

EFQM 2000 - İstanbul

Dr. Argüden's Opening Speech

MANAGING DIVERSITY

Ladies and Gentlemen,

It is a great pleasure and honor for me to address you to open the EFQM Forum 2000, here in İstanbul. The Turkish quality community is proud to host you all, for the first major Quality event of the new millennium, in this city of rich historical and cultural heritage.

On behalf of KalDer, The Turkish Quality Association, I wish the Forum to be a productive and stimulating experience for all the participants and an enjoyable short vacation for those who stay thereafter to enjoy the natural and historical riches of Türkiye.

I am particularly happy to note that the attendance to Forum 2000 far exceeds the highest ever recorded up till now. Please allow me to thank and congratulate all the individuals and the institutions that supported and participated in organizing this event. In the organization committee, we have tried to utilize the experience gained from organizing our National Quality Congress, which incidentally has been the largest in Europe for the last three years and awarded the "Best Congress Award" in Türkiye for two years in a row. We hope that you will be pleased with both the content and the logistics of the organization throughout your stay.

Istanbul, is just the right setting for our theme "Managing Diversity: A Bridge to Excellence." We have a long experience in managing diversity in a city where peoples, cultures, religions, and ideas met and merged. I hope that in this city, where hundreds of years of cultural diversity is still visible in every corner, will inspire us in our work for diversity management.

This theme is becoming ever important, not only to better manage our companies, but also to have a better functioning global governance system. Let me start from the company perspective. The two key issues facing the business leaders today are attracting talented people and managing the restructuring of industries through mergers, acquisitions, and partnerships. In attracting talented people we all have to reach out to a more diverse pool of individuals: in terms of their age profile, gender, nationality, religious backgrounds, ethnicities, and sexual preferences. Many countries are modifying their laws to follow capabilities based immigration policies.

However, individuals come as a package both with their talent and their backgrounds. Therefore, if we are to retain talent, we have to appreciate and cater for their differences.

Last year the value of mergers and acquisitions was \$3.4 trillion worldwide, an increase of 35% from the previous year. Also last year, M&A activity in Europe surpassed that of the US. However, as the Economist has suggested “Are mergers like second marriages, a triumph of hope over experience?” “Cultural differences” whether corporate or national are often blamed for failures. Are such critics right?

Cultures are real forces for change or stagnation, but it is important to remember that cultural structures are created. However, when we talk about cultural resistance to mergers, to a large extent we are talking about entrenched interests and incentives. Therefore, it is up to the management to devise policies to set up new incentive structures and to manage diversity. As ABB has discovered during its painstaking merger process “the true merger process does not come automatically or naturally – it is unnatural and takes management determination.”

Now, coming back to the global governance perspective.

Five hundred years ago, Cabeza de Vaco, a Spanish Explorer and one of the first inter-continental travelers, wrote to the Spanish King that the strange people living in this newly discovered continent, America, were as human as the Europeans and should be treated as such. In doing so, he became the writer of one of the first books on human rights and diversity management. At a time when the human genome is deciphered, and information processing is reaching mind boggling speeds, and costless communication in the form of free internet service is around the corner, we now have to consider the right of every one of six billion inhabitants of the world to participate in our governance structures.

Today, individuals’ urge to shape their future collectively is greater than ever. Their quest for new ways of governance is leading to fundamental changes whereby individuals, private and public institutions try to harmonise their diverse interests through complicated interactive decision making processes. New governance mechanisms involve new, variable, temporary or lasting partnerships, and networks whose rules of engagement are yet to be formalized.

Today, protection of free trade and clean environment, fight against terrorism and international crime organizations, and issues such as celestial property rights require supra-national governance structures. As important powers and

functions are transferred away from the nation-state through consensual delegation of sovereignty, governance is inescapably becoming multilevel, as we can observe from the case of the European Union. And the key issue is becoming the inclusion of the masses into these multi-level governance structures.

At the same time, we should be aware of the two main threats originating from the nature of globalization-localization dualism and their potential for both integration and exclusion at the same time. The first of these threats is the ethnic, national or religion based conflicts which display a tendency to spread, and in some cases turn into ethnic cleansing. Stopping that nightmare will doubtlessly be one of the top priorities of a new global governance structure committed to the vision of democracy and equity.

