

**THE PERCEPTIONS OF EMPLOYEES OF DIVERSITY MANAGEMENT**

**A CASE STUDY IN A PRIVATE ORGANISATION IN CYPRUS**

by

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**Andri G. Georgiadou**

THE PERCEPTIONS OF EMPLOYEES OF DIVERSITY MANAGEMENT: A CASE STUDY IN A PRIVATE ORGANISATION IN CYPRUS.

**Abstract**

The thesis extends previous research (Pitts, 2009; Nishii and Özbilgin, 2007; Ng and Burke, 2005; Ely and Thomas, 2001; Cox, 1993; Cox and Blake, 1991) on diversity management, and the perception of employees of its effective implementation. It does so firstly by quantitatively and qualitatively analysing the organisational culture of a private institution, and secondly by proposing a model that underlines the relationship between diversity management and employees' understanding of the organisational culture. The purpose of this research is to investigate the business case for cultural diversity in an organisation in Cyprus. It aims to contextualise issues around diversity within the current peculiar politico-economic environment, and identify the drivers as well as barriers to diversity in the company. The business case has been used to rationalise the introduction of diversity management initiatives (Johns, Green and Powell, 2012); here, the research examines the situation in a specific organisation and attempts to link diversity policies to the perceptions of employees of organisational culture and effective diversity management. The focus for the research was as follows: What does the literature say about the management of cultural diversity? What are the drivers towards the management of cultural diversity in the organisation? What are the barriers and resisting forces to the management of cultural diversity at the organisation? How can cultural diversity be managed at the organisation? More specifically, I focus on the connection between diversity, employees' perceptions of their organisation, and their sense of organisational culture and leadership. As revealed by the research, the organisation has not established any form of diversity management policy; however, the human resources model toward human commitment that has been developed causes employees to feel that they are treated with respect, are encouraged to freely speak their opinion, and as a result cohesion and morale are enhanced. Though the organisation has established an organisational culture that promotes synergy and collaboration, still the absence of a formal diversity management policy makes the culture vulnerable to misunderstandings and misinterpretations. If the company goes for the option of not establishing a comprehensive policy of diversity, then it will be incapable of fulfilling core benefits such as creativity, increased morale and better marketing of different obligations to the public, including the protection, restoration and improvement of public health.

**Keywords:** Diversity management, cultural diversity, organisational culture, case study, Cyprus.

The perceptions of employees of diversity management; a case study in a private organisation in Cyprus.

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To my mother and my father.

## **AUTHOR'S DECLARATION**

At no time during the registration for the degree of Doctor of Business Administration has the author been registered for any other University award without prior agreement of the Graduate Committee.

Relevant seminars and conferences were regularly attended at which work was presented and papers were published. Publication credits are included below.

### **Publications**

#### **Refereed Conference Proceedings**

Georgiadou, A. (2013). The business case for diversity: The impact of top management diversity on organisational culture. EDI 2013, Athens.

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#### **Conference Organisation**

Stream Co-Chair (with Prof. Mor Barak), 8<sup>th</sup> *International Conference on Equality, Diversity and Inclusion, EDI 2015* – a conference organised by the Tel-Aviv University Israel.

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“The illusion of identity: I differentiate therefore I am (not)”, *Austrian Institute of Economic Research (WIFO)*, Vienna, Austria.

“The role of higher education institutes to prepare future business people while promoting diversity: The case in Cyprus”, *International Forum for Future Europe ‘Sustainable Economy and Harmony Society: Future Visions and Today Actions’*, Vilnius, Lithuania.

Signed



Date 12<sup>th</sup> October 2014

“And if you can’t shape your life the way you want,  
at least try as much as you can not to degrade it...”

C.P. Cavafy

---

## 1. INTRODUCTION

---

“Since we cannot change reality,  
let us change the eyes which see reality.”

Nikos Kazantzakis

### **Structure:**

This chapter sets the stage for the case study on the perceptions of employees on diversity management in a private organisation in Cyprus. The conceptual framework, the research strategy and methodology, as well as an outline of the chapters are presented.

### **Content:**

In terms of the context, this chapter introduces and provides an overview of the research that was undertaken.

### **1.1 Introduction**

The prevailing business trends for globalisation elicit questions on the ability of a diverse executive team to retain and motivate their employees towards higher productivity and satisfaction (Allen *et al.*, 2004; Pelled, Eisenhardt and Xin, 1999). Kandola and Fullerton's (1994) definition suggests that diversity consists of both visible and non-visible differences, including gender, age, background, race and personality traits (Simona *et al.*, 2012; Kandola and Fullerton, 1994). Numerous studies have discussed the contribution of employees with diverse backgrounds and different personal attributes to effective organisational decision-making (Simona *et al.*, 2012; De Dreu, 2007; Bowers, Pharmed and Salas, 2000; Jehn, Northcraft and Neale, 1999; Simons, Pelled and Smith, 1999; Elsass and Graves, 1997; Argyris and Schön, 1995), whilst others debate the likelihood of diversity undermining group performance through social categorisation processes (Williams and O'Reilly, 1998). Researchers have been particularly interested in examining the impact of demographic characteristics on individual and group organisational behaviour (Ely and Thomas, 2001), emphasising that beneficial outcomes are a function of diverse employees being in a position of sharing common values and ambitions (Simona *et al.*, 2012; Jehn *et al.*, 1999; Chatman *et al.*, 1998). House *et al.* (2004, p.5) stated that “as economic borders come down, cultural barriers go up, thus presenting new challenges and opportunities in business. When cultures come into contact, they may converge on some aspects, but their idiosyncrasies will likely amplify”.

### **1.2 Conceptual framework**

In view of the fact that the composition of team charisma has considerable effects on team outcomes (Bell, 2007; Barrick *et al.*, 1998; Kichuk and Wiesner, 1997) and that differences in

national culture or ethnicity can influence industrial relations and cross-border interaction (Adler and Gundersen, 2007; Tayeb, 2003), I can easily identify the significant impact of cultural diversity on attitudes, perceptions and thus the performances of individuals within an organisation (Korac-Kakabadse *et al.*, 2001; Mwaura, Sutton and Roberts, 1998; Frey-Ridgway, 1997). However, the literature reveals that it is not diversity per se that affects the performance, motivation or retention of employees, but rather the employee's perception of inclusion or exclusion regarding the critical organisational processes, that determines whether diversity will have a positive or negative impact (Mor Barak and Cherin, 1998).

Scholars have also associated the effects of diversity management with specific aspects of the individual's personality. Based on the five-factor model (McCrae and Costa, 1987), Homan *et al.* (2007) revealed that the diverse teams that consisted of members that were open to experience appeared to be performing better than the teams that scored low on this attribute. They disclosed that when differences within a team are prominent, openness to experience smoothes the progress for individuals, capitalising upon their disparities. According to social identity theory, people are positively biased towards the social group they belong to, thus creating a dichotomised sense of "us" and "them" (Ashforth and Mael, 1989), while research has correlated minority origins with individuals' high feelings of isolation and lack of identification in one-on-one relationships (Chrobot-Mason, 2004; Jones and Schaubroeck, 2004; Mor Barak and Levin, 2002; Ibarra, 1995). The majority of studies have focused on matters of national culture, gender and ethnicity, and most of them have been conducted in the United States (Egan and Bendick, 2008; 2003; Page, 2007; Wentling and Palma-Rivas, 2000; 1998).

My direct involvement in a global project, being the supervisor of a group dominated by diversity, has confronted me with the significance of appropriately managing diversity, as well as with the disastrous consequences that could occur by choosing to ignore it. However, no research was conducted regarding the employees' perceptions of diversity management, especially when these are members of a team led by a cultural diverse manager. Actually, in reviewing the literature, Cox and Blake (1991) concluded that diverse workforces were associated with a number of benefits for organisations, but there is a need to broaden the diversity research agenda to encompass issues such as the impact of upper management diversity on organisational culture and effectiveness. This is linked with the way the specific sources of diversity are perceived in the organisations, since an argument suggests that the performance of diverse groups depends on its members' viewpoints, attitudes and feelings about the significance of diversity (Homan *et al.*, 2007; Ely and Thomas, 2001).

Although an individual's experience, knowledge and prospective are important for attaining high group performance, as an employee in a bank institution hosted outside my "home" country, I had noticed that the crux for the managerial team is to consolidate an organisational culture that will encourage the employees to view diversity as a means to make a positive contribution to work and not as a source of tension and competitiveness. This observation seems to be supported by research, which has found that, in work groups in which diversity is seen as a means to maximise organisational effectiveness, and efficiency,

members' motivation to achieve is amplified (Argyris and Schön, 1995; Hackman, 1992; Lind and Tyler, 1992).

Employees expect leaders, persons with formal authority, to intervene when social identity conflicts emerge. Nonetheless, it would be interesting to investigate the scenario where the formal authority per se appears to be diversified culturally or otherwise. Literature emphasises the application of social identity theory, inter-group anxiety (Stephan and Stephan, 1985) and faultlines (Lau and Murnighan, 1998) from the perspective of managing diversity within a group. However, it would be interesting to examine and identify the impact of diversity per se on the formation and establishment of an efficient organisational culture (Hofstede, 2001; 1991; 1986) and henceforth overall effectiveness. Hence, a gap is identified in the literature regarding the utilisation of these theories in the case that diversity occurs in an upper level of management, thus eliciting what it is like to be lead in the context of very salient social identity group differences. The need for conducting research to detect and classify realistic, effective and applicable methods of efficiently dealing with diversity is considered crucial (Gardenswartz and Rowe, 2010; 1998).

As globalisation has turned cultural diversity into an integral part of daily business functions and operations, no organisation can be justified in choosing to ignore it (Smiers, 2003). The gap noticed among the customs, perceptions and ways of communicating feelings of the employees of the organisation that I used to be part of, appeared to have a negative impact on performance, the establishment of effective communication channels and the team's coherence, and thus the overall organisational effectiveness. Therefore, I am interested in examining and hence identifying a method by which the company will be able to manage the inevitable presence of diversity, in order for the workforce to remain united and aligned with the core values of cooperation and coherence (Shapiro, Young Von Glinow and Cheng, 2005). Henceforth, a win-win situation for both the workforce and the organisation will be obtained (Arredondo, 1996).

### **1.3 Research strategy - Methodology**

I have conducted my research in a private pharmaceutical company in Cyprus, which was the ultimate organisation to study, since its top management was already interested in examining the perceptions of employees in regards to diversity management and its relationship to organisational culture. Given that expanding its activities in the global market was included within the firm's short term objectives, its top management had identified that being able to effectively deal with diversity issues would be crucial for its overall mission and vision.

### **1.4 Chapters outline**

In Chapter 2, I introduce the notion of Human Resource Management, its role, objectives and content and their interconnected relationship with the effectiveness of diversity management initiatives. Through a short historical overview, I refer to the concepts of agency, stakeholder and stewardship theory, as well as the role of the manager, whilst emphasis is placed on upper management team's diversity, in order to provide as best as possible the pertinent theoretical framework in understanding how diversity management can be achieved.

In Chapter 3, I provide the theoretical underpinning of diversity management through the lenses of organisational culture and leadership theory; dimensions which must be inevitably studied in depth, considering the wider research pursuit of delving into employees' perceptions of diversity management.

In Chapter 4, I provide the theoretical underpinnings for the diversity management concept used to develop the research hypotheses. The purpose of this research is to investigate the business case for cultural diversity in an organisation in Cyprus. It aims to contextualise issues around diversity within the current peculiar politico-economic environment, and identify the drivers as well as barriers to diversity in the company. The business case has been used as a rationale for introducing diversity management initiatives (Johns *et al.*, 2012); here, the research examines the situation in a specific organisation and attempts to link diversity policies to the perceptions of employees on organisational culture and effective diversity management.

Chapter 5 applies Syed and Özbilgin's (2007) comparative, multilevel theoretical framework for diversity management to study policies at three interrelated levels of analysis in Cyprus. At the macro-national level, the effectiveness and implications of the present legal system are evaluated, and there is a discussion as to whether it brought about the desirable results in safeguarding a fairer and efficient legal system, and eliminating any kind of discrimination at the EU level. At the meso-organisational level, the chapter presents a number of diversity management policies from workplaces. At the micro-individual level, the research refers to the results of research indicating that Cyprus is a society of possessive individualism dominated by degraded solidarity and racism, with a negative attitude to foreigners of other skin colours, race and nationality.

