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# AN INVESTIGATION INTO THE INFLUENCE OF CULTURAL DIVERSITY IN SME ORGANISATIONS IN DUBLIN

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# ABSTACT

The purpose of this research is to discover how cultural diversity is managed in organisations in order to explore the influence that has in organisations. The research was conducted to three small and medium enterprises in Dublin, where a case study was build for each organisation and then a comparison between the companies has been carried out. The theoretical framework explored cultural diversity in organisations as well as positive and negative implications; consequently, the International Model of Cultural Diversity was selected as a theoretical framework to base the research on it.

The investigation looks at an interpretivist philosophy. This is an explanatory research and multiple case-study design with a qualitative strategy. The empirical data was carried out through interviews and the main findings were breaking down by the diverse climate, the individual outcomes and the organisational effectiveness according to the model selected. Coding and pattern matching were the main techniques for the analysis of the data. The main limitations were the little access provided from one organisation and therefore the implications were an incomplete analysis to that specific organisation. Nonetheless, for the other organisations, the analysis of the findings suggests that cultural diversity has positive outcomes in the three organisations.

For companies, the research contributes to a better understanding of multiculturalism in organisations and how important it is to understand the benefits and challenges that cultural diversity represents in order to manage it adequately.

Keywords: Cultural Diversity. Organisations.

# DECLARATION

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award of Master of Science in Management, entitled "AN INVESTIGATION INTO THE INFLUENCE OF CULTURAL DIVERSITY IN SME ORGANISATIONS IN DUBLIN is entirely my own work and has not been taken from the work of others.

Signed: ……………………………

Date: 01$^{st}$ September 2014

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# ACKNOWLEDGEMENT

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# INTRODUCTION

With the evolution of globalisation one of the first advances that could be noticed are the advances of technology in communications. As a consequence the world seems to have been narrowed down to just the internet. Thus, the increasing number of people moving from one place to another had created new places of living and work all around the world. The trade of goods from one continent to another has caused us to interact with other cultures and step by step to adopt and accept more easily other cultures. This describes how cultural diversity is a new phenomenon that doesn't seem to stop growing.

Seymen (2006) indicates 'cultural diversity emerging from the multinational business workforce structure, particularly with globalisation, gets organisations to come across with positive and/or negative conclusions brought on by this diversity'. And it is not surprising to expect positive and negative outcomes when talking about cultural diversity because it is as broad as different cultures are in world, but the question is, how to extract the best outcomes. Cultural diversity as described by Cox (1991) 'there is value in diversity that can be fully realized by diversity and pluralism in the work place given by multiculturalism', but for been new in the organisational context, cultural diversity needs to be understood and well managed as to leverage the value in it. Nonetheless cultural diversity also represents challenges for organisation, as established by Cox & Smolinski (1994) 'Unless the effects of diversity are well managed, turnover, miscommunication, and interpersonal conflict may increase leading to lower productivity and ultimately lower performance on profit, market share or other strategic goals'. This could be a risk that any organisation can face if this phenomenon is not understood.

This investigation aims to understand how cultural diversity is managed in organisations in order to discover how cultural diversity influences organisations. In this context a model called the "International Model of Cultural Diversity" was selected for this evaluation. Three Small and Medium enterprises were selected to

conduct the research; the selection was based in a highly level of multiculturalism. A theoretical framework was developed to get in-depth on the topic and a set of research objectives in order to conduct the investigation. The main findings were conducted through interviews and the empirical data was analysed through some qualitative techniques.

Authors have argued that diversity is not a problem to be fixed, diversity is an opportunity to be leveraged, according to Blake – Beard, Finley – Hevey and Harquail (2008). But cultural diversity is also argued to create conflict and miscommunication. This research looks at the insights of this phenomenon by analysing cultural diversity in real life situations in organisations. The main segments include diverse climate, individual outcomes and organisational effectiveness.

The purpose of this investigation is to get a better understanding of multicultural organisation in Dublin and how their management practices influence cultural diversity and therefore the organisational effectiveness of the company according to the model selected. The importance of this research relates to the fact that managers and organisations need to acknowledge and be inclusive with different cultural backgrounds workforce as a potential advantage, also as discussed in the literature review, cultural diversity can attract and retain diverse customers and gain a competitive advantage. A few positive outcomes also add marketing, innovation/creativity and problem solving.

The following chapters address the literature review which contains the theoretical implications and concepts of the topic. It presents an insight of culture and diversity separately, the types of diversity in organisations, tools for managing cultural diversity and some models that are analysed in order to choose the one for the evaluation of the present research. Consequently, the following chapter is the methodology chapter which explains the design of research and the data collection of the investigation, finally, the empirical findings and discussion. Then, the lastly chapter relates to the conclusions.

# CHAPTER I. LITERATURE REVIEW

This section is assigned to review the relevant literature related to cultural diversity in order to learn and get a better understanding of the following concepts and theories emerged from relevant literature of the topic. This section will start with a general view of culture and diversity to gear into cultural diversity & organisations, followed by the positive and negative effects of diversity in organisations and therefore managing cultural diversity with the analysis of few Cox's Models. Finally a brief discussion that would recap the literature review of this chapter with an analysis of the relevant literature of the investigation.

## 1. Cultural Diversity

This section will explore the concepts of culture and diversity followed by discussing the term cultural diversity in organisations and the layers of diversity in the organisation. Consequently the literature leads to a discussion with the perspectives of a few investigations on this topic.

### 1.1 What is culture?

We refer to culture when we are trying to understand different beliefs, values and behaviours; it generally grows with generations and varies from nationalities, towns, religions etc. According to Trompenaars (1998), culture is man-made, confirmed by others, conventionalised and passed on for younger people or newcomers to learn. However within each culture not all the people have the same values, norms and assumptions. Trompenaars, also stated that, the shared meanings of a group are within them and cause them to interpret things in particular ways, but are also open to be changed if more effective "solutions" to problems of survival are desired by the

group. In other words, within cultures there are differences that lead to new solutions in where the problems and the way to solve it distinguish one culture from another.

According to Hofstede (1984) culture is the collective programming of the mind which distinguishes the members of one category of people from another. Hofstede also made the important point in where stated that the acts of the culture can be visible but the meaning can be invisible. In this context we must consider the rationality and irrationality that exists as a guide of man's behaviour in every culture, the motivations and expectations and the model that can shape its behaviour. Culture may also influence the dynamics in a workplace and the way they do business. According to Trompenaars (1998), the impact that culture has in business can vary from one place to another, reason why there is a need for standardization in organisational systems and procedures, which is what globalization has brought to the 21st century, the dismiss of cultural barriers and the standardization of many food and products that we can find almost all around the world.

However culture is also a set of values and behaviours adapted and implemented for a common goal as organisations do. According to Alvesson (2002, p. 3) organisational cultural is defined as 'the shared rules governing cognitive and affective aspects of membership in an organisation, and the means whereby they are shaped and expressed'. Organisational culture establishes the principal tool for a well managed organisation, as Mann (2010) stated 'the culture of an organisation is more than behaviour. It is the balance between the strategic focus and the values ethos'.

In the organisational context, national culture and organisational culture play an important role that can leverage or minimise synergy in the organisation. Though, this research focuses on the culture that varies from nationalities, towns and religions from the workforce in an organisation. In other words, multicultural organisations or cultural diversity workforce. Cox (1991), claims that there is value in diversity that can be fully realized by diversity and pluralism in the work place given by multiculturalism. Also it is defended by Sarala & Vaara (2010) that national cultural differences provide great potential for knowledge transfer, showing that cultural integration in the form of organisational cultural convergence and cultural crossvergence is crucial in such knowledge transfer. Sarala & Vaara (2010) in their

study also found that 'cultural integration creates a positive social dynamic environment' there are several authors that advocate their research in the cultural field; this will be discussed in following segments when presenting positive and negative effects of cultural diversity.

## 1.2. What is diversity?

Pitts (2005) defines diversity as 'a social-psychological phenomenon based in a sense of "likeness" and "otherness'. As globalization contributes to the enrichment of different groups of people with different cultures around the world, diversity generates differences in numbers, in race and gender. Diversity refers to 'all of the ways in which people are different, this includes individual, group, and cultural differences' Bucher & Bucher (2010). Diversity also possess different dimensions depending on the point of looking at it, nowadays the term diversity has been expanding continuously due to it is a multidimensional concept. In terms of this research we will look at cultural diversity in organisations. Seymen (2006) defines diversity as 'a mixture of people with different group identities within the same social system'.

'Diversity is about understanding each other and moving beyond simple tolerance to embracing and celebrating the rich dimensions of diversity contained within each individual'. Mlliken, & Martins (1996). They also argued that organisations will understand more and more the benefits for their diverse work forces, as also to make strategies to enhance the workforce strategies. Besides, Mlliken & Martins (1996) also stated that a common definition of diversity will lead to less confusion of the concept. Cox (2008) endorses that 'Different dimensions of diversity seem to have a different degree of impact on performance, depending on the specific situational conditions'; in this context the authors mentioned above suggest a common definition of diversity and an explanation of the dimensions that diversity involves with it, this point will be further explained.

There are two main streams in where research focuses more, those perspectives are the visible aspects of diversity and the whole complex dimensions that diversity has. According to Cox and Smolinsky (1994) they define diversity as: 'The representation of people of different group identities in the same organisational social system' in this definition the authors subsumed characteristics of social categories and social groups. Cox and Smolinsky (1994) stated that managing diversity is a proactive attention and efforts of managers and other employees to respond effectively to the challenges posed by diversity in work groups' in this context is important to mention that manage diversity represent challenges for managers, however there are proactive attention and efforts for managing diversity successfully according to Cox and Smolinsky (1994).

As stated by Friday & Friday (2003) 'Over the past few decades, academicians, practitioners and organisational researchers have recognized that diversity is a phenomenon that has a wide array of affects within the workplace, and society in general' However there are other authors that base their research on analysing diversity effects on teams and found out that 'diversity y affects teams through process losses and gains associated with increased divergence and decreased convergence' Stahl, Maznevski, Voigot, Jonson, (2010). This topic will be analysed in further sections.

### 1.3. Cultural diversity & organisations

For this research cultural diversity will be defined as "the variety of people with different cultural backgrounds in the same organisational system"

According to Hofstede (1992) an organisation is a social system of a different nature than a nation' in this context, organisations are the influence of work. Cultural diversity according to (Cox) is the representation in one social system, of people with distinctly different group affiliations of cultural significance. The significance of differences between people is what makes vulnerable and organisation in terms of effectiveness, decision making and a peaceful working environment. Cox also states that it is well known that understanding the effects of culture on human behaviour is

crucial to the business success. In this context, is necessary to understand the complexity of cultural diversity in organisations and how they can work together effectively.

Gardensuwartz & Rowe (2003) stated 'how do we manage diversity in organisations to reap its potential benefits? At its core, diversity is about inclusion and exclusion'. It is well known that multiculturalism is a growing figure in employers nowadays in every type of companies. Nevertheless this represents a challenge for organisations that are willing to manage cultural diversity effectively. According to Cox who argues that the most direct and effective way to promote influence of minority-culture norms on organisational decision making is to achieve cultural diversity at all organisation levels' he also argues that managers now days want to transform the plural organisations, into multicultural organisations and thus will create an environment in which all members can contribute to their maximal potential.

Gardensuwartz & Rowe (2003) also pronounced that cultural diversity has to be well defined for the organisation and to accomplish so, it is necessary to involve the inclusion and exclusion that is involved in the organisation every day. In this context they present a model of the four layers of diversity. See figure 1. The four layers of diversity.

1. Personality: this layer is related to the individual stile, whether the person is introvert or extravert, all the influence how the individual will be treated and get along with others in the organisation.
2. The internal dimension: this layer comprises race, age, gender, ethnicity, physical ability and sexual orientation which are influences of treatment in organisations.
3. The external dimension: Comprises the results of life, experiences and choices, in this layer employees can be connected or disconnect, be valued or disrespected in the organisation depending on how is managed this dimension.
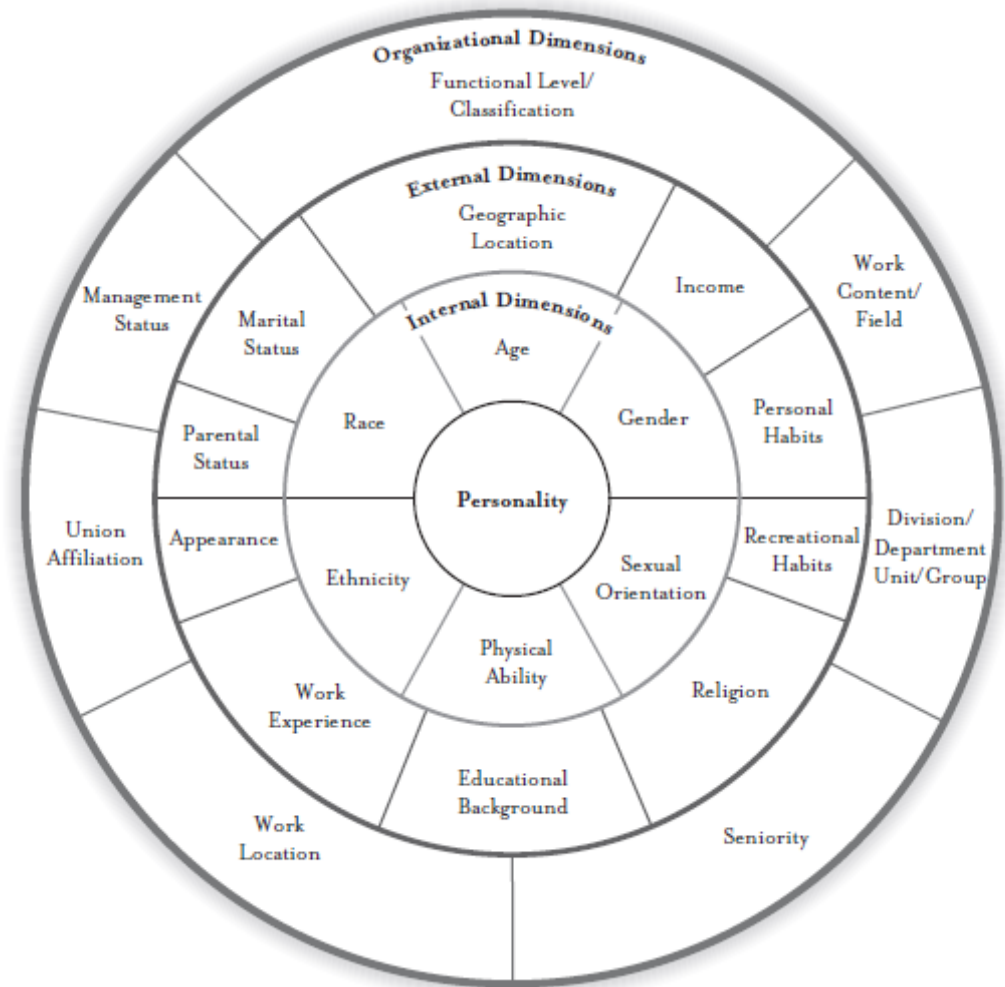
Figure 1. The four layers of diversity. Gardensuwartz & Rowe (2003)

The figure represents the dimensions of diversity in where there is inclusion and exclusion around the centric circles:

4.  Organisational dimension: involves all the aspects of similarities or differences in the organisation that are part of work.

These areas represent the aspect of similarity of common ground as well as differences, however these dimensions can affect employee's treatment as well as the productivity of the organisation.

According to Hoge (2010) cultural diversity is a highly complex field with multiple distinctions and the majority of attributes cannot be discovered immediately. Cox researches also agree that diversity must be seen from different points of evaluation

as: structural integration, informal integration, stereotyping, prejudge and discrimination in gender, age, religion and work. Some researchers agree on the importance of separate the visible and invisible attributes of cultural diversity in organisations. Trompenaars (1998) also makes an emphasis on gender, ethnic and functional diversity known as the 'melting pot'.

