusion Management, B.A from Karlshochschule International University and Management of Inclusion and Participation, B.A. from Deggendorf Institute of Technology.

### 3.2.2 Professional Business Management Education

#### IU Akademie

The IU Akademie returned 150 courses in the field of Business Management and 50 courses in the HR and Law field. The agreed keywords, such as “equality” (German: Gleichstellung/-berechtigung), “diversity” (German: Vielfalt), “inclusion”, “multicultural”, “intercultural”, “gender” were found in the title or description in a total of six courses. Nonetheless, only one or two keywords per course were returned, not all three EDI as required.

Even though the CLT courses were found to be overall less detailed than HEI study courses, the IU Akademie provides quite a detailed description of each module and of the learning outcomes.

#### Kursfinder.de

The fields of Business Management (4600 courses) and Economy and Finances (3296) combined returned a total of 7.896 courses. Here a total of 59 courses were found to include at least one of the keywords, none of them included more than one keyword. “Diversity” and its German counterpart “Vielfalt” was the keyword that returned the most results (31).

The decision which courses were subject of the further analysis was based on the relevancy of the courses to the project’s intent.

Overall, it can be said that CLT courses do not go as deep in the description of the courses as their HEI counterparts. Hence filtering out the competencies of the European Competencies Frameworks was difficult. The least mention of competencies was noted in the case of the Lifecomp, as hints to these social skills were almost nowhere to be found in the courses. Courses on Business Management mainly aim at providing students with hard competencies and knowledge in this area. Furthermore, none of the courses included in the analysis referenced the SDGs in their description, despite the relevancy of several SDGs to EDI competencies.

### 3.3 Key Findings & Discussion

Of the analysis of the European Competencies Frameworks it was found that in EntreComp there was a gap in most categories, most glaringly in the areas of creativity; self-awareness and self-efficacy; of motivation and perseverance; mobilising resources; mobilising others; taking the initiative; coping with uncertainty and risk. However, most affirmations were evidenced, surprisingly, for ethical and sustainable thinking; and unsurprisingly, for subject specific competences in financial and economic literacy; and for planning and management; and working with others.

For DigComp, there was a more mixed picture, with some affirmations concentrated on browsing, searching and filtering data information and digital content; evaluating data, information and digital content. But there were serious deficiencies in areas such as sharing through digital technologies; engaging in citizenship through digital technologies; collaborating through digital technologies, netiquette, managing digital identity, integrating and re-elaborating digital content; copyright and licences; protecting devices; protecting personal data and privacy; protecting health and well-being, protecting the environment; solving technical problems; creatively using digital technologies.

Thus for DigComp categories, a concentration on these within the context of EDI would be advisable for integration into EDI courses provision.

Finally, the deficiencies in the framework area of LifeComp have already been mentioned. Weak areas were P1 Self-regulation, Awareness and management of emotions, thoughts and behaviour; P2 Flexibility, Ability to manage transitions and uncertainty, and to face challenges; and P3 Wellbeing\_ Pursuit of life satisfaction, care of physical, mental and social health, and adoption of a sustainable lifestyle. S1 Empathy The understanding of another person's emotions, experiences and values, and the provision of appropriate responses.

Yet some areas were better represented in LifeComp: S2 Communication\_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and content received some further affirmations; S3 Collaboration\_Engagement in group activities and teamwork acknowledging and respecting others; as well as L1 Growth mindset\_Belief in one's and others' potential to continuously learn and progress.

More strongly represented under the Lifecomp rubric was section L2 with a focus on Critical thinking\_ Assessment of information and arguments to support reasoned conclusions and develop innovative solutions. And finally section L3.3 Reflecting on and assessing purposes and outcomes of learning and knowledge



construction, establishing relationships across domains also received the most affirmations in the LifeComp framework.

In sum, the analysis of Business Management Education in Germany illustrates a stronger area concerning cerebral, subject specific competencies. One may conclude that the development of EDI competencies is much needed in German Business Management Education.

In conclusion, one can surmise that EDI training would be very relevant to help foster a more rounded approach to business management courses and management training in general, i.e. that EDI training does not merely accentuate the knowledge of subject specific materials, but one that takes 'the human factor' into greater account. This would include a greater awareness of and appreciation of oneself as a person, as well as an understanding and appreciation of the thinking and values, as well as emotional and physical needs of others. Thus participation and educational gain can be better achieved when students are better valued regardless of background or identity. Greater inclusion of students requires teaching that is oriented around the diversity of the student body so that students have a greater sense of belonging and inclusion. A wider educational experience is gained when different viewpoints and experiences are better appreciated and taken into account.

## Section 4: Qualitative Research

The goal of this activity was to involve a heterogeneous group of people, including students, professionals, senior managers, entrepreneurs and female entrepreneurs with representation from minority groups such as females, immigrants, and some from disadvantaged backgrounds to discuss issues of inclusion/exclusion at the workplace and implementation challenges of equality, diversity and inclusion. The objective of the activity was to identify the discrepancies between both European and national legislation and lived experience.

### 4.1 Focus Groups / Coaching circles

The aim of this activity was to involve a heterogeneous group of people, including representatives from labour market actors, business students, workers from minority groups or disadvantaged backgrounds, in order to gather comprehensive insights into the experiences and perceptions at the workplace. The focus groups provided a platform for open discussion, where participants explored their shared experiences, challenges and opportunities. The participants also discussed the placement of EDI in the curriculum, be it in current study courses or back when they were enrolled in college.

Both TUD and Pro Arbeit decided to conduct focus groups instead of coaching circles as the method was more familiar in the university context. In total, we conducted four focus groups and split them between the two partners:

TUD conducted one full-time student focus group, Pro Arbeit conducted one professional focus group, while both partners conducted a mixed professional and student focus group each.

#### 4.1.1 Methodology

##### 4.1.1.1 Participants

Pro Arbeit recruited its participants for both groups through different channels. The students attending the mixed focus group were students of a dual study course at the Pro Arbeit and enrolled in the Hochschule Fulda. They were approached through the educational institutions' contacts and networks. Participation was voluntary, and interested students were invited to participate in the focus group sessions. After cancellation of further participants the mixed focus group consisted of one male and one female student representative, and one female professional. The professionals were also recruited through two different channels. On the one hand, the internal department of the Arbeitgeberservice (Employer Service) was approached in order to name relevant companies and managers. On the other hand, the researchers established a contact to the Verband Deutscher Unternehmerinnen, VdU (Association of German Women Entrepreneurs). With a list of potential participants, the researchers contacted each and every one of them to explain the project and intention of the focus groups.

ProArbeit professional focus group was an all-female group of six. For the heterogeneous focus group they acquired two students and three professionals, two of which cancelled on short notice. The work areas of the professionals spread over a wide range, including public institutions, a welfare organisation, the

investment sector, a family-led SME with their roles in the companies similarly distributed from senior roles to leading functions.

TUD, in its effort to conduct a focus group study with full-time students, decided to recruit potential participants from its own student pool. With the aid of Female Founder Space, a business association network, the institution was able to identify potential candidates for its mixed professional and student focus group.

After receiving suggestions for potential participants, the researcher contacted them via email to introduce and explain the objectives of the project. In some cases, prior calls were arranged to better acquaint potential participants with the project and answer any questions they may have had.

The composition of TUD's student focus group consisted of six mixed-gender students from the business faculty. Five were male students, and one was female. These students were from later semesters in their respective programs rather than being freshers.

Another mixed professional and student focus group was established by TUD which included five females aged between 22-50 years old. This particular group comprised one student who had startup founding experience along with two self-employed individuals as well as two employed female professionals who were working within both the public and private sectors.

To ensure effective communication among all stakeholders involved in this research endeavour, face-to-face meetings took place for TUD's student focus groups while Zoom sessions were conducted for their mixed professional/student counterparts due to logistical reasons and schedules. Overall it is evident that careful selection criteria helped create an appropriate mix of people whose input would be valuable for conducting meaningful research.

Based on the diversified recruitment, the participants did not come from the same company, but some of them knew each other from common networks they engaged in the university. All participants were asked to fill in a consent form, agreeing on the confidentiality of the discussions. 3 of 4 sessions were held face-to-face and lasted between 60 and 120 minutes, one was held online via Zoom to accommodate participants' availability and individual schedules. The researchers moderated the sessions, keeping them semi-structured, in order to allow for flexibility while ensuring that key themes and topics related to EDI were covered. The focus groups were audio-recorded and transcribed for analysis.

For the analysis of the focus group transcript, a reflexive thematic analysis approach was engaged. Codes, themes and overarching themes were identified, which included:

### Education

- Prior knowledge
- Lack of EDI in Education
- Students Bias
- Integration of modules - theory
- Integration of modules - practice
- Different understandings of EDI through education

### Promotion/Progression

- Pay Raise
- Work-Family Reconciliation
- Gender Discrimination
- Unconscious Bias
- Reality of Management Board
- Support by Female Manager
- Generation
- Missing legal frameworks
- Lack of Inclusion

### Organisational Culture

- Reality of Organisational Culture
- Needed (Ideal) Organisational Culture

### Competencies Used or Needed

- Digitisation

#### *4.1.1.2 Materials & Procedure*

The researchers decided to use the question catalogue established in the EDIFY WP2 Research Framework as a guideline and steering of the group but was not a strict sequence of questions and answers. Below is the set of questions divided into three themes:

#### Theme 1: Education

- Brief overview of modules studies,
- Did your studies include modules on: EDI, empathy, kindness, etc.

#### Theme 2: Promotion/Progression

- Have you been promoted since you joined this company? If yes, how many times?
- Have you applied for promotion and been unsuccessful? Did you think this was a fair outcome? Why?

#### Theme 3: Organisation Culture

- Can you talk a bit about the organisational culture?
- Do you feel your company operates fair and transparent procedures in relation to pay, promotion and recognition of effort?
- Does equal pay operate in your company between women and men?
- What percentage of the senior management team are female?
- What percentage of the Board are female?

**Discussion Question:** What changes would you like to see introduced in the organisation? Do you have anything else that you would like to add?

For the student focus group conducted by TUD, a slight variation of questions was used.

**Main Focus Question:** What understanding and awareness do you have regarding EDI, what exists of EDI in your university and in your employment, and what can be done to implement EDI?

- Brief Overview of modules studies you are engaged in
- Have studies included modules on EDI (including life competencies, empathy, kindness)
- What do you understand by EDI?
- Have you experienced a lack of EDI at work/in education?
- What skills/ knowledge / competencies are important in your view?
- Have you come across EDI issues in a work environment/ in education? (eg courses/presentations?)
- Do you see a need for EDI competencies in practice in education or in the work environment?