Chapter 6 seeks to present the research questions, which attempt to capture the perceptions of employees of cultural diversity management within a particular private pharmaceutical organisation in Cyprus. Gay and Bamford (2007) introduce cultural diversity management as a journey, not a destination; this research seeks to assess how far the organisation has travelled on that journey.

The aim of Chapter 7 is to present the main research framework used, to justify the choice of statistical methods, and to present a thorough statistical analysis of the data. Inferential statistics are an indispensable tool for researchers, as they allow for the generation of conclusions about populations using information derived from samples and a plethora of statistical methods.

Chapter 8 provides a framework of conclusions, whilst in Chapter 9 I introduce an outline of recommendations.



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## 2. DIVERSITY AND HUMAN RESOURCE MANAGEMENT

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"Everyone's quick to blame the alien."

Aeschylus

“And now, what’s going to happen to us without barbarians?

They were, those people, a kind of solution.”

C.P. Cavafy

### **Structure:**

This chapter places the thesis within the wider context of the theory underpinning and linking diversity with human resource management.

### **Content:**

In this chapter, I introduce the notion of Human Resource Management; its role, objectives and content and their interconnected relationship with the effectiveness of diversity management initiatives. Through a short historical overview, I refer to the concepts of agency, stakeholder and stewardship theory, as well as the role of the manager, whilst emphasis is placed on upper management team’s diversity, in order to provide as best as possible the pertinent theoretical framework for understanding how diversity management can be achieved.

### **2.1 Introduction**

The prevailing competitive environment imposes and elicits the essential need for establishing a business strategy as a responsibility in which everyone is involved, not only those who hold leading positions in a company (Brown, Squire and Lewis, 2010). Research indicates that by investing in the establishment and development of an effective human resource management mechanism, a significant positive and measurable contribution to the efficiency of the organisation is generated (Nicu, 2012; Caulkin, 2001). Managing human resources in the pharmaceutical industry is conditioned by specific characteristics - labour diversity, formation of dissimilar groups of professionals - that lead researchers and analysts to endeavour to fill the gap in existing knowledge, based on the assumption that organisations are using working groups as tools to achieve their strategic objectives (Dreachslin, 2007; Dreachslin, Hunt and Sprainer, 1998). There is ample evidence supporting that group members do not realise and perceive teamwork similarly (Lembke and Wilson, 1998).

Given the current multicultural and globalised perspective of markets, diversity can offer businesses advantages in facilitating transactions with customers, suppliers, shareholders and other stakeholders (Hicks-Clarke and Iles, 2000), and by committing to diversity, businesses’ reputation and corporate image can be effectively enhanced (MacGillivray, Beecher and

Golden, 2008; Roberson and Park, 2007). The avoidance of discrimination can aid companies evading the costs of court battles, high turnover and increasing workforce absence rates (Bell *et al.*, 2013; Svedberg and Alexanderson, 2012). It can also provide employers with access to new labour pools and endow them with the competitive advantage of attracting and retaining high quality employees (Cox and Blake, 1991). This business model indicates that organisations will achieve increased innovation and resourceful learning through effectively managing diversity (Miedema, 2010; MacGillivray *et al.*, 2008; Mandell and Kohler-Grey, 1990).

In light of this, in this chapter I introduce the notion of Human Resource Management: its role, objectives and content and their interconnected relationship to the effectiveness of diversity management initiatives. Through a short historical overview, I refer to the concepts of agency, stakeholder and stewardship theory, as well as the role of the manager, whilst emphasis is placed on upper management team's diversity, in order to provide as best as possible the pertinent theoretical framework for understanding how diversity management can be achieved.

## **2.2 Human Resources Management**

The diverse nature of the workforce requires the elimination of any form of discrimination that can find fertile ground within a working environment. Diversity, equality and inclusion are necessary for the competitiveness of contemporary organisations, whereas their benefits are distinct at each operational level.

Ensuring a diverse human capital and the provision of equal opportunities, can only benefit the organisation when and if the requisite conditions that promote diversity and equal treatment of staff within this environment are ensured. The configuration of a corporate culture from which any form of discrimination is absent requires the active participation of the human resources department and the design of a respective strategy that enhances and safeguards equality within the company.

The profound literature review that I have conducted revealed various ways of defining human resources (HR) management.

“Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an array of cultural, structural and personnel techniques” (Storey, 1995, p. 5).

Despite the immense amount of literature in the wider field of human resources management, it appears that it all converges on the admission that, as a tool, it recommends, coordinates and monitors the effective implementation of policies concerning the recruitment and selection of employees, career planning and development, the evaluation of performance, as well as the competitive compensation system and provision of benefits and incentives. Moreover, it bears the responsibility for managing promotions, transfers and disciplinary offenses, whilst dealing with employees' complaints aligned with the overall policy and

mission of the organisation, in order to achieve the optimal utilisation of diverse human resources.

A rich literature exists linking diverse human resource management to competitiveness (Cox, 1993; Cox and Blake, 1991; Fernandez, 1991; Thomas, 1991), and in the same vein, I consider it a crucial contribution towards the accomplishment of the overall business mission and vision. By and large, effectively managing diverse human resources promotes the attraction and retention of high value employees, augments the firm’s organisation in encouraging and endorsing innovation, and enhances the corporate responsibility image of the organisation (Dreachslin, 2007). In the literature (Dreachslin, 2007; Cox and Blake, 1991), diversity is the coexistence in a workplace, a market, or a society of a group of individuals, of diverse characteristics like age, ethnicity, skills, knowledge, opinions and values. It reflects all those features that make them what they really are: unique.

By the same token, scholars have introduced the notion of inclusion (Cho and Mor Barak, 2008), which implies the establishment and promotion of a creative workplace where employees are empowered to reflect the above unique features, and where everyone is equally able to maximise their potential via actively participating in the company's success. Therefore, if the coexistence of multiple skills is desirable, the establishment of an inclusive climate is essential to guarantee the participation of all the productive forces of the business.

Research (Boerner, Linkohr and Kiefer, 2011) indicates that the foremost factor in cultivating an inclusive culture is the upper management of the company. However, the means for a successful, fast and efficient implementation of any relevant policies lies with the HR management; literature distinguishes between soft and hard human resource management practices. The first emphasises communication, motivation and leadership, while the second reflects the managerial nature of human resource management (Armstrong, 2011). The following table shows the comparison schematically (Kamoche as cited in Wright and Rudolph, 1994), whereas an in-depth portrayal of the scope of the HR department follows.

<b>Soft HRM</b>	<b>Hard HRM</b>
Employees as a resource	Employees as a cost
“People” issues	“Market” issues
Commitment	Compliance
Integration/co-operation	Control
Qualitative/negotiation	Quantitative/rational

**Figure 1:** Hard versus soft HRM approaches (Wright and Rudolph, 1994, p.30)

### **2.2.1 The scope of the human resource management department**

The human resource management department has to perform a number of basic functions, which all reflect equally the importance of diversity management, whereas all can underperform due to its neglect. A causal mapping of the consequences and drivers of human resource management functions is represented in Figure 2, and according to Hatzikian (2013), the mission of the department of human resources is to safeguard that the company has, and will continue to have, at its disposal suitable human resources. This implies an increased demand of diverse employees' capabilities, so that the organisation can respond to potential changes in the external environment and that, the organisational culture and climate can still promote high productivity (Hatzikian, 2013). Furthermore, it is essential that the selected workforce have the necessary knowledge and abilities, whereas the job task must be designed to utilise fully the personnel's competencies.

In order for these objectives to be met, the department performs a set of functions, such as defining and provisioning rewards and incentives, developing human resources, and ensuring health and safety in the workplace. In addition, human resource management specialists are responsible for handling complaints and the discipline system, managing changes in the personnel (like promotions and transfers) and managing labour relations, namely relations between employers and employees. Industrial relations define the working conditions as well as the rights and requirements of both sides, and are mainly determined by legislation, but they are also driven by collective bargaining agreements established between delegates of the employers and the employees. Moreover, the HR group monitors and evaluates employees' performance, coordinates and supervises the recruitment process, including programming on the coverage of staffing needs and personnel selection, and designs the organisational structure and job vacancies. The most important output of the final task is defining job descriptions and clarifying each department's role.

These functions constitute the system of human resource management in an organisation. The role of the human resources management department is to design, implement and improve this system, whilst ensuring the promotion and respect of diversity and its effective implementation. For this purpose, certain methods and procedures should be followed.

Human resources practices	Alignment of human resources practices with organizational diversity management
Human resources planning	Policies on the inclusion and retention of individuals included in the diversity concept
Recruiting and selecting	Setting aside vacancies and job positions for minorities
Integrating human resources	Elaborate actions of integration combined with actions of recognition to attract the attention of the collaborators
Analysis and description of functions	Fair and transparent job position and salary policies
Performance assessment	Assessment with homogenous criteria and feedback
Remuneration and incentives	Egalitarian remuneration, promotion, and incentive policies
Hygiene and work safety	Better work conditions and changes in the organizational layout to guarantee accessibility
Professional and personal development	Practices of personal development accessible to everybody
Human resources audit and control	Control and order actions related to the inclusion

**Figure 2:** Alignment of human resources practices with organisational diversity management (Jabbour *et al.*, 2011, p. 61).

Literature (Beatty, Huselid and Schneier, 2003) highlights that, it falls under the jurisdiction of an organisation's HR department to ensure that these practices are effectively communicated to all the employees. Usually this is achieved through the establishment of a handbook listing the principles, rules and procedures that the company is following on human resource management, and is –or at least should be- readily available to all people involved in the organisation. Each new employee in the company should be given these regulations to study, and thus be fully aware of what their obligations and rights are. Direct supervisors are accountable for the majority of the issues incorporated in the handbook (namely schedule compliance, personnel evaluation). Thereby, the human resources department is accountable for ensuring that supervisors are appropriately trained to effectively communicate and address challenging and problematic circumstances. To that end, it shall incorporate any potential amendment. It is vital for the management team to consider that unwritten policies and procedures often lead to confusion, conflict and hinder the sustainability of an inclusive organisational culture.

Another important task assigned to the human resources department is the maintenance of the employees' archives. This consists of individual folders in which all documents and information relating to the employees is placed. Examples of such documents include the application form, the individual employment contract, the curriculum vitae, educational certificates, evaluation reports and forms. The folders should be constantly updated and the data can be used for taking decisions such as promotions, permutations and granting allowances. To facilitate the work of the department there are also personnel tabs, in which eminently useful data is recorded (official position, specialty, years of service, salary). Nowadays, these are usually kept electronically.

### **2.2.2 Human resource management policies**

Once human resources policies are established, they can be assessed against best practices. It is crucial however to firstly identify what it is that can be learned from other companies, or what the organisation does well as regards to managing its human resources compared to other companies. An effective way of evaluating human resources procedures is to give credibility to the basic related practices (such as recruitment, remuneration, training and development) and to gather information on best practices from available sources. Once information is gathered, management can compare procedures with respect to a base line and decide what improvement initiatives should be undertaken.

Companies of a certain size may establish internal scorecards, where the most important human resources policies can be compared across business units, in order to determine how well a department is operating compared with the other units of the company, on factors such as employee retention, labour costs, compensation, customer satisfaction, product leadership, and relationship with customers.

Overall, according to Beatty *et al.* (2003) companies that follow a strategy of organisational excellence require a workforce that is easily trainable, can quickly learn, willingly follows the action plan, has short-term focus, is seeking to avoid unnecessary costs and minimise costs, and is guided by high goals of continuous improvement. In product or service leadership, innovation is a statement of business value and a key success factor; especially in the pharmaceutical industry.

### **2.3 The role of the manager**

The burden of determining the culture and climate of the workplace lies, at least initially, clearly on the manager. Amongst other duties, the manager must provide security, establish boundaries and make sure that the employees are in an inclusive environment that promotes their maximum creativity and ensures diversity and equality. Hughes, Ginnett and Curphy (1993) claim that, one of their most important responsibilities is the employees' appraisal and motivation. To have someone yelling at you about something you did wrong is hardly efficient; instead, it creates a negative climate, anxiety and uncertainty about what is right. In order for the employee, and consequently the respective project, to be developed, the manager must clearly communicate the defined targets and accepted behaviours. Effective managers communicate frequently and honestly. They communicate the goals and principles of the company and share their vision with their colleagues. At the same time, they communicate realistic feedback to the upper management.

Furthermore, efficient managers are not distinguished by their professional skills (besides, these should be anyway well developed amongst managers so they cannot constitute a competitive advantage), but rather for their communication skills, their ability to handle different individuals, their gift of creating and inspiring vision: competencies that come together under the broad umbrella of emotional intelligence.