## 2. Effects of Cultural Diversity in Organisations

Cultural diversity represents challenges in organisations; due to the fact that it has effects that can influence the organisational climate in the workplace. Hoge (2010) reports that not properly managed, the diversity of the employees can have a negative impact on the whole organisation and it can result in a devaluation of minorities. Hoge studies suggest that there are positive and negative effects from cultural diversity and this will be influence by the organisational climate in the organisation. However there are other authors that base their research on the good effects that cultural diversity provides to organisations. 'It is well known that understanding the effects of culture on human behaviour is crucial to the business success' Cox (1993). Following this statement, Bell (2007. p 465) argues that 'organisations and their leaders should welcome the challenges of diversity, minimize the threats, and capitalize on the opportunities resulting from diversity' in this context, the following section analyses the positive and negative effects of cultural diversity in the organisation.

### 2.1 Positive Effects

Many authors have complied enormous work on the cultural diversity topic, as a positive factor for organisations when it is well managed. Thomas & Ely (1996) suggest that cultural diversity is a potentially valuable resource that the organisation can use... as its core to rethink and reconfigure its primary tasks. It is said that cultural diversity present challenges in organisations in terms of managing the workforce to be integrated and heterogeneous. This leads to a synergy in workgroups that could leverage effectively decision making, problem solving and even costs in

the organisation. 'Organisation's ability to attract, retain and motivate people from different cultural backgrounds, may led to competitive advantages in cost structures and though maintaining the highest quality human resources'. Observes Cox & Blake (1991). The further points examine some of those mentioned positive effects.

- Marketing strategy

As the boom of the globalization keep growing every day, markets had the necessity to become more culturally diverse. According to Cox & Smolinski (1994) 'research on consumer behaviour has consistently shown that sociocultural identities do affect buying behaviour'. In this context the author also refers to the importance on the strategies that organisations take towards cultural diversity in their teamwork, due to enhance to an increase in market share. Cox & Smolinski (1994) also pointed out 'This type of diversity-leveraging to improve marketing is reported by a variety of other organisations in a variety of industries ranging from local grocery stores to newspapers and cosmetics'.

- Problem solving and creativity

According to Cox& Smolinski (1994) diversity is cited by innovation gurus to be key ingredient in creativity. With the pass of the years and the movement of people from one place to another in the world, have make of customers to be more open to new ideas, products and food, therefore a cultural diverse workforce in organisation will exponentially increase creativity and innovation. As suggested by Cox & Smolinski (1994) in an experiment realized to a cultural diverse force, the heterogeneous team were more creative than the homogeneous group formed from the research. That is to say that as Cox maintains in his researches heterogeneous groups are more successfully in innovation. Problem solving is also frequently influenced by heterogeneous and homogeneous groups; research on the field shows that 'that the diverse groups may have had more difficulty working together initially leading to lower performance than the homogeneous groups, but over time, as they worked through these difficulties, the advantages of diverse groups for problem

solving, began to be realized'. As observed by Cox & Smolinski (1994) therefore the cohesiveness of the group will dictate their capacity to problem solving.

- Cost and savings.

'Managing diversity can improve cost structures of organisations and increase the quality of human resources' Cox (2008), with the decrease of the barriers of globalization, more and more organisations are hiring diverse workforce, however this can represent a challenge for managers that need to adapt structures and personal to the policies of the organisation. As Hoge (2010) claims that 'women and other minorities are often unsatisfied with their jobs and consequently have higher turnover rates and absenteeism', this represents in the organisation a bad management of the diversity, especially with the current demographic developments it will therefore lead to an explosion of recruitment and personnel costs.

Nevertheless according to the European Commission (2003) 'Investments in diversity policies contribute to a strategy of long-term value creation by creating and strengthening human and organisational capital' in this context also according to Cox& Smolinski (1994), those organisations that have a successfully integrated cultural diverse workforce have low turnover. In other words, a well managed cultural diverse force entails to low turnover and therefore to cost savings. As Hoge (2010) reported, 'organisations will attract the best available experts of the market and motivate other employers to copy their strategy, stay equally competitive and flourish their businesses'.

- System flexibility

Sargeant & Sue-Chan (2001): In their study of racioethnic diversity and group effectiveness, they found that 'diversity improved group efficacy – measured in the group members' own perception – as long as the group was able to maintain good cohesion'. In this case, a process promoting group cohesion could be considered as an adequate measure of diversity management, Cox (2008). System flexibility relates

to the fact that the organisation become more flexible in terms of adaptation of structures and methods that react to change in the needs. According to Hoge (2010) 'these flexible structures are necessary to be able to attract a diverse workforce and to warrant employee and customer satisfaction as well as fluidity of corporate processes', in other words the organisation will reach effectiveness and flexibility by adapting new measurements to their policies and strategies, and employee turnover therefore will be minimized.

### 2.2. Negative Effects

Looking at the negative effects, management and scientist often focus more on the challenges than rather the negative effects that cultural diversity can bring, possibly due to the fact that can be called racist or discriminating. Hoge (2010) argues that 'The majority solely focuses on the positive effects and outcomes a heterogeneous workforce can have and argue that negative impacts of diversity only occur because of ineffective management and wrong approaches' nevertheless there are some authors that had developed researches on the field and claim that cultural diversity may influence team outcomes in different ways according to Stahl, et al (2010), also they point out that 'Cultural diversity leads to process losses through task conflict and decreased social integration, but to process gains through increased creativity and satisfaction'. The following segments show few effects of cultural diversity in the organisation.

- Cohesiveness in groups

According to Cox, 'highly cohesive groups have higher member morale and better communications than less cohesive groups'. The interpersonal integration and communication between members of a group increase confidence and therefore employees will feel comfortable in the workplace, Cox & Smolinski (1994) emphasises 'positive feelings of loyalty and attraction to the group are often referred to as "group cohesiveness' therefore integration and cohesiveness is a motivator of effective and successful teams. Also Jackson (1996) highlights that under most

circumstances, members of homogeneous teams experience more positive affect than members of diverse teams, the author points out in diversity some people feel uncomfortable and some find diversity stimulating. Jackson (1996) as well reports that 'empirical evidence clearly indicates that in the longer term, diversity partly determines team performance and membership stability'

- Decision making and communication

Cox & Smolinski (1994) indicates that misunderstandings may raise anxiety in the members of a group and may feel less comfortable, these effects can make decision making more difficult and time consuming. Decision making is a big issue in organisations due to is closed linked to communication between members of a group. Jackson (1996) suggests 'the view of the benefits of diversity during decision-making accurately reflects some of the potential benefits to be gained by creating diverse decision-making teams, but it is not the whole picture'. In this context Jackson's research suggest that better decision making occurs when members of a group have expertise of knowledge in the domain. In other words decision making is also influenced by the knowledge however is also influenced by power differentials.

- Turnover and absenteeism

According to the studies of Cox & Smolinski (1994) the work outcomes of individuals can get translated into economic impact through employee turnover. When diversity is not well managed can increase dissatisfaction and therefore employee turnover of absenteeism. This can bring to the organisation different consequences as cost looses and even lawsuits. Turnover and absenteeism has always been associated with team diversity, treated as a negative consequence of diversity according to Jackson (1996). Nevertheless Jackson (1996), Cox & Smolinski (1994) defend that turnover experienced by teams can be a good opportunity to find new ideas and a well managed cultural diverse teams in the close future.

- Discrimination and racism

Civil rights nowadays cover almost for everything in the context of employment based on racism, discrimination, pregnancy, physical ability and so on, however 'in just the past few years, equal employment opportunity law was widely interpreted to be limited to hiring, promotion and, in rare cases, compensation' according to Cox & Smolinski (1994), this means that unfortunately employment opportunity can still be very restricted. Nevertheless ideally colour and race seems to be no problem in the organisations of today, 'In the USA, decades of national opinion polls and psychological research on prejudice and discrimination show that the status attributed to individuals corresponds to their sex, age and ethnicity' Jackson (1996). This shows that unfortunately there are those attributions in organisations. The coloured people are the ones that normally are discriminated due to the fact that there is still stereotyping of some different cultural background. This is also interpreted in an exclusion of minority groups meaning that there is no heterogeneity in the whole work environment. Stahl, et al (2010) argues that 'people from the same culture know that they share basic values and beliefs, and therefore feel strong similarity-attraction with each other'.

Several authors concurs that diversity presents challenges in organisations and that those challenges need to be managed in order to find the heterogeneity in a comfortable workplace, as Cox claims 'conclusions focus attention on the need for information about how to achieve excellence in managing diversity'. Nevertheless there is also evidence that a not well managed cultural diversity workforce will generate discrimination and racism. As Tillman (2005) reports, 'cultural diversity in terms of racioethnicity and gender diversity had an impact on firm performance with respect to changes in stock market values' in this context cultural diversity also can have an impact on costs, as reviewed before.


3. **Managing Cultural Diversity**

The handling of cultural diversity in organisations had increase in the past in a globalized business world. Therefore organisations have the challenge of managing

multicultural workforce at every level in the organisation. 'Because of vision and necessity, companies began to understand that diversity was a business issue and managing it effectively was a strategic imperative for growth and survival'. Gardenswartz & Rowe (1998). The attempt of managing cultural diversity gets more strategic when firms try to expand off shore and the multiculturalism plays a special role in the success or failure of the company.

As mentioned above, according to Trompennars (1998) 'in every culture in the world such phenomenon such as authority, bureaucracy, creativity, good fellowship, verification and accountability are experienced in different ways' In other words the different perceptions of culture can be assimilated differently according to personal experiences. Following this statement, this represents a big challenge for organisations with high levels of multiculturalism in the work force. Researches point to a disadvantage impact that cultural diversity can have over the organisation. According to Holmgren & Jonsson (2013) 'cultural diversity also tends to create conflicts, miscommunication, misunderstanding, increased tension, and lack of cohesion, commitment has negative effects on the organisation performance' Holmgren & Jonsson (2013) this topic will be analysed in detail in part tree.

Cox & Smolinski (1994) defined managing diversity as 'proactive attention and efforts of managers and other employees to respond effectively to the challenges posed by diversity in workgroups.' Following this context, they mentioned the main goals of managing diversity in the organisation:

- Create a climate in which all members can realize their full potential of organisational contribution and personal achievement.
- Capitalize on the potential benefits of diversity while minimizing the potential barriers to effectiveness posed by diversity.
- Create a climate in which people with fundamental differences in culture (values, preferred work styles, goal priorities and behavioural norms) can work together with maximum effectiveness.

Those goals try to emphasise the perfect climate that should coexist in the organisation though plurality and acceptance of differences, to enhance the benefits that diversity brings to organisations. 'To capitalize on the benefits diversity can bring and to deal with the challenges it presents, it is critical for all employees to understand its many dimensions and participate in sharing perceptions about their impact in the workplace. Gardenswartz & Rowe (2003)

### 3.1. Managing cultural diversity: the five dimensions.

According to Holmgren & Jonsson (2013) there are five dimension of managing cultural diversity in the organisation. It is very important to analyze these five different clusters that researchers and authors had written about how cultural diversity is systematically managed:

a) Dimension 1. *Cultural Diversity as a Competitive Advantage*: The group that sees cultural diversity as a competitive advantage (Seymen 2006, Cox 1991) found a strong association with high performance in organisations that possess cultural diversity. This cluster also stated that 'in creating a heterogeneous organisation the major aim of increasing the culture diversity is to dominate pluralism for single-culture and ethno-relativity for ethno-centralism' Dadfar, and Gustavsson, (1992) also Cox & Smolinski (1994) argued that having culturally diverse workforce would bring long term corporate competitiveness to the organisation. In other words this group suggest that the combination of organisational culture and cultural diversity, lead to cultural synergy.

b) Dimension 2. *Cultural Diversity as both Positive and Negative*. This dimension is the view of positive and negative aspects of cultural diversity, in where the advantages are highlighted and disadvantages are minimised. According to Holmgren & Jonsson (2013) the nature of the impact of diversity is dedicated to the type of diversity rather than the diversity itself. Montagliani & Giacalone (1998) stated that

there is a need for integration as soon as the cultural diversity of the organisation increases. The difference between this dimension and the previous one is that as the advantages of cultural diversity deserve attention the same attention as the disadvantages. There is a need for understanding cultural diversity as an advantage rather than as a negative effect on organisations.

c)  Dimension 3. *Cultural Diversity Dominated by Organisational Culture*. This dimension is ruled by organisational culture that according to (Alvesson, 2002, p. 3) 'is the shared rules governing cognitive and affective aspects of membership in an organisation, and the means whereby they are shaped and expressed' In this context cultures could be manipulated to create a desired dominant culture, as organisational culture is the beliefs, similarities and behaviours that an organisation shares.  (Seymen, 2006) indicates that 'Organisational culture is very different from national culture since the former is only temporary in the process of being an organisation member and the latter is permanent due to its being a member of a nation' in other words this dimension refers to those organisations that emphasize more in organisational culture instead an encouragement of cultural diversity in the system of the organisation.

d)  Dimension 4. *Universal Culture instead of Cultural Diversity*. This dimension suggest that there could be a dominant culture "universal" this concept, endorses Tompennars (1993) with the theory of the "universalism" that could be adopted and applied everywhere. Holmgren & Jonsson (2013) highlights that 'this universalistic value tend to be created in one country and not necessarily accepted or applicable in other country'

e)  Dimension 5. *Cultural Diversity as a Human Resource Program and its Strategy*. This cluster defends that there is an enormous responsibility in the managerial position of human resources department of organisations to implement and motivate organisational

behavioural techniques to the achievement of a common objective. (Seymen, 2006) Stresses on 'the importance of providing the multicultural workforce with in-service training program and motivational predeparture preparation program'.

For the purpose of this study, it is difficult to choose just one dimension of diversity to focus on; however the first 3 dimensions are certainly of our interest. It was argued that there are factors promoting diversity in organisations and the impact on it. The first dimension states the advantages of cultural diversity in organisations and the second dimension states the positive and negative views. The third dimension is the representation of the challenge that managers have in managing the equilibrium of cultural diversity vs. organisational culture.

## 3.2. Managing Diversity: Cox's Models

Previously has been discussed the approaches and views of cultural diversity and managing diversity in organisations. As one of the most mentioned in the literature review Taylor Cox represents one of the most influential scientists on the area of the diversity. The following research is the analysis of some of his models in detail.

### 3.2.1. The Taylor Cox approach

Taylor Jr. Cox proposes a couple of frameworks to potential and achieves conditions in the organisation that lead to "value in diversity" as he entails in his works. To achieve this, there must be a transformation in the organisation which leads to synergies in the organisation. The following are four Cox's models (Cox (1991), Cox & Blake (1991) and Cox & Smolinski (1994)) selected for analysis that involves: the types of organisation, cultural diversity impact model and creating a multicultural organisation.

a) Types of organisation

According to Cox (1991), there are six factors in the framework that characterise organisations in terms of development on cultural diversity. Figure 2 shows the framework "Organisational Types" and by means of this investigation tree types will be discussed: the monolithic, plural and multicultural.

| Dimension of Integration | Monolithic | Plural | Multicultural |
|---|---|---|---|
| Form of Acculturation | Assimilation | Assimilation | Pluralism |
| Degree of Structural Integration | Minimal | Partial | Full |
| Integration into Informal Networks | Virtually none | Limited | Full |
| Degree of Cultural Bias | Both prejudice and discrimination against minority-culture groups are prevalent | Progress on prejudice and discrimination but both continue to exist; Especially institutional discrimination | Both prejudice and discrimination are eliminated |
| Levels of Organizational Identification | Large majority - minority gap | Medium to large majority - minority gap | No majority - minority gap |
| Degree of Inter-group conflict | Low | High | Low |

Figure 2. Organisational Types. Cox (1991)

I.   Monolithic: In the monolithic organisation, there is little structural integration. Those types of organisations are characterized by small amount of cultural diversity background, a large number of white male and just few women working not in managerial jobs. In monolithic organisations, the racioethnic minority, the cultural diversity background and the women adopt the organisational norms made by the majority white male as a matter of survivor, stated Cox (1991). However, a positive point for this type of organisations is that homogeneity plays a big role at the moment of conflict based culture – group identity. Several disadvantages in these organisations trigger discrimination and prejudge, under utilization of human resources and low social equity.