## 4.2 Interviews

ProArbeit conducted a total of five interviews with female entrepreneurs, business owners, HR specialists, and senior managers, representing SMEs from different economic sectors. TUD conducted a total of six interviews, 4 interviews with SME employees in management positions with a business education working in different sectors and two interviews with female entrepreneurs. The interviewees were selected to ensure a wide variety and balance in age, gender and economic sector as well as position within the enterprise. The point of focus was to gain further insight in the current realities of German companies and in the challenges they are facing but also the successes they can show in the implementation of EDI principles.

### 4.2.1 Methodology

#### 4.2.1.1 Participants

On behalf of ProArbeit and the selection of female entrepreneurs for the recruitment phase, the VdU was again a strong partner in suggesting potential interview partners, which the researchers then invited via phone and subsequent email.

The women were aged between 28 and 55 and held the positions of CEO, Co-Director, executive assistant and HR Manager, ranging from three to 20 years of work in the company. The educational backgrounds of the interviewed women were also leaning towards college graduation, with Masters Degrees and Postgraduate Diplomas.

On behalf of TUD, potential participants were approached directly, by word-of-mouth, and again with the aid of Female Founder Space, a business association network. Further, the potential participants were contacted via email regarding general interest and officially invited via phone, face-to-face, and subsequent email.

The selected TUD participants were aged between 25 and 55 years old and held the positions of Founder and CEO, Managing Director and Project Manager, Assistant to Management, Head of Marketing, Marketing Officer, and Head of Business Development. One interviewee held a Bachelor and the rest of the interviewees held Master's Degrees in Business Management Education and reported a job experience, similar to the female entrepreneurs, of up to 20 years.

#### 4.2.1.2 Materials & Procedure

The interviews took place at the premises of Pro Arbeit, TUD as well as in an online format, at the respective workplace of the interview or a neutral location unrelated to the workplace. Locations were chosen according to interviewees' preferences. The researchers worked mainly with the set of questions from the WP 2 Research Framework but also asked follow-up questions.

- 1. EDI principle interpretations
  - How do you understand the concept EDI / Equality /Diversity /Inclusion?
  - How do you see the current status of EDI in your company?
- 2. implementation challenges
  - How do you see EDI-themes affecting your daily work as a manager?
  - What are the most challenging aspects of managing EDI?
  - Can you give an example of a challenging situation managing EDI in your daily work? How did you handle the situation?
- 3. competences used or needed
  - What do you see as the most valuable skills, knowledge and competence linked to managing EDI?
  - Where did you yourself get such skills, knowledge and competence?
  - Reflecting your own experiences on the EDI-related challenging situations, what skills, knowledge and competence were the most important?
  - What would you suggest including in an EDI-related curriculum?

10 out of 11 interviews were audio-/video-recorded and transcribed (one did not agree to audio-recording; researcher referred to note-taking). For the analysis of the interviews transcript, a reflexive thematic analysis approach was engaged. Codes, themes and overarching themes were identified, which included among others:

#### EDI Principal Interpretations

- Common Understanding of EDI
  - Participation
  - Opportunity
  - Safety
  - Culture
  - Rights
  - Equality
  - Flexibility
  - Diversity
  - Ability
  - Compatibility of family and career
  - Esteem
  - Inclusion
  - Strengths
  - Internationality
  - Support
  - Hiring

#### Implementation Challenges

- Unconscious Bias
- Gender Discrimination
- Work-Family Reconciliation

- Culture Clash
- Language
- Financial Challenge
- Legislation / Legal Framework

### Competencies Used or Needed

- Interpersonal Skills
- Collaboration Skills
- Communication
- Emotional Intelligence
- Leadership Skills
- Problem-Solving
- Critical Thinking
- Lifelong Learning
- EDI in Human Resource Management
- EDI in Organisational Culture
- Digitalisation and Innovation
- Teaching Methods

## 4.3 Key Findings & Discussion

The overall findings from the data analysis of the focus group data focuses on the predetermined themes as noted in the WP2 research framework, namely: Education, Promotion/Progression and Organisational Culture. Within these themes, other sub-themes were identified from the data.

### 4.3.1 Focus Groups

The findings related to the overarching theme of education suggest that while participants possess some prior knowledge about EDI topics, there exists a noticeable gap in their understanding concerning various aspects of EDI education. It was observed that despite being part of course programs, the focus group participants were only exposed to limited or no amount of EDI elements during their training. This highlights the need for educational institutions and organisations to prioritise incorporating comprehensive and inclusive learning modules into their curriculum.

Especially study modules with a high practical component should be promoted, but basic theory should also be integrated into modules. Some students already had prior knowledge of EDI principles thanks to their study modules, with diversity having been addressed throughout all modules, while others stated a complete lack thereof in their respective study programmes and proclaimed the need to incorporate EDI topics in the curriculum of each and every student irrespective of the programme. A majority of students wished that such modules would be made compulsory.

Due to the different ways in which the participants have come into contact with EDI, the focus groups participants place different emphases in their understanding of EDI. For some, it is about appreciation and respect for all people, while for others, it goes hand in hand with openness towards other aspects of human life and interaction, while some stated that EDI means ethnic diversity and equal treatment.

What all participants could agree on was that there should definitely be more practice units as a module. On the one hand, such practical units should serve to try out a leadership role and, on the other hand, to receive feedback in a secure setting. Students also agreed that these practice units should be involving those with lived experience in the field, such as those who have suffered from a lack of diversity, have experienced discrimination and/or are handicapped or have special needs. Students are also encouraged to design training sessions as dialogues between “privileged” and discriminated members of a specific group to raise awareness and build a foundation of empathy as well as overcome prejudices.

On the other hand, the participants of the student focus group reflected on the consequences of possibly having mandatory EDI education and how this, in turn, might cause some to refuse to attend at all and in general a lack of motivation and initial close-mindedness due to the format: an obligation. Furthermore, it was noted how even in higher education, there is unconscious bias during teaching and reflection on EDI topics is very low among those students in “privileged” positions or life circumstances.

The research findings suggest that students possess unconscious biases which accentuates the significance of incorporating Equity, Diversity, and Inclusion (EDI) themes across distinct study programs. The researchers noticed that despite conscious efforts to eliminate any form of prejudice or bias towards certain groups, students displayed unconscious biases in their behaviour. These results emphasise the need for EDI training and awareness-raising initiatives at various educational levels. Integrating EDI ideologies into the curriculum provides opportunities for students to learn how they can recognize and address their own biased perspectives while promoting inclusivity in all aspects of society.

Taking a look at the overarching theme of promotion / progression, the professional focus group, who themselves all hold management positions, agreed that diversity is often still lacking at higher management levels, with managers becoming more male, white and older the higher the management level gets. Moreover, it still seems to be very difficult to be accepted as a woman in a management position.

The traditional understanding of roles and gender tasks also seem to hold back the progression of diversity in management, with both women and men having to fight prejudices. In addition to the “disadvantage” of being a woman, other aspects such as a migration background seem to make it even more difficult to compete in one's role as a manager.

Unconscious biases and discrimination have been a significant challenge for many participants on the way to work promotion. The prevalence of inequality in promotion, glass ceiling, and broken rung have made it difficult for individuals belonging to marginalised groups to advance their careers. These issues are especially pronounced when women become mothers, as they often face additional discriminatory obstacles that limit their opportunities. Research indicates that unconscious biases can affect hiring decisions, performance evaluations, and access to training programs. Discrimination against working mothers is also common in workplaces where traditional gender roles are still prevalent. For instance, women may be perceived as less committed or capable after becoming parents due to societal expectations around childcare responsibilities. This reality highlights the importance of creating inclusive workplace cultures that recognize and address unconscious bias and discrimination towards all employees regardless of gender or parental status.



Two participants felt that EDI meets resistance especially in the older generation. The younger generation, i.e. the young people in their 20s and upward, who travel the world in different ways, will have a completely different understanding of EDI and will be more willing to implement it.

One point mentioned by most participants that slows down the promotion of equality, diversity and inclusion is the lack of a (legal) framework. For example, having children still means a career break for a woman.

When it comes to organisational culture, student participants and professionals alike unequivocally define their ideal organisation as one that embodies a

merit-based assessment of employee performance. In such an environment, each individual is evaluated based on the quality of their work output rather than other irrelevant factors such as personal connections or demographic characteristics.

Additionally, key features of such workplaces include a flat hierarchy that incentivises collaboration and open communication among employees at all levels. Furthermore, gender balance in management positions is seen as crucial for creating an inclusive and diverse working atmosphere where everyone's voices are heard equally. In addition, the existence of an external network or internal officer responsible for monitoring the company's implementation of EDI (equality, diversity & inclusion) policies ensures that these values become embedded into all aspects of the workplace culture over time. Finally, it was important to all of them that staff in companies or public institutions are a reflection of the population in its diversity.

Regular internal training to reduce reservations and prejudices should also be part of the ideal organisational culture

As evidenced by the experiences of participants in this study, the reality of EDI within their employing organisations was far from perfect. Participants reported encountering strong hierarchies within their workplaces, with little recognition given to their efforts. Additionally, promotion and salary transparency were lacking - with some manager positions predominantly taken by men. Furthermore, office infrastructure was not inclusive nor family-friendly - posing significant challenges for those who needed flexible working arrangements or accommodations. Only two participants noted that gender ratios were balanced at all levels within their organisation; others cited women's representatives as one measure implemented to ensure equality but struggled to name any other measures in place. Despite these issues faced by participants, one individual expressed satisfaction in her company's communication of values such as diversity and felt they had been implemented successfully overall.

### 4.3.2 Interviews

As part of the overarching theme EDI Principle Interpretations, we conclude that there is a common understanding of EDI, but each interviewee has a slightly different focus. In summary, EDI means creating opportunities and safe spaces for diverse and minority groups, ensuring equality between employees, valuing and developing the skills and talents of employees, and working internationally. Best case scenario is that all groups of people have the same chances of being hired.

For some of the respondents, the recruitment process is fundamental whether the person is suited to the tasks they need to do later on. Origin, religion, gender or a mental or physical disability do not play a role. For these interviewees, EDI means

considering the applicants' abilities. Valuing employees' abilities and strengths also means, for some of the interviewees, providing work-life-family balance and any support the employee needs to perform his or her job.