For someone to be highly ranked implies that he or she is an exceptional connoisseur of the job requirements. This indicates that effective managers must have the appropriate training to

support their employees and of course to earn their respect. Nobody wants to have a boss who just happened to be high on the hierarchy, without actually being skilled and prepared to undertake relevant responsibilities.

Research indicates that, employees are physically and mentally healthier, when their supervisors feel confident and engage them in the company's activities, whilst literature also highlights the importance of personal interaction (Hughes *et al.*, 1993). Classic managers of past decades were people locked in huge offices, with several employees under their responsibility, and they would rarely encounter them to discuss any topic. Role-model managers must be aware of what takes place in their department or company.

Finally, to work efficiently, managers must allow a percentage of freedom to their employees so they can work on their own. This way, employees will feel that their work and effort is recognised and that they are not in need of a guide to specify how to deliver their work efficiently.

Realistically, it is unlikely that a person holds so many qualities at once. However, someone who wants to have a high position in the hierarchy must invest time and effort into becoming a manager dedicated to cultivate an inclusive culture of equality and diversity, and thus should be trained properly to cope effectively. The effective manager is the one who inspires the department and employees working to the ultimate degree, while managing to minimise losses, either financial or emotional.

## **2.4 Defining Diversity**

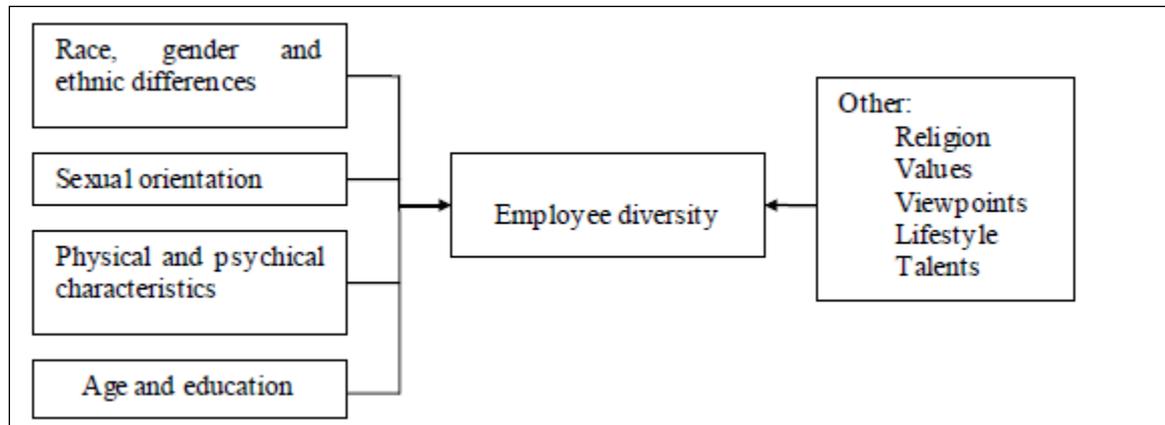
According to Dreachslin (2007, p.79),

“diversity is generally viewed from two competing perspectives. Advocates of strategic diversity management and its cornerstone cultural competence tout the information value of diversity and the importance of celebrating our differences. Scholars contend that highlighting diversity contributes to conflict because similarity attracts and, therefore, it is best not to draw attention to diversity and instead emphasise that as human beings our commonalities far outweigh our differences. The first perspective argues for customisation, while the second advocates for homogenisation”.

Diversity is multidimensional, and thus the difficulty lies in developing a definition that is broad enough to be valid. As Dreachslin (2007) aptly puts it, “it includes factors such as regional, professional, political, and other personal affiliations. Although every human being is unique, with a distinct and individual temperament, each person is also a member of a wide array of identity groups” (Dreachslin, 2007, p. 81).

Over the last twenty years, the global workplace has acknowledged a greater participation of immigrants, women, and diverse ethnicities within the labour force. The shifting workforce composition up to higher levels of authority and hierarchy is gradually becoming evident. The emergence of these groups as buyers and customers has also produced a number of new challenges. The increasing diversification of buyer necessities appears to call for the

establishment of more ingenious conservation and innovation strategies. Inevitably enough, final products and services must be specialised so to meet these newly materialised requests and desires.



**Figure 3:** Employee diversity (ED) characteristics (Harvey and Bowin, 1996, p. 390)

In business terms, diversity can be described as “a set of differences of individual traits including socio demographic variables and professional variables, which can be found in an organisation’s various levels.” (Panaccio and Waxin, 2010, p.54).

A perusal of the literature indicates that, there are still companies that cannot understand the significance and rationale of considering diversity. The most common and typical answer to this could be that discrimination is an erroneous tactic to follow, both morally and legally. Other than this perspective, currently another concept appears to be gaining more ground; the business case for diversity. A plethora of scholars argues that a diverse workforce can increase the effectiveness of the company towards achieving its goals and accomplishing its mission (Gardenswartz and Rowe, 1998; Iles, 1995; Cox and Blake, 1991). The effective management of diversity can provide a greater access to new market segments, promote morale, and enhance job satisfaction and productivity (Wilson and Iles, 1999; McLeod, Lobel and Cox, 1996).

Considering diversity has progressed since the 1980s, when the term was mainly used as a reference to employed women and minorities (Ely and Thomas, 2001). Back then, it was common for the upper echelons to consider diversity in the workplace as a way to pay greater attention to gender, national and cultural representation in the recruitment and retention of people coming from underrepresented social groups. As Cook and Glass (2009) revealed, “the similarity attraction model builds on social identity theory to suggest that in-group preferences often lead to evaluation bias. In work organisations, implicit preferences often lead to homophile in which individuals promote those most similar to themselves in terms of demographic characteristics and cultural and social background” (Cook and Glass, 2009, p. 395). In 1964, the U.S. Government based on constitutional amendments, requested businesses to employ more women and people that were considered as minorities, while

giving them greater opportunities to ascend the organisational hierarchical ladder. In 2010, the Equality Act ensured that no individual could be discriminated against within their potential or current working environment, with regard to their age, belief, gender, race or sexuality (Equality Act, 2010; Gittinger and Fisher, 2004).

In light of this, experts on issues of diversity began to express doubts on the effectiveness and role of the proposed affirmative action (Kossek, Lobel and Brown, 2005). They observed that it was often used only within the HR department and was not applied to the entire organisational environment, nor did it consist of an integral part of the organisational culture. At first, they were establishing some very creative recruitment methods towards changing the human medley in organisations. However, the flow of labour renewal was often peculiarly high and actually, minority groups and women were not given the opportunity for professional development, as originally planned. They were often stigmatised by colleagues and superiors in the workplace as unsuitable candidates for promotion. The dominant group of white Anglo-Saxon men perceived diversity management as a disguised form of invalid discreet discrimination. Any training and educational programs of diversity management and equal opportunities in companies were therefore abandoned or abolished (Kalev, Dobbin and Kelly, 2006).

The necessity for moving and establishing diversity policies beyond the strict boundaries of the human resource department is manifest in a study conducted by the European Commission (2003, p. 3), under the name “Costs and Benefits of Diversity”. As stated in this study, companies that establish and promote diversity policies enjoy a number of important benefits, including reinforcing the company’s cultural values, enhancing their corporate image and helping to recruit and retain highly talented people. By the same token, they provide their employees with greater incentives, and thus produce higher productivity and performance, whilst also enhancing innovation and creativity among employees. The most important aspect of the aforementioned reimbursements that companies have embraced is that they consider the company as an entity and not just one part of it. Beyond the theoretical debate of supporting and opposing arguments towards diversity and its management, scholars have investigated the hypotheses of current measures of diversity management being consistent with agency theory, the stakeholder perspective and the stewardship theory (Hough, McGregor-Lowndes and Ryan, 2005).

#### **2.4.1 Social identity theory**

Mor Barak, Cherin and Berkman (1998) suggested that individuals formulate perceptions about the organisation’s attitude towards diversity as well as their own views as regards to the value of diversity in organisations. Considering that this case study investigates matters pertaining to the perceptions of employees on diversity management, it makes sense to provide the theoretical framework of social identity theory.

As stated by Tajfel and Turner (1979), social identity consists of those aspects of a person's self-image that derive from social groups or categories in which the persons considers themselves to belong. The theory is based on three basic principles (Tajfel and Turner, 1979).

The first one claims that, individuals seek to obtain and maintain a positive social identity that contributes positively to their self-esteem. Following that principle, social identity is based on comparisons made between the group in which the individual belongs to, and to other groups. The result of the assessment determines whether the identity is positive or not. Gaining the favour of the members of a team is a process through which the social exaltation of one's identity is achieved. Finally, team members that experience a negative identity will wish to either leave the group, or, if exit is not feasible, then pursue positive discrimination.

The way the individual establishes a negative social identity depends on the perception of the social climate. Three dimensions of social change are important: the permeability of boundaries between groups; the stability of the position of the group to which one belongs; and the legitimacy of the system that puts the team in a lower position than other groups (Tajfel and Turner, 1979). If the boundaries between groups are permeable, then individuals who do not consider their bond with the team to be strong enough can choose to be transferred to another group. If the boundaries are impermeable and there is a strong adherence between the team members, then it is more likely for collective strategies to be selected: either cognitive (as an attempt to improve the position of the group at a cognitive level with the invention of an alternative criterion of social comparison) or behavioural (social competition and conflict). This, though, depends upon how stable the position of the group is perceived to be, and how legitimate was the system or process that led the team to a low position.

Another theory that attempts to explain social change is the theory of relative deprivation. In all its versions (Walker and Pettigrew, 1984; Crosby, 1979; Runciman, 1966) this theory suggests that the process of comparison with other groups results in a relative sense of deprivation either at an individual level (deprivation compared to members of the group) or group level (deprivation compared with other groups). Individual deprivation is associated with personal feelings of frustration and anxiety. Teamwork deprivation can reach a state of collective protest and conflict. Deprivation in large groups may be manifested through strikes, demonstrations or violent uprisings. The conversion of deprivation in practical protest is associated with the resemblance of the deprived group with the comparison group, the belief that collective action will bring fruitful results, and the perceived permeability limits of the disenfranchised group with the comparison group.

#### **2.4.2 Agency theory**

According to agency theory, which was originally established by Smith (1776), and then Berle and Means (1932), businesses can be considered as a grid of contracts between the shareholders. Agency theory refers to the relationship between two parties in a business, namely the principal (the originator) on one hand, and on the other the agent (the assignee). Thus, agency theory designates a relationship where the principal assigns the agent a specific work task, responsibilities and powers, within the frameworks of the specific organisation.

The assignment of the task to the agent poses the principal-agent problem, which cannot be overlooked. Explicitly, it is likely the agent may not act in pursuing the best interests of the

principal or act partially against them. This can be reflected either through the agent's abuse of power for obtaining money or other individual pursuits, or through a divergence of views between the agent and the principal as regards risk management. It is likely for the agent to be reluctant to allow the firm to get exposed to specific risks, or to have a tendency to follow others who they consider as favourable (moral hazard); viewpoints which will not be aligned with the principal's strategy of taking and missing risks according to the best interests and objectives of the business. According to Lazarides and Drympetas (2011), principals and agents adopt opportunistic behaviour in the sense that they can change their behaviour, depending on the external conditions and especially in view of their personal interest, and not the values they were called upon to safeguard.

Asymmetric information is the main problem in the principal-agent situation, since both parties have access to different levels of information, thus triggering the risk of adverse selection. This entails the principal having different information, usually less, on issues relating to the business, unlike the agent, who usually has better information. The presence of an agency relationship in the business usually implies a tendency to increase agency costs. Agency costs are the ones made to maintain an effective agency relationship, namely to reduce the potential gap, either at an informational level or at an administrative level, between the principal and agent. Agency costs comprise the cost towards aligning the interests of each stakeholder involved.

The primary purpose of agency theory is to sustain and augment corporate value and protect the principal and the agents. In light of this, the corporate structure is formed accordingly to serve this purpose. The upper management team is the bridge that will align the interests of the shareholders through the control and supervision of its decisions. It is a common practise in organisational structure culture for the shareholders to be the principals, and the upper management team to be the agents. The agency relationship may be also valid, and refer to other forms of relationships such as the one between employers to the employee, the company with its creditors, the shareholders with a majority of shares with minority shareholders.

### **2.4.3 Stakeholder theory**

In contrast with what agency theory represents, there is the stakeholder theory model, where stakeholder value is considered the key priority. It was previously mentioned that the maintenance and enhancement of shareholder value is essential for agency theory. The stakeholder theory model operates in a broader scope, and takes into account the interests of stakeholders such as the customers, the suppliers, the employees, the creditors, local communities and governments. Emphasis is therefore placed on both the internal and the external environment of the business, and efforts are made to satisfy all the involved parties, not just the ones who manage the firm's assets.