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II. The plural organisation: According to Cox (1991) Plural organisations possess a higher structural integration than the monolithic organisations; it has more heterogeneous members and is more inclusive with cultural diversity background. The hiring and the promoting of the jobs include minority cultural diversity and their compensation system works against discrimination. Equal opportunities are for all membership including civil rights law, sexual harassment, and the reduction of prejudge. However there is disadvantage for this style of organisations that were typical in the 90's, the intergroup conflict was dominant, due to big groups where afraid to be discriminated against minority. Their fear was to lose powerful positions. Basically this problems shown lack of training and the appropriated adaptation to small groups with cultural diversity backgrounds. However this type of organisations still predominates indicates Cox, (1991, 1993)

III. The multicultural organisation: An organisation is a proper plural organisation only if the organisation values include diversity. Cox argues that the understanding of the meaning of valuing and containing diversity is the path that led to a heterogeneity organisation, in other words pluralism and multicultural organisations are the way to a heterogeneous workforce. According to Cox's studies, managers today are in plural organisations but are convinced that the multicultural model is the way of the future. This model suggests that multicultural organisations would accept and deal with low levels of intergroup conflict, therefore would lead to successful organisations.

This approach indicates that diversity presents several challenges for managers that if are well managed it would lead to an environment of max contribution and "value in diversity". To achieve this, it is essential the transformation from organisations monolithic or plural to multicultural organisations. According to Cox (1991), an absence of prejudice and discrimination would enhance the organisation to low

group conflict and it will built organisational identity among all the membership of the organisation.

*b) Creating a multicultural organisation*

'Managers know that multicultural teams create multifaceted challenges' (Kathleen, 2006) in the new type of organisations, managers are looking for integration, adaptation and innovation. Thus innovation means change and adaptation to multiculturalism and integrated workforce that can work together for the same goals of the organisation. The following table illustrated by Cox, (1991) is a model of tools for managers to promote an effective integration of culturally and diverse personnel. Cox defends that with this model which it is possible to analyse cultural integration in organisations.

| Dimension | Definition |
|---|---|
| 1. Acculturation | Modes by which two groups adapt to each other and resolve cultural differences |
| 2. Structural Integration | Cultural profiles of organization members including hiring, job-placement, and job status profiles. |
| 3. Informal Integration | Inclusion of minority-culture members in informal networks and activities outside of normal working hours |
| 4. Cultural Bias | Prejudice and discrimination |
| 5. Organizational Identification | Feelings of belonging, loyalty and commitment to the organization |
| 6. Inter-group Conflict | Friction, tension and power struggles between cultural groups. |

Figure 3. Analysis of tools for managers (Cox, 1991)

- Acculturation: on this method the differences between the host culture and the minority culture are solved. The most often alternatives used are. A) Unilateral process in which the minority group adopt the host norms and values by assimilation. B) In this process minority and host culture adopt some norms and values of the other group by pluralism and C) process in where there is little adaptation in both sides. (Cox, 1991)

- Structural Integration: according to (Cox, 1991), is the integration that occurs with people from different cultural groups in the organisation. Equal job opportunity is the base of this step. Structural integration should be of free

opportunities for all members of the organisation to all the needed jobs, including high managerial roles.  As Cox suggested, 'breaking down this kind of segregations'.

- Informal Integration: in this dimension, the process of inclusion of the minority-culture members takes part from the organisation to the minority cultural diversity groups into social events in the organisation as dinners, social events and sport events. As stated by (Cox, 1991).

- Cultural Bias: (Cox, 1991) defends that, it occurs in two stages. A) Prejudice. It takes place among minority culture as well as dominant culture. These are all the negative attitudes towards a group of members of the organisation based on their cultural identity. B)  Discrimination. It can be towards personal or institutional practices, often in minority groups.

- Organisational Identification: (Cox, 1991) argues that there are the feelings of belonging and commitment to the organisation. It can vary from a country to another and depends a lot in the organisational cultural of the company and the culture of the country. It is said that in general in U.S there is a low identification comparative with other cultural identity groups.

- Inter Group-conflict: this dimension states the conflicts and tensions that can occurs among different cultural groups in which often the most affected is the minority group, however according to Cox, lately concerns have been raised about backlash from white males that feel threatened by this developments.

As it is mentioned before, multicultural groups in the organisation present challenges for organisations. This model looks at integration from the dimensions of organisational capabilities that can be analysed from at a managerial perspective, in an effective way to leverage the organisation and achieve cultural diversity.

Cox and Smolinski in 1994, established a model of the impact of cultural diversity in organisations, applicable to all kind of cultural identities. They proposed this model with the premise that 'managing diversity is an organisational economic performance issue'. As figure 4 shows, there are three main points of emphasis with different outcomes.
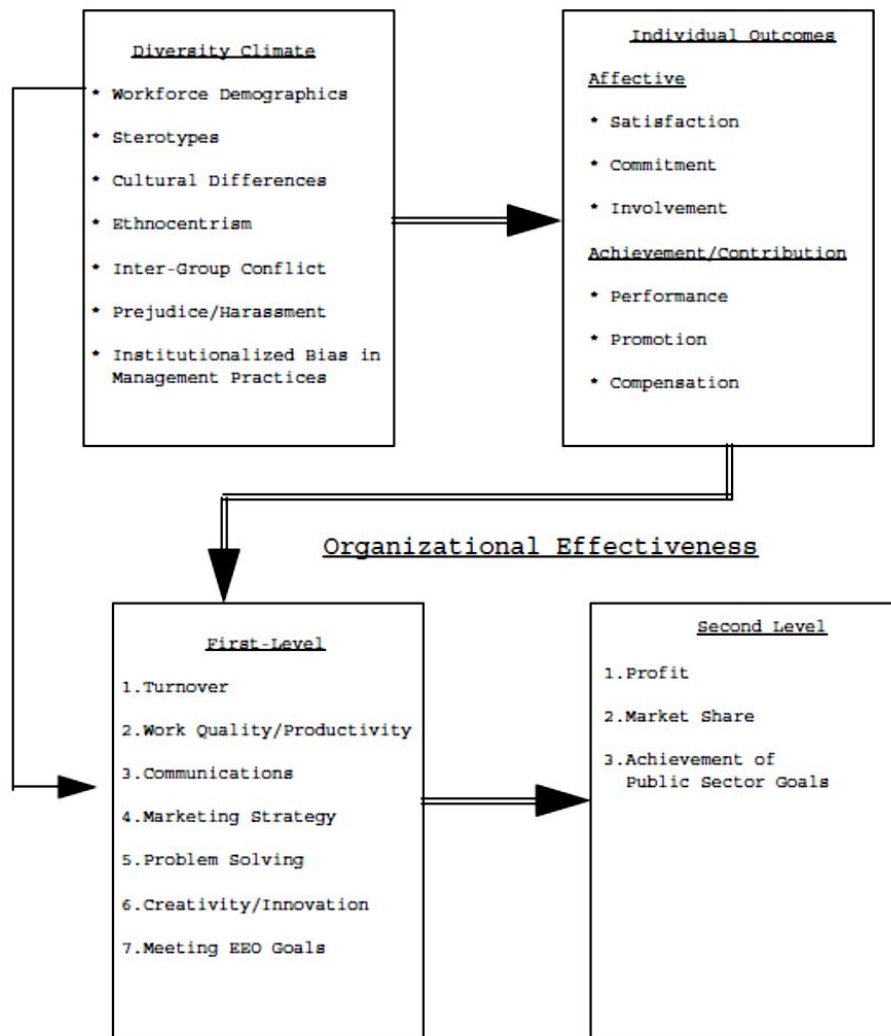


Figure 4. Linkage of managing diversity and organisational effectiveness. Cox & Smolinski (1994)

This model has been called by Cox and Smolinski as "The International Model of Cultural Diversity" Diversity climate according to them, consist of social –

psychological conditions and phenomena define as *diverse climate*. Those are: workforce demographic, stereotyping, cultural differences, ethnocentrism, intergroup conflict, prejudice and harassment behaviour, and bias practices. In this level issues as ethnocentrism and prejudge can rise in organisations that are homogeneous. Examples of those situations are individualism in goals setting, and power disparities. Due to globalization, many organisations are facing this type of climate in the working place. In Europe for example is common to find Eastern European workforce looking to match in the cultural requirements of Western European companies that normally don't consider them for managerial roles basically due to cultural differences and communication barriers.

Ethnocentrism is the tendency of the view of your own group against other groups. In this context the authors of the framework emphasises that this phenomenon applies to group boundaries more generally. 'Inherent in ethnocentrism is favouritism toward fellow in-group members and disparagement of out-group members' According to Cox & Smolinski (1994). They also claim that the term derivates from work on ethnic identity, and the phenomenon applies to group boundaries more generally. Therefore ethnocentric people believe to be superior to other groups. According to Neuliep, Hintz and McCroskey (2005) 'ethnocentric persons faster cooperative relations with in-group members while competing with, and perhaps even battling, with out-group members'. In this context, Neuliep et al (2005) disputes that 'humans are ethnocentric', clamming that, we tend to view other cultures and micro cultures from our own cultural vantage point.

They also endorses that our culture is the standard by which we evaluate other cultures-and the people from those cultures. Following this statement, they suggest that there is a degree of ethnocentrism in us all human beings. However in the organisational context as Cox & Smolinski (1994) endorses that leveraging diversity to an equal opportunity environment, will contribute to a better financial performance or the organisation. Therefore to achieve this, ethnocentric behaviour should be very well managed. 'Ethnocentrism may affect managerial-subordinate communication'. Neuliep et al (2005). The last factor mentioned above is institutionalised bias which refers to the extent of policies, practices and work standards in the organisation that are advantageous for some groups in the

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organisation and disadvantageous for other groups like the minority ones. This is very common in job opportunities specifically in job candidates which tend to favour some participants over others according to Cox & Smolinski (1994).

The individual outcomes are fully influenced by diversity climate like racioethnic and gender outcomes, as Cox & Smolinski (1994) suggest, 'lower emotional and achievement outcomes' are brought to the minority groups. In this context the authors also point out that the individual outcomes links affective career outcomes at the individual level to the organisational outcome of employee turnover. Also they found that research on glass ceiling suggest to be related to group identity as gender, age and racioethnicity in the organisation.

Organisational effectiveness as the figure 4 shows is strongly related to diversity climate. The structural integration and cultural differences are key to the development of the first and therefore second level of the organisation effectiveness. The model assumes that the positive and negative effects of organisational effectiveness are through an appropriate and well managed diverse climate. As stated for Cox & Smolinski (1994) 'The two primary measures of interest here are overall representation of the different groups and representation at various levels of management'. Also it is important to mention that the majority group can also be affected by diversity. On this context, if diverse climate and individual outcomes are not into consideration for the organisation, then as stated by Cox & Smolinski (1994) 'The potential benefits of diversity in better marketing, problem solving and creativity are lost because the climate and culture of the organisation are not conducive to full participation by all organisation members', the potential gets lost.

Cox & Smolinski are suggesting with this model that 'the environmental situation includes not only organisational factors but also a set of intergroup factors focusing on relations between the majority group and the various minority groups'. Therefore depending on the person affiliations like gender or race, it can be an analysis systematic of the individual, the group/intergroup and organisational. Cox (1993) emphasises 'this work assumes that behaviour in organisations is best understood by examining the interplay between the individual and the environmental situation' in

this context, the fully understanding of the three levels of analysis would explain the relationship between the direct and indirect effects that has on the organisation.

This model is a representation of the impact of cultural diversity with an interaction in the organisation; it represents an important source of knowledge for this investigation, as a tool to the future analysis of diversity in organisations which is the main objective of this research.

### 3.3. Cox's Models discussion.

Taylor Jr. Cox is one of the most recognized researchers on the topic, and its contributions to cultural diversity in organisations had inspired researches and students to look deep from a societal point of view. Cox studies are of big help for organisations that manage a diverse workforce wisely where organisations can take the advantage of a multicultural workforce for integration and heterogeneity.

Cox models offer complex interrelated frameworks to analyse diversity in organisations from different points of view. The tree types of organisations that he describes in the first model, allow researchers to analyse the organisation and understand what degree of diversity is tolerated in a particular organisation, therefore the degree of conflict that is expected. 'The plural organisations present a marked improvement over the monolithic organisation in effective management of employees of different racioethnic, gender and rationality background' Cox (1991) also in this model he is emphasising the value of diversity. However this model does not represent a framework with major effects on how to manage the monolithic organisations, or how to deal with it, it just represents the types of organisations that exist from the organisational point of view.

Cox also presents a model of integration in the organisation; in this model he does not just focus in the heterogeneous organisations but also in the homogenous, emphasising the vital dimension for integration. Creating a multicultural organisation model is a very useful tool for managers in terms of the dimensions that it is needed to be emphasized in the organisation to create a heterogeneous team. In

those dimensions managers are looking for integration, adaptation and innovation. This model however does not link the climate in where the integrants of the organisation are facing through; it does not specify the outcomes and the drawbacks that the organisation could face with a mismanaged cultural diversity.

Nevertheless, the next model presented was cultural diversity: impact model. This model is an intergroup of factors characterised by cultural differences, the importance of this interaction in the organisation effectiveness is that could be leveraged in presence of an appropriated diverse climate whiting the organisation. Therefore Cox & Smolinski pointed out the close relationship between the organisation and the intergroup of factors like ethnocentrism and stereotyping affecting the climate. Cox & Smolinski highlight in this model the organisational effectiveness closely related to the climate and the influence directly or indirectly on turnover, communication and market share for example. This model is the selected one to carry on with the investigation due to it matches with the objectives of the research, and it is one of the most complete models from Cox that links the climate and the outcomes into organisational effectiveness.

### 3.4. Literature Review Discussion

The theories and concepts presented suggest that cultural diversity represents challenges in organisations, and that as a challenge, need to be well managed to can extract all the positive and good outcomes that cultural diversity can bring to organisations. The type of organisations reviewed synthesized the three main segments that characterise a monolityc, a plural and a multicultural organisation. These concepts are of main importance use in this research as well as the dimensions of diversity and the tools for managing cultural diversity. Besides some negative effects are presented in order to give reliable information of possible drawbacks and problems that can arise when implementing diversity initiatives.

Theories in cultural diversity states that low group cohesiveness and identification with the organisation, can cause conflicts and maybe staff turnover, which involves cost in the organisation. However most of the authors emphasize the opportunity to reduce negative aspects of plurality through successful and adequate management and training. In this context the Cox & Smolinski's (1994) model, argues that cultural diversity has impacts in organisations and it can be evaluated through: a diverse climate, individual outcomes and organisation effectiveness to see the impact from a perspective that involves all the personnel of an organisation. According to the model some outcomes are influenced by the relationship with others in the workplace, by the commitment and the compensation process that the organisation has, and those could influence the staff turnover and creativity/innovation in the organisation. However the model does not look at other external factors of the organisation that could have any impact from the cultural diverse workforce perspective.

Though, the mentioned agents of the model also involve the factor time, which can be long or short depending on the cohesiveness and commitment that the group develops, and the main implication is money. Few authors established that in the long run a culturally diverse workforce leverages and creates a synergy in organisations, however in the short term it could be expensive to solve the existence of homogeneous groups for the organisation. The theories and concepts presented in the theoretical framework could be specifically more criticised but in terms of this research the literature review offers a description of the more relevant concepts and theories needed in this investigation.

# CHAPTER II RESEARCH OBJECTIVES AND AIMS

The previous chapter was drafted to analyse cultural diversity in organisations, a few theories and concepts were explained to have the appropriated knowledge of the field. Hence a discussion on the theories reviewed created a framework that will be applied to this project.

The following step to adopt is the formulation of the research questions and the approach to take for this research. In this context, this master's thesis concentrates on the "investigation into the influence of cultural diversity in SME organisations in Dublin". This statement, gear into the purpose of the study for a better understanding of the project. Consequently this research will lead to a clear and deep understanding of cultural diversity in organisations and the influences in organisations though the following research questions and aims.