The Implementation Challenges span over seven main challenges in implementing the EDI principles. The implementation of EDI at work can be a challenging task due to the presence of unconscious bias, gender discrimination, and work-family reconciliation. One such challenge is the presence of unconscious bias, which can affect decision-making processes and lead to gender discrimination in the workplace. This issue is further compounded by outdated role understandings that persist within society and contribute to prejudices against women and their abilities. The pay gap between men and women also remains a persistent problem, highlighting ongoing issues with gender discrimination in the workforce. Additionally, work-family reconciliation poses unique hurdles for individuals seeking to balance family responsibilities with professional obligations.

Furthermore, the implementation of EDI at work can be a challenging task for many companies, particularly when dealing with cultural clashes and language barriers. When different cultures come together within an organisation, it is crucial to ensure that there is a common ground where everyone can function effectively. Language barriers often lead to miscommunication and misunderstandings among employees. To overcome this challenge, organisations must prioritise recruiting new employees who fit into the existing culture in terms of language proficiency and cultural understanding. Cultural clashes may arise due to differences in beliefs, values, or even communication styles.

The implementation of EDI at work is an essential aspect of creating a diverse and inclusive workplace. However, the costs associated with it can be prohibitive, especially for small and medium-sized enterprises (SMEs). In particular, meeting the requirements for people with disabilities or expectant mothers necessitates an additional budget that many SMEs cannot afford. Consequently, SMEs struggle to make infrastructure adjustments and adapt their work culture to accommodate diversity and inclusivity. This financial barrier often leads entrepreneurs to choose candidates based on their affordability rather than their qualifications or experience - thereby perpetuating gender biases in employment practices. Female entrepreneurs also face challenges regarding access to funding from a limited pool of female investors. These findings underscore the need for financing mechanisms that support EDI initiatives in businesses of all sizes - making it possible for them to create truly inclusive workplaces.

Finally, the legal framework does not always provide enough support to guarantee the successful execution of EDI at work. Companies often face strict requirements in terms of laws and labour regulations that limit their ability to hire certain groups of people who may contribute significantly to the workforce's diversity. Moreover, there is a lack of necessary framework conditions such as childcare facilities or recognition of foreign qualifications that can enable skilled personnel from abroad to enter the labour market quickly. These challenges further hinder the implementation process, making it harder for companies to achieve their desired goals towards EDI at work. Therefore, addressing these gaps in the legal framework becomes essential for organisations wishing to promote diversity and inclusivity within their workplaces whilst complying with relevant laws and regulations governing employment practices.

During the research conducted on the implementation of EDI at work, interviewees highlighted 11 competencies used or needed that are essential for success. Among

these competencies was emotional intelligence, which includes self-awareness and empathy - fundamental elements that aid in understanding diverse viewpoints.

Leadership skills such as proactivity, time management, loyalty to employees, listening abilities, and mediation proficiency were also identified as necessary abilities for implementing EDI at work. Additionally, interpersonal capabilities like developing an effective network with individuals from different backgrounds were highlighted as a valuable competency. Furthermore, interviewees emphasised the importance of having an open-minded outlook toward EDI awareness to create collaborations across diverse groups while effectively communicating one's thoughts in a suitable manner was listed among the essential skills required for executing successful EDI programs within organisations.

Additionally, the implementation of EDI at work requires a combination of critical thinking, problem-solving skills, and life-long learning. It is essential to have an in-depth understanding of the principles involved in dealing with conflicts and finding innovative solutions for existing problems. Critical self-reflection plays a crucial role in this process as it helps individuals to question their assumptions and biases. By examining their own behaviour, employees can identify areas that require improvement and develop strategies to address these issues effectively. Moreover, life-long learning is integral to successful EDI implementation as it allows workers to stay up-to-date with the latest trends and developments related to diversity, equity, and inclusion. This ongoing education enables them to expand their knowledge base continually while gaining new insights into how they can contribute positively towards creating an inclusive workplace culture that values diversity.

The implementation of EDI at work is crucial in Human Resource Management, especially when it comes to competencies. Hiring managers must ensure that their recruitment process is as objective and fair as possible, focusing on a person's strengths and abilities rather than any other assessment. Discrimination based on factors such as race or gender should not be tolerated in the workplace. To effectively implement EDI policies, HRM professionals need to create a culture where diversity and inclusion are valued and celebrated. This can involve training employees on unconscious bias, creating diverse hiring panels, and addressing any instances of discrimination quickly and transparently.

A positive and inclusive Organisational Culture is crucial to foster the implementation of EDI at work. Managers who prioritise building trust with their employees and viewing them as human beings are more likely to create an environment where everyone feels valued and respected. A flat hierarchy can also contribute to the sense of inclusivity, as it allows for open communication and encourages individuals to share their diverse perspectives without fear of reprisal. Additionally, recognizing the different needs of team members is essential in promoting equity within the workplace. Leaders who appreciate the unique facets that each employee brings to the table can build a strong and diverse team capable of achieving great things together.

Additionally, possessing digitalization competencies allows one to identify what tools are required to provide innovative solutions for future problems that may arise. The use of technology such as AI is not something to be afraid of; instead, it should be seen as an opportunity to enhance human capabilities and improve overall performance. Innovation competencies allow individuals to think outside the box and create new ideas or methods that promote equality, diversity, and inclusion while being mindful of technology's potential impact on society at large.

### 4.3.3 Competencies

As part of the analysis, potential competencies and learning outcomes were identified using data gathered from in-depth interviews and focus groups with participants. Questions regarding their personal experience when enrolled, what they felt was missing from related curricula concerning EDI, the challenges they face when working with EDI and which competencies are essential for successful management. The insight gained into small to medium enterprises (SMEs) will be beneficial when determining module content and learning outcomes as part of Work Package 3, and these findings have been documented below.

Based on the thematic analysis the following 9 competences were identified:

1. Dealing with Unconscious Bias and Discrimination
2. Cultural Competence
3. Financial Literacy and Investments
4. Knowledge of EDI Legal Frameworks
5. Collaborative communication
6. Leadership Implementing EDI
7. EDI in Human Resource Management
8. EDI in Organisational Culture
9. Digitalisation and Innovation

Many of the identified competencies correlated directly to competencies as outlined in EntreComp, LifeComp and DigComp (see Table 1.3)

The research findings suggest that there is a need for educational institutions and organisations to prioritise incorporating comprehensive and inclusive learning modules into their curriculum. There are several reasons for it. First, a noticeable gap exists in students' understanding concerning various aspects of EDI education. Second, the focus group participants were only exposed to limited or no amount of EDI elements during their training. Third, the researchers noticed that despite conscious efforts to eliminate any form of prejudice or bias towards certain groups, students displayed unconscious biases. Therefore, introducing EDI trainings and awareness will help students learn how to recognize and address their own biased perspectives while promoting inclusivity in all aspects of society.

## Section 5: Social Impact Assessment

The Social Impact Assessment follows the European Commission Guidelines (2009) to provide insights on the social impact of existing and emerging labour market laws and policies.

<https://ec.europa.eu/social/main.jsp?langId=en&catId=307>

### 5.1 Methodology

In this Social Impact Assessment (SIA), a comprehensive methodology was employed to examine the nature and scale of the problem and its social impacts, focusing on the labour market of the Federal Republic of Germany. The methodology primarily relied on quantitative analysis, by a thorough review of relevant literature and documents.

To initiate the assessment, quantitative data was collected from reputable sources such as German national labour market databases, official reports, and statistical surveys. These data sources provided quantitative indicators, such as employment rates, wage disparities, and representation in management positions. By analysing these metrics, we gained insights into the evolving nature of the problem and its magnitude over time.

A comprehensive review of existing legislation, policies, and regulations was conducted to understand the legal framework and policy landscape related to equality, diversity, and inclusion in the labour market. This review aimed to identify the existing measures and initiatives designed to address these issues. Analysing the strengths, weaknesses, and potential gaps in implementation of these laws and policies contributed to a deeper understanding of the context in which the problem exists.

It is important to note that while qualitative research methods were not specifically employed in this SIA, the findings from the quantitative analysis and policy review can still provide valuable insights into stakeholder perspectives. By examining the effects of the identified legislation and policies, we can infer the viewpoints and experiences of relevant stakeholders, including employees, employers, advocacy organisations and government officials.

While the absence of direct qualitative research is a limitation of this SIA, the combination of quantitative analysis and policy review allows us to gain a comprehensive understanding of the problem and its social impacts. By triangulating data from multiple sources, we aim to provide an evidence-based assessment of the social challenges related to equality, diversity, and inclusion in the labour market.

In conclusion, this SIA utilised a methodology centred around quantitative analysis and policy review to assess the social impact of the identified problem in the labour market. While qualitative research was not included, the findings derived from the quantitative analysis and policy review can still offer valuable insights into stakeholder perspectives. It is crucial to acknowledge the limitations of this approach and consider the need for further qualitative research to capture a more nuanced understanding of stakeholder views and experiences.

## 5.2 Key Findings & Discussion

### The German Labour Market

The Labour Market Profile for Germany for EDIFY, compiled by TUD and ProArbeit, provides statistical information from sources such as the German Federal Office for Statistics, (<https://www.destatis.de>), which is by far the most important statistical source in Germany, and [www.statista.com](http://www.statista.com).

In 2022 2,4 million people were unemployed in Germany, of whom 1.3 million were male, and 1.1 million were female. A total of 34.3 million were employed with social insurance. Self-employment accounted for 3.8% of employed people, among whom slightly more males than female workers were among all age groups.

Female employment was highest in the health sector, in social services as well as in the education and teaching sectors. A total of 6.4 million people were occupied in health and education. 5.1 million were female and 1.3 million were male. (<https://www.destatis.de>) In 2022 only 18.3% of women were employed in the German manufacturing industry.

57% of people with disabilities were integrated in the labour market. Of the population 9.4% (7.7) million were severely disabled, of whom there were slightly more male than female employees. Most were older than 65. Most were employed in different sectors, mainly in the public and private service sectors (31%), in education, health and social service areas (26%) but less in the trades, automotive repair and hospitality sectors. (<https://www.destatis.de>)

22.3 million people (26.4%) have a migration background in Germany, and were not born with German citizenship, or at least do not have one parent born with German citizenship. (<https://www.destatis.de>).

In executive/ management positions, 29% of executive positions in Germany were held by women. Here Germany ranks in the lower third of member states in the European Union. (<https://www.destatis.de>) At CEO level only 3% were found to be female. However, there is a greater share of women employed in higher level positions in the health care sector.