In addition to this threat which tends to divide people with their geographic borders, common ancestry or religious beliefs, there is a second one discriminating people on the basis of their social positions. This is an outcome of the communication revolution which has *de facto* enabled the present level of globalization. Currently, there are serious imbalances in access to information and even the most basic technology. Two billion people - one in three individuals in the world – still lack electricity. In the early 1990's Bangladesh, China, Egypt, India, Indonesia, and Nigeria together had fewer telephone connections than Canada which has only 27m people.

Lack of appropriate infrastructure and the lack of education to participate in the new world of “connected society” is presenting a serious threat to establishing new governance structures based on the principles of democracy and equity. While for the “connected society”, the focus of exchanges in a wide range of fields from economy and politics to culture and social life is shifting from the real to the virtual sphere; and patterns of life, work, and sharing relationships are undergoing radical changes, those who are unable to catch up with this revolution are left outside the system at an increased pace. This development presents the danger of an alienated two-tier society in contrast to the exciting prospect of efficient governance patterns based on the principles of democracy and equity.

Unless we can provide an equitable distribution of knowledge and means of communication among the people, we cannot lead humanity to a world free of discrimination, prejudice, and animosity. This requires not only a reform in what and how we teach our children, but also a rethinking of the global priorities to make education of the masses the top priority.

Otherwise, humanity will be shaken by the fault line between the enlightened and the ignorant. This fault line differs from the geological one in that while the

latter is a physical phenomenon, the former is in the minds of people, the most valuable piece of property in the new millennium. Therefore, it is more difficult to observe and more difficult to repair.

Therefore we have to ask: How can we incorporate the people into the new order of multi-level governance structures? Is our infrastructure and more importantly infrastructure of the individuals (i.e. their education level) sufficient to allow such an involvement? If not, are we leaving huge masses out of the governance structures? If so, is this sustainable and is this compatible with our value systems? Will we need another Cabeza de Vaco to remind us that all of the 6 billion inhabitants of our planet are humans? Therefore, do we need a major international education effort to peacefully and meaningfully engage all the people in our new global governance structure?

I am happy to inform you that The Turkish Ministry of Education has signed up for the National Quality Movement initiated by KalDer to utilize the EFQM Excellence Model to reform the management of education in Türkiye. This, perhaps, is the largest public sector NGO partnership in our country. We hope that this effort will help our children to become responsible global citizens. However, we should all admit that we have a long route to travel both in educating our people and in reforming our governance structures. Before closing, I would submit to you that Türkiye, the proud custodian of this land and civilizations, is endowed with the experience to contribute to refinement of diversity management. When we look at our own history, the history of the Ottoman and Anatolian civilizations, what we see is great fluidity between religions and communities. It becomes evident that our tradition, particularly highlighted in its sufi variant, embodies a philosophy of great tolerance and accommodation. We came to appreciate the greatness of poets and thinkers like Yunus Emre, Hacı Bektas Veli, and Mevlana Celaleddin Rumi. It was Yunus Emre, the great sufi poet and thinker of the 13th century, who advised "Regard the other, as you regard yourself, this is the meaning of four holy books, if there is any."

Just as in the new movement of alternative medicine where the old traditions of eastern cultures are providing the keys to healing of the body and the mind as a whole, the new developments in management thinking can benefit from the traditions of old civilizations. For example, our tradition of accommodation and tolerance is the reason why until late 19th century the Ottoman political order did not experience ethnic discrimination. When we dig deep into our traditions and historical experience, we can find vast amounts of raw material for the new managers of diversity to mine. Türkiye with its deep rooted experience of managing diversity will certainly contribute to the international process of furthering the progress towards better governance of Europe and the world.

In short I have two messages: (1) Success in the new millennium requires **incorporation of diversity** into our **governance structures**. (2) Türkiye can meaningfully contribute to enrich Europe not only by providing new **dimensions of diversity**, but also with her vast **experience of managing diversity** that dates back hundreds of years.

Managing diversity is managing your own self. Managing diversity is ridding ourselves from our fears, opening our eyes and hearts to new perspectives, and “regarding others, as we regard ourselves.”

I sincerely hope that by the end of this Forum, we will not only learn a great deal more about managing diversity to become better leaders in our own communities, but also, through others with different backgrounds, start to better understand ourselves to become fuller individuals.

Thank you.