## 4. Research Question

In order to extend research on diversity in organisations, from the literature review presented there is a specific model from Cox & Smolinski (1994), which represents a link between management of cultural diversity and organisations; it is called "The Interactional Model of Cultural Diversity" (IMCD). This model allows the investigation to scoop out into the research questions and aims, providing a useful tool for the research. This investigation is conducted in order to have an in-depth investigation of the principal issues that surround multicultural workforce in organisations in Dublin.

Therefore the main research question of this investigation is *to discover how cultural diversity is managed in organisations using the Cox & Smolinski's model*

*'International Model of Cultural Diversity'* in order to understand how cultural diversity influences organisations. Consequently it will be analysed how organisations deal with cultural background diversity in Dublin. In this context it is vital to know how multiculturalism is taken into consideration in the organisations. The major concepts of research design and the organisations selected are explained in the following chapter. Further below are presented the sub objectives or research aims that provide the specific insights to proceeds with the investigation.

## 5. Research Aims and purpose of the study

To boost the aims of the study, it is necessary to break down into specific sub objectives the research question, therefore, based on the Cox & Smolinski's model (IMCD) there were few determinants taken for study from each dimension shown in the model (literature review chapter):

- **Diversity Climate:**
  - Stereotyping behaviour
  - Ethnocentric behaviour

- **Individual Outcomes:**
  - Commitment
  - Compensation

- **Organisational Effectiveness:**
  - Turnover
  - Creativity – Innovation
  - Communication

As a result, the following objectives of investigation were chosen as shown below:

- To determine the nature of the diversity climate of the organisation, in order to understand the extent of group stereotyping and ethnocentric behaviour in the workforce of the organisation.

- To investigate the individual outcomes in the organisation, so that to comprehend the individual commitment and compensation of cultural diversity in the organisation and how it works.

- To discover how the organisational effectiveness of the company works in terms of employee turnover, communication and how is managed the creativity – innovation of the cultural diversity workforce.

- To analyse and compare the organisations selected in order to understand how cultural diversity is managed and the influences that it has in those organisations, using the Cox & Smolinski's (IMCD) model.

The first objective evaluates the diversity climate in the organisation from the Cox & Smolinski model (IMCD); the purpose of this objective is to critically understand the behaviour of the groups in the organisation from the perspective of issues that could have an impact in the performance of employees and therefore in the organisation according to the model selected. The next dimension of the model represents the second objective of research. It aims to investigate the individual outcomes in the organisation in terms of how the compensation for employees from a different cultural background works and the individual commitment, knowing from the literature review that these individual outcomes can have a direct influence in the organisation effectiveness. The third objective selected from the Cox & Smolinski's model refers to the organisational effectiveness in the organisation. This objective explores the implications of employee turnover in the organisation, at the same time the communication process is evaluated which the company has with culturally diverse employees and how is managed the creativity – innovation from a diverse workforce.

The last aim of the investigation, as stated above, is to analyse and compare the organisations selected. The comparison of the companies allows an evaluation of how cultural diversity is managed and the influences that it has in those organisations based on the Cox & Smolinski's model that suggest that cultural diversity has an impact on organisations performance. The objectives mentioned above, integrate the model used by Cox & Smolinski that links cultural diversity and organisation effectiveness. The use of this model allowed an in-depth analysis the phenomenon of cultural diversity in organisations in Dublin.

The purpose of this study was to critically evaluate the influence that cultural diversity brings into organisations. Thus the main importance of the research is to analyse how organisations manage its cultural diversity workforce in Dublin. As presented in the literature review, diversity presents challenges in organisations and the investigation follows a model that link cultural diversity and organisation effectiveness. Due to the fact that diversity in organisations is basically a new topic of investigation, it is necessary to highlight that managers nowadays need to be up date of how to manage multiculturalism in organisations. Moreover this investigation presents a view of cultural diversity in Dublin that leads to a useful contribution to the companies selected, besides is a contribution to amplify future researches on the field. The following chapter explains the research philosophy and design of the investigation including data collection and research sample.

# CHAPTER III RESEARCH METHODOLOGY

This chapter is crafted in order to show how the appropriate research methodology for the investigation was selected. The methodology in use provides the insights of how the research has been conducted, starting with the research philosophy and design of the research, followed by the data collection in the gathering of the empirical data, and therefore the research sample selected.

## 6. Research philosophy

In the first step of the methodology is important to consider the different research philosophies taken from the 'research onion' Saunders, Lewis and Thornhill (2009). Due to the nature of this investigation, '*influence of cultural diversity in organisations*' the research was conducted through **an interpretivist philosophy**. According to Saunders et al (2009) 'interpretivism advocates that it is necessary for the researcher to understand differences between humans in our role as social actors' this research aims to study people's attitudes and views of specific situations. In this philosophy the researcher need to understand the world from the sample pinto of view. As Saunders et al (2009) highlights that interpretivism and epistemology focus upon details of situation, a reality behind these details, subjective meanings and motivating actions.

In terms of the research approach adopted, this research claims to be **inductive,** where the purpose was to understand better the problem from a cultural diverse organisation point of view. This research does not look at testing theory, (deduction approach) it looks at the collection of qualitative primary and secondary data, and a

close understanding of the event in question which are the main characteristics of an inductive approach.

### 7. Research Design

The following research design was the considered best approach of the techniques and analysis to implement in this project. According to Bryman & Bell (2011) 'a research design relates to the criteria that are employed when evaluating business research'. In terms of the purpose of research, this investigation is an **explanatory study**, that as Saunders et al, (2009, p. 140) argues 'explanatory studies establish causal relationship' but in comparison, the descriptive research is limited to portray and event, person or situation. Due to the nature of the investigation, is necessary to conduct the investigation into an in-depth explanation of the situation; furthermore this research does not focus on statistical data, the methodology suits to a qualitative investigation. This will be better explained in the data collection section.

The research strategy provides the researcher with the tools to find the answers of the research questions and aims. As discussed in the previous chapter, the research question is "*to discover how cultural diversity is managed in organisations using the Cox & Smolinski's model 'International Model of Cultural Diversity' in order to understand how cultural diversity influences organisations*" and therefore the research strategy to implement needed to be closely linked with an inductive approach. According to Bryman & Bell (2011) 'with a **case study,** the case is an object of interest in its own right, and the researcher aims to provide an in-depth of it' this strategy works firmly with an explanatory study as mentioned above, due to the fact that the case study strategy has de ability to generate questions as why, what and how... often used in explanatory research, as indicated by Saunders et al, (2009). Consequently case study as a research strategy matches perfectly with the aims of the investigation. Also Yin (2009, p. 18) defines case study as 'an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not

clearly evident'. However there also have been few concerns in where people criticise case study as less desirable form of inquiry than either experiments or surveys, probably for the lack of rigor using the method, argues Yin (2009)

The research design for this investigation does not look at experimenting or building theory therefore it does not match with grounded theory or experiment research. Furthermore an ethnography research strategy takes long time to develop and the researcher needs to be part of the environment being researched. According to Yin (2009) he argues that general characteristics of research designs serve as a background for considering the specific designs for case studies. For this investigations the type of case study was multiple – case study design, due to it involved an analysis between 3 organisations and a comparison of the main findings.

According to Bryman & Bell (2011, p 63) 'multiple – case study, allow the researcher to compare and contrast findings deriving from each of the cases'. In this context this strategy allows the researcher to understand, analyse and compare the three cases by interviewing people from different cultural background in the organisation, as where few employees and its direct manager. As stated by Yin (2009, p.56) 'each individual case study consist of a "whole" study in which convergent evidence is sought regarding the facts and conclusions for the case' In order to get a deep understanding of the complex of multiculturalism in organisations in Dublin, this study was based in a qualitative primary data approach. Multiple – case study, produces case studies that can be part of a cumulative body of knowledge, according to Yin (2003). The interview approach will be discussed in the following point, data collection.

## 8. Data collection

Yin (2009) stated that there are six sources of case study evidence for data collection as he mentioned: documentation, archival records, interviews, direct observations,

participant – observation and physical artefacts. The primary data collection of this investigation was through qualitative research, 'qualitative data with their emphasis on peoples lived experience, are fundamentally well suited for locating the meanings people place' according to Miles & Huberman (1994, p. 10), due to it falls in line with the research design and research philosophy. According to Denzin &Lincoln (2008, p. 4) 'qualitative research consist of a set of interpretive material practices that make the world visible' following this statement, qualitative research are made through a variety of empirical tools like interviews, observation and textual analysis, therefore qualitative research normally use more than one interpretive practice in an study, according to Denzin &Lincoln (2008). In this context the practices used in this investigation were the interviewing, and observing. Interviews produce an effect in the interviewee in where it is possible to detect and analyse different sources that the surveys or any written source can't catch. Some approaches of interviews are: Interaction, understanding policy options in the context of constraints, conversational practices, intersubjective depth, and manipulation of variables, according to Silverman, (1986).

In this case the data collection was though face to face semi structured interviews. As stated by Saunders et al, (2009, p. 320) 'In semi structured interviews the researcher will have a list of themes and questions to be covered, although this may vary from interview to interview'. The nature of the research strategy permits recording or note taking in the process. The purpose of a semi structured interview was to help the research by arranging two types of interview: one for managers and other for employees and therefore the questions will vary from one participant to another in order to understand the complexity of the problem. Yin (2009) argues that interviews are an essential source of case study evidence because most case studies are about human affairs or behavioural events, as it is in this investigation which aimed to look at the stereotyping and ethnocentric behaviour in the organisation. For this research the questions in the interviews where designed to be open ended so that the interviewed could explain with more detail and without restriction in the question the situation that is asked, this allowed the interviewer to take advantage of all the information mentioned during the interview. Is also important to mention that from case study strategy used in this research the interview is an in-depth interview which

according to Yin (2009, p. 107) 'the interview takes place over an extended period of time... the interviewee also can suggest other source of evidence' in this context this type of interview bring on and advantage at the moment of make the comparison of results between the companies.

However, 'the lack of standardization in such interviews may lead to concerns about reliability' Saunders et al, (2009, p. 326) in this context Silverman (2000) argues that the methods for a study need to be reliable and valid. Reason why in the following point (research sample) it will be better explained the validity and reliability of the investigation.

Nevertheless secondary data was also used in this investigation, according Saunders et al, (2009) those research projects that make use of documentary secondary data often do a case study, and therefore the secondary data is documentary, and based on the reports, minutes of committees and communications emails within the company. One of the disadvantages of secondary data is the difficulty access to the data due to the fact that can be complicated to have access to the companies' documents. Nonetheless one of the advantages that secondary data brings to the investigation is that provides comparative and contextual data, which in this investigation is very useful due to the research strategy looks at the comparison of the three companies building an individual case report for each organisation, in order to make comparisons within the companies, analyse and conclude with the main findings. The secondary data used in this research was the type documentary non – written materials, through voice recording and not taking. This data allowed to triangle the findings of the primary data collected and constructed the empirical findings of the research.

### 9. Research sample

According to Miles & Huberman (1994) multiple case sampling adds confidence to findings. In this context and in order to find out more information for the research question of this investigation, the sample selected was a non- probability sampling 'provides a range of alternative techniques to select samples based on your subjective judgement' according to Saunders et al, (2009, p. 233) called convenience sampling, defined by Bryman & Bell (2011, p. 190) as 'one that is simply available to the researcher by virtue of its accessibility'. This convenience sample as its definition describe it, was the most accessible to the researcher because it falls in line with a high level of foreigners due to the nature of the business and it was flexible for the researcher to explore its diversity climate, individual outcomes and the organisational effectiveness in the Irish companies selected. Besides the participants were available and agreed to take part in the research.

The companies selected are located in Dublin city centre and are Irish small and medium enterprises:

- A hospitality sector company called *The Sugar Club*, which is a venue Irish owned. The Irish Film Theatre closed its doors in 1985, and after 14 years in August 1999 The Sugar Club was born as an integral part of Dublin's Cultural Community as a multipurpose Arts Centre.

- A hospitality sector organisation called *The Grafton Lounge*, which is bar & eatery, Irish owned established in 2010. The strategic location of this place in Grafton St makes it a combination of tourist and Irish customers to the organisation.

- A retail sector company called *Carrolls Irish Gifts*, which is a fully Irish owned company established in 1982 and are one of the leading retailers of quality Irish clothing, jewellery, souvenirs and gift product, this organisation sells basically to the tourist visiting Ireland and their branches are around

Dublin city centre. For this research just one branch was selected and it is located at the heart of O'Connell St in Dublin city centre.

These companies were also selected because of their high volume of cultural diverse employees. This is due to the nature of the business where there are available part-time jobs for young people and students from everywhere, most of them that come to Ireland to improve their language skills. This is the reason which makes it a great motivator to get an in-depth perspective of a cultural diverse workforce in Dublin. Besides, these organisations also work with foreign customers due to the fact that they are in the hospitality and retail sector. The sample consisted of five staff and two managers in each company, the same questions were asked to the staff and to the managers in all three companies.

A pilot study was conducted in order to experience and test the use of the questions and interview process as recommended by Bryman & Bell (2011, p. 263) 'allow the researcher to determine the adequacy of instructions to interviewers', also the authors emphasises that pilot study provide confidence to the interviewers. This study was conducted to a person that was not participating in the research; the interview was recorded and also gave an inside to the researcher about the approximate duration of the interview, in addition the questions were tested to see how open ended were and how comfortable did the interviewed felted.

### 9.1. Development of the interview

The interview process started with the interview request that was sent through email to the three companies. Consequently the interview arrangements were planned based on the companies' responses and availability. The interview questionnaire was an adaptation taken from Holmgren & Jonsson (2013). Each interview had duration of 20 minutes and they were held face to face with each one of the participants in the organisations buildings. The participants were asked open ended questions in order to take as much information as possible from each question, besides as Bryman & Bell (2011, p. 467) recommends, 'questions that are not including in the guide, may be asked as the interviewer picks up on things said by interviewees', few questions

were asked out of the interview guide as it was relevant to the research, this allowed the researcher to inquire more where necessary, in addition notes were taken in each interview of the relevant information.

The interviews started by presenting the topic and aims, specifying that the interview was optional and entirely voluntary. Also stating that the interview could be anonymous, and the participant could leave the interview at any time, as the appendix 1 (Interview guide) shows. Furthermore, was asked if the interviewee aloud to be recorded. Appendix 2 (Manager Interview) shows an interview sample. The collected information contributed to build the empirical findings of the research and therefore to find the research question.

### 9.2.Data analysis

'The process of analysing data varies from one study to another depending on how the researcher is guided by the research questions and theoretical framework' according to Kawuelich, in relation to this, the techniques used for the analysis of the empirical data were based on the type of research design which is a qualitative multiple – case study design.

Transcribing the interviews was the next step after each interview session. The combined notes from the interviews and the recordings are the empirical data that was analysed in order to found out the aims of the investigation. The interview process was a very useful tool that facilitated the analysis of the data and therefore of the research. According to Bryman & Bell (2011) 'qualitative researchers are frequently interested not just in what people say but also in the way they say it', in this context, during the interview process the note taking of all the relevant information that the researcher noticed from the interviewer were an important source of data for the interpretation of the data and the analysis.

The analysis was composed by two parts, one, the elaboration of case study reports which is the analysis separately of each company and second, comparative analysis of the three organisations. According to Milles & Huberman (1994) each case must

be understood in its own terms, in this context the, the methods used in the analysis of the data were patterns matching as suggested by Yin (2009) 'for case study analysis, one of the most desirable techniques is to use a pattern – matching logic'. In this context also Yin (2003) marks out that the explanatory case study analysis can take advantage of pattern-matching techniques.

In this context, the literature chapter was coded as recommended by Milles & Huberman (1994), they describe codes as indispensable to retry and organize. By doing this the researcher has the information more organized and reviewed in the literature chapter and it can be linked with the new data collected from the interviews. Consequently the data of the empirical findings was displayed and used for the constructions of the individual case study for each organisation. Milles & Huberman (1994, p. 91) describes how data display works, 'visual format that presents information systematically... which the analyst scans through, attaching codes and then extracting code segments'. After that organisation of the data, the case study report was easily elaborated. The second part consisted of pattern-matching for the analysis and comparison of each case study which represents the analysis of the empirical data.