Regarding educational qualifications, both male and female have a similar level of qualifications, higher than the general population. Female persons had more secondary school or polytechnic secondary school qualifications, but males had a greater number of advanced technical college certificates. (<https://www.destatis.de>)

People with disabilities were found to have less school leaving qualifications, with only 12% having a high school diploma, compared to 28% among the non-disabled. In 2019 16% of disabled people aged between 25 to 44 years had no school leaving qualification.: (<https://www.statista.com>)

More detailed information for Germany is to be found in the Labour Market Profile for Germany, developed by Pro-Arbeit.

### Sectors Profile Overview

Industry in the Federal Republic of Germany is the main foundation of growth and prosperity. Overall, in 2021 the German manufacturing sector contributed 20.2% of gross value added for German industry. In 2020 German manufacturing generated

2.1 billion euros in turnover, with 7.5 million people working, and 20.8% of staff expenditure. Source: Federal German Statistical Office. (<https://www.destatis.de>)

German industry is dominated by four sectors: automotive, mechanical, electrical and digital industrial, with the automotive industry being the largest sector as well as the most lucrative, and responsible for 410 billion euros in revenue, and 786,109 jobs Source: Federal German Statistical Office. (<https://www.destatis.de>)

The German automotive industry is heavily export-oriented. It is the largest manufacturing sector and most lucrative for sales in Germany. In 2019, 28.2 billion was invested into research and development. In 2021 it was responsible for 410 billion euros in revenues., and for 786.109 jobs. (Statista) In 2022 motor vehicles accounted for 15.5% of total German export goods, followed by machinery exports (13.2%)

The German plant and mechanical engineering sector is a leading exporter and innovator. In 2021 sales in the German mechanical engineering sector were around 221 billion euros. Every second engineer is engaged in research, development and design. Germany is the world's third largest machinery manufacturer. It is very innovative with every second engineer engaged in research and development. (German Federal Ministry of Economic Affairs and Climate Protection: <https://www.bmwk.de/Navigation/EN/Home/home.html>).

The chemical-pharmaceutical industry is the third largest industry. It had a turnover of 227 billion euros in 2021, and 473,000 were employed in this sector. Chemical products accounted for a 10.3% share of Germany's total exports. (<https://www.statista.com/markets/>). However, increased gas and electricity costs in 2022 caused production to be reduced.

In the German electrical and digital industry, turnover reached 224.8 billion in 2022, and 898.1k people were employed in Germany. In 2022 13,600 patent registrations were registered by companies in this sector. (<https://www.zvei.org/>)

Overall high energy prices, inflation, the Ukraine situation and energy supply difficulties, as well as a low level of economic development due to lockdowns in China are factors that all contributed to a slowing down of the economy. Supply bottlenecks exacerbated the situation. In 2022 Germany's gross domestic product grew moderately by 1.9 % compared to 2.6% in 2021.

### Information pertaining to National Skills Gaps and Vacancies

The online job platform StepStone, and the Kienbaum institute@ISM conducted a joint study in March 2021 to investigate the state of future skills and corporate learning in Germany. More than 59% of respondents saw their company facing a skills gap, and as many as 64% of executives and HR managers expect this gap to widen further. Talent is lacking among organisations in the area of IT and data analytics, and this is seen as a gap related to digitization and digital technologies. Bertelsmann Stiftung, in a study of 2021, confirmed an increasing high demand for digital skills occupations. Jobs of all skills levels require digital skills in 79% of postings, and the study of Stifterverband and McKinsey Germany predicts that in 2023 at least 700.000 more individuals with digital skills will be required in Germany. Furthermore, more than 2.4 million workers require retraining in areas such as agile working, digital learning, and collaboration. High demand is foreseen in the areas of such skills as data analysis, user centric designing (UX), web development,

conception, and the development, conception and administration of networked IT systems, smart hardware and robotics development. Soft skills such as collaboration, perseverance, digital literacy, entrepreneurial thinking, self-initiative, digital learning and agile working will be essential for new forms of work.

According to KfW Research (<https://www.kfw.de/%C3%9Cber-die-KfW/KfW-Research>), improvement of continuing education of workers, and the use of e-learning education will be needed to tackle German company skills gaps.

At the beginning of the 4th quarter of 2022, KfW Research found that shortages of skilled workers hindered 46% of business activities of companies.

Social work, education, and care occupations are particularly affected by the skills shortages. This applies to the trades professions and IT specialists, with the result that the German economy is suffering. It was evident that the gender gap ratio among employees in those professions with the greatest shortage of skilled workers was most striking. All ten occupations with the largest skills gaps have segregated employment structures based on gender. The share of women in the five occupations related to the social and health sectors was high, but the opposite was true for the other five occupations in the industrial- technical sector.

To decrease the skilled work shortage, the Bertelsmann Stiftung survey of 2021 recommended the following measures in addition to internal training in the company (47.3%); the involvement of women in the family phase, and creating of a good work-life balance (41.1%), as well as targeted recruitment of skilled workers from abroad (16.4%), and age appropriate workplace creation. (12.4%)

## Labour Market Vacancies

An increasing number of positions have remained vacant in recent years. An average of 528,000 positions were vacant in 2022. 55% of registered jobs subject to social security contributions were vacant for more than three months in 2022. Furthermore, the duration for the recruitment of employees has been continuously increasing. (Engpassanalyse, Bundesagentur für Arbeit und Statistik. January 2023).

From 2022 to January 2023 there was also a shortage of skilled workers especially in the area of elderly care and manual labour. An increasing time lag between the availability of a vacancy and filling of a position is also in evidence. Positions which have long vacancy periods were listed for occupational groups including those responsible for care of the elderly, skilled workers in building and materials production, occupations in trades such as construction, floor installation and plumbing. (Engpassanalyse, Bundesagentur für Arbeit und Statistik. January 2023).

28.3% of employers in Germany already experienced difficulties in filling job positions in 2021 due to a lack of applicants and, in 19.9% of cases, due to a lack of professional qualifications, according to the IAB Institute for Employment Research. The four main causes of the inability to fill job vacancies were a lack of professional qualifications, as well as excessive wage/ salary demands, an unwillingness of jobseekers to accept working conditions, as well as the already mentioned insufficient number of applicants.



## National Gender Pay Differential

While in 2021 women in Germany earned an average of 18% less per hour than men, representing approximately 4.08 euros less gross hourly wage than men, this difference was higher in previous years. The gender pay gap decreased by 5% over the last 15 years. In 2006 the gender pay gap was 23%.

71% of the pay gap can be explained by the fact that women frequently work in sectors in which the pay is lower, and they attain managerial level positions less often. (2018) However, even with comparable work and qualifications, women employees earned an average of 6% less than men in 2021

([https://www.destatis.de/DE/Home/\\_inhalt.html](https://www.destatis.de/DE/Home/_inhalt.html)) Source: German Federal Office for Statistics.

The labour market profile reveals that Germany faces persistent inequalities and barriers in achieving EDI. Discrimination, unequal opportunities, and limited access to resources exist in Germany if not to any great extent, but nevertheless affecting women, people with disabilities, and other minority groups. These findings highlight the need for targeted interventions to address systemic biases and create a more inclusive labour market.

Regarding pay gap discrepancies, in particular gender related pay differentials German legislation such as the Act on the transparency of pay (Entgelttransparenzgesetz) is a measure that offers a possibility of mitigating such unfairness of treatment between male and female employees by allowing for greater openness with regard to pay differentials.

Pay differentials are permissible in Germany. However, the principle of equal treatment under labor law (Gleichbehandlungsgrundsatz, §612 Abs.3 BGB) clarifies when employees can demand equal pay for equal work. In Germany it is possible to offer preferential rates compared to other workers, as long as this does not conflict with the General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz AGG) which forbids discrimination on the basis of age, disability, racism, ethnic origin, religion, sex or sexual orientation.

The German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, as well as the Federal Anti-Discrimination Agency are government bodies that look after and defend the rights of disadvantaged groups. These public bodies are there to protect the interests of disadvantaged groups in society, and offer counselling support services to members of these groups. Their rights to equality of treatment are protected under the German General Equal Treatment Act (AGG), which prohibits discrimination in the world of work and daily affairs. The German Equal Treatment Act (AGG) also makes provision for EU anti-discrimination laws to be recognized and incorporated into German law.

Despite laws and policies such as the General Equal Treatment Act, the Act on the Equal Treatment of Disabled People, the Principle of equality (§612 Abs. 3 BGB), the Act on transparency of pay (Entgelttransparenzgesetz) and the Act on the equal participation of women and men in management positions in private and public companies and organisations (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst (FüPoG)), in reality discriminatory practices persist on the German labour market.

The presence of inequalities and barriers in the labour market indicates a structural issue that requires policy and legislative interventions. By recognizing

the specific groups most affected by the challenges of discrimination, policymakers can develop targeted strategies to address the root causes and promote equal opportunities.

Stakeholders hold diverse views regarding EDI in the labour market. Employees and workers advocate equal treatment and fair hiring practices, and inclusive workplaces. Employers and business associations may vary in their commitment to EDI, with some recognizing the benefits of diversity, while others may have reservations. Government authorities generally support EDI. But EDI policies are key to focusing on the need for achieving a more successful working environment as a means of fostering social cohesion, economic growth, and meeting legal obligations. Trade unions, labour advocacy groups, civil society organisations, and activists actively advocate EDI and push for policy reforms.

Stakeholders' perspectives are crucial for understanding the dynamics and complexities of addressing EDI in the labour market. Diverse stakeholder views provide insights into the various challenges and opportunities associated with implementing EDI policies. Incorporating these perspectives in policy formulation ensures inclusivity and increases the likelihood of successful implementation.

Based on the findings for Germany, the EU should consider setting the following objectives to address EDI challenges in the German labour market:

- Eliminating discriminatory practices and promoting equal opportunities in employment.
- Enhancing diversity and inclusion in workplaces across various sectors and organisational levels.
- Ensuring fair and transparent working conditions, including pay equity.
- Improving representation and participation of underrepresented groups in decision-making positions.
- Promoting accessible and inclusive vocational education and training opportunities.

The identified objectives align with international best practices and promote a holistic approach to addressing EDI challenges. By focusing on equal opportunities, inclusive workplaces, and representation, the EU can foster an environment where all individuals can fully participate and contribute to the labour market.

To achieve the stated objectives, the following policy options should be considered:

- Strengthening existing legislation related to equal treatment, anti-discrimination, and disability rights.
- Implementing measures to increase transparency in pay structures and combat wage gaps.
- Enforcing obligations for employers to employ individuals with disabilities and promote inclusive hiring practices.
- Introducing targeted programs and incentives to enhance diversity and inclusion in leadership positions.
- Investing in vocational education and training programs that address skills gaps and promote inclusivity.