According to stakeholder theory, corporate governance belongs not only to the board of directors, upper management or even to its shareholders, but generally to a wider group of stakeholders such as customers, employees, creditors, suppliers, governments, local

communities and other stakeholders. According to Vinten (2002), organisations that choose to ignore these parties can face pressure and even boycott from consumers. In stakeholder theory, company boards consist of individuals from a wider stakeholder and representative basis. According to Mallin (2010), a justification for the privileged treatment of shareholders over other stakeholder groups is that the former are the recipients of the remaining uncommitted cash flows (the profit that remains when other interested parties such as creditors have been paid). This means that shareholders have an established interest to try to ensure that the resources of the firm are best utilised, which will eventually benefit society as a whole.

The main problem in this concept lies in the difficulty to define the ways in which the interests of all stakeholder groups are simultaneously met. Namely, it is impossible for the stakeholders' interests to be satisfied simultaneously. A further problem lies in the broad base of the board, which makes a consensus regarding management decisions and actions difficult, and frequently impossible, thus preventing the establishment of a clear organisational vision, mission and strategy.

#### **2.4.4 Stewardship theory**

The theories that have been described above, in particular agency theory, have the individual interests of certain stakeholders or groups as their starting point. According to Donaldson and Davis (1993; 1991) and Davis, Schoorman and Donaldson (1997), stewardship theory has significant differences from agency theory. The most important of all is that it recognises things other than financial self-interest as key drivers for the actions of its members.

Stewardship theory, in contrast with agency theory, does not take into account any selfish behaviour towards meeting the individual interests of a business' owners and managers. In fact, managers seek to meet and achieve non-economic objectives, such as to satisfy their sense of duty, to have a good reputation, a good job, a sense of job satisfaction and thus adopt altruistic behaviours. This leads managers to perform well, to maximise corporate profits and achieve a satisfactory return for shareholders. They strive for these, of course, not for themselves, but because they feel a strong obligation and duty towards the business and consider themselves as a vital part of it, and not individuals driven by their individual interests. According to Dulewicz and Herbert (2004), stewardship theory indicates that there is no conflict of interest among the agents and principals, and that a successful organisation requires a structure in which coordination can become more efficient. According to Donaldson and Davis (1991), managers are representing the values of the organisation, and are diligently working towards achieving high levels of corporate profits and shareholder returns.

### **2.5 Upper management teams**

As mentioned in section 2.2, the cultivation of an inclusive organisational culture and hence promulgation of diversity, lies to great extent with the upper management. The effectiveness of the upper management team plays a strategic role in the planning and design of organisational change, as it reflects the ability to successfully manage and implement change,

maintaining flexibility, and the provision of appropriate resources and powers to third parties as a means to create strategic change where applicable.

Carmeli and Schaubroeck (2006) concluded that a company's performance depends heavily on the role of the upper management team in developing and implementing corporate strategy. The upper management team is the basic source of knowledge for the company. The company is a reflection of the strategic decisions and actions of the upper management team. The study of Vyakarnam and Handelberg (2005) identified four pillars linking the impact of management teams with organisational performance. The first one is centred on the upper management team's resources. Vyakarnam and Handelberg (2005) claim that the resources, knowledge and abilities of the upper management team are crucial for the successful organisational operation. The basic attributes of these include knowledge and experience, number of members and tenure, and team composition. The second point raises the importance of group processes; the group's behaviour, and how the team integrates within the overall organisation, is implied. The internal procedures of the upper management team play a key role in the response to external changes. Here, two factors should be considered, social integration and communication. Following that, the role of group task leadership is appraised. Vyakarnam and Handelberg (2005) indicated that there are two main issues when considering the relationship between leadership and the upper management team performance and development; the perception of team members of various issues related to attitudes on specific issues; and the perception of the individuals of the common understanding of various issues between the management team. Finally, the fourth pillar is about the personal involvement of team members. Thus, attention is focused on analysing the upper management's commitment to the organisational objective and mission and the internalisation of the values and objectives in such a way as to consider them as being the main contributors to success.

### **2.5.1 Upper management team's diversity**

A core component of my inquiry is upper management diversity, which, aligned with previous research (Cannella, Park and Lee, 2008; Smith *et al.*, 1994; Hambrick and Mason, 1984), I define as the extent to which the manager of the department I am analysing is heterogeneous with respect to the nationality of departmental members. In particular, I examine the case of a department consisting mainly of Greek Cypriot employees, whilst the manager is French.

Earlier surveys conducted between 1960 and 1980, which were prompted by the enactment of the law of the rights of citizen action in the U.S., focused on whether there is evidence of bias and discrimination in the selection, training, performance evaluation and other important functions of the human resources management (Cox, 1993). In addition, research has been conducted on identifying differences between subgroups that operate within a business regarding job satisfaction and other behaviours, such as motivation and leadership. A meta-analysis conducted by Kraiger and Ford (1985) revealed that both race and ethnicity affect by 3.7% the performance indicators at work. These indicators tended to be greater in groups belonging to the same nationality. Withal, Sackett and DuBois (1991) found that non-white employees received consistently lower ratings in performance compared to white employees,

due to racial discrimination. Other findings on race proved that people who differ from the majority in a company are more inclined to leave, are less satisfied and have less psychological commitment (Moch, 1980).

The differences in leadership between white and non-white leaders were initially examined by Bartol, Evans and Stith (1978) and Cox and Nkomo (1992), who concluded that there is a difference in the nature of the effect of ethnicity and race in the behaviour of the leader and individual reactions (Hill and Fox, 1973). There was a claim that black supervisors are less prescriptive and interactive than white when working with white subordinates. In addition, black leaders in the sample could more easily develop leadership behaviour when it came to socialising with a mixed group of subordinates. As suggested by Boerner *et al.* (2011), “demographic diversity is assumed to reflect upper management team members’ cognitive diversity, which in turn influences upper management team decision-making processes and thus firm performance” (Boerner *et al.*, 2011, p.329). An interesting study conducted by Krishnan, Miller and Judge (1997) examined whether diversity among members of the upper management team groups works in favour of the company or not. Diversity in the upper management team implies any difference in the skills and background of its members. According to Barney (1991), any differences in the ability and background between members of the upper management team can lead to value creation for the company and thus improve performance, whilst “upper echelons theory builds on the idea of the dominant coalition to propose that executives influence organisational performance through the decisions they make” (Knight *et al.*, 1999, p. 447).

A fundamental principle of top management team theory is that visible traits are systematically related to the psychological and cognitive elements of the members of upper echelons. In light of the fact that diversity of an upper management team is portrayed as a mixed blessing, on the one hand, resource theory has apparently linked the demographic diversity of the upper management team to a variety of positive organisational outcomes (Certo *et al.*, 2006; Webber and Donahue, 2001; Bantel and Jackson, 1989) including performance (Keck, 1997; Smith *et al.*, 1994; Hambrick and D’Aveni, 1992; O’Reilly, Caldwell and Barnett, 1989), strategy (Michel and Hambrick, 1992; Finkelstein and Hambrick, 1990), strategic change (Wiersema and Bantel, 1992; Grimm and Smith, 1991), turnover (Wagner, Pfeffer and O’Reilly, 1984), innovation (Smith *et al.*, 1994; Bantel and Jackson, 1989; O’Reilly *et al.*, 1989), better evaluation of alternatives and prediction of environmental changes (Jackson, 1992; Lant, Milliken and Batra, 1992; Finkelstein and Hambrick, 1990), groupthink and elaborated team decisions (Hambrick and Mason, 1984) and a pool of resources for decision-making processes (Van Knippenberg, De Dreu and Homan, 2004). Therefore, as discussed by Boerner *et al.* (2011) “diversity within the upper management team could reduce the tendency towards groupthink associated with homogeneous upper management teams and result in more elaborated team decisions” (Boerner *et al.*, 2011, p.330).

Notwithstanding, social identity theory (Tajfel and Turner, 1979), self-categorisation theory (Turner *et al.*, 1987), and similarity attraction theory (Byrne, 1971), indicate that upper management team diversity is linked with a pool of negative consequences (Simons *et al.*,

1999; Murray, 1989) on the organisation. These include slower decision-making (Greening and Johnson, 1997; Hambrick and D'Aveni, 1992; O'Reilly, Snyder and Boothe, 1993), relationship conflicts (Jehn *et al.*, 1999; Pelled *et al.*, 1999), taking the risk of rising value and goal-conflicts (Gebert, Boerner and Kearney, 2006; Jehn *et al.*, 1999) and problematic inter-subgroup relations (Van Knippenberg *et al.*, 2004).

In addition, “empirical evidence for the effects on the upper management team’s performance is mixed for all of these diversity dimensions, namely, age, dominant educational background, and dominant industry experience” (Boerner *et al.*, 2011, p. 330).

### **2.5.2 Conclusion**

The concept of diversity as a value is based on recognition, acceptance and respect. It implies an understanding that each individual is unique, and recognises and values individual differences. These can be developed around different personality dimensions related to age, ethnicity, gender, race, sexual orientation, socioeconomic status, natural and physical abilities, language, religious and political beliefs, or other ideologies. Diversity as a value is aligned with the exploration, recognition and coexistence of these differences in a safe, positive and supportive environment, particularly in the context of a continuous social coexistence, interaction and cooperation, such as a contemporary organisation.

Concurrent companies operate in a complex and constantly changing business environment. The market is now globalised and competitive, profoundly affected by the socio-economical-political environment. Considering that a company can attract customers from all over the world, services must be adapted to the demands and aspirations of a broad range of different people. This development turns out to be a bottleneck for companies whose cultures are not inclusive. It compels them to be open to new messages and challenges, requires them to utilise prior knowledge and in a way obliges them to introduce innovative ideas and strategies. While the phenomenon of multiculturalism in the workplace intensifies, the recruitment policy, standards and attitudes of businesses are still adapted to homogeneous groups of employees. The informal systems often determine choices, decisions and collaborations. Nowadays many skills and knowledge are lost because people either are excluded from the labour market, or are not exploited to the extent or in the way that they should be.

Diversity is providentially inevitable within an organisation, and if managed properly it can constitute a significant competitive advantage against rivals. The results of course are contradictory when evaluating various existing practices in diversity management. This probably implies that there is no one-size-fits-all approach for effectively managing diversity and its impact varies depending on various conditions.

This philosophy, however, is a valuable tool towards the cultivation of an innovative culture and the improvement of organisational dynamics. Diversity management broadens access to markets, attracts new customer groups and increases productivity. In addition, indirectly, a company that promotes the principle of diversity can improve its image and reduce the costs for promotion through advertising: the notion of social corporate responsibility.

Recognising the right to difference and diversity should be incorporated not only in the whole range of processes, strategies and actions of the company, but also within the corporate culture. Systematic respect of these principles helps to cultivate an open and productive working environment, where employees are innovative, responsible, active, energetic, pioneering and motivated. Horwitz (2005) concludes that diversity may provide the organisation with a valuable competitive advantage if the different features available to its members are combined correctly when forming the subgroups. Perusing the literature, it is evident that a business must have the potential to be inclusive and coherent, but also differentiated through diversity.

The truth is that it is not easy to analyse and understand the dynamic processes that occur within a group. Complications always occur, as well as constantly mutating interactions and relationships, which go on between the different members of the group over time. In light of this, it is easy to see the need for establishing clear and realistic goals, but also a dynamic leadership that will not be afraid to tackle decisively the difficulties that will arise, nor will hesitate to collide with established perceptions and attitudes. Instead, it will seek to draw lessons that will fortify the organisation with faith and prudence for the future, by ensuring it has a stable gait in the unstable international economic environment. Besides, the ability to manage diversity in the workplace is not just desired or desirable, but rather a necessary condition for the successful operation and growth of a business. The harmonisation of individuals to modern multicultural reality marks the functionality of the group to achieve goals and exceed obstacles.



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### 3. UNDERSTANDING ORGANISATIONAL CULTURE AND LEADERSHIP

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“Anarchy!—

show me a greater crime in all the earth!”

Antigone (Creon, 751-752)

#### **Structure:**

Syntheses of existing research are summarised within each part of the literature: organisational culture, leadership, leadership and multiculturalism.

#### **Content:**

This chapter provides the theoretical underpinning of diversity management through the lenses of organisational culture and leadership theory; dimensions which must be inevitably studied in depth, considering the wider research pursuit of delving into employees’ perceptions on diversity management.