## 10. Validity and Reliability

When developing a research, it is important to look at the issues that can be associated to the type of research involved. Due to the fact that this is a qualitative research, there are quality issues that the researcher needs to be aware of. According to Saunders, et al (2012) the lack of standardization in some types of interviews may lead to concerns about reliability. In this context this investigation has been made to suit the aims of the project and the methods of research used pretend to be reliable and valid.

The interviews were held without trying to impose any point of view to the interviewer in order to don't bias the responses. Also standardization in all the questions of the interviews was carefully designed. The type of interviews where semi-structured interviews and as established by Saunders, et al (2012, p. 384) 'in

semi-structured and in-depth interviews a high level of validity may be achieved where this are conducted carefully'. Also Bryman & Bell (2011) indicated four types of trustworthiness criteria for assessing a qualitative study that makes it reliable, valid and objective. The present research had been carefully carried out to accomplish the investigation with validly and reliability.

# CHAPTER IV ANALYSIS AND FINDINGS

The data collected and discussed in the previous section is presented and analysed in this chapter as the empirical data. The following segments of this chapter are: the presentation of the empirical findings through data set which are in table form with the main information from the interviews, divided by organisation and sections of subheadings for the diversity climate, the individual outcomes and the organisational effectiveness, this will integrate the case study for each organisation. This is followed by the analysis of the data which was done through a qualitative analytic technique for multiple – case study design where each case study is compared to each other against the model of Cox and Smolinsky (1994) selected.

## 11. Empirical Findings

### 11.1. Coding:

The coding was accomplished and based on the conceptual framework presented in the literature review. This was in order to organize and complete the relevant information for the following section. The table of codes is presented in appendix 3.

### 11.2. Data set:

The following data set is presented in tables and belongs to the main empirical findings from each company as appendix 4 shows.

## 12. Individual Case Study

As discussed in the methodology chapter, the data was recollected in order to build a case study for each company; each case study is also an analysis that links the empirical data with the theoretical framework of the literature review. The data set in tables was a useful tool of the qualitative technique used to organize and sum up the most relevant information.

### 12.1.  The Sugar Club

**Background**

The Sugar Club is a multipurpose arts centre, in the middle of Dublin. This bar & venue hosts artists from all over the world as well as local art events. It has been managed by the General Manager for the last ten (10) years. It's a small enterprise Irish owned. Due to the nature of the business, the organisation has full time and part time jobs, there are about 19 people working in the company including the managers and the staff, in where 60% of the working force are foreigners and the other 40% Irish. Everyone in the interviews argued that the organisation has a cultural diverse workforce.

The interviews were conducted to three foreign people and three Irish people, which includes staff and managerial position, as it is shown in the following table 1.

| Name | Position | Nationality |
|---|---|---|
| *David* | General Manager | Irish |
| *Eduardo* | Manager | Brazilian |
| *Vicky* | Staff | Polish |
| *Natasha* | Staff | Irish |
| *Sean* | Staff | Irish |
| *Sonia* | Staff | Polish |

Table 1. Interviews personnel, The Sugar Club

**Diverse climate**

The diverse climate of this company looked at stereotyping behaviour and ethnocentric behaviour whiting the organisation. According to the interviews held, the staff and managers do not present any preference of workmates, according Sean, he feels completely comfortable working with foreigners workmates 'Absolutely comfortable working with a diverse workforce'. Besides, the interview kept with another Irish staff member describes her preference for foreigners arguing that it is actually more interesting. The interviews conducted with the diverse workforce present no preconceptions and a good and stable relationship between staff and managers, all of the interviewed stated to feel in a good environment of work and that their feel workmates like friends. In this context The Sugar Club can be described as a plural organisation where the integration of the diverse workforce is high and it has more heterogeneous members that are inclusive with the diverse workmates, besides the hiring and promotion of the jobs is entirely open and equal. As David stated in the interviews 'I don't have any preference when hiring'.

The preconception has been evaluated as the internal layer mentioned in the literature review chapter. It is said that those types of differences between employees can affect the organisation's productivity. In the organisation that is been evaluated managers and staff declare to be and feel free from any preconception and according to Cox. Research diversity must be seen from different points of evaluation as: structural integration, informal integration, stereotyping, prejudge and discrimination in gender, age, religion and work in order to solve and leverage any challenge that can arise. Besides according to the interview responses, ethnocentrism as described in the International Model of Cultural Diversity, "the tendency of the view of your own group against other groups" was found that there is not such comparison from one group to another, because the integration of the workforce is high and the staff claimed to have a very good relationship with managers and staff. Following the same context the multicultural organisation stated to deal with low levels of intergroup conflict, therefore would lead to successful organisations.

The perception of the managers about a culturally diverse workforce doing things differently, shows that in this section the organisation have all the procedures

standardized and therefore all the staff end by doing things as the organisation commands, 'the staff will be encourage to do things at the same standard that is required' David. This appears to be an organisation were the culture of the company can be described as the third dimension "Cultural Diversity Dominated by Organisational Culture", in this type of organisations the shared rules govern the cognitive and affective aspects of membership in an organisation, nevertheless the general manager also commented that, 'In my experience foreigners take the job more serious, because they need it more', in this context it is possible to say that for the organisation the diverse workforce appears to be indispensable if they take their job more serious. However the organisation does not present an integration of cultural diversity in its policies and procedures arguing that everyone is treated and trained as the same with all the staff, but due to the fact that this type of organisations are relatively small there is not a H.R department and there is a lack of system flexibility, which establish that those type of organisations are more flexible in terms of adaptation of structures and methods that react to change in the needs.

**Individual Outcomes**

The individual outcomes of the company show a very committed staff as the interviews reveal. Also the managers stated to have a good team of work and to feel the commitment from employees, 'the staff that have been here for a long time' David. This creates a positive environment for the organisation due to the fact that the lack of commitment and cohesion in groups has a negative implication in organisational performance and The Sugar Club is presenting a committed crow. On the other hand there is not compensation system. The interviewees' responses show some inconsistencies in where some employees relate to the fact that parties are compensation for their work and other say that there is nothing apart from money. The managers agree that there is not really, but that the employees get promoted as recognition. According to Cox (1991) in plural organisation the compensation system works against discrimination.

**Organisational Effectiveness**

The feedback and communication process appears to be very informal between the employers and employees of the company; nevertheless both sides claim to be very effective, 'We have a regular and successful feedback' Natasha. The good communication in the organisation increases interpersonal integration and communication between members of a group, also increase confidence and therefore employees will feel comfortable in the workplace according to the concepts discussed in the theoretical framework.

The view that the organisation has in cultural diversity is very interesting because all the interviewed generalized and also specified feelings and outcomes for the wellbeing of the organisation. All the interviewed agree that it is a positive outcome that brings cultural diversity to the organisation, also one manager said 'It is actually very good. They bring their friends to come to see the club and then the club get more like "name", it is nice for customers that come in, they can chat with people with the same language' David. In this context it is a plus that the organisation has, and it can be seen as the dimension 1 discussed in the literature review, cultural diversity as a competitive advantage, this dimension suggest that the combination of organisational culture and cultural diversity, lead to cultural synergy. The staff responses were more as an advantage to meet new people and customs as Natasha commented 'absolutely a positive thing... Everybody brings things that they have learned from where they grow up'.

Cox& Smolinski (1994) mentioned that diversity is cited by innovation gurus to be key ingredient in creativity, the initiative/creativity in The Sugar Club, looks like a habit and at the same time all mentioned few positive outcomes of the implementation in the workplace 'I think we all have kind of that habit of initiative at work.... save time and maybe stress' Vicky, following this, as globalization had opened more work places for people everywhere, nowadays consumer behaviour for example needs to be analyzed from different perspectives and that is what cultural diversity brings to organisation, different perspectives that can be exploited in different dimensions with initiative/creativity. Also according to David gives to the employee 'more responsibility and sometimes a bit of common sense... you save time and they are encouraged to solve problems too'.

The staff turnover according to the interviews held with the managers, it was found some inconsistencies. One manager said that they have a high turnover and the other said that it is actually low, but that should be expected to be high. However due to the nature of the business, the hospitality sector in a venue it is expected to have a high turnover, also the organisation offers part time jobs that can be a summer job for students and therefore should be considered as having a high turnover. According to Cox& Smolinski (1994), 'those organisations that have a successfully integrated cultural diverse workforce have low turnover, the situation in the company is that they have a very loyal and permanent staff that feels like part of the organisation and feel that the organisation cares for them as equals, according to the research. According to the theoretical framework, when diversity is not well managed can increase dissatisfaction and therefore employee turnover of absenteeism, but this does not seems to be the case of The Sugar Club.

## 12.2.  The Grafton Lounge

**Background**

The company was established in 2010. From the sector of hospitality and Irish owned, this organisation attracts tourist and Irish people all over the year due to its great location and name. The organisation has over 20 employees and it has been managed by the same manager that recently became a shareholder. Due to the nature of the business The Grafton Lounge offers pat time and full time jobs; among its employees the organisation has a cultural diverse workforce. The interviews were held to three (3) foreigners' staff and two (2) Irish managers as figure X shows.

| Name | Position | Nationality |
|------|----------|-------------|
| *John* | General Manager | Irish |
| *Ciaran* | Manager | Irish |
| *Eugen* | Staff | Romanian |
| *Aneta* | Staff | Polish |
| *Rafael* | Staff | Brazilian |

Table 2. Interviews personal. The Grafton Lounge

**Diverse Climate**

The preferences that the interviews shown among all the employers and employees are completely unbiased, as the diverse workforce explained, they had a long time working with multicultural workmates and they stated that feel entirely comfortable and enjoy the work. One of the managers mentioned that there are around 60% to 70% foreigners working currently in the organisation and that 'I've never hired someone for been Irish' John. Nevertheless there are apparently tourist customers that would prefer to interact with Irish staff. These types of organisations are called multicultural organisations in where is expected to have low intergroup conflict, therefore would lead to successful organisations, in this type of systems the staffs is plural and heterogeneous in where there are not small groups of diversity and the integration among them is high.

According with Cox & Smolinski (1994) studies suggest that factor like stereotyping and ethnocentrism affect the diverse climate of the organisation and therefore it has an impact in the organisational effectiveness of the organisation. In this context, the responses from the staff were against felt or infringe any of the mentioned above, however there was an interesting answer from one of the managers pointing out 'Brazilians seem to work harder and expect less money than an Irish person who expect more money and possibly not work as hard, and that is obviously to do with their home culture' John. This answer can be very tricky because as the negative effects of the theoretical framework shows, also can be interpreted in an exclusion of minority groups meaning that there is no heterogeneity in the whole work environment, but evidence on the interviews suggest that their policies and their hiring and recruiting process is equal and open to all nationalities.

The relationship among the staff and managers described in the interviews appears to be in excellent conditions, according to Aneta 'So far so good... I'm happy with them and I think they are happy with me', she has been working in the organisation for 2 years and had recently been promoted. The relationship among employees has an enormous incidence in the diverse climate due to the internal layer of diversity and therefore the employee attitude toward their job is influenced. This is relationship

among staff is also influenced by the policies and procedures that the organisation has to manage the company.

According the manager John, the organisation don't have cultural diversity integrated into their policies and procedures, however 'Because we have a large mixture of culture here, I always encourage my employees to be quite open and welcoming of different cultures, the same way in which some of the foreign nationalities are going to have to accept, certain culture aspect of the Irish employees... the reason why we do that is to keep the team motivated, and a motivated work force is very important for their work space where they enjoy coming to work and enjoy getting well with each other' John. According to his answer the organisation is looking to implements one of what Cox & Smolinski (1994) defined as the main goals of managing diversity in the organisation 'Create a climate in which people with fundamental differences in culture (values, preferred work styles, goal priorities and behavioural norms) can work together with maximum effectiveness. Also according to the dimension 5 reviewed in the literature review "Cultural Diversity as a Human Resource Program and its Strategy" refers to the enormous responsibility in the managerial position of human resources department of organisations to implement and motivate organisational behavioural techniques to the achievement of a common objective.

The perception of the managers about cultural diverse workforce doing things in different ways was that the organisation has already a code of action and procedures as argued by John 'they... have a staff hand book, we train then and we teach them about Irish employment law, they are fully aware of their rights, everybody is thought from the outset, everybody is pretty clear of what we want from them' John. In this context there is a lack of system flexibility which relates to the fact that the organisation becomes more flexible in terms of adaptation of structures and methods that react to change in the needs. The organisation did not mention any change that includes cultural diverse workforce.

**Individual Outcomes**

The individual outcomes of the organisation looked at the commitment of the employee and the compensation that this person has. In the interviews the main responses from employees were that there is a big commitment from employees and they mentioned that is due to the fact that the company cares for them, 'I feel that the company cares for all the employees as equal... I'm very happy here I feel part of the team' Eugen. This organisational identification are those feelings of belonging and commitment to the organisation and are expressed by the employee as gratitude with commitment. Following the compensation process within the organisation the managers stated to be based around staff appraisals 'this is where we will sit down with the employees 3 to 4 times a year and we will ask them how they feel, how their performance is and how their tasks and objectives we would set for them during the apparels, we revisit that to see if they have completed what we were talking about' John. However according to the staff there was one answer arguing that there was not more compensation than the money and the other two responses mentioned bonus and the parties. In this context according to the plural organisation, they include the minority and reward all the staff as equal which also works against discrimination. Nevertheless of the answers the organisation has a compensation process that seems to not be recognised for all the employees.

**Organisational Effectiveness**

The organisation effectiveness according to the theoretical framework it is affected by the individual outcomes and the diverse climate. In this organisation the organisation effectiveness looked at the creativity / innovation, the communication process between staff and managers and the employee turnover. The responses of the communication process were of good comments, comfortable feedbacks, also the staff is encouraged to analyze their own performance and said how they feel about it. This integration and interpersonal communication increase confidence and makes them feel comfortable at the workplace. The good communication and feedback that the employees receive at this organisation makes part of a multicultural organisation in were decision making time is minimized, as established by Cox & Smolinski (1994) 'misunderstandings may raise anxiety in the members of a group and may

feel less comfortable, these effects can make decision making more difficult and time consuming'.

Nonetheless a high degree of cultural diversity can make the communication process slow if there are barriers of communication with the language, in this context those were the answers of some staff and a manager. 'That is the issue with me.... that is why I like to work with Irish' Aneta, also John said 'Some of the employees don't have a strong grasp with the English... everyone who works here and is part of the interview process is to check your level of English'. This communication barriers doesn't seems to affect the organisation, but n the other hand, there is a huge barrier that affects organisation and it is called "glass ceiling" also is a barrier that affects the mindset of the organisation.

The view that the organisation has on cultural diversity it is also very important to define the type of organisation. The responses of this question were positive and full of outcomes. To exemplify Aneta mentioned 'In this kind of business it is good to have foreigners so you can talk to the customers sometimes in their own languages... it is also good that we can come to other countries and learn the language and know the people'. The managerial side also affirms that the multicultural workforce brings a more customised attention to the customer when both speak the same language, 'brings something from their own culture... it is good for customers that don't speak the English language and come here' John.

The staff turnover according to the managers' responses is contradictory. One manager said that they had low turnover and the other that it was high, but due to the nature of the business the company offers lots of part time jobs which increases the staff turnover because part time workers according to john don't last much in their job position. Turnover from employees increases cost and in extreme consequences can deal to lawsuits.