The identified policy options address the multifaceted nature of EDI challenges. Strengthening legislation and enforcing obligations can create a legal framework that promotes equal treatment. Measures to increase pay transparency and combat wage gaps contribute to a fairer and more equitable labour market.

Targeted programs and incentives encourage employers to embrace diversity, while investments in vocational education and training ensure a skilled and inclusive workforce.

Implementing these policy options is expected to yield several positive impacts:

- **Economic:** improved diversity and inclusion can enhance innovation, productivity, and competitiveness in the labour market. Reduced wage gaps and better utilisation of talents can contribute to economic growth.
- **Social:** EDI measures can lead to greater social cohesion, reduced social inequalities, and improved well-being for marginalised groups. It can foster a more inclusive and equitable society that values diversity.
- **Environmental:** While the direct environmental impacts of EDI policies may be limited, a more inclusive labour market can contribute to a sustainable and inclusive society, promoting social and environmental justice.

The anticipated economic benefits of enhanced diversity and inclusion align with empirical evidence demonstrating the positive correlation between diversity and business performance. The social impacts emphasise the importance of reducing inequalities and creating a more equitable society leading to improved social cohesion. Although the direct environmental impacts are less pronounced, an inclusive labour market can indirectly contribute to a sustainable and inclusive society by addressing social and environmental justice issues.

Comparing policy options, the effectiveness, efficiency, and coherence in solving the problems may vary. The assessment suggests that strengthening legislation, promoting transparency, and incentivizing employers to foster diversity and inclusion can be effective strategies. The efficiency and coherence of these options depend on careful implementation, monitoring, and evaluation, along with stakeholder engagement.

The effectiveness of policy options depends on their ability to address the root causes of EDI challenges. Strengthening legislation provides a solid legal foundation, while transparency and incentives encourage employers to embrace diversity. Ensuring efficient implementation and monitoring mechanisms are crucial for tracking progress and making necessary adjustments. Coherence among various policy options is essential to ensure that interventions complement each other and work towards a common goal of achieving EDI.

## Involvement of the EU

As has already been mentioned above, the EU already is involved in EDI policy-making, and German law is being brought into line with EU anti-discrimination laws and regulations. (Cf. the German General Equal Treatment Act (AGG)).

The EU could consider setting the following objectives to address the issue of inequality, diversity, and inclusion (EDI) in the labor market:

- **Promote Equal Employment Opportunities:** The EU could aim to ensure that all individuals, regardless of their background, have equal access to employment opportunities. This objective could involve implementing and enforcing legislation, such as the General Equal Treatment Act (AGG) and the

Act on Mandatory Working Conditions, to prohibit discrimination in recruitment, hiring, and promotions.

- **Enhance Workplace Diversity:** The EU could encourage employers to actively promote diversity in their workforce. This objective could involve implementing measures to address barriers to entry and advancement faced by underrepresented groups, such as women, disabled individuals, and ethnic minorities. The Act on the equal participation of women and men in management positions and the Act on the Equal Treatment of Disabled People are examples of policies that aim to promote diversity in specific areas.
- **Ensure Pay Equity:** The EU could strive to achieve pay equity by addressing the gender pay gap and promoting transparency in pay structures. The Act on transparency of pay is an example of a policy that aims to increase transparency and address pay inequalities.
- **Strengthen Social Inclusion:** The EU could work towards creating an inclusive labor market that supports the inclusion of individuals from diverse backgrounds. This objective could involve implementing measures to provide equal opportunities for individuals with disabilities, such as the Disabilities Act (Schwerbehindertengesetz). Additionally, the obligation to employ disabled individuals (Pflicht der Arbeitgeber zur Beschäftigung schwerbehinderter Menschen) could be reinforced.
- **Foster Equal Representation in Leadership Positions:** The EU could strive to increase the representation of underrepresented groups in leadership positions across various sectors. This objective could involve implementing policies like the 2021 Second Act on management positions (FüPoG II) and the Act on the equal participation of women and men in management positions in private and public sectors (FüPoG).
- **Ensure Compliance and Enforcement:** The EU could focus on ensuring effective compliance with existing legislation and policies, as well as strengthening enforcement mechanisms. This objective could involve monitoring and reporting on progress, providing resources and support for implementation, and addressing any non-compliance or violations.

These objectives would contribute to creating a more inclusive and equal labor market, addressing the evolving nature of the problem and benefiting the individuals most affected by EDI issues, such as marginalized groups, women, disabled individuals, and ethnic minorities.

Policy options for reaching these objectives could include:

- **Strengthening Legal Frameworks and Enforcement:**
  - Enhancing the General Equal Treatment Act (AGG) to provide more comprehensive protection against discrimination and ensuring effective enforcement mechanisms.
  - Reviewing and updating the Act on Mandatory Working Conditions to address emerging issues and ensure fair and equal treatment for all workers.
  - Strengthening the Act on the equal participation of women and men in management positions (FüPoG) to promote greater gender diversity and representation in leadership roles.
  - Enhancing the Act on the Equal Treatment of Disabled People (BGG) to promote the inclusion and employment of disabled individuals.

- Promoting Diversity and Inclusion:
  - Implementing affirmative action policies and targeted initiatives to increase the representation of underrepresented groups, such as women, disabled individuals, and ethnic minorities, in the workforce.
  - Providing incentives and support for employers to adopt diversity and inclusion strategies, including mentoring programs, unconscious bias training, and flexible work arrangements.
  - Encouraging transparency in recruitment and promotion processes, including pay transparency, to reduce bias and promote equal opportunities.
- Addressing Pay Equity:
  - Strengthening the implementation and enforcement of the Act on transparency of pay (EntgTranspG) to ensure employers provide equal pay for equal work and address gender pay gaps.
  - Promoting awareness and education about pay equity issues among employers and employees.
  - Encouraging the use of standardized pay scales, pay audits, and regular reporting to monitor and address pay disparities.
- Supporting Vocational Education and Training:
  - Enhancing the Vocational Educational and Training Act (BBiG) to incorporate EDI principles and promote inclusive training opportunities.
  - Providing resources and support for vocational education and training institutions to develop programs that address the needs of diverse learners and promote equal access to training opportunities.
- Strengthening Social Protection and Support:
  - Improving the implementation and effectiveness of the Disabilities Act (SchwbG) to ensure the rights and inclusion of disabled individuals in the labor market.
  - Expanding and promoting programs that provide advisory assistance and representation for citizens with a low income (Beratungshilfegesetz) to support vulnerable individuals in accessing employment opportunities and navigating workplace challenges.
- Monitoring and Evaluation:
  - Establishing robust monitoring and evaluation mechanisms to assess progress, identify gaps, and address challenges related to EDI in the labor market.
  - Conducting regular surveys and data collection to track key indicators, including representation, pay equity, and workforce diversity.
  - Collaborating with employers, trade unions, and civil society organizations to gather feedback and ensure accountability in the implementation of EDI policies.

These policy options, when implemented in a coordinated and comprehensive manner, can contribute to achieving the identified objectives and promoting greater equality, diversity, and inclusion in the labor market.

The economic, social and environmental impacts of the options listed above:

Economic impacts:

- Enhanced labor force participation: By promoting equal opportunities and inclusivity, these policies can lead to increased participation of underrepresented groups in the labor market. This can expand the pool of available talent, improving productivity, innovation, and competitiveness.

- **Reduced skills gaps:** By supporting vocational education and training, these policies can help bridge skills gaps and ensure a skilled workforce that meets the demands of a diverse economy.
- **Improved workplace productivity:** Diversity and inclusion have been linked to improved problem-solving, creativity, and decision-making in organizations, which can positively impact overall productivity and efficiency.
- **Reduced turnover and recruitment costs:** Promoting inclusive work environments and addressing disparities can enhance employee satisfaction and reduce turnover rates, resulting in cost savings for businesses.
- **Increased consumer demand:** Embracing diversity and inclusive practices can appeal to a broader consumer base, leading to increased customer loyalty and demand for products and services.

#### Social Impacts:

- **Enhanced social cohesion:** By reducing discrimination and promoting equal opportunities, these policies can foster greater social cohesion and harmony within society.
- **Improved well-being and quality of life:** Creating an inclusive labor market can contribute to improved well-being and quality of life for individuals from marginalized groups who may have previously faced barriers to employment and advancement.
- **Reduced inequality:** These policies can help address systemic inequalities and promote a more equitable distribution of resources and opportunities, thereby reducing social disparities.
- **Increased social mobility:** Providing support and equal access to employment for underrepresented groups can facilitate upward social mobility and reduce intergenerational poverty.
- **Strengthened social fabric:** Embracing diversity and inclusion in the labor market can contribute to a more tolerant and accepting society, fostering a sense of belonging and social integration.

#### Environmental Impacts:

- **Increased sustainability practices:** By promoting diversity and inclusion in the workforce, organizations are more likely to adopt sustainable practices and strategies, considering a broader range of perspectives and ideas.
- **Encouraged innovation and creativity:** A diverse and inclusive workforce can lead to innovative solutions for environmental challenges, promoting eco-friendly practices and technologies.
- **Expanded environmental awareness:** By fostering an inclusive work environment, organizations can raise awareness about environmental issues and promote environmentally responsible behaviors among employees.

It is important to note that the actual impacts may vary depending on the specific context of implementation, the level of commitment and enforcement, and the engagement of relevant stakeholders. However, these policy options have the potential to generate positive economic, social, and environmental outcomes by creating more equitable and inclusive labor markets.

## How do the main options compare in terms of effectiveness, efficiency and coherence in solving the problems?

### Effectiveness:

- **Obligation to employ disabled:** This policy option, mandated by the Disabilities Act and the Principle of equality, aims to ensure that employers actively engage in hiring and accommodating disabled individuals. It directly addresses the issue of disability discrimination in the labor market and promotes equal opportunities for disabled people.
- **Act on transparency of pay:** This policy option, enacted through the Act on transparency of pay, aims to tackle gender-based pay disparities by increasing transparency and enabling employees to assess their pay relative to others. It can help address the issue of gender inequality in remuneration.
- **Act on the equal participation of women and men in management positions:** This policy option, implemented through the Act on the equal participation of women and men in management positions, targets the underrepresentation of women in leadership roles. It seeks to promote gender balance and equal opportunities for career advancement.
- **Second Act on management positions:** This policy option, introduced through the Second Act on management positions, further strengthens the efforts to achieve gender parity in leadership positions, building on the previous legislation.

