Concern over the management of cultural diversity in firms has a long history. It received a significant boost in the 1990s with the shift from theoretical discussion to the practice of diversity management in firms (Jackson et al. 1992; Motorola 1998). Since then interest has continued to grow and a simple example of that is the special edition of the *Journal of Business Ethics*, edited by Melé and Sánchez-Runde published a few months ago (Melé and Sánchez-Runde, 2013).

Various factors are responsible for this development. Firstly, the demographic evolution of societies has brought constant intense growth in diversity of cultures, traditions and beliefs, among others. Furthermore, and specifically in reference to firms, this diversity has become evident internally in the many different cultures working in the firm and externally in the diverse stakeholders it has to dialogue with. This situation has a prominent and significant role in Europe and has been treated at social level in the last decade. The Euroethos project (Calder and Ceva, 2011) attempted a comparative analysis of the differential treatment and negotiation of minority issues in Europe in the public and social sphere (González, Lozano and Pérez 2009) and in the sphere of public institutions (Lozano, Pérez and Gonzalez, 2008). The conclusions of this social and political project are applicable to the business sphere and firms.

Management of cultural diversity in firms has often been considered a matter of economic and strategic efficiency as a way of preventing conflict at work and improving productivity. Fortunately, other authors (Steinmann and Schrer, 1998; Pless and Maak, 2004; Das Neves and Melé, 2013; Chinchilla and Cruz, 2011) have approached the issue from its ethical dimension, noting that diversity management is a fundamental policy matter and that before proposing actions or strategies to manage diversity, the basic
principles of fair coexistence must be debated and supported. This paper forms part of that basic task of debating and considering the key concept for managing diversity. The objective of this article is to defend a concept of respect which goes beyond tolerance and non discrimination as the fundamental basis of cultural diversity management in firms.

To achieve this objective we begin with a critical review of the main theories and trends that have proposed a variety of definitions for the concept of tolerance and its implications. The paper proposes a concept of respect that surpasses the concept of tolerance as non discrimination, neutrality or indifference and is based on the principles of equality, difference and positive interaction. This conceptual distinction between tolerance and respect has great practical significance as it has implications for cultural diversity management attitudes and policies.

Many philosophers have used the concept of tolerance to refer to the coexistence in society of different religious orientations, contemplating it as the only possible way of living in peace. Since Locke's "A Letter Concerning Toleration" written in 1667 through to the present, this concept continues to be used to propose a minimum social peace. Thus the aim of tolerance has been understood to be the achievement of "peaceful coexistence". This concept of tolerance emerged in the 16th Century in the field of religion with the aim of establishing peaceful coexistence in a divided Europe (Habermas, 2005).

Locke’s (1667) proposed restrictive concept of tolerance was significantly transformed with the contribution from Voltaire (1763) who introduces reason as human beings' ability to reflect on what is and what is not tolerable. After that, reason became a central concept for the next schools of thought. Thus Marxism explores the contribution from Marcuse and his concept of 'repressive tolerance' (Marcuse, 1977). Rawls (1978) likens tolerance to respect, an issue discussed in this work. This paper also examines comunitarianism represented by Walzer (1998), for whom tolerance is a mechanism that enables difference. Finally, we look at Habermas (2005) who sees tolerance as a tool for containing conflict in diverse societies.

After this critical review, respect is presented as a more inclusive concept containing rationality, recognition and dialogue as essential elements for managing interculturality in the firm (Steinmann and Scherer, 1998; Cortina, 1994, 1997; Pless and Maak, 2004).
The proposal here is to move from a culture of tolerance to one of respect, recognition and equality. The paper discusses the contributions of interculturalism to multiculturalism and their different proposals for diversity management. The aim is to move from a situation that forces "putting up with" difference to one where difference is valued and recognition of true intercultural dynamics is paramount.

According to Thomas and Ely (2001), there have been three ways of managing cultural diversity, from the establishment of quotas (in order to comply with current legislation on positive discrimination), to seeing cultural difference as prestigious for the firm, and the vision of cultural diversity as a valuable learning resource for an organisation. However, the main approach has been to link diversity management to issues of efficiency and competitive advantage.

This paper argues that cultural diversity management should be directed at generating a business culture of inclusion (Pless and Maak, 2004). It is not (just) a question of avoiding discrimination, but also of applying an intercultural approach to all the firm's outward and inward actions, based on equality, difference and positive interaction that leads to real situation of respectful dialogue and recognition of difference.

**Key words:** Tolerance, Respect, Recognition, Diversity Management, Interculturalism.