### **3.1 Introduction**

The global economy is an integral part of contemporary history and nowadays, organisational sustainability and effectiveness relies on the establishment and promotion of an inclusive corporate culture. Moran and Volkwein (1992) argue that climate and culture are correlative terms. The organisational climate is affected by the organisational culture and is reflected in the work attitude through the way in which employees realise the organisational procedures. Schneider, Gunnarson and Niles-Jolly (1994) noted that the climate is only one pillar of the culture and introduced the definition of climate as being the atmosphere perceived by the employee through the procedures, praise and practices of the company. Employees classify experiences and events, express feelings, and thus form attitudes that contribute to the climate. In light of this, the climate is closely linked to the organisational policies and procedures. Culture is described as a concept that refers to the larger design of the organisation as viewed through the vision, values and mission (Schneider, 1994). The behaviour of top management plays a key role in shaping the culture. Subsequently employees, being distinct entities, set priorities that result in establishing a climate of diversity.

Both researchers of culture and climate scholars seem to agree on the idea that both are strongly influenced by the actions and approach of the upper echelons. The hierarchical classification of the priorities on behalf of the top management team, leads to analogous understanding and interpretation of the culture and climate by their employees. The difference is that culture tends to be based on anthropological and social criteria, whilst

climate is based upon psychological and cognitive principles. Indicators of culture are interpreted mainly through qualitative data, such as interviews and field observation, and climate is based on quantitative methods, such as range of attitudes and behaviours.

This chapter therefore provides the theoretical underpinning of diversity management, through the lenses of organisational culture and leadership theory: dimensions, which must be inevitably studied in depth, considering the wider research pursuit of delving into employees' perceptions of diversity management.

### **3.2 Organisational culture**

Most of the research in the field of organisational culture, perceives it as a set of similar elements, values, beliefs, rules, conditions (Sackmann, 1992), which determine the actions, feelings, perceptions and thoughts of the members of an organisation (Pettigrew, 1979). However, organisational culture is also established through physical assets, such as logos, art, editing, building and physical planning. Intangible and tangible assets of these cultures exemplify business systematisation (Lytle *et al.*, 1995). Organisational culture is historically defined (Rowlinson and Procter, 1999), blurred (Casey, 1999), socially constructed (Hendry, 1999) and difficult to change (Hofstede, 1991). The position that it is associated with a group of ideas as organisational symbols, rituals and language, focuses on the development process of the organisation rather than the organisation itself.

The concept of the organisational culture became very popular in the late 1970's and early 1980's, earning the interest of a considerable number of researchers engaged in organisational theory. This orientation toward the study of business culture does not seem surprising if we consider the importance of the establishment of a consolidated culture for a company. This long-standing research work essentially confirmed what the researchers of business development were aware of for years: the basic values and assumptions of people within a company are often deeply rooted in its organisational structures and systems (Denison and Spreitzer, 1991). As the literature reveals, in order to be able to understand a company, its culture must be firstly explored and fully realised, considering the links between the values that underlie it and the existing organisational structures.

The culture is therefore one of the most powerful and stable forces operating within a company that may influence its development (Howard, 1998). Indicative of that view is the number of important roles that it fulfils. More specifically, the culture of the company provides a feeling of identity and belonging to the members of the organisation, contributes to enhancing the employees' commitment to the company's mission and vision, and it clarifies and reinforces standards of ethical and behavioural conduct (Greenberg and Baron, 2000).

This particular interest and systematic engagement with organisational culture resulted in a plethora of definitions. The term culture implies the collective beliefs and value systems of a business concerning social settings or common examples of social reality (Smircich, 1983). According to another definition, the business culture involves shared beliefs regarding the purpose of the operation, performance criteria, and the position of authority, legitimate power

bases, approaches to decision-making, leadership styles, compliance, assessment and motivation (Quinn and McGrath, 1985).

Alternatively, according to Berrio (2003), the organisational culture includes the values and rituals, the dominant leadership style, the semiotics and language, the procedures and control systems, and the ways of defining success that differentiate the company, while as per Cameron and Quinn (1999), culture represents the values, norms, beliefs, collective memories and definitions established within a business. Schein's definition appears to be more popular, since it best captures the sense of complexity and uniqueness of the phenomenon of business culture (Shani and Lau, 2000).

Denison (2000) tried to develop a comprehensive theoretical concept for organisational culture to explain how it is related to organisational effectiveness, then to recognise a broader set of features and value dimensions allowing to better understand the culture-effectiveness relationship, and finally to promote ideas with which these characteristics facilitate or inhibit its effectiveness. Having recognised mission, consistency, adaptability and participation as the four key attributes of organisational culture that lead to effectiveness, that research led to the conclusion that the attributes of consistency and mission lead to efficiency, the traits of adaptability and participation lead to innovation, and the attributes of mission and adaptability lead to increased sales. This model compares organisations based on their values and practices (Yilmaz and Ergun, 2008).

By examining in more detail the four key traits that lead to effectiveness, I firstly clarify that mission is associated with a clear view of the purpose and vision of the organisation. This steers its strategy and sets objectives in order to realise its vision. The changes in the mission of an organisation reflect the various aspects of organisational culture. Subsequently, consistency occurs when the degree of compliance with both the ideas and the general perception of the business is low. Primarily, consistency involves the internal integration of the company and its commonly accepted culture. Moving along, adaptability is associated with the degree of completion of an organisational objective. The higher the degree of fulfilment of the goal, the more unlikely it is for the company to implement a change. There are frequent conflicts that occur between internal integration and external adaptation. Businesses that are open to adaptability are driven by customer needs, learning from the various mistakes that arise, take risks, and are not afraid of change. Changes in the organisation help businesses improve themselves and become more efficient, thus providing a continuous value to their strategy. Finally, participation is the hallmark of organisational culture, which, according to Denison (2000), strengthens the relationship between human resources and the organisation, cultivates teamwork and develops human capability at all levels of the business. Senior and lower-level managers share, through their work, part of the responsibility for the optimal operation of the firm. Every single employee carries different views, perceptions, beliefs, according to which decisions are taken that affect their work to serve the business goals (Denison, Haaland and Goelzer, 2003).

### **3.2.1 Analysing the business culture**

Culture is an organisational dimension, which nowadays is considered a particularly critical, if not the most critical, element of the efficiency, competitiveness and long-term success of an enterprise.

Two basic functions of organisational culture are survival in and adaptation to the external environment, which includes the establishment of the mission, strategy, structural movements and the internal integration, including factors such as the common language, who needs to define the group, the group's boundaries, the distribution of authority and power, roles' development, performance rewards and sanctions. The culture arises from three sources: the beliefs of the founders of the organisation; the learning experiences of the members of the organisation; and the new beliefs that new members and leaders bring into the company. As regards to levels, there are two levels of culture in organisations: the observable culture and the central culture.

Observable culture is what someone can observe and hear when in the organisation, either as an employee or as a customer. At this level, outsiders observe the events and meetings, the formalities and everyday organisational practises, as well as the language and the verbal symbols that reflect the culture of the organisation. Furthermore, stories are heard, based on events in which members of the organisation have participated, and notice is taken of symbols, objects, actions or events that carry a specific meaning.

The central culture indicates why things are in the above manner and consists of the second level of the overall organisational culture. This level is comprised of values and beliefs that affect behaviour. These values affect different sectors of human activity accordingly and reflect the way in which individuals behave.

### **3.2.2 Organisational culture, organisational climate, identity and image**

Organisational culture and organisational climate are two concepts that, although different, are related, and thus many researchers tend not to distinguish them. Organisational climate refers to the extent to which the organisation currently meets the expectations of its members. Schneider and Rentsch (1988) summarise this difference clearly, stating that the organisational climate refers to the ways in which organisations operate issues that permeate everyday behaviour: the routine of organisations and behaviours that are rewarded, supported and expected from them (Deshpande and Webster, 1989). Culture refers to the history, the norms and values that members believe in, that explain the notion of the climate (why things happen the way they happen) and the concepts that members share in common regarding the operational rules of the organisation (Denison, 2000).

Hatch and Schultz (1997) introduced culture as content through which organisational identity is interpreted and corporate image is affected. More specifically, they argue that the culture, identity and image of an organisation create a rational and meaningful system that defines the organisation and its subsections.

### **3.2.3 Types of organisational culture**

For the same reasons that each individual has their own personality, every organisation has its own cultural elements that distinguish it from its rivals. Different organisational cultures may be appropriate under different conditions and some employees prefer a certain type of culture to others. Hellriegel, Jackson and Slocum (2008) proposed four types of organisational culture relevant to this research. The first is bureaucratic culture, where the behaviour of the employees must be aligned with the official rules and standard operating procedures, and where coordination is achieved through hierarchical reports. This kind of culture is adopted with the conviction that in this way the stability and efficiency of the company are well preserved. It is held together by a main administration and the personal involvement of employees is considerably low.

Following the bureaucratic is clan culture, where employees' conduct is formed according to the norms of tradition, faith, extensive socialisation and self-management. It primarily focuses on engagement and participation as well as on satisfying the needs of the employees as the means towards higher productivity. Succeeding this is entrepreneurial culture, which creates a business environment that encourages risk taking, assertiveness and creativity. This kind of culture seems to match particularly the start-up phase of a new business. Finally, Hellriegel *et al.* (2008) introduced market culture, where values and norms reflect the importance of achieving measurable targets and objectives for which special attention and effort is required: especially for those who rely on financial indicators, like market share and profitability.

Scholars have also attached meaning to different dimensions and types of culture. For example, Wallach (1983) introduces innovative and supportive cultures. The first occurs in companies that encourage creativity, challenge, risk and motivation, while the second is encountered in places that are friendlier, dominated by cooperation and mutual support (Odom *et al.*, 1990).

Moreover, the notion of the so-called qualitative culture refers to the culture that is formed mainly in relation to the stage of development and improvement of the employees' training programs. In order for qualitative culture to be cultivated, the way employees think and act within the organisation must be completely reformed. Organisations establish this type of culture driven by the argument that thus employees' work will become simpler, which will lead to greater performance and cohesion (Bowen, 1996).

### **3.2.4 Dimensions of organisational culture**

Hofstede (1998) defines culture as the collective mind setup, which distinguishes the members of one set or category of people from another. He also highlights that the behaviour of every individual may be partly predetermined by this programming, or deviate completely from it, meaning that the person may behave differently than the culture defines. In contrast, he defines personality as the amalgamation of all the mental programs that an individual has and cannot share with others (Hofstede, 1998).

Cultures of groups, either in terms of countries, societies or in terms of sub-groups, can be compared, according to Hofstede (1998), through his proposed six dimensions of culture. These include power distance, individualism, uncertainty avoidance, masculinity, long-term orientation and indulgence. Thereby, the relationships between both individuals and groups are examined through the investigation of the degree to which individuals are integrated into groups; the extent to which power relations are accepted; the tolerance for uncertainty and ambiguity; the distribution of emotional roles between the genders; the time horizon and; the extent to which members in a society try to control their desires and impulses (Swaidan and Hayes, 2005).

The first dimension, power distance, refers to the degree according to which the less powerful members of organisations and businesses within a country accept the unequal distribution of power. The question that arises is how people face this unequal distribution of power. Cultures with high power distance accept this inequality as rational and fair.

Individualism characterises a society where the ties between individuals are loose. It is based in a social context according to which individual independence and pleasure are of high priority, and in which more importance is given to personal goals and interests, rather than the good of the whole. On the other hand, collectivism is characterised by a tight social framework in which individuals consider themselves as part of a larger whole, a nation or a culture. Solidarity, understanding, and reciprocity dominate, and are dignified. There is an emotional dependence on the group and the identity of the individuals is based on the social system, while the group itself protects the privacy of individuals.

The third dimension, uncertainty avoidance, has to do with the extent to which members of a culture feel threatened by uncertain and unknown situations. It refers to the ways in which society tries to avoid these situations by adopting strict codes of conduct, formal rules and showing zero tolerance for deviant behaviour. Cultures with high uncertainty avoidance are not willing to take risks and are more conciliatory towards codes. In contrast, cultures with low degrees of uncertainty avoidance are not so firmly fixed to this principle, and individuals live in societies with few rules, tolerant alternative ideas and behaviours.

As regards the distinction between masculine and feminine cultures, within the former, social roles are distinct. Individuals in masculine cultures are perceived to be reassuring, tough and focused on material success, whereas in feminine, more modest, tender, with an interest in the quality of life. In a masculine society, individuals are more aggressive, ambitious and competitive, money driven and materially oriented, whilst in feminine societies there is modesty and humility, orientation is around humans, interpersonal relationships and quality of life, and less on personal recognition.