### Efficiency:

- **Act on the Implementation of Measures of Occupational Safety and Health:** This policy option, regulated by the Act on the Implementation of Measures of Occupational Safety and Health, focuses on improving safety and health protections for workers. While it may not directly address EDI concerns, ensuring safe and healthy working conditions is essential for all employees, irrespective of their backgrounds.
- **Act on Mandatory Working Conditions:** This policy option, established by the Act on Mandatory Working Conditions, sets requirements for working conditions and protects workers' rights, including aspects such as working hours, breaks, and vacation entitlements. While not directly targeting EDI, it contributes to establishing a fair and equitable work environment for all employees.

### Coherence:

- **General Equal Treatment Act:** The General Equal Treatment Act (AGG) provides a comprehensive framework for combating discrimination and promoting equal treatment in various areas, including employment. It ensures a coherent approach to addressing discrimination based on factors such as age, race, ethnicity, religion, disability, sexual orientation, and gender.
- **Act on the Equal Treatment of Disabled People:** The Act on the Equal Treatment of Disabled People (BGG) specifically focuses on addressing the rights and needs of disabled individuals, ensuring coherence in the approach to disability equality within the labor market.
- **Vocational Educational and Training Act:** The Vocational Educational and Training Act (BBiG) establishes a coherent framework for vocational

education and training, ensuring that individuals have equal access to skill development and employment opportunities.

In terms of effectiveness, the policies that directly address the specific challenges related to disability (obligation to employ disabled) and gender inequality in pay and leadership positions (act on transparency of pay, act on the equal participation of women and men in management positions, and second act on management positions) are likely to be more effective in solving the targeted problems.

In terms of efficiency, policies that directly address EDI concerns, such as the obligation to employ disabled and the act on transparency of pay, can be considered more efficient as they directly target the root causes of discrimination and promote transparent and equitable practices in the labor market.

Regarding coherence, the General Equal Treatment Act, Act on the Equal Treatment of Disabled People, and Vocational Educational and Training Act provide a coherent and comprehensive framework for addressing various aspects of EDI in the labor market, ensuring a consistent approach across different dimensions of equality.

It is important to note that the effectiveness, efficiency, and coherence of these policy options can be influenced by factors such as enforcement mechanisms, stakeholder engagement, and the overall societal context. Regular monitoring, evaluation, and adjustments may be necessary to optimize their impact and ensure continuous improvement in promoting EDI in the labor market.

#### How could future monitoring and evaluation be organized?

Future monitoring and evaluation of the policies and measures aimed at promoting equality, diversity, and inclusion (EDI) in the labor market can be organized through a systematic and comprehensive approach:

**Establish clear indicators:** Define a set of measurable indicators that reflect the objectives and outcomes of the EDI policies. These indicators should capture relevant dimensions such as representation, equal treatment, pay equity, accessibility, and career progression.

**Data collection and analysis:** Ensure the collection of reliable and disaggregated data to track progress and assess the impact of the policies. This may involve gathering information from various sources, including government agencies, employers, surveys, and research studies. Data should be analyzed regularly to identify trends, gaps, and areas requiring attention.

**Stakeholder involvement:** Engage relevant stakeholders, including government bodies, employers, trade unions, advocacy groups, and affected communities, in the monitoring and evaluation process. Seek their input, feedback, and collaboration to ensure a comprehensive understanding of the issues and to validate findings.

**Periodic reporting:** Develop a reporting mechanism to communicate the findings of the monitoring and evaluation efforts to policymakers, stakeholders, and the public. This can include periodic reports, dashboards, or online platforms that provide accessible and transparent information about the progress made, challenges encountered, and future directions.



**Impact assessment:** Conduct periodic impact assessments to evaluate the effectiveness of the policies in achieving their intended outcomes. This can involve quantitative and qualitative methods, including surveys, interviews, case studies, and comparative analyses. Assess the impact on different population groups, sectors, and regions to identify disparities and areas requiring targeted interventions.

**Policy review and adaptation:** Use the findings from monitoring and evaluation to inform policy review and adaptation processes. Identify gaps, strengths, and areas of improvement, and consider adjustments to existing policies or the development of new measures to address emerging challenges.

**International benchmarks and best practices:** Benchmark the monitoring and evaluation efforts against international standards and best practices in the field of EDI. Learn from the experiences of other countries or organizations that have implemented similar policies and evaluate the transferability of successful approaches.

**Longitudinal studies:** Conduct longitudinal studies to assess the long-term impacts of the policies on the labor market dynamics, social attitudes, and the overall well-being of individuals from diverse backgrounds. This can provide insights into the sustained effects and identify any unintended consequences that may arise over time.

**Continuous engagement and learning:** Foster a culture of continuous learning and improvement by actively engaging with stakeholders, researchers, and experts in the field. Encourage dialogue, knowledge exchange, and collaboration to generate innovative ideas and refine strategies for promoting EDI in the labor market.

By adopting these approaches, future monitoring and evaluation efforts can provide valuable insights into the effectiveness, efficiency, and impact of the policies, facilitating evidence-based decision-making and the continuous advancement of EDI in the labor market.

In conclusion, the findings highlight the need for comprehensive policies and measures to address the challenges related to equality, diversity, and inclusion in the German labour market. By adopting the recommended objectives and policy options, the EU can foster a more inclusive, equitable, and sustainable labour market environment that benefits individuals, organisations, and society as a whole. The scientific analysis supports evidence-based decision-making and provides a foundation for effective policy interventions.

## Section 6: Overall Discussion & Conclusion

This section aims to utilise the findings from Germany, Work Package 2, as a key resource for informing the design and development of new micro-credential modules in Work Package 3. The primary goal is to identify any discrepancies that exist between labour market legislation and actual activity based on extensive interviews and focus groups conducted during the research process. Additionally, a comprehensive list of professional and higher education course competencies along with their corresponding learning outcomes will be presented. Any missing competencies that require immediate attention within the new micro-credential modules will also be highlighted. These findings serve as an essential foundation for ensuring that the new micro-credential modules are carefully crafted to meet industry-specific needs while aligning with learners' objectives through increased competency-based training opportunities.

### 6.1 Main findings from the research activities

#### 6.1.1 Focus Group Findings

The main findings include, but are not limited to, the following:

- While participants possess some prior knowledge about EDI topics, there exists a noticeable gap in their understanding concerning various aspects of EDI education.
- Despite being part of course programs, the focus group participants were only exposed to limited or no amount of EDI elements during their training.
- There is a need for educational institutions and organisations to prioritise incorporating comprehensive and inclusive learning modules into their curriculum.
- The lack of diversity among managers, which is often male, white, and older
- Unconscious biases and discrimination can often hinder deserving candidates from climbing up the corporate ladder.
- Women who become mothers are particularly vulnerable to discriminatory practices at work.
- The lack of a (legal) framework slows down the promotion of equality, diversity, and inclusion in the workspace.
- Participants in this study want workplaces that embody a merit-based assessment of employee performance, where each individual is evaluated based on the quality of their work output rather than other irrelevant factors.
- Key features of such workplaces include a flat hierarchy that incentivizes collaboration and open communication among employees at all levels, as well as gender balance in management positions.
- The existence of an external network or internal officers responsible for monitoring the company's implementation of EDI (equality, diversity & inclusion) policies is seen as crucial for ensuring that these values become embedded into all aspects of the workplace culture over time.

#### 6.1.2 In-depth Interviews Finding

The main findings include but are not limited to the following:

- The respondents have different focuses when it comes to EDI, but they all agree that it is important to create opportunities for minority groups, ensure

equality in the workplace, provide work-life balance, and support for employees, as well as value employee skills and abilities.

- Presence of unconscious bias, which can affect decision-making processes and lead to gender discrimination and work-family reconciliation poses unique hurdles to implementing EDI at work.
- To overcome EDI-related challenges organisations must prioritise recruiting new employees who fit into the existing culture in terms of language proficiency and cultural understanding.
- The costs associated with implementing EDI can be prohibitive, especially for small and medium-sized enterprises (SMEs).
- Addressing gaps in the legal framework becomes essential for organisations wishing to promote diversity and inclusivity within their workplaces.
- Emotional intelligence, leadership skills, interpersonal capabilities, critical thinking, and life-long learning are essential competencies in the implementation of EDI at work.
- To effectively implement EDI policies, HRM professionals need to create a culture where diversity and inclusion are valued.
- Also digitalization competencies need to be developed to provide innovative solutions for future problems.

### 6.1.3 Social Impact Assessment Findings

The Social Impact Assessment conducted in this study examined the labour market profile and legislation in Germany to assess the challenges related to equality, diversity, and inclusion (EDI). The key findings indicate persistent inequalities, barriers, and discrimination that disproportionately affect women, people with disabilities, and other minority groups. Stakeholder views vary, with employees and workers advocating for equal treatment and inclusive workplaces, while employers and business associations show varying levels of commitment to EDI. Government authorities generally support EDI, and advocacy groups actively push for policy reforms.

To address these challenges, the EU should set objectives focusing on eliminating discriminatory practices, enhancing diversity and inclusion, ensuring fair working conditions, improving representation, and promoting accessible vocational education and training. Policy options to achieve these objectives include strengthening existing legislation, implementing measures for pay transparency and inclusive hiring practices, and investing in vocational education and training programs.

The implementation of these policy options is expected to yield positive impacts. Economically, enhanced diversity and inclusion can lead to increased innovation, productivity, and competitiveness, while reducing wage gaps and utilising talents effectively. Socially, EDI measures can foster social cohesion, reduce inequalities, and improve the well-being of marginalised groups. Although the direct environmental impacts are limited, an inclusive labour market contributes to a sustainable and inclusive society, aligning with principles of social and environmental justice.

Effectiveness, efficiency, and coherence of the policy options vary. Strengthening legislation, promoting transparency, and incentivizing diversity and inclusion are identified as effective strategies, but their efficiency and coherence rely on careful implementation, monitoring, evaluation, and stakeholder engagement. The chosen

policy options should address the root causes of EDI challenges and ensure their coherent implementation, monitoring, and evaluation.

In conclusion, the Social Impact Assessment highlights the persistent inequalities and barriers in the German labour market and emphasises the importance of comprehensive policies and measures. By adopting the recommended objectives and policy options, the EU can foster a more inclusive, equitable, and sustainable labour market environment. The findings provide a foundation for evidence-based decision-making and effective policy interventions, promoting a labour market that benefits individuals, organisations, and society as a whole.