### 12.3.    Carrolls Gifts

**Background**

This organisation is an Irish owned company established in 1982, and it is one of the leading retailers of quality Irish clothing, jewellery, souvenirs and gift product basically for tourist customers. The selected branch in located in Dublin city centre. For this organisation the access to the interviews was quite restricted with the managerial positions and therefore the interviews were held only to three (3) staff of the branch as the list shows bellow. The organisation has a high level of cultural diversity and all the interviewed were from different nationalities but not Irish.

| Name | Position | Nationality |
|------|----------|-------------|
| *Michelle* | Staff | Brazilian |
| *Ivan* | Staff | Romanian |
| *Mark* | Staff | Romanian |

Table 3. Interviews personnel, Carrolls Gifts

**Diverse Climate**

The diverse climate of this organisation included stereotyping and ethnocentric behaviour according to the model selected for this research. The responses of the staff show that two of them don't have any preferences in terms of working with, however Ivan commented 'I like it, it is interesting... but maybe I'd prefer to work more with people from my part of the world, due to cultural affinity, you have more common ground' in this context this person is projecting what Cox & Smolinski (1994) described as an influence into the organisation effectiveness due to it can have severe consequences in the diverse climate of the organisation, 'Ethnocentrism is the tendency of the view of your own group against other groups'. Nonetheless according to Neuliep et al (2005) 'humans are ethnocentric' clamming that, we tend to view other cultures and micro cultures from our own cultural vantage point. In these terms the authors claim that is naturally instinct to act like Ivan responses.

This can be linked to this person's relationship with their workmates and apparently looks stable and functional but noticeable there is a tendency in prefer workmates from the same cultural background. The other two staff indicated to have a very good relationship with the workmates and managers due to Michelle said 'Very good... my manager and me for example, we are really good friends, not just in the company but also outside'. According with (Cox, 1991) the author describes the tools for managers in "Creating a Multicultural Organisation" this type of organisations has a structural integration between different cultural background workmates.

**Individual Outcomes**

The individual outcomes evaluated in this organisation were, commitment and compensation: their commitment to the company differs from one to another participant, one staff said that it was completely committed to the job and that felt like special part of the organisation, the other staff mentioned to be committed just 50%, and the last staff interviewed said 'It depends on how many times they need me... but I feel like team yea' Mark. Definitely the commitment of the staff interviewed is very low and therefore according to Holmgren & Jonsson (2013) 'the lack of cohesion, commitment has negative effects on the organisation performance'. Also the lack of organisation identification from the staff shows the lack of belonging to the workplace.

According to the Cox and Smolinski (1994) model "The International Model of Cultural Diversity" the individual outcomes influence the organisation effectiveness, career outcomes at the individual level and employee turnover. In this context the next segment analyses the organisation effectiveness. The other outcome evaluated in the interviews was the compensation process. The organisation 'compensate the best seller in the shop, the company have the culture that at the end of the seasons we are invited to a party together and the company pays for everything' Michelle. The compensation process that the company has awards the best seller and the employee of the month, but unfortunately is not possible to know how integrated is cultural diversity in the policies and procedures of the company, nevertheless the compensation in organisations fight against discrimination and create equal

opportunities for all the employees, besides the employee feels valued and decompensate by their work.

**Organisation Effectiveness**

The communication process according to the interviews responses was effective, direct and with a good feedback. All the interviewed staff stated to feel satisfy with the communication with their managers and workmates. 'The interpersonal integration and communication between members of a group increase confidence and therefore employees will feel comfortable in the workplace' indicates Cox & Smolinski (1994). The effective communication process describes a plural organisation in where there is an assimilation process in the acculturation process and also means that the members of the organisation are inclusive with the cultural diverse members, due to it is an organisation with high rate of cultural diversity makes it a challenge in where the small group could be represented by the Irish employees, however according to the interviews the communication is effective and integrates all members of the staff.

The barriers of communication can also represent a challenge in cultural diverse workforce, however just one respondent confirm to always have misunderstandings 'I always had this misunderstandings between the language... other than that no' Michele, but at the same time she expressed that no problem had never raised from that. Jackson (1996) expressed 'the view of the benefits of diversity during decision-making accurately reflects some of the potential benefits to be gained by creating diverse decision-making teams'. The good communication process will influence decision-making and therefore in the fast environment of this retail sector organisation, good communication and accurately decision-making lead to save time.

The view of cultural diversity from the staff interviewed agree upon positive outcomes from a diverse workforce, Michelle response was 'I think that is great because this is a tourist store company.... we have many customers that are from everywhere... it is good that are foreigners here because you will be able to talk to them in your own language... on the other hand they expect you to be Irish, not all the customers but some of them... you can have a personalized customer service... it

is good for us as a life experience too'. This can represent advantages over other retail organisations that do not have a high level of cultural diverse workforce. In the specific case of Carrolls Gifts shops, which is basically for tourist costumers, plays an important role because having employees with at list 4 different languages and the English as lingua franca can make a personalized attention to the customer that ask for it. Besides Ivan response confirms 'they speak languages and that is possibly one of the greatest things for the company because in any shop, above all they speak at list 5 languages and they can help the customers, I'd say that is one of the greatest plus, it is very good and helps a lot'.

The initiative/creativity according to the responses is asked for the organisation to the employees. In this context Michelle explained 'the company have a culture that every month, we have a book for new ideas from the staff... we are encourage to it... even from a product you can suggest your idea'. With this monthly book of suggestions the company is leveraging their capacity to come up with new ideas from diverse sources. As Cox and Smolinski (1994) emphasised that cultural diverse workforce in organisation will exponentially increase creativity and innovation. On the other hand the employee feels empowerment in the workplace if sees that is taken into consideration.

## 13. Analysing the Empirical Data

This part includes the analysis and comparison of the three organisations against the model selected for evaluation IMCD designed by Cox and Smolinsky (1994).

### 13.1. Comparative Analysis and Discussion

The model selected for the evaluation of the companies (International Model of Cultural Diversity) was used in this part of the analysis to compare the empirical data of each case study against it. This was in order to find similarities and dissimilarities that could link or separate the organisations and consequently instantiations or not

the model. 'Compares and empirically based pattern with a predicted one' Yin (2009, p. 136). The main segments are: Diverse Climate, Individual Outcomes and Organisational Effectiveness.

**Diverse Climate**

The diverse climate of two organisations (The Grafton Lounge and The Sugar Club) can be described as plural organisations in were all the responses relate to don't have ethnocentric or stereotyping behaviour. These types of organisation are inclusive with the diverse workforce and also there is an informal integration as described by Cox (1991), according to the interviews. However Carrolls Gifts diverse climate presented inconsistencies among the staff, in which one of them stated to prefer workmates from the same nationality than him. According to the model IMCD this should present an impact in the organisational effectiveness segment of the organisation, the model suggest that ethnocentric behaviour brings individualism in goals setting and power disparities, which also brings insights of cohesiveness in groups. In the section organisational effectiveness the analysis will state if it does have an implication as the model suggest. According to the dimensions of diversity so far we can place Carrolls Gifts in the dimension 2, "*Cultural Diversity as both Positive and Negative*". Due to the relationship between the staff was stated to be effective and with an informal integration.

In the policies and procedures there is technically not adaptation of cultural diverse by any of the organisations. In this context the organisations do not present a system flexibility that allows the organisations to change policies and procedures in order to integrate cultural diverse workforce. For example, The Sugar Club stated that there is no such thing because all the staff is treated, trained and hired as everyone else, in other words equally. The Grafton Lounge stated to have it in the way they encourage employees to accept and be accepted from other cultures; however it was not possible to know the situation in Carrolls Gift due to limitations. In this context, those organisations are aware that this integration needs to be included in H.R procedures but at the same time, small companies like The Sugar Club and Grafton Lounge do not present a H.R department. Opposite to Carrolls Gifts, that it does

have a H.R department and for having branches around Dublin appears to be a bigger organisation and it is expected to have a H.R department, however it is not possible to make conclusions over this organisation in this point. Following the same context, the no integration of those policies and procedures in The Sugar Club and The Grafton Lounge, do not seems to affect the diverse climate of the other two organisations, this is possibly because the diverse climate is comfortable and stable and good conditions for the foreigners and the Irish employees.

**Individual Outcomes**

The findings from the individual outcomes showed a very weak commitment from Carrolls Gifts according to the interviews held. The low commitment is described by the model towards an outcome for employee turnover, in other words it is a negative effect for the organisation effectiveness. Unsatisfied employees in the workplace increases absenteeism and therefore that can lead to discomfort, communication problems and cohesiveness. The other two organisations showed a very strong commitment and feeling of belongings from the employees to the company. According to the interviews this was due to good relationship between managers and staff, and also felt treated as equal and catered by the organisation.

This type of organisations as described above, are called multicultural organisations where the diverse workforce is appreciated and feel belongings to the company, this type of organisations have a low degree of intergroup conflict, also prejudice and discrimination has been completely eliminated or is inexistent. In this context The Grafton Lounge and The Sugar Club should present a better organisational effectiveness in the following segment of evaluation according to the model, due to Carrolls Gifts presents very weak individual outcomes.

The compensation process according to Cox (1991), works against discrimination due to includes all the personal in the organisation as employee without restriction. In this context the findings suggest that the compensation process in each

organisation works differently: in The Grafton Lounge the company compensate the employees with bonus and parties, however not all the employees see it like compensation. This is due because few of them did not know what to answer when the question came out in the interviews. Very contrasting to The Sugar Club which has not compensation process at all, according to the general manager the compensation process is when an employee gets promoted. In comparison with Carrolls Gifts the staff had uncertainty of the answer and two accorded that at the end of each season the organisation offer a party, and also the best seller of the shop was awarded. The compensation strategies that this three organisations implement appear not to be much clear from the employees perspective, it can be assumed that maybe the organisations do not really had established a process that keep the employees to be motivated towards the goal of an award.

**Organisational Effectiveness**

The communication process of the three companies is very effective and direct, due to the nature of the business (retail sector and hospitality sector) most of the communication is held person to person from manager to staff. This also indicates that there is a good relationship between the members that is expressed in effective communication as described by the interviewers. The barriers of communication described for the employees do not really affects their performance in any of the companies, according to Cox & Smolinski (1994) 'misunderstandings may raise anxiety in the members of a group and may feel less comfortable, these effects can make decision making more difficult and time consuming' but this do no seems to be a problem for any of the companies, nonetheless foreigner staff respondents occurs to be smiling and looking up like if trying to remember any occasion that could makes them to get embarrassed.

The responses of turnover according to The Grafton Lounge and The Sugar Club were different from each manager interviewed, however the business of both organisations match into the high turnover segment due to both organisations offer part time and full time jobs according to the interviewed managers. Reason why it is not possible to perceive if this high turnover has any implications in the organisation effectiveness and the cost that in the long run incurs in the organisation as the model

in evaluation suggest. The Carrolls Gifts information about turnover was not available for the researcher.

Another finding that came out of relevance was the view that the organisations had towards cultural diversity. The three organisations stated to feel comfortable, and even one Irish staff said that sometimes she preferred diverse workmates because it was most interesting. According to all the interviewed people, the most relevant responses were suggesting that cultural diversity bring positive and good outcomes to the company. In accordance with the model selected, cultural diversity's goals includes to create a good climate in which people with fundamental differences in culture (values, preferred work styles, goal priorities and behavioural norms) can work together with maximum effectiveness. In this context it is possible to say that those two companies are describing the dimension 2 of cultural diversity: *Cultural Diversity as a Human Resource Program and its Strategy*.

## 13.2. Discussion

The three companies manage high degree of cultural diverse workforce due to the nature of the business in accordance to the interviews. The organisations have full time and part time jobs that suit to national and international students that came to Ireland to improve English skills. Besides, the three organisations somehow have also multicultural customers.

It can be argued that The Grafton Lounge and The Sugar Club can be placed in the Cox and Smolinsky (1994) model context, and that the model exemplifies the main dimensions of the organisation. Their organisational effectiveness is fulfilled and both resemble the synergy that can originate cultural diversity in organisations. In other words cultural diversity according to the model selected and the analysis of the empirical data affects organisations by the way that it is managed. However it is important to make an observation: this could also be, due to the fact that in both organisations cultural diversity well managed, welcomed, accepted and there is a high degree of heterogeneity among staff and managers.

Nonetheless each company has a different way to manage cultural diversity and therefore the outcomes are different as related in each case study, but also they have in common that are small enterprises. By saying this, there is an important factor that was not considered before, both organisations make strong relationship with their staff for been loyal to the company or because the employee becomes a personal friend of the managers. This could have an influence in the results of the main research question, because the model then will not be applied with fairness and could be biased. In this context the model is weak if the organisation has strong affective relationship the implications of cultural diversity could not be easily seen.

It is important to mention that even though there is not a proper reward system in those organisations, it was not possible to detect an implication in the organisational effectiveness; this is contradictory in accordance with the model suggestions. This may be due to the fact that in both companies the employees feel strong attachment and belongings for the organisation and also their commitment is very high.

It is not possible to conclude the same about Carrolls Gifts even though knowing that the shop has a high degree of cultural diversity employees and that the organisation has a rewarding system and the employees can communicate ideas monthly which allows them to innovate, but, there is not full commitment from half of the staff interviewed. They don't feel part of the organisational team and they don't see the reward system as enough. Also there was a person from the staff that showed to have ethnocentric behaviour, which made the diverse climate not workable and as comfortable and satisfied with his workmates. Nonetheless the organisation effectiveness do no seems to get much affected, as the model suggested which says that if any of the segments of the model is interrupted or has bad outcomes in individual or diverse climate, the organisational effectiveness will be strongly affected, but this conclusion is also tied by the fact that there were limitations in the interviews of this company to deep in the organisational effectiveness.

It is no possible to know if the model applies in an organisation with cultural diverse problems or in a high homogeneous environment.

# CHAPTER V CONCLUSIONS

This investigation was aimed at discovering how cultural diversity has been managed in organisations in order to understand how it has influenced them. The research has found that organisations are in fact influenced by cultural diversity in the way the businesses are managed. Therefore there is a strong relationship in the climate of the organisations with the effectiveness as the Cox & Smolinski (1994) model suggests.

The data was collected from three companies in Dublin. Each organisation selected had a high degree of cultural diverse workforce and each one was found to be managed differently. The results of each case study showed congruence with the theoretical framework. In this context, the theories and concepts from the literature review could be linked to the real life situations in the analysis of the empirical data for each organisation. 'The challenge for organisations... is to manage in such a way as to maximize the potential benefits of diversity while minimizing the potential disadvantages', clarifies Cox & Smolinski (1994). The literature review exemplified also some negative effects that cultural diversity can bring to the organisation, and few of those were found in one company, Carrolls Gifts.

Carrolls Gifts presented an ethnocentric behaviour staff. It was argued in the theoretical framework that there is a degree of ethnocentrism in us all human beings, Neuliep et al (2005) 'humans are ethnocentric', clamming that, we tend to view other cultures and micro cultures from our own cultural vantage point. Nonetheless, this exemplified the model in two segments, which suggested that if the diverse climate and individual outcomes are not well managed, there will be implications in the organisational effectiveness. In this context the diverse climate influenced the effectiveness as the model states, but, it was not possible delve more into this organisation due to limitations on the interviews and it was not possible to evaluate the complete organisational effectiveness section.

Cultural diversity as argued by one of the most used authors on the topic, Taylor Cox, creates a synergy in the organisation and that the challenges that presents can be leveraged by a well managed workforce. In this context, it can be concluded that

cultural diversity is definitely represented in all the organisations as a proactive and interesting outcome that it is been ignored by the organisations policies and procedures but not by the day to day activities as the staff related in the interviews.

The different ways that each organisation used to manage its staff made the difference in outcomes from a cultural diverse point of view. The findings suggest that the view of the companies on cultural diversity has positive implications. In this context it is important to mark out that the managerial view of cultural diversity plays an important factor in the role of how cultural diversity is treated in the organisation. Results also showed strong commitment and high group heterogeneity in The Grafton Lounge and The Sugar Club.

## 14. Limitations

The cultural diversity topic it is as broad as the number of different cultures existing, however this investigation was narrowed down to fulfil the research question of the investigation. Nonetheless there were some limitations in the realisation of this research in terms of data collection. There was not possible to get to interview the employees of managerial positions in the company Carrolls Gifts, which is why it was not possible to capture the complete empirical data for the analysis and evaluation. Also it was not possible to conclude about this organisation in all the dimensions of the model selected, it could not be applied 100% due to the lack of information. Another limitation in the investigation was that the model seems to need to be put in practice for a long period of time to can find out any bad outcomes or the implications that a bad managed cultural diverse workforce can have in the organisation effectiveness.