The fifth aspect, long-term orientation, encourages the cultivation of values oriented towards future rewards and values, such as perseverance and thrift. Short-term orientation encourages the cultivation of values associated with the past, and present, such as respect for tradition, and fulfilling social obligations. This dimension emerged in the context of studying the

behaviour of a group of students from China. Thus, in the first case there is a tendency for a comparable mind-set towards the future, while in the second there is a more static mentality.

Finally, indulgence is the most recent dimension, added in 2010, and describes a society that allows relatively free enjoyment of natural human forces related to having fun.

### **3.2.5 Approaches to culture**

The issue of culture has preoccupied the research world. Examples include the approach of Pettigrew (1979), who attributed much of the culture to the firm's founder. Selznick (1957), talks about the way the organisation develops its own culture through its integrating processes and attains values that go beyond the simplified organisational tasks. Blake and Mouton (1964) explain the formation of culture as an interaction between the organisation and its people, while Kilmann, Saxton and Serpa (1986) argue that while initially the culture is built around critical incidents, it thereafter acquires its own identity, and appears as a separate variable of the organisation.

#### **3.2.5.1 Schein's approach**

According to Schein (1992; 1988; 1983), culture is a structured set of basic assumptions that have been discovered, invented or developed by a given group, as it was learning to deal with problems of external adaptation and internal integration. This framework of postulations has to have performed well in the past in order to be deemed valid; therefore, it can be generally taught to new members as the acceptable and fruitful way of perception, thinking, and feeling about similar problems. Consequently, culture is a result of learning through group experience and thus is relevant only with respect to a particular group.

Schein (1992; 1988; 1983) extensively uses the concept of subculture, which consists of functional differentiation, territorial decentralisation, product differentiation, market technology or hierarchical level, mergers and acquisitions, strategic alliances and opposing groups. These subcultures may share some characteristics, norms and values, or they could be completely different. They could be working collaboratively or be in constant conflict. They may vary in operation, as to the hierarchy, as to the part, the geographical region and country. These subcultures are key success factors that large companies must tolerate if they are to support the diversification of culture. Schein (1992; 1988; 1983) claims that innovation and organisational learning are difficult if the three core subcultures are not aligned namely the operational, the engineering culture and the executive culture.

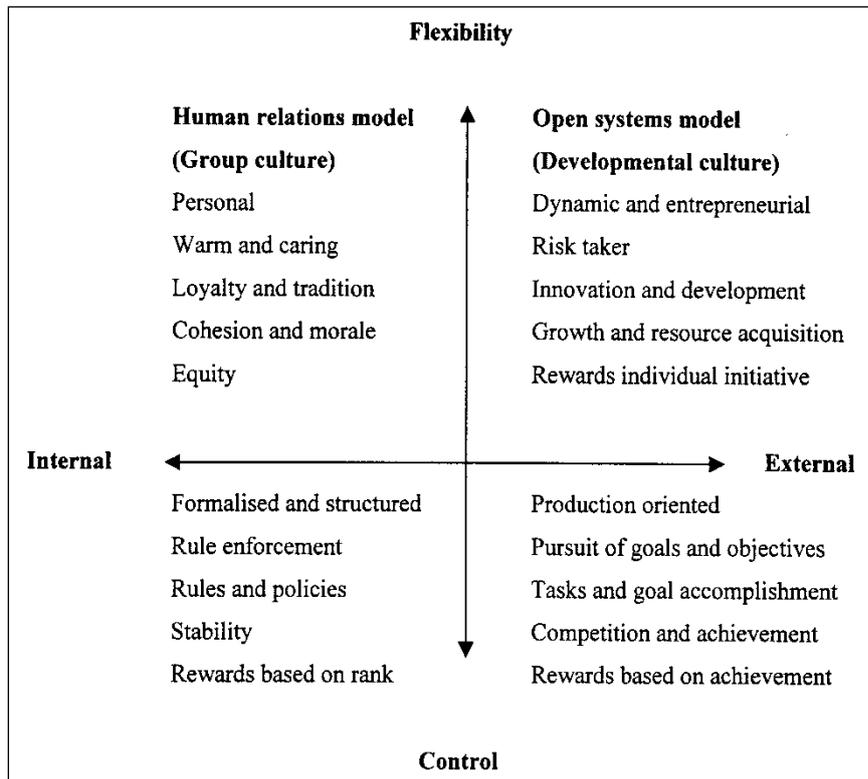
It is likely that these three subcultures may have different assumptions underlying some central areas of reality. However, the organisation will fail to ever become a reliable learning system as a unit if these three subcultures do not manage to coexist harmoniously. The operator culture is based on human interaction. The engineering culture represents the design elements of technology and how technology can be used, while the executive culture shares common work experiences and knowledge, and works towards human management and development. However, scholars argue that this model cannot be applied, since it does not exemplify how these three levels are linked and how the connecting links between these three levels should be the basis of the model.

### 3.2.5.2 Quinn's Competing Values Framework

As I mentioned above, the notion of corporate culture has received enormous attention from researchers and scholars in the last two decades. However, most research efforts have focused on understanding and defining business culture (Allaire and Firsirotu, 1984), giving secondary importance to the relationship between culture and business performance. Additionally, a similar phenomenon occurs with respect to appropriate methods for studying and better understanding business culture (Hofstede, 1991; 1986). Namely, although there were several studies on the relationship between organisational culture and performance, these were all based on qualitative methods, which do not offer the ability to make detailed comparisons between companies, as the use of quantitative methods does. There was no empirical investigation of the relationship between culture and the effectiveness of a company.

This gap in the literature was covered by Quinn, who expanded the competing values framework in order to examine business culture. The "Competing Values Framework" can be used to investigate the underlying structure of the operational culture and the key assumptions that are formed on issues such as compliance, motivation, decision making and values (Quinn and Kimberly, 1984). It interlinks the strategic, political, interpersonal and institutional aspects of business life, as it organises the different models of shared values, assumptions and interpretations that determine a company's culture (Denison and Spreitzer, 1991). The dimensions underlying the "Competing Values Framework" form the basis for a typology of culture, leading ultimately to produce a model of culture types, which is known as the "Competing Values Culture Model".

The "Competing Values Culture Model" (Figure 4) is based on two dimensions (axes). The first dimension (vertical axis) reflects the competing demands of change and stability. It essentially represents a distinction, familiar in organisational theory, between the organic and mechanistic procedures followed by companies. The second dimension (horizontal axis) reflects the conflicting demands arising from the internal and external environments of the firm. The right side of the axis represents short-term orientation, a focus on competition and interaction with the environment, while the left side represents long-term orientation, and a focus on conservation, coordination and balance.



**Figure 4:** The competing values framework of organisational culture (Parker and Bradley, 2000, p.128)

The significance of the "Competing Values Framework" is peculiar because it serves a large number of important functions. In particular, it organises the literature on the effectiveness of businesses and organisations; identifies the central concepts of the notion of effectiveness; explicates the values on which the concepts are incorporated; suggests that the literature on efficacy and organisational analysis are similar to each other; and provides an initial framework to guide future efforts in organisational assessment (Quinn and Rohrbaugh, 1983).

The significance of the context is even greater if we consider the purpose for which it is applied. Indicatively, it is mainly used as an instrument for the design of a number of organisational operations (in particular, how these relate to the effectiveness of the enterprise), such as strategic planning, the creation of corporate vision, corporate culture and leadership. In addition, it is allied with improving management practices, management changes and human resource management practices (DeGraff and Lawrence, 2002).

Over the last twenty years, authors have proposed various dimensions and features of business culture. One reason that so many dimensions have been suggested is that organisational culture is extremely broad in scope. It involves a complex, interdependent, broad and ambiguous set of factors. Therefore, it is impossible to include every relevant factor in its diagnosis and evaluation at all times. Each additional component can always be argued to be relevant. Therefore, to determine the most important dimensions on which to focus my attention, it is important to use a particular context, within a theoretical background,

which can be narrowed and redirected to the identification of the key scale of organisational culture.

That is why I am using the "Competing Values Framework" to identify and facilitate any possible change in the business culture. A frame originated from an empirical study, which integrates many of the dimensions that have been proposed by various authors. Briefly, the "Competing Values Framework" has been found to have a high degree of convergence with more widespread and acceptable studies that organise ways of thinking, values and assumptions, and the information processing modes. In light of this, my thesis considers the "Competing Values Framework" in the design of the research instrument to discuss the diversity culture of the organisation and the way employees perceive its effectiveness.

### **3.3 Leadership**

Leadership is one of the most important parameters that determine the profile, function and evolution of any social organisation, whether this is formal or informal. Its meaning is constantly evolving due to the dynamic nature of organisational needs (Daft, 2005). Not surprisingly, it is the field of management science that has been investigated more than any other has, as it defines the behaviour and the degree of utilisation of employee capacity, and thus their operation and development. A number of approaches - rather complementary to each other - have been developed for examining and understanding the issue of leadership.

For many years, academics argued whether effective leaders are born or trained (Waldman and Yammarino, 1999). Although there is no ideal measure of leader effectiveness, the leader's group performance appears to be frequently used as the most objective indicator. However, leadership effectiveness as regards to the group's performance is hard to measure and thus evaluate, due to the impact of many other factors.

#### **3.3.1 Management, national cultures, and the role of leadership**

Scholars, in their efforts to understand corporate culture, examined the possible relationship that can exist between it and the culture of every society and ethnicity. Literature highlights that national, as well as organisational, culture, provides the basic assumptions that legitimate and guide the behaviour of people. Although in many cases they operate in similar ways, many scholars describe the relationship between corporate and national culture as being quite perplexing. Some theorists argue that there is little correlation between national and organisational culture, emphasising that the rationale of industrialisation affects all organisations in the same way; namely, organisational culture is constructed and operated independently of local or national cultures (Scheffknecht, 2011). This explains the results of a survey that showed how Japanese automakers operating in the U.S. managed to maintain their organisational culture and continued to apply the same business practices in different cultures (Özbilgin, 2005).

A different approach claims that national culture, and other elements of the organisational environment influence to some extent internal organisational culture. Martin (1992) stated that it is misleading to renounce the power of the influence of the environment on the content

of the culture of an organisation. No one can understand what is really happening within the organisational culture if they fail to understand what is happening outside the organisation. Of high importance is the contribution of Hofstede (Venaik and Brewer, 2013), who thoroughly studied these two factors and the relationship between them. Through systematic research conducted with 160,000 people in 40 countries, he concluded that national culture excels as a determining factor in the behaviour of people over other parameters (for example workstation). He then realised that common issues that occur in all countries are treated differently from country to country. These relate to the social inequality that includes the relationship with power; the relationship between the individual and the group; the security and determination against modesty and care; and, finally, the treatment of uncertainty and ambiguity. These issues are presented as dimensions of culture, which are measurable and comparable. Later, based on research conducted between students in 23 countries, Hofstede added a fifth long term factor against the short-term orientation, of cost effectiveness and persistence (long-term) against the respect, the tradition, the integration of social obligations and protection of the personality of each individual, and a sixth related to the gratification versus control of basic human desires related to enjoying life (Hofstede, 2011).

### **3.3.2 Global culture and organisations**

Organisational culture cannot remain unaffected by global culture. Businesses do not operate only in their local environment nowadays, but in a broader global context in which their competitors are not only local businesses, but also rivals that can be located hundreds of miles away. This expansion of the business environment causes increased alertness, competitive costs and hence the need for rapid responses to organisational practices of global competitors. A typical example is the adoption of “just in time” practices by U.S. firms, practices that have been traditionally part of the Japanese organisational culture.

Another pillar of global culture is communication. World advertising, news releases and general mass media are mechanisms that convey values and practices, but also transient consumer preferences. Modern communication connects manufacturers, traders, financiers, and consumers more than ever.

Educational systems of economically developed countries are another aspect of globalisation. Higher education and research transfer leadership ideas and corporate values worldwide. Primary and secondary education has a significant impact, since advanced industrial countries control the education received by students in comparison to other nations. This often affects teaching reforms, particularly in the curricula of mathematics, technology, and science education.

Finally, multinational companies contribute to a globally based organisational culture through the adoption of specific corporate policies. For example, McDonald's restaurants operating in Cyprus apply identical business practices to respective restaurants in the United Kingdom. Employees receive the same education, the same techniques of mobilisation and the same remuneration system. In this way, successful practices that worked in one part of the world are applied globally, thus striving to provide the same quality products or services.