## 6.2 Learning Outcomes and Competencies

### 6.2.1 The already existing competencies

Based on the desk research activity, the following competencies were identified that are being taught, see Table 1.1. However, these competencies were identified only in 5 programs out of more almost 3,000 existing programs.

| EntreComp   | LifeComp                                      | DigComp  |
|---|---|--|
| Spotting opportunities<br>Creativity                    |   | 1.1 Browsing, searching and filtering data               |
| Vision  |   | 1.2 Evaluating data                                      |
| Valuing ideas   |   | 1.3 Managing data  |
| Ethical and sustainable thinking                        | P2.1 Readiness to review opinions and courses | 2.1 Interacting through digital technologies             |
| Self-awareness and self-efficacy                        | P2.2 Understanding and adopting new ideas     | 2.2 Sharing through digital technologies                 |
| Motivation and perseverance                             | S1 Empathy                                    | 2.3 Engaging in citizenship through digital technologies |
| Mobilising resources<br>Financial and economic literacy | S2 Communication                              | 2.4 Collaborating through digital technologies           |
| Mobilising others<br>Taking the initiative              | S3 Collaboration                              | 3.1 Developing digital content                           |
| Planning and management                                 | L1 Growth mindset                             | 3.2 Integrating and re-elaborating digital content       |
| Coping with uncertainty, ambiguity and risk             | L2 Critical thinking                          | 3.4 Programming  |
| Working with others                                     | L3.3 Reflecting on and assessing purposes     | 4.1 Protecting devices                                   |
| Learning through  |   | 4.2 Protecting personal data and privacy                 |

|            |  |  |
|------------|--|--|
| experience |  | <p>4.4 Protecting the environment</p> <p>5.1 Solving technical problems</p> <p>5.2 Identifying needs and technological responses</p> <p>5.3 Creatively using digital technologies</p> <p>5.4 Identifying digital competence gaps</p> |
|------------|--|--|

*Table 1.1 The missing European competencies*

### 6.2.2 The missing competencies

However, it has been observed that certain competencies have not received adequate attention in relation to undergraduate business management and Professional Business Management Education EDI topics and modules. As such, it is imperative that these competencies are evaluated during the course design process in light of EDI undergraduate business management education, see Table 1.2.

| EntreComp | LifeComp   | DigComp  |
|-----------|--|--|
| None      | <p>All three categories of P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour such as:</p> <p>P1.1 Awareness and expression of personal emotions, thoughts, values, and behaviour</p> <p>P1.2 Understanding and regulating personal emotions, thoughts, and behaviour, including stress responses</p> <p>P1.3 Nurturing optimism, hope, resilience, self-efficacy and a sense of purpose to support learning and action</p> | <p>2.5 Netiquette</p> <p>2.6 Managing digital identity</p> <p>3.3 Copyright and licences</p> <p>4.3 Protecting health and well-being</p> |

|  |   |  |
|--|---|--|
|  | <p>P2.3 Managing transitions in personal life, social participation, work and learning pathways, while making conscious choices and setting goals</p> <p>All three categories of P3 Wellbeing_Pursuit of life satisfaction, care of physical, mental and social health; and adoption of a sustainable lifestyle, such as</p> <p>P3.1 Awareness that individual behaviour, personal characteristics and social and environmental factors influence health and wellbeing</p> <p>P3.2 Understanding potential risks for wellbeing, and using reliable information and services for health and social protection</p> <p>P3.3 Adoption of a sustainable lifestyle that respects the environment, and the physical and mental wellbeing of self and others, while seeking and offering social support</p> |  |
|--|---|--|

*Table 1.2 The missing European competencies*

### 6.2.3 Identified competencies from the in-depth interviews and focus groups

Based on the qualitative findings from the in-depth interviews and focus groups, the following competencies listed in the table below (Table 1.3) were identified:

| Competencies Needed               | EntreComp                        | LifeComp                                       | DigComp  |
|-----------------------------------|----------------------------------|--|--|
| Dealing with Unconscious Bias and | Ethical and sustainable thinking | P1 Self-regulation_Awareness and management of | 2.3 Engaging in citizenship through digital technologies |

|                                    |  |   |  |
|------------------------------------|--|---|--|
| Discrimination                     | Self-awareness and self-efficacy<br>Taking the initiative<br>Coping with uncertainty, ambiguity and risk<br>Working with others<br>Learning through experience | emotions, thoughts and behaviour<br>P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges<br>P3 Wellbeing_Pursuit of life satisfaction, care of physical, mental and social health; and adoption of a sustainable lifestyle<br>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses<br>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and content | 2.4 Collaborating through digital technologies<br>2.5 Netiquette<br>2.6 Managing digital identity  |
| Cultural Competence                | Learning through experience  | P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour<br>P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges<br>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses<br>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and conten   | 2.3 Engaging in citizenship through digital technologies<br>2.4 Collaborating through digital technologies<br>2.5 Netiquette<br>3.1 Developing digital content<br>3.2 Integrating and re-elaborating digital content |
| Financial Literacy and Investments | Financial and economic literacy  | P2 Flexibility_Ability to manage transitions and uncertainty, and to face   | 2.4 Collaborating through digital technologies   |

|  |  |  |   |
|--|--|--|---|
|  |  | <p>challenges</p> <p>L1 Growth mindset_Belief in one's and others' potential to continuously learn and progress</p> <p>L3.3 Reflecting on and assessing purposes, processes and outcomes of learning and knowledge construction, establishing relationships across domains</p>   | <p>5.2 Identifying needs and technological responses</p> <p>5.4 Identifying digital competence gaps</p>                                     |
| <p>Knowledge of EDI Legal Frameworks</p> | <p>Planning &amp; management</p> <p>Coping with uncertainty ambiguity and risk</p> <p>Working with others</p> <p>Learning through experience</p> | <p>P3.1 Awareness that individual behaviour, personal characteristics &amp; social &amp; environmental factors influence well-being</p> <p>P3.2 Understanding potential risks for wellbeing, &amp; using reliable information &amp; services for health &amp; social Protection</p> <p>L3.3 Reflecting on and assessing purposes, processes and outcomes of learning and knowledge construction, establishing relationships across domains</p> | <p>2.3 Engaging in citizenship through digital technologies</p> <p>2.4 Collaborating through digital technologies</p> <p>2.5 Netiquette</p> |
| <p>Collaborative communication</p>       | <p>Working with others</p> <p>Ethical and sustainable thinking</p>   | <p>P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour</p> <p>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses</p> <p>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and content</p>  | <p>2.4 Collaborating through digital technologies</p>   |



|                                   |   |  |   |
|-----------------------------------|---|--|---|
|                                   |   | S3<br>Collaboration_Engagement in group activity and teamwork acknowledging and respecting others  |   |
| Leadership<br>Implementing<br>EDI | Creativity<br>Valuing ideas<br>Self-awareness and self-efficacy<br>Motivation and Perseverance<br>Planning and management<br>Learning through experience<br>Taking the initiative | P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour<br>P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges<br>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses<br>L1 Growth mindset_Belief in one's and others' potential to continuously learn and progress<br>L2 Critical thinking_Assessment of information and arguments to support reasoned conclusions and develop innovative solutions<br>L3.3 Reflecting on and assessing purposes, processes and outcomes of learning and knowledge construction, establishing relationships across domains | 2.4 Collaborating through digital technologies<br>5.3 Creatively using digital technologies<br>5.2 Identifying needs and technological responses<br>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses |
| EDI in Human Resource Management  | Working with others<br>Mobilising resources<br>Mobilising others  | P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour<br>P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges<br>P3 Wellbeing_Pursuit of life satisfaction, care of physical, mental and social health; and adoption of a sustainable  | 2.4 Collaborating through digital technologies<br>5.4 Identifying digital competence gaps   |

|                               |   |   |   |
|-------------------------------|---|---|---|
|                               |   | lifestyle<br>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and content   |   |
| EDI in Organisational Culture | Valuing ideas<br>Working with others<br>Ethical and sustainable thinking<br>Planning and management | P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges<br>P3 Wellbeing_Pursuit of life satisfaction, care of physical, mental and social health; and adoption of a sustainable lifestyle<br>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses<br>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and content<br>S3 Collaboration_Engagement in group activity and teamwork acknowledging and respecting others | 2.1 Interacting through digital technologies<br>2.4 Collaborating through digital technologies<br>5.4 Identifying digital competence gaps |
| Digitalisation and Innovation | Vision<br>Valuing ideas<br>Spotting opportunities   | L3.3 Reflecting on and assessing purposes, processes and outcomes of learning and knowledge construction, establishing relationships across domains<br>L2 Critical thinking_Assessment of information and arguments to support reasoned conclusions and develop innovative solutions<br>L1 Growth mindset_Belief in one's and others' potential to continuously learn and progress  | All competences   |

|  |  |   |  |
|--|--|---|--|
|  |  | S3<br>Collaboration_Engagement in group activity and teamwork acknowledging and respecting others |  |
|--|--|---|--|

*Table 1.3 Identified competencies from focus groups and in-depth interviews*

Besides the competences listed the following teaching methods were suggested to include when preparing the curriculum: case studies, role play, small group work, practical-oriented training.

## 6.3 Updated version of the labour market policies

### 6.3.1 Focus on impact and relevance for equal treatment etc.

There are 84.3 million people living in Germany, about half of whom are men and the other half women. The age group of 40 to 60 years represents the highest share with 23 million (as of 2022). 9.4 % of the population are disabled and 26.4 % of the inhabitants in Germany have a migration background, meaning persons who were either not born with German citizenship or who had at least one parent who was not born with German citizenship.

In 2022, 34.3 million people were in employment with social insurance. It is striking that in all age groups there are always more men than women in employment. Thus, the labour market does not yet reflect the ratio of the population. The reason for this discrepancy could be that a still classic understanding of roles leads to women staying at home more often to take on the task of raising children. The results of the analysis suggest that it is more difficult for women to return to work after the birth of a child. This is bad for the economy in Germany, because the shortage of skilled workers has an enormous impact on the productivity of German companies. This could be counteracted by creating better working conditions for women, rethinking the understanding of roles between men and women and recruiting workers from abroad.