## 15. Recommendations for Further Research

From this study, organisations are recommended to include cultural diversity in their policies and procedures, this will open a new view of multicultural workforce and

therefore organisations could manage and integrate even more cultural diverse employees and enjoy the benefits that it has. To invest in diversity-related training programs will be of much help to a quick integration of the foreigners with the people working in the organisation.

To the companies evaluated, they need to be more aware of the challenges and benefits that cultural diverse workforce represents. It will also be of importance to include culturally diverse employees to the managerial positions; this will benefit the organisations by opening a window of new experiences and new outcomes. By doing this, the organisations will also be completely heterogeneous. A better reward system also should be implemented to all type of employees in every business.

Further research on this topic Cultural Diversity in Organisations will be very useful from specifically a managerial point of view. A quantitative analysis approach could be of different use focused on the employee turnover. The turnover from employees in a multicultural organisation in accordance to Cox and Smolinsky (1994) model (IMCD), it has economically implications and also demonstrates that the diverse workforce has not been well managed. Consequently this will bring an insight of the repercussions of employee turnover in the organisation that could be measured by the costs. This investigation represents for organisations and insight of cultural diverse workforce and a motivator for the implementation of better strategies to manage cultural diverse workforce.

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# APPENDICES

**Appendix 1, Interview guide**

**<u>Managers Interview Questions</u>**

- This study is about cultural diversity.
- The results will be used academically.
- The participation is optional
- Do you want to be anonymous?
- Is it ok if we record this interview?

*Cultural diversity: "By cultural diversity I mean other nationalities than Irish nationality, as well as Irish people who are born in Ireland but have foreign born parents".*

### <u>Background Information</u>
- What is your nationality?
- Why did you join this company?
- How long have you worked at this company?
- What strategies do you use to manage your staff members/employees?
- How long have you worked in this position for?
- How many people do you supervise?

### <u>Diversity Climate</u>
- Do you have any preferences between hiring a native Irish person or a foreign person? Why? Why or why not?
- Do you think it is easier working with a native Irish worker more than with a foreign?

- Are there any countries that you have found in your experience to work particularly well, are there any that you have found to underperform?

- Are there any preconceptions that you have about people from different cultural backgrounds in terms of working with? (Good or bad?) Stereotypes…

- How is cultural diversity integrated into your organisation's policies and procedures?

**Individual Outcomes**

- How does your organisation relate to the fact that people from diverse cultures might be used to do things in different ways?

- Do you feel that workers are committed to the organisation? If not why is that do you think? If yes, explain.

- Are there any methods or procedures that the organisation has to educate or train the workforce to the cultural differences within your workforce?

- Does the company have an award system for employees? What is the compensation process like with your employees?

- Are some workers more naturally committed than others? Why do you think is that?

**Organisational Effectiveness**

- Do you have a regular feedback with your employees? Can you describe how the communication process with your employees is?

- Do you feel that there are barriers of communication with cultural diverse workforce?

- What do you think about cultural diversity and how does it affect you organisation?

- What kind of outcomes do you think managing cultural diverse workforce has provided to your organisation?

- How do you manage the positive and negative effects that you mentioned? (if mentioned)

- What is the degree of staff turnover like in the company? If it is high/low could you explain why you think this is?
- Are staffs encouraged to use initiative?
- What benefits or negative effects does initiative from employees have on the company?

**Employees Interview Questions**

- This study is about cultural diversity.
- The results will be used academically.
- The participation is optional
- Do you want to be anonymous?
- Is it ok if we record this interview?

*Cultural diversity: "By cultural diversity I mean other nationalities than Irish nationality, as well as Irish people who are born in Ireland but have foreign born parents".*

**Background Information**
- What is your nationality?
- Why did you join this company?
- How long have you worked at this company?
- Do you think the work force in his company is diverse?
- In what way do you work with culturally diverse workforce?
- How often do you change job and why?

**Diversity Climate**
- How do you feel working with culturally diverse workmates?
- Do you feel that as a foreign worker do you have restrictions in work?
- Have you ever felt excluded from work/social activities for being a foreigner person?
- Do you feel that your workmates had a preconception of you? Why, why not?

- Can you tell me about your relationship with your workmates and your direct manager?

- Is there any issue that you have about people from different cultural backgrounds in terms of working with?

**Individual Outcomes**

- Have you ever been compensated for your work in this company? (apart from money)

- To what extend is your commitment to the organisation? Why?

- How do you feel the company caters for a diverse workforce?

- To what extend do you feel like part of the organisation?

**Organisational Effectiveness**

- Can you describe how the communication process with your manager and workmates is?

- Do you feel that there are barriers of communication with your manager and workmates?

- What do you think about cultural diversity and how does it affect you organisation?

- How do you manage the positive and negative effects that you mentioned? (if mentioned)

- Are staffs encouraged to use initiative in this company?

- What benefits or negative effects do you think initiative have on the company?

**Appendix 2**

**Interview sample to an Irish Manager**

**Background Information**

1.      What is your nationality?

-Irish

2.      Why did you join this company?

-I'm was thinking about to go back to college to study my masters, I actually got accepted into UCD, and after I have been accepted I met a guy, which is the manager director of this company, and he told me about his plans to opening a new business, and he asked me to come and join him and run the business for him, and then I thought, I can go to college and learn how to run a business or I can actually go and run the business, so jumped on that option, so Ive been in here since 4 and half years, I'm actually a shareholder in the company and we have also another premises in Ballsbridge.

3.      How long have you worked at this company?

-I've been in here since 4 and half years

4.      What strategies do you use to manage your staff members/employees?

-We have a pretty extensive HR strategy in place, of the top of my head some of the strategies we use are positive reinforcement, whereas if an employee is doing something correctly we highlight that and give them phrase for doing something like that and then we positively reinforce the fact that if they do it again is the correct thing to do. My management style will be phrase in public of give some person phrase in front other employees, and scold them in private, which mean if you have to give out so somebody for something you wouldn't have to do it in front of other employees, you bring them to a private area, or in the office, depends, instead losing your temper with them in front of the other employees and embarrassing them. I found that this could demotivate them.

5.      How long have you worked in this position for?

-5 years in January, started as general manager and then shareholder in the bar and then became shareholder in another bar.


6.      How many people do you supervise?

-Between 20 and 30, including security staff.


**<u>Diversity Climate</u>**


1.      Do you have any preferences between hiring a native Irish person or a foreign person? Why? Why or why not?

-Honestly there is times where you would prefer an Irish member staff because of language capabilities and also because when tourist came to Ireland, they like to deal with Irish staff, but in saying that, since we opened for 4 and half years, I've never hired someone for been Irish, as opposed to not hiring someone because of their nationality, in between 20 to 30 staff id say, possibly 70% or 60% are foreign nationalities, mixed with Brazilians, Thai, Romanian, Polish, we had Greek recently, Italian, Estonian, Irish, English, but in terms of would I hire someone because they are Irish... It is strange, you should never stereotype, but you should also think of the percentages like, 90% of the Brazilian people I have working here, have been very hard workers, so I can't turn around and say all Brazilians are hard workers cause is stereotype, but I can say that all the Brazilians I have meet that work here, have been extremely hard workers, and it is true, and I've lived abroad for 2 to 3 years in Asia and there is a different work ethic over there, if you compare and Irish person to a Korean person, we are lazy compare to them, they work 6 day week, 12 hours at day, we don't do that, so, possibly it is stereotyping saying that Koreans are hard workers the most, but I've actually been there and I've seen them close and they do work harder than us. Well, the Brazilians that I've hired here work harder than an Irish doing the same job. What about the Polish? Well, yea, we have had few polish employees, again, we found them good workers, I haven't really found a nationality that I can consider lazy in terms of work ethic.


2.      Do you think it is easier working with a native Irish worker more than with a foreign?

-I don't think that there is any difference there. Personalities are obviously different but I don't think that nationality determines a personality.

3. Are there any countries that you have found in your experience to work particularly well are there any that you have found to underperform?
-Id never say that someone underperform because of their nationality. You can compare nationality, like an Irish person usually will expect higher rate pay than a Brazilian, the reason of that is because Brazilian minimum wage is much lower than an Irish minimum wage; it doesn't mean that the employee work more or less, it is just that they have a preconceived notion of what is good pay, a minimum wage to a Brazilian person can seem like an extremely good pay, but for an Irish person it may seem like terrible, they want more. I've never come to the stage to say, I won't hire that nationality because they are lazy, that doesn't matter.

4. Are there any preconceptions that you have about people from different cultural backgrounds in terms of working with? (Good or bad?) Stereotypes…
-Brazilians seem to work harder and expect less money than an Irish person who expect more money and possibly not work as hard. And that is obviously to do with their home culture.

5. How is cultural diversity integrated into your organisation's policies and procedures?
-I guess, because we have a large mixture of culture here, I always encourage my employees to be quite open and welcoming of different cultures, the same way in which some of the foreign nationalities are gonna have to accept, certain culture aspect of the Irish employees. To be honest we just encourage everyone to be the same and to get along with each other, we hold a huge amount of staff outings and parties, and the reason why we do that is for all the staff to mingle and mix together to go out as equals and enjoy themselves, because they are equals, but I just want to make sure that they feel part of the group. They go out together. The reason why we do that is to keep the team motivated, and a motivated work force is very important for their work space where they enjoy coming to work and enjoy getting well with each other.

**Individual Outcomes**

1.      How does your organisation relate to the fact that people from diverse cultures might be used to do things in different ways?

-I guess we have a code of practice for this business, every employee here has a contract, they also have a staff hand book, we train then and we teach them about Irish employment law, they are fully aware of their rights, everybody is thought from the outset, everybody is pretty clear of what we want from them.

2.      Do you feel that workers are committed to the organisation? If not why is that do you think? If yes, explain.

-100%, because we work long hours here, the nature of our trade is that you could have a quiet day followed by a extremely busy day, on the quite day staff would accept that they may be asked to go back home early, on the Saturday they may be asked to come in in their off time and they may be asked to work longer hours and we may ask to stay later, and they are more than willing to do this, because they know we look after our employees, and sometimes we may ask for extra end they all are willing to stay.

3.      Are there any methods or procedures that the organisation has to educate or train the workforce to the cultural differences within your workforce?

-yea, is an ongoing process, we constantly train people, training in areas that they may not expect. They are trained to be multitask in case they are needed

4.      Does the company have an award system for employees? What is the compensation process like with your employees?

-Yes we do, it is based around staff appraisals, this is where we will sit down with the employees 3 to 4 times a year and we will ask them how they feel, how their performance is and how their tasks and objectives we would set for them during the apparels, we revisit that to see if they have completed what we were talking about.

5.      Are some workers more naturally committed than others? Why do you think is that?

-There are definitely because we have a large amount of full time staff and they see this job as their livelihood and the part timers might see it as a summer job. The guys with a full time job will be more committed.

## **Organisational Effectiveness**

1.      Do you have regular feedback with your employees? Can you describe how the communication process with your employees is?

I would go back to the appraisal there but we also ask the employees to see how they are getting on. Employees give feedback of their performance and also we ask them to critical analyze their own performance and how they feel; instead of we tell them what are they doing good or bad we ask them to analyze themselves.

2.      Do you feel that there are barriers of communication with cultural diverse workforce?

-Sometimes yes, some of the employees don't have a strong a grasp with the English, but I'm happy to say that everyone who works here and part of the interview process is to check your level of English and I'm happy to say that pretty much everyone here have good English

3.      What do you think about cultural diversity and how does it affect you organisation?

-Yea i think is great for the organisation because everybody brings something from their own culture, something good some things bad but we can take a lot of the good stuff and implemented into our own strategies and we can make things get better, plus is great craic to have so many people from different cultures, we usually sit down after work when is possible and have few drinks.

4.      What kind of outcomes do you think managing a cultural diverse workforce has provided to your organisation?

-I think it provides lots of new ways of doing things, it is good for customers that don't speak the English language and come here, and also you get to know another world of customs.

5.      How do you manage the positive and negative effects that you mentioned? (if mentioned)

- As I said we promote that all the staff get well to each other so they can socialise and learn from each other. We have had Spanish customers feeling more comfortable with a Spanish speaker waitress and so on with many nationalities.

6.      What is the degree of staff turnover like in the company? If it is high/low could you explain why you think this is?

-I suppose when you compare to an organisation like an office we will yea have a high turnover staff compared to those, but if you compare to retail it will be the same, it is the nature of the business is that there is a lot of part time staff. High turnover.

7.      Are staffs encouraged to use initiative?

-Yes, very much. Because I believe the less time I have to spend managing an employee, the more time I have to concentrate in other areas of the business, so I make all my employees clear of what I want of them and I ask to use their initiatives so they can make their own decision, obviously no responsibility in the critical areas.

8.      What benefits or negative effects does initiative from employees have on the company?

-It makes the employees to feel valuable and responsible.

**Appendix 3**

**Table of codes**

| C.D | CULTURAL DIVERSITY | CODE |
|---|---|---|
| **LR** | LITERATURE REVIEW | |
| **LR** | CULTURAL DIVERSITY | LR-CD |
| **LR** | What is Culture? | LR-C |
| **LR** | What is Diversity? | LR-D |
| **LR** | CULTURAL DIVERSITY & ORGANISATIONS | LR-CD&O |
| **LR** | Layers of Diversity | LR-LAY |
| **LR** | Personality | LR-LAY-P |
| **LR** | Internal Layer | LR-LAY-I |
| **LR** | External Layer | LR-LAY-E |
| **LR** | Organisational Layer | LR-LAY-ORG |
| **LR** | EFFECTS OF CULTURAL DIVERSITY IN ORGANISATIONS | LR-EFF |
| **LR** | Positive Effects | LR-EFF-P |
| **LR** | Marketing Strategy | LR-EFF-P-M |
| **LR** | Problem Solving and Creativity | LR-EFF-P-SOL |
| **LR** | Cost and Saving | LR-EFF-P-COST |
| **LR** | System Flexibility | LR-EFF-P-SYS |
| **LR** | Negative Effects | LR-EFF-N |
| **LR** | Cohesiveness in group | LR-EFF-N-COH |
| **LR** | Decision Making and Communication | LR-EFF-N-DEC |
| **LR** | Turnover and Absenteeism | LR-EFF-N-TURN |
| **LR** | Discrimination and Racism | LR-EFF-N-DISC |
| **LR** | MANAGING CULTURAL DIVERSITY | LR-MANG |
| **LR** | Managing cultural diversity: the five dimensions. | LR-MANG-D |
| **LR** | Dimension 1 | LR-MANG-D1 |
| **LR** | Dimension 2 | LR-MANG-D2 |
| **LR** | Dimension 3 | LR-MANG-D3 |
| **LR** | Dimension 4 | LR-MANG-D4 |
| **LR** | Dimension 5 | LR-MANG-D5 |
| **LR** | MANAGING DIVERSITY: COX' MODELS | LR-MOD |
| **LR** | Types of Organisation | LR-MOD-TYP |
| **LR** | Creating a multicultural organisation | LR-MOD-MULT |
| **LR** | Cultural diversity: Impact Model | LR-MOD- |

|  |  |  |  | IMPM |
| --- | --- | --- | --- | --- |
| **MET** | METHODOLOGY CHAPTER |  |  | MET |
| **MET** | Research Question |  |  | MET-RQ |
| **MET** | Objectives & Aims |  |  | MET-OBJ |