### **3.3.3 Leadership models**

Although theories appear to provide a holistic perspective regarding the components of effective leadership, debates actually reveal that leadership is a matter of perception (Meindl, 1995). Analyses in leadership reveal that leadership is in the eye of beholders (Arnold *et al.*, 2005), while there are arguments that perceptions of leadership are completely developed by the followers and have little to do with the leader's behaviour (Meindl, 1995).

Based on attribution theory it has been argued that observers tend to attribute it to the leader's exceptional abilities when things go well, and blame the leader's ineffectiveness when things turn out badly (Gordon, 2002; Meindl 1995). Articles in the Wall Street Journal between 1972 and 1982 revealed that the authors were referring to leadership traits and trends only when things appeared to go either extremely well or extremely bad (Arnold *et al.*, 2005). Another study among students who were asked to assess the importance of numerous potential causes for corporate success and failure, disclosed that leadership was perceived as the main cause for extreme events (Meindl, 1995). This can be justified by the fact that leadership is conceived as a big concept and thus it is expected to have enormous impacts.

Arguments claim that leadership is a culturally defined concept, which cannot exist objectively. Thus, it is often used as a way to protect ourselves from uncertainty and resistance to change or to collaborate with other people. Democratic leaders provide an ideal framework for overcoming this, since they insist that followers must take their own portion of responsibility and thus become active members of the group and not passive followers of a leader.

#### **3.3.3.1 Trait Theory**

According to early approaches to leadership, leaders tend to have some characteristics - the so-called traits (Kirkpatrick and Locke, 1991) - that followers either do not have at all or express in a lower degree. Among the personality characteristics that distinguished the leaders, the salient were intelligence; need for power; self-confidence; persistence; and task knowledge (Stogdill, 1974). However, the notion of a leader within a situational context appeared to be ignored under this early formulation of the theory, and hence characteristics that revealed a high amount of emotional intelligence were later added to the pre-mentioned list. Therefore, research suggests that leaders are motivated, have self-awareness and self-regulation, and show empathy and sociability (Goleman, 1998).

Critics, though, claim that the same traits that facilitate leaders to reach success are likely to lead them to failure (Conger, 1998). For instance, a vast need for dominance could lead to the achievement of organisational financial goals on the one hand, whereas it could severely hurt the leader's relationships with subordinates on the other.

The other edge of leadership theories, which suggests that effectiveness is a function of the leader's behaviour, is argued of House and Baetz (1979), who concluded that leadership traits should be behaviourally articulated only if they appear to affect performance. Moreover, it is likely that tasks of different natures may involve the need for different traits and behavioural styles. Hence, personal traits alone cannot make a leader effective. However, the difference

lies in the way these traits are articulated in the leader's behaviour, and how this is perceived by others.

### **3.3.3.2 Task orientation and person orientation**

Behaviourists argue that leaders' effectiveness is contingent on their behaviour. A study that was conducted by a team at Ohio State University revealed ten dimensions of leadership behaviours, which were underpinned only by two (Fleishman, 1969): consideration and structure. By the former, Fleishman (1969) implies the extent to which a leader respects and trusts his or her subordinates, and discloses consideration regarding their feelings. The latter is used to describe the degree to which leaders define and organise their role and the responsibilities of the subordinates towards the overall accomplishment of the organisational goals and vision (Arnold *et al.*, 2005). According to this study, ineffective leaders appeared to be task-oriented (Stogdill and Coons, 1957), hence not concerned about their subordinates, while the research revealed that structure might lead to ineffectiveness, if it is not accompanied by consideration.

Although consideration and structure are helpful tools, the fact that they focus on the leaders' daily behaviour rather than their overall strategy must not be overlooked.

### **3.3.3.3 Participation and democracy**

Another aspect of leadership behaviour that was the subject of many scientific studies is participativeness; namely the degree to which a leader can be considered democratic or autocratic (Arnold *et al.*, 2005). According to Gastil (1994), a democratic leader is the type of leader who distributes responsibility by ensuring maximum participation of each member of the group in its activities, empowers group members by setting them high but achievable goals, and aids deliberation by being involved in the decision making process without dictating solutions to problems. Overall, a democratic leader is a vigorous part of the group; he or she is actively involved in any process regarding the resolving of a problem that hassles the team.

### **3.3.3.4 Transformational leadership and charisma**

One approach to leadership distinguishes transactional from transformational leadership (Burns, 1978). Transactional leaders appear to consider the rewards and motivation given to their subordinates as a linear function of their performance. Through contingent rewards, the leaders provide incentives to the subordinates if they perform sufficiently and try as hard as the leader requests. Moreover, they appear to manage by exception: they do not seek to make any adjustments regarding the organisational culture or working conditions as long as the performance results are the desired ones. Thus, they interfere only when something is dysfunctional (Arnold *et al.*, 2005). Transformational (Bass, 1990) leaders demonstrate individualised consideration by treating subordinates according to their own merits, intellectual stimulation by encouraging brainstorming, inspirational motivation by encouraging the subordinates to hoist their expectations, and finally charisma. The term charisma includes the personal sacrifices, the evidence of determination as well as the launch

of responsibilities that a transformational leader demonstrates. Hence, a transformational leader inspires and motivates their subordinates by being the ideal role model.

Arguments imply that transactional and transformational leadership are not mutually exclusive (Bryman, 1992). However, the degree to which a leader is transformational or transactional appears to depend on how active he or she is. The active leaders appear to concentrate characteristics of both approaches, while the passive ones show neither (Arnold *et al.*, 2005). According to Gardner and Avolio (1998), leaders are not charismatic unless their subordinates consider them as such. Charisma, as defined by Conger and Kanungo (1998), consists of the articulation of a vision from the leader and the assumption of risks regarding the fulfilment of this vision. Moreover, charismatic leaders are aware of their environment, show affiliation, and think and act outside the box.

As mentioned before, academics argue whether charisma is innate or not. Studies (Frese, Beimerl and Schoenborn, 2003) reveal that leaders can be trained to obtain behaviours that are linked with charisma. In fact, some studies (Bass and Avolio, 1994) reveal that when subordinates perceive their leader as transformational, they are more effective and satisfied. In view of that, when the leader is perceived as charismatic, subordinates are more empowered and have greater reverence for their leader. However, it is a fact that the transformational leadership approach interprets the leader as the ideal role model, who does not focus on the situation or the followers.

### **3.3.3.5 Fiedler's contingency theory of leadership**

According to this theory, a leader's perception on whether a subordinate is his or her least preferred reveals the extent to which that leader is person-oriented (Arnold *et al.*, 2005). Fiedler (1995) suggested three key features of the Least Preferred Co-worker (LPC) which, when combined, can provide a framework regarding the leader's favourableness. These include the leader-member relations, the extent to which the subordinates trust their leader, the task structure, the extent to which the tasks of the group are clearly defined, the position of power, and the control of the subordinates' appraisal system. Fiedler (1995) stated that task-oriented leaders are best in extreme situations (very favourable and unfavourable) and that people-oriented leaders are best for moderate situations.

Despite its usefulness, a number of critics question the stability of the LPC score and Fiedler's concept of situation, as well as whether leader-member relations depend exclusively on the leader and members themselves (Arnold *et al.*, 2005).

### **3.3.3.6 Cognitive resource theory**

According to Fiedler (1995), the relationship between cognitive resources and leadership performance is strongly dependent on factors such as the leader's situational control over the group's processes and outcomes, and the stressfulness of the leadership situation. Cognitive resource theory actually suggests that under different circumstances leaders are obligated to use not only their intelligence and exceptional personal characteristics, but also their experience, in order to be effective. Specifically, he revealed that under high-stress conditions

the use of experience and not intelligence distinguishes the effective from the non-effective leader.

### **3.3.3.7 Vroom and Jago's theory of leader decision-making**

Vroom and Jago (1988) propose that leaders are flexible; they are able to fit their leadership style and behaviour to the current decision-making process. In particular, they suggested a scale where the one edge represented the most autocratic leader and the other the most democratic one. In between there were the three types of leaders. In addition, they assumed that the nature of the situation depends on a number of factors, including time pressure, precision of the decision constrains and behaviours of the followers.

### **3.3.3.8 Level 5 leadership**

Collins (2006) argues that an executive can build enduring greatness through a combination of personal humility along with professional will, whilst the difference between the former and an effective leader lies in the inability of the latter to show humbleness. Through a suggestion of a scale of five types of leaders, Collins (2006) concluded that the success of a company is positively correlated with the presence of an executive behind the helm of the overall management.

## **3.3.4 Leadership and multiculturalism (theoretical frameworks)**

Among the multiple roles of global leaders lies the role in the transformation of the organisational culture in order to reflect better the values of appreciating and promulgating diversity and equality of individuals. Therefore, the global leader should be skilled with an understanding and acceptance of diversity and the belief that diversity and equality must permeate every aspect of managing people. Moreover, he or she must demonstrate self-awareness, so to accurately know the culture that embraces their own identity, prejudices and stereotypes that can hinder their openness to experience, as well as an eagerness to challenge and change institutional practices that different groups adopt.

However, accepting diversity and equality are not easy issues to deal with, and unfortunately, there is not a one-size-fits-all approach that can work in every case. Managing diversity implies acknowledging the differences of people and especially that these differences are something valuable and worthy of attention. It suggests reinforcing of good management practices, combating all forms of discrimination and promoting social inclusion.

The executives of multinational companies have now learned to work and perform in a working environment characterised by flexibility and uncertainty. In contemporary organisations, employees are expected to have specific skills. One of these is computer literacy, as well as multilingual education, since the use of foreign languages (especially English) is necessary and facilitates cultural adjustment. Therefore, multicultural communication skills are developed along with the skills of the individuals. An employee's flexibility is imperative in the business world of today. It can resolve language differences and adaptation of employees in a global workplace. Leaders, in order to stabilise their position, are constantly trying to broaden their knowledge. They are in a continuous learning

process, which requires substantial reserves of psychological strength. In order for the company's managers to face the demands of the ever-changing technological developments, they should be able to form effective teams that will prepare the ground for achieving strategic choices.

### **3.4 Conclusion**

In the contemporary organisational environment, the concept of organisational culture plays a particularly important role in creating the favourable development of the business. According to the many definitions that have attempted to capture their essence, culture is a structured set of basic assumptions that have been created by a team in an effort to address problems of external adaptation and internal integration.

More specifically, culture could be defined as a system of shared values, beliefs, underlying assumptions and informal rules which, as a common conceptual framework, connect people in the company by determining how they think and behave, what they do and why they do it. Every organisation has a culture, which is created through a process of learning and team experience.

The organisational culture characterises a company in terms of the official or informal expectations of its members, defines the profile of potential future employees or business partners, and determines the way in which people within and outside the organisation interact. Thus, the basic requirement for successful diversity management is to ensure an efficient corporate culture, an effective cultural environment in which members will feel free to speak up and function.

While most managers recognise the value and importance of culture, they find it difficult, if not impossible, to effectively link culture to diversity so that it becomes viable and leads to the achievement of the strategic objectives. Literature highlights that traditional organisational cultures and systems include factors that create significant barriers and constraints to successful diversity management.

Organisational culture is the key to successful and efficient diversity management, through which it will become clear to the employees that it is important for the company to value diversity. This will create the appropriate conditions and procedures, so that this knowledge can be utilised in practice. Diversity management aims to increase the company's value to the customer through the acquisition, creation, sharing and exploration of the skills and experience of a spectrum of employees.

In order for organisations to survive, they need to extend their mentality beyond the present and the limits of current conditions and practices, products, services, and current competition. It is only then that they will be able to anticipate developments and grow parallel to them. The current dynamic business environment ensures diversity and innovation more than anything else does nowadays.



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## 4. DIVERSITY MANAGEMENT

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“We’re a mixture here:

Syrians, migrated Greeks, Armenians, Medes.”

C.P. Cavafy

### **Structure:**

This section reviews the general literature on diversity management. The purpose of this research is to investigate the business case for cultural diversity in an organisation in Cyprus. It pursues to contextualise issues around diversity within the current peculiar politico-economic environment, and identify the drivers as well as barriers to diversity management within the company. The business case has been intensely argued as a rationalisation for introducing diversity management initiatives (Johns *et al.*, 2012); here the research examines the situation in the specific organisation and attempts to link diversity policies to the perceptions of employees of organisational culture and effective diversity management.

### **Content:**

In this chapter, I provide the theoretical underpinnings for the diversity management concept to develop the research questions and conclude with the overall framework in Chapter 9.