In the various sectors, one can still identify female-dominated and male-dominated sectors. Women are particularly strong in commercial services, goods trade, distribution, hotel and tourism, business organisation, accounting, law and administration, health, social services, teaching and education, language, literature, humanities, social sciences and economics, media arts, culture and design, whereas men are represented in agriculture, forestry, livestock and horticulture, construction, architecture, surveying and building services, natural sciences, geography and information technology and extraction of raw materials, production and manufacturing. 57% of people with disabilities aged 15-64 were integrated into the labour market in 2019. They are represented to varying degrees in the different sectors of the economy. They find above-average opportunities in the public and private service sectors. Significant is also the associated sector of education and teaching as well as health and social services. Rather underrepresented in the trade, automotive repair and hospitality sectors.

Only 3.8% of employees in Germany are self-employed, of which 4.2% are women and 3.4% men.

Overall, in 2021 only 29% of the executive positions in Germany were held by women. Germany ranked in the lower third of all Member States of the European Union. The higher the management level, the more women are underrepresented. Whereas at

the board of directors/supervisory board level the ratio is 33% women to 67% men, at the CEO level it is only 3% women to 97% men. This is despite the fact that an equal proportion of women and men are qualified to attend university.

Women in leadership positions are again most often found in female-dominated sectors. The health care sector is in first place.

A special characteristic of Germany is that its industry is the foundation for growth and prosperity, and plays a much more significant role than in other European countries. In 2021, the German manufacturing sector contributed 20.2% of gross value added (Federal Statistical Office). In 2020, manufacturing companies generated 2.1 billion euros in turnover with 7.5 million people working and 20.8% of staff expenditure in this sector (Destatis Statistisches Bundesamt). In 2022 only 18.3% of women were employees in the German manufacturing industry (Statista).

In Germany, women still do not earn as much as men. Women in Germany earn an average of 18% less per hour than men (2021). This means that women receive an average gross hourly wage of EUR 19.12, which is EUR 4.08 less than men (EUR 23.20). However, in the previous years, this difference was higher. The gender pay gap in Germany has decreased by 5 percentage points over the past 15 years. In 2006 the gender pay gap was 23%.

71% (2018) of the gender pay gap can be explained by the fact that women work more often in sectors in which the pay is lower, and they less often reach managerial positions. Even with comparable work and qualifications women employees earned an average of 6% (2018) less per hour than men.

Despite laws and policies such as the General Equal Treatment Act, the Act on the Equal Treatment of Disabled People, Principle of equality (§612 Abs. 3 BGB), the Act on transparency of pay (Entgelttransparenzgesetz) and the Act on the equal participation of women and men in management positions in private and public (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst (FüPoG)), the reality on the labour market in Germany is different, and discriminatory practices still persist.

### 6.3.2 Videos of Best Practice

The German team conducted a total of 5 video interviews related to the topic of EDI in order to look at existing best practices in different workplaces. Together with VdU we selected five female entrepreneurs and managers to be the interview partners and wanted to learn how EDI looks in each of their companies, what challenges they experienced when creating their own business, which prerequisites managers need to bring to the table and also where future points of approach are in terms of EDI.

To name some of the aspects that were addressed:

- EDI means creating opportunities and safe spaces for diverse and minority groups, ensuring equality between employees, valuing and developing the skills and talents of employees, and working internationally
- All interview partners mentioned outdated role understandings as a challenge for the implementation of EDI and a great future challenge that needs to be tackled at its origins
- The role of the manager is key in implementing EDI and several key competences were named such as emotional intelligence, leadership skills,

strong interpersonal and communication capabilities and also a developed open-mindedness

Short videos of the interviews with the following companies will be available online:

- Melchers and Partner
- trainInstinct GmbH
- enzoo - simply change GmbH
- Pro Arbeit - Kreis Offenbach
- Dittelbach und Kerzler GmbH & Co. KG

## 6.4 Competencies Identified for the Microcredential Modules

A summary of the required competencies from the social impact assessment, desk research, and qualitative research activities is presented below. Each competency is mapped to the European frameworks EntreComp, LifeComp, and DigComp.

| Competencies                                     | EntreComp  | LifeComp   | DigComp   |
|--|--|--|---|
| Dealing with Unconscious Bias and Discrimination | Ethical and sustainable thinking<br>Self-awareness and self-efficacy<br>Taking the initiative<br>Coping with uncertainty, ambiguity and risk<br>Working with others<br>Learning through experience | P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour<br>P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges<br>P3 Wellbeing_Pursuit of life satisfaction, care of physical, mental and social health; and adoption of a sustainable lifestyle<br>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses<br>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and content | 2.3 Engaging in citizenship through digital technologies<br>2.4 Collaborating through digital technologies<br>2.5 Netiquette<br>2.6 Managing digital identity |
| Cultural Competence                              | Learning through experience  | P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour<br>P2 Flexibility_Ability to   | 2.3 Engaging in citizenship through digital technologies<br>2.4 Collaborating through digital technologies  |

|                                    |  |  |   |
|------------------------------------|--|--|---|
|                                    |  | <p>manage transitions and uncertainty, and to face challenges</p> <p>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses</p> <p>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and conten</p>  | <p>2.5 Netiquette</p> <p>3.1 Developing digital content</p> <p>3.2 Integrating and re-elaborating digital content</p>   |
| Financial Literacy and Investments | Financial and economic literacy  | <p>P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges</p> <p>L1 Growth mindset_Belief in one's and others' potential to continuously learn and progress</p> <p>L3.3 Reflecting on and assessing purposes, processes and outcomes of learning and knowledge construction, establishing relationships across domains</p>   | <p>2.4 Collaborating through digital technologies</p> <p>5.2 Identifying needs and technological responses</p> <p>5.4 Identifying digital competence gaps</p> |
| Knowledge of EDI Legal Frameworks  | <p>Planning &amp; management</p> <p>Coping with uncertainty and risk</p> <p>Working with others</p> <p>Learning through experience</p> | <p>P3.1 Awareness that individual behaviour, personal characteristics &amp; social &amp; environmental factors influence well-being</p> <p>P3.2 Understanding potential risks for wellbeing, &amp; using reliable information &amp; services for health &amp; social Protection</p> <p>L3.3 Reflecting on and assessing purposes, processes and outcomes of learning and knowledge construction, establishing relationships across domains</p> | <p>2.3 Engaging in citizenship through digital technologies</p> <p>2.4 Collaborating through digital technologies</p> <p>2.5 Netiquette</p>                   |

|                                    |  |   |   |
|------------------------------------|--|---|---|
| <p>Collaborative communication</p> | <p>Working with others<br/>Ethical and sustainable thinking</p>  | <p>P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour<br/>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses<br/>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and content<br/>S3 Collaboration_Engagement in group activity and teamwork acknowledging and respecting others</p>  | <p>2.4 Collaborating through digital technologies</p>   |
| <p>Leadership Implementing EDI</p> | <p>Creativity<br/>Valuing ideas<br/>Self-awareness and self-efficacy<br/>Motivation and Perseverance<br/>Planning and management<br/>Learning through experience<br/>Taking the initiative</p> | <p>P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour<br/>P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges<br/>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses<br/>L1 Growth mindset_Belief in one's and others' potential to continuously learn and progress<br/>L2 Critical thinking_Assessment of information and arguments to support reasoned conclusions and develop innovative solutions<br/>L3.3 Reflecting on and assessing purposes,</p> | <p>2.4 Collaborating through digital technologies<br/>5.3 Creatively using digital technologies<br/>5.2 Identifying needs and technological responses<br/>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses</p> |

|                                  |   |  |   |
|----------------------------------|---|--|---|
|                                  |   | processes and outcomes of learning and knowledge construction, establishing relationships across domains   |   |
| EDI in Human Resource Management | Working with others<br>Mobilising resources<br>Mobilising others                                    | P1 Self-regulation_Awareness and management of emotions, thoughts and behaviour<br>P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges<br>P3 Wellbeing_Pursuit of life satisfaction, care of physical, mental and social health; and adoption of a sustainable lifestyle<br>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and content  | 2.4 Collaborating through digital technologies<br>5.4 Identifying digital competence gaps   |
| EDI in Organisational Culture    | Valuing ideas<br>Working with others<br>Ethical and sustainable thinking<br>Planning and management | P2 Flexibility_Ability to manage transitions and uncertainty, and to face challenges<br>P3 Wellbeing_Pursuit of life satisfaction, care of physical, mental and social health; and adoption of a sustainable lifestyle<br>S1 Empathy_The understanding of another person's emotions, experiences and values, and the provision of appropriate responses<br>S2 Communication_Use of relevant communication strategies, domain-specific codes and tools, depending on the context and content<br>S3<br>Collaboration_Engagement in group activity and teamwork acknowledging | 2.1 Interacting through digital technologies<br>2.4 Collaborating through digital technologies<br>5.4 Identifying digital competence gaps |



|                               |   |  |                 |
|-------------------------------|---|--|-----------------|
|                               |   | and respecting others  |                 |
| Digitalisation and Innovation | Vision<br>Valuing ideas<br>Spotting opportunities | L3.3 Reflecting on and assessing purposes, processes and outcomes of learning and knowledge construction, establishing relationships across domains<br>L2 Critical thinking_Assessment of information and arguments to support reasoned conclusions and develop innovative solutions<br>L1 Growth mindset_Belief in one's and others' potential to continuously learn and progress<br>S3 Collaboration_Engagement in group activity and teamwork acknowledging and respecting others | All competences |

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Information on EU social impact assessment

<https://ec.europa.eu/social/main.jsp?langId=en&catId=307>

Statistical information on the German labour market

[https://www.destatis.de/EN/Themes/Labour/Labour-Market/\\_node.html](https://www.destatis.de/EN/Themes/Labour/Labour-Market/_node.html)

<https://www.statista.com/markets/>

Bundesagentur für Arbeit und Statistik

<https://www.arbeitsagentur.de/news/arbeitsmarkt>

Information on German industrial sectors

<https://www.zvei.org/>

<https://www.bmwk.de/Navigation/EN/Home/home.html>

<https://www.statista.com/studies-and-reports/industries-and-markets>

For German Labour Law information

[https://www.hensche.de/Rechtsanwalt\\_Arbeitsrecht\\_Gesetze\\_AGG.html](https://www.hensche.de/Rechtsanwalt_Arbeitsrecht_Gesetze_AGG.html)

Sources for information on HEI and CLT courses

<https://www.iu-akademie.de/weiterbildungen/>

<https://www.kursfinder.de/>

<https://studieren.de/>

German partners in EDIFY-EDU

<https://www.proarbeit-kreis-of.de/>

<https://femalefounderspace.com/>

<https://tu-dresden.de/>

For information on TUD inclusion policies

<https://tu-dresden.de/tu-dresden/universitaetskultur/diversitaet-inklusion/gleichstellung>