**Appendix 4**

**Data set. The Sugar Club**

| Diversity Climate | | Staff | Managers | Code |
| --- | --- | --- | --- | --- |
| **Stereotyping** <br><br> **Behaviour** <br><br> **and** <br><br> **Ethnocentric** <br><br> **Behaviour** | Preferences of workmates | 'Not really I don't mind' Vicky. <br><br> 'I prefer foreigners actually, because it is much more interesting'. Natasha <br><br> 'Absolutely comfortable working with a diverse workforce' Sean <br><br> 'I enjoy everything because I'm foreign' Sonia | 'I don't mind to work with one rather than the other, people are just people, as long as they are professional and do their job well' and 'Language barriers' Eduardo. <br><br> 'Not at all, I just want someone to do the job, basically' also 'At the beginning is probably easier, to someone language biased, and accent, but once that people gets used to is probably the same to everyone... I don't have any preference when hiring ' David | LR-MOD-TYP |
| | Preconceptions | 'No I don't think so' Vicky <br> 'I try not to, because generally you are wrong' Natasha <br> '. No, I am an open person' Sonia | 'No not at all' Eduardo <br><br> 'Not really' David | LR-LAY |
| | Relationship with others | 'I think that everything is ok and is very good actually' Vicky <br> 'We all get on very well, maybe too well sometimes, you kind of forget that you are working instead' Natasha <br> 'It is very good, it is very close, we workmates are very close, good friends, we used to see each other | N.A. | LR-MOD-IMPM, <br><br> LR-MOD-MULT |

| | | Staff | Managers | Code |
|---|---|---|---|---|
| | | outside of work and the same with the managers' Sean<br><br>'It is really good, we see each other outside work, the managers are very friendly' Sonia | | |
| | C. D. Integration policies. | N.A. | 'they are trained as other normal employee... when they get the rhythm of the company all of them work together as a team' Eduardo<br><br>'The procedures are standardized... the staff will be encourage to do things at the same standard that is required' David | LR-MANG-D3 |
| | Perception of C.D doing things in different way | N.A | ''We all get along very well, I have no issue' Eduardo<br><br>'Is not really, everyone is treated as the same... In my experience foreigners take the job more serious, because they need it more.' David | LR-MOD-MULT<br><br>LR-EFF-P-SYS |

Table 4. The Sugar Club - Diversity climate

| Individual Outcomes | | Staff | Managers | Code |
|---|---|---|---|---|
| **Commitment and Compensation** | Commitment | 'Very professional as much as I can', also 'I haven't had any training for been a foreigner, but I think the company cares for all as equal' Vicky<br><br>'I have a tendency to care a little bit too much about work... I'd rather to immerse myself more and more, because you just feel better about what you do... Nearly like building a little community'. Natasha<br><br>'I'm in here even on day off... you get emotional | 'They are very committed, always very helpful, anyway willing to do their job', also, 'workers more committed than others? Doesn't have to do with nationality, it depends on the person' Eduardo<br><br>'Some of them are, some of the staff that have been here for a long time but others no, it is the nature of the business' David | LR-MANG |

| | | | | Code |
|---|---|---|---|---|
| | | attached to a building or an organisation' Sean<br><br>'Whenever they need me' Sonia | | |
| | Compensation | 'I don't think that there is something else besides money' Vicky<br><br>'Oh yea we often get a little bit extra for doing extra job, is nice to get recognized for a bit of more job' Natasha<br>'I've had few promotions'. Sean | 'We don't, we used to have' Eduardo<br><br>'The staff here if they do well they get promoted... there are also annual parties for them' David | LR-MOD-TYP |

Table 5. The Sugar Club- Individual Outcomes

| Organisational Effectiveness | | Staff | Managers | Code |
|---|---|---|---|---|
| **Turnover Creativity Innovation Communication** | Feedback and Communication Process | 'We have a regular and successful feedback' Natasha<br><br>'Good communication and feedback, we are always talking' Sean<br><br>'It is regular actually, everything is ok' Sonia | 'It is actually very good, I'm very straight I don't like to tell someone else what to do all the time, so I think we are very straight on this point, cause it is an small organisation' Eduardo<br><br>'It is kind of informal and formal, very continuous' David | LR-EFF-N-COH |
| | Barriers of Communication | 'I'm trying to learn more, my language could be a problem but I don't think I have any other problem' Vicky<br><br>'Most of the time no, but if it is very busy and very loud is not the language is the environment that we work in' Natasha<br><br>'Not really, sometimes maybe if the English isn't as good is hard to talk to people' Sean<br><br>'If I don't understand something I ask' Sonia | 'it happens, when you try the communication between you and me as a foreigner and a native English like Irish somehow at some stage is hard' Eduardo<br><br>'Well sometimes the language can be difficult' David | LR-EFF-N-DEC |

|  | View of C.D and Outcomes | 'I think is so good and useful, you can see that there is other part of life' Vicky<br><br>'Absolutely a positive thing... Everybody brings things that they have learned from where they grow up' Natasha<br><br>'I think you have a bit of fun, you can learn new languages and new stuff' Sean | 'I think it is something pretty cool actually, as long as people from everywhere can add something new... You should listen to them definitely you will learn a lot', also 'As positive things they come to add extra value' Eduardo<br><br>'It is actually very good. they bring their friend to come see the club and then the club get more like name, it is nice for customers that come in, they can chat with people with the same language' David | LR-MANG-D1 |
|---|---|---|---|---|
|  | Initiative/creativity from employees | 'I think we all have kind of that habit of initiative at working.... save time and maybe stress' Vicky<br><br>'I am encouraged all the time... you become a more responsible crow' Natasha<br><br>'Absolutely yea, oh yea, initiative, you kind of slugging through, and you know you don't have to. You want people to start doing things alone' Sean | 'It is always welcome to use their initiative, good attitude... make things happen faster and quicker' Eduardo<br><br>'Definitely, brings more responsibility and sometimes a bit of common sense... you save time and they are encouraged to solve problems too' David | LR-EFF-P-SOL<br><br>LR-EFF-N-COH |
|  | Staff Turnover | N.A. | 'Quite often we change, but we have people here since 10 years others last for a year maybe, maybe less... people sometimes they really like what they do' Eduardo<br><br>'It is not very high, a lot of the staff would be here a long time' David | LR-EFF-P-COST |

Table 6. The Sugar Club – Organisation Effectiveness

**Appendix 4. Data set The Grafton Lounge**

| Diversity Climate | | Staff | Managers | Code |
|---|---|---|---|---|
| **Stereotyping Behaviour and Ethnocentric Behaviour** | Preferences of workmates | 'I have experience working with diverse people, I feel completely comfortable with everyone' Eugen<br><br>'I think it's really interesting moving to another countries and meet another people from other countries... there is not preferences... I can learn from Irish' Aneta<br><br>'It is better for me work with people from other countries, you learn about the culture... I prefer to work with Irish people because I'm in Ireland, is better for my English, but I don't have any problem at all working with others' Rafael | 'There is times where you would prefer an Irish member staff because of language capabilities... When tourist came to Ireland, they like to deal with Irish staff... I've never hired someone for been Irish... in here, possibly 70% or 60% are foreign nationalities' John<br><br>'No, all depends on the person's skills, it doesn't matter where are they from' Ciaran | LR-MOD-TYP |
| | Preconceptions | 'Not at all, I don't think so ... I have never felt excluded from work/social activities for being a foreigner' Eugen<br><br>'I wouldn't say that, not at all' Aneta<br><br>'No and I don't have with anybody' Rafael | 'Brazilians seem to work harder and expect less money than an Irish person who expect more money and possibly not work as hard. And that is obviously to do with their home culture' John<br><br>'It doesn't bother me where are they from .... I can't actually say that one nationality performance better than other'. Ciaran | LR-EFF-N-DISC |
| | Relationship with others | 'Good as a good team' Eugen<br><br>'So far so good... I'm happy with them and I think they are happy with me' Aneta | N.A. | LR-LAY-I |

| | | 'It is ok, is good. My direct manager is really amazing' | | |
|---|---|---|---|---|
| | C.          D. Integration policies. | N.A | 'Because we have a large mixture of culture here, I always encourage my employees to be quite open and welcoming of different cultures, the same way in which some of the foreign nationalities are going to have to accept, certain culture aspect of the Irish employees... the reason why we do that is to keep the team motivated, and a motivated work force is very important for their work space where they enjoy coming to work and enjoy getting well with each other' John<br><br>'Everybody seems to fit in, we spend a lot of time when working so you get to know them and we all are equals' Ciaran | LR-MOD-MULT<br><br>LR-MANG-D5 |
| | Perception of      C.D doing things in different way | N.A | 'We have a code of practice for this business, every employee here has a contract, they also have a staff hand book, we train then and we teach them about Irish employment law, they are fully aware of their rights, everybody is thought from the outset, everybody is pretty clear of what we want from them' John<br><br>'Ii is also self-reflective, people also have different ways to do stuff and no matter where are they from we all do things different' Ciaran | LR-EFF-P-SYS<br><br>LR-MANG-D5 |

Table 7. The Grafton Lounge – Diversity Climate

| Individual Outcomes | | Staff | Managers | Code |
|---|---|---|---|---|
| **Commitment and Compensation** | Commitment | 'A lot because everything is ok... I feel that the company cares for all the employees as equal... I'm very happy here I feel part of the team' Eugen<br><br>'I do care about the customers, about the company about everything and I'm happy because I have good money and nice customers, that is why I'm 100% involved' Aneta<br><br>'I feel that we work like a team' Rafael | 'Yes, 100% because they know we look after our employees.... and sometimes we may ask for extra end they all are willing to stay... the guys with a full time job will be more committed' John<br><br>'Most of them yea... the full time are more committed' Ciaran | LR-MANG<br><br>LR-MOD-MULT |
| | Compensation | 'No, just the normal salary but we go to work parties' Eugen<br><br>'Actually yea, we get bonus for Christmas and a parties every year' Aneta<br><br>'Yes just bonus' Rafael | 'It is based around staff appraisals, this is where we will sit down with the employees 3 to 4 times a year and we will ask them how they feel, how their performance is and how their tasks and objectives we would set for them during the apparels, we revisit that to see if they have completed what we were talking about' John<br><br>'We do parties at Christmas time and meetings.... They complement each other' Ciaran | LR-MOD-TYP |

Table 8. The Grafton Lounge - Individual Outcomes

| Organisational Effectiveness | | Staff | Managers | Code |
|---|---|---|---|---|
| **Turnover Creativity Innovation Communication** | Feedback and Communication Process | 'Good communication' Eugen<br><br>'I have been promoted few weeks ago... we discuss face to face, and other things are better to | 'Employees give feedback of their performance and also we ask them to critical analyze their own performance and how they feel, instead of we tell them what are they doing good or bad we ask them to analyze | LR-EFF-N-COH |

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| | | email' Aneta

'It is good I appreciate that a lot... if I have any problem I just talk to them and there is not problem at all' Rafael | themselves' John

'They come up and just tell me' Ciaran | |
| | Barriers of Communication | 'No, sometimes maybe if I don't understand I ask again' Eugen

'oh yea, that is the issue with me.... that is why I like to work with Irish' Aneta

'The accent is hard to understand sometimes' Rafael | 'Some of the employees don't have a strong a grasp with the English... everyone who works here and part of the interview process is to check your level of English' John | LR-EFF-N-DEC |
| | View of C.D and Outcomes | 'It is good is actually so much better... Just good things because you can learn something new from other and they can learn from you... but Irish complains that there are not jobs' Eugen

'In this kind of business is good to have foreigners so you can talk to the customers sometimes in their own languages... it is also good that we can come to other countries and learn the language and know the people' Aneta

'It can be good and bad, depends on the situation, for me is very difficult to work with Brazilians' Rafael | 'I think is great for the organisation because everybody brings something from their own culture... it is good for customers that don't speak the English language and come here' John

'I don't like people been racist, or actually abusing people' Ciaran | LR-MANG |
| | Initiative/creativity from employees | 'The more that we say is in the meetings. They listen to you, and they ask you' Eugen

'Definitely I tell them | 'Very much... It makes the employees to feel valuable and responsible' John

'Yes a lot... it safes time, and gives to them a feeling of empowerment in the | LR-EFF-P-SOL |

| | | Staff | Managers | Code |
|---|---|---|---|---|
| | | my ideas... I'm more on the floor so I know more what the customer wants so I can give to them a good ideas' Aneta<br><br>'Yes and is good for my own well' Rafael | work place' Ciaran | |
| | Staff Turnover | N.A. | 'It is the nature of the business is that there is a lot of part time staff. High turnover'. John<br><br>'It is not very high, it is actually very consistent' Ciaran | LR-EFF-P-SYS<br><br>LR-EFF-N-TURN |

Table 9. The Grafton Lounge – Organisational Effectiveness

## Appendix 6. Data set Carrolls Gifts

| Diversity Climate | | Staff | Managers | Code |
|---|---|---|---|---|
| **Stereotyping**<br><br>**Behaviour**<br><br>**and**<br><br>**Ethnocentric**<br><br>**Behaviour** | Preferences of workmates | 'Very good, we don't have much culture crash... Everyone accepts each other by what they are' Michele<br><br>'I like it, it is interesting... but maybe I'd prefer to work more with people from my part of the world, due to cultural affinity, you have more common ground' Ivan<br><br>'I feel happy... It is very good actually' Mark | - | LR-MOD-TYP |
| | Preconceptions | 'Not here in this company... I think still outside there is still preconception about our culture' Michele<br><br>'I don't think so, sometimes you assume things, but I base my conclusions in what I see' Ivan | - | LR-MOD-IMPM |
| | Relationship with others | 'Very good... my manager and me for example, we are really good friends, not just in the company but also outside' Michele<br><br>'Very good, I have never had a | N.A. | LR-MOD-SPH |

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| | | conflict' Ivan<br><br>'They are pretty much like friends... Even managers and the other staff we get on well very much' Mark | | |
| | C. D. Integration policies. | N.A | - | - |
| | Perception of C.D doing things in different way | N.A | - | - |

Table 10. Carrolls Gifts – Diversity Climate

| Individual Outcomes | | Staff | Managers | Code |
|---|---|---|---|---|
| **Commitment and Compensation** | Commitment | 'A lot... we are a very close group so we try to help each other and the shop... I feel that I'm an important piece of the organisation' Michele<br><br>'I like to see the results but my life is not the company... I feel more like 50% ' Ivan<br><br>'It depends on how many times they need me... but I feel like team yea' Mark | - | LR-MOD-MULT |
| | Compensation | 'They compensate the best seller in the shop, the company have the culture that at the end of the seasons we are invited to a party together and the company pays for everything' Michele<br><br>'Once for customer service... After that is just money' Ivan<br><br>'No, no really, nothing like that' Mark | - | LR-MOD-TYP |

Table 11. Carrolls Gifts – Individual Outcomes

| Organisational Effectiveness | | Staff | Managers | Code |
|---|---|---|---|---|
| **Turnover Creativity Innovation Communication** | Feedback and Communication Process | 'Very good actually... all are direct and always feedback' Michele<br><br>'It is ok, we talk normally, person to person, is like friends' Mark | - | LR-EFF-P-COST<br><br>LR-EFF-P-SYS |
| | Barriers of Communication | 'I always had this misunderstandings between the language... other than that no' Michele<br><br>'No never a problem, most of the people have good English' Ivan<br><br>'Not really' Mark | - | LR-EFF-N-DEC |
| | View of C.D and Outcomes | 'I think that is great because this is a tourist store company.... we have many customers that are from everywhere... it is good that are foreigners here because you will be able to talk to them in your own language... on the other hand they expect you to be Irish, not all the customers but some of them... you can have a personalized customer service... it is good for us as a life experience too' Michele<br><br>'It is interesting and challenging... they bring different ideas, different atmosphere vibes, is more fun, they speak languages and that is possibly one of the greatest things for the company because in any shop, above all they speak at list 5 languages and they can help the customers, I'd say that is one of the greatest plus, it is very good and helps a lot. Ivan<br><br>'It is nice because people get to know each other.... I enjoy it a lot' Mark | - | LR-MOD-TYP |
| | Initiative/creativity from employees | 'The company have a culture that every month, we have a book for new ideas from the staff... we are encourage to it... even from a product you can suggest your idea' Michele<br><br>'We have been asked to come up | - | LR-EFF-P-SOL |

| | | with ideas... I don't know if they are going to implemented' Ivan<br><br>'Not really.... the managers have to choose things' Mark | | |
| --- | --- | --- | --- | --- |
| | Staff Turnover | N.A. | - | |

Table 12. Carrolls Gifts – Organisational Effectiveness