### **4.1 Introduction**

The purpose of this research is to examine the business case for cultural diversity in a specific private organisation in Cyprus. The focus questions for the research were as follows: What does the literature say about the management of cultural diversity? What are the drivers towards the management of cultural diversity at the organisation? What are the barriers and forces resisting the management of cultural diversity at the organisation? How can cultural diversity be managed at the organisation? More specifically, I focus on the connection between diversity, employees’ perceptions of their organisation, and their sense of organisational culture and leadership. In this chapter, I provide the theoretical underpinnings for the diversity management concept in order to develop the research questions and conclude with the overall framework of recommendations in Chapter 9.

### **4.2 Diversity management**

Diversity management is, according to Pitts *et al.* (2010), an organisational reaction to workforce diversity and its associated challenges and opportunities. Diversity management initiatives classically tackle the concerns of traditionally underrepresented groups of individuals, such as people of colour and women, but many also focus on other dimensions of diversity, like age, professional background, religion and sexual orientation, which affect work-related outcomes (Pitts *et al.*, 2010). There are a number of benefits associated with the

employment of a diverse workforce, representative of today's society. The main question is how a company can actively and strategically deal with diversity and establish the appropriate organisational culture effectively. By and large, the organisation must identify the potential activities to be employed, to implement effectively a business strategy that incorporates and promotes diversity as a qualification and a competitive advantage (Chapter 9).

Since the company's attention is focused on recognising and identifying the relative differences and similarities within its internal and external environment, the next question that arises is how to manage it all? Being sensitive to differences is necessary, but not sufficient, to attain positive improvements and progress. Therefore, diversity management should be the integration of ideas and diversity practices into the daily management and learning processes of a company and its environment. Professional decisions should be obtained within a climate of confidence, acceptance and recognition. Kochan *et al.* (2003), clearly emphasise that managers should do their best to translate diversity into positive organisational, group and individual outcomes.

It has been argued (Cooke and Saini, 2010; Soni, 2000; Cox, 1993) that the objective of effectively managing diversity is for organisations to amplify awareness of cultural differences. This can be achieved through enhancing "the ability to recognise, accept, and value diversity through organisational intervention to minimise patterns of inequality experienced by those not in the mainstream; and modify organisational culture" (Cooke and Saini, 2010, p. 480) and leadership practices so that members of all socio-cultural backgrounds can contribute and realise their full potential (Cox, 1993). It has also been suggested that the most important reasons for dealing with diversity include, amongst others, effective human resource management, undertaking market competition, and enhancing corporate image (Konrad, Prasad and Pringle, 2006; Jayne and Dipboye, 2004).

Workforce diversity is often considered as a double-edged sword, as it can engender both advantages and disadvantages for organisations (Shen *et al.*, 2009). The advantages include facilitating access to a dynamically evolving market by reflecting escalating diverse markets; and "better-quality solutions to brainstorming tasks and displaying more cooperative behaviours" (Shen, D'Netto and Tang, 2010, p. 2159). Research claims that negative standpoints on diversity are usually associated with the perception that it inherently has negative effect on the overall organisational performance (Joplin and Daus, 1997; Blum, Fields and Goodman, 1994). Shen and colleagues (2009) contribute to this argument by claiming that the negative effect that has been attached to workforce diversity is not really a result of workforce diversity itself, but rather due to poor diversity management, especially as regards human resource management practices. "Hence, business organisations face growing challenges to develop effective human resource diversity management, to pre-empt legal sanctions and to capitalise on diversity" (Shen *et al.*, 2010, p. 2156).

Empirical research therefore reveals that the impact of diversity can be either positive or negative: on the one hand it can generate higher innovation and enhance creativity (Richard *et al.*, 2003; Richard, 1999; Watson, Kumar and Michaelson, 1993), whilst on the other hand

it can cause mistrust, faulty decision making, poor communication and conflict (Cunningham, 2009; Swann *et al.*, 2004; Timmerman, 2000; Watson *et al.*, 1993).

The literature on the impact of diversity management reveals that the key in ensuring that the organisation can fully enjoy the benefits of recruiting underrepresented groups lies on its management. A number of organisations have established diversity management initiatives as a way to enhance “the ability of diverse groups to work together and limited empirical research has demonstrated that diversity management can improve outcomes in diverse organisations” (Pitts *et al.*, 2010, p. 868).

Obviously, managers need, and ask to see, results. In order to achieve their goals and gain a competitive advantage over their rivals, upper echelons need to acquire a thorough understanding of the external environment, including the political, legal, social, industrial aspects of it, as well as a deep internal environmental analysis. Substantially, the “issue becomes, which diversity mixtures have the potential to give us a strategic advantage or to hinder our ability to meet our goals?” These are the mixtures that must be addressed. The other diversity issues can safely be ignored” (Thomas, 2006, p. 122). Deciding upon the diversity mosaic is an essential strategic decision of utmost importance for the survival of the company.

However, this could be stimulating the rise of other kinds of questions, as regards to the justification of choosing this type and nature of human mosaic over a different one - or even challenge the value and necessity to establish and sustain this combination of diversity - and question its contribution in adding value to the organisation. If management realises the importance of acquiring a diverse workforce and can clearly identify the link between this acquisition and the sustainability of its competitive advantage, then they need to act immediately upon this realisation. However, once they decide to follow this path, they need to ensure that they can keep, as well as inspire, austere devotion. This should apply to all levels and all departments of the organisation: namely the marketing, research and design, validation, production, and operational departments, and the senior management. Considering the above, diversity management can be defined as “a process that adds value to the company” (Keil *et al.*, 2007, p.6).

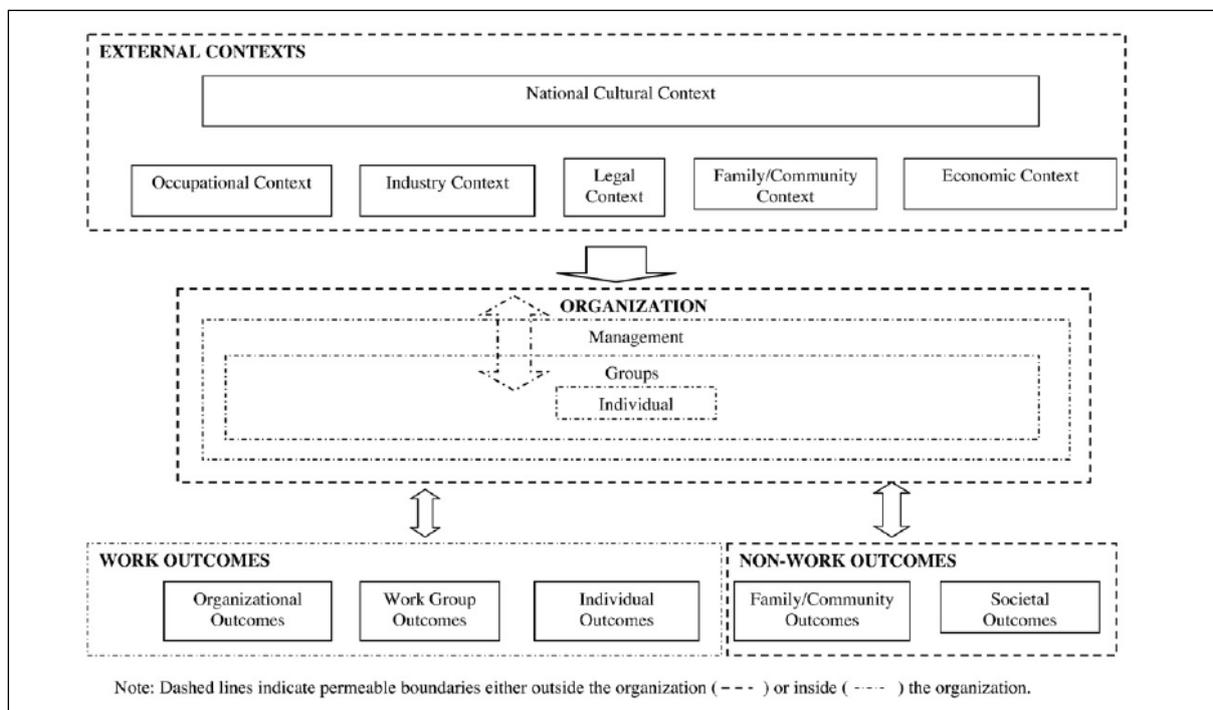
Equally important is the realisation that there can be no managing diversity unless it is integrated into a moral and legal context. The anti-discrimination law should not constitute just one part of the external environment of the company. The organisational culture itself should encompass and promote respect, understanding and inclusion as its backbones. While the aims and benefits of establishing diversity policies of diversity vary greatly, organisations are likely to recognise enhancements on a plethora of functions including an impact on culture, a superior cultural mosaic in the workplace, enhanced market opportunities, improvement of the corporate image and social gratitude.

By and large, my own perspective on the significance of effectively dealing with diversity is aligned with Dreachslin’s viewpoint,

“Manage diversity. If left unmanaged, demographic diversity will interfere with team functioning. Identify a common ground among diverse groups, because similarity can pull different team members together. Invest in professional development so that team members have the tools they need to navigate their differences. Other elements that can improve team and organisational decision-making include group-process and conflict-management skills, self-awareness and understanding of cultural style differences, ability to validate alternative points of view, and efforts to surface and manage implicit bias” (Dreachslin, 2007, p. 84).

#### 4.2.1 Cultural diversity in management

As described in the meta-analysis by Shore *et al.* (2009), different theories have been applied and different results have emerged depending on the level of cultural analysis. For example, it has been found that multiculturalist executives can attract, in some national cultural contexts, women and minority groups into the organisation (Kalev *et al.*, 2006) and that racial similarity between executives and employees contributes to employee expectations for positively valuing diversity (Avery *et al.*, 2007; Avery, 2003). However, scholars should more carefully consider the possible influence of the diversity, both across hierarchical levels and horizontally; for example between employees or organisational units of the same hierarchical level (Shore *et al.*, 2009).



**Figure 5:** An integrative model of diversity in organisations (Shore *et al.*, 2009, p.128)

The cultural analysis of the external environment of the organisation is primarily intended to identify factors affecting cultural diversity and subsequently having an impact on the firm. Based on the literature review of Shore *et al.* (2009), some of these cultural contexts include: the national culture (Stone-Romero and Stone, 2007); the professional sector (occupation) (Heilman and Okimoto, 2007); industry (Goodman, Fields and Blum, 2003; Kochan *et al.*, 2003; Blum *et al.*, 1994); the legal framework (Kalev *et al.*, 2006); the economy (Fields, Goodman and Blum, 2005); and local societies / communities with which the organisation and employees are integrated (Ragins, 2008). Each of these dimensions can have different effects on individuals, teams and organisations (Figure 5). These effects range from the more generalised, like the economic environment, to more specific, like the family environment of the employee.

Given that the micro-environment interacts with each macro-environment in which the organisation operates, it is expected that cultural complexity should increase as the organisation operates simultaneously in different macro-environments, involving different political, legal, economic and technological contexts (Thanopoulos, 2012). Analogously, the internal organisational cultural contexts include the organisational culture, strategy and human resources (Kochan *et al.*, 2003). Therefore, depending on the size of the organisation, there may be many different groups that determine the extent to which individuals are culturally different, as well as the positive, negative or neutral effects of this diversity (Shore *et al.*, 2009). The analysis of subcultures, and their relationship to organisational culture, is a useful tool for the analysis of cultural contexts within the organisation.

On cultural diversity, perceptions and attitudes towards multiculturalism play an important role. Initially, there is concern regarding what individuals in organisations perceive as culturally different, and what their attitude is towards this difference. For example, what people consider as advantages and disadvantages of homogeneous and heterogeneous groups; what their general perception of diversity is; and what characterises someone as different (Tüz and Gümüş, 2010). Additionally, Garcia-Prieto, Bellard and Schneider (2003) argue that scholars should take into account how people experience and sense their social identity, rather than arbitrarily classify them into predefined categories. Within the same context, Nishii and Özbilgin (2007), in their proposed model for global diversity, indicate that definitions of diversity are sensitive to the cultural context. Tüz and Gümüş (2010) examine the general concept of diversity within a single culture in which various subcultures exist. Ferner, Almond and Colling (2005) emphasise that the nature and meaning of diversity can only be determined in the cultural context to which it relates. In the same vein, Bean Robert Consulting and the Australian Multicultural Foundation (2010, p.8), delineate as diversity in the management of human resources and customer service, all the perceptions of the differences between people, which are considered important by the people themselves, and specific conditions and circumstances which it is necessary to take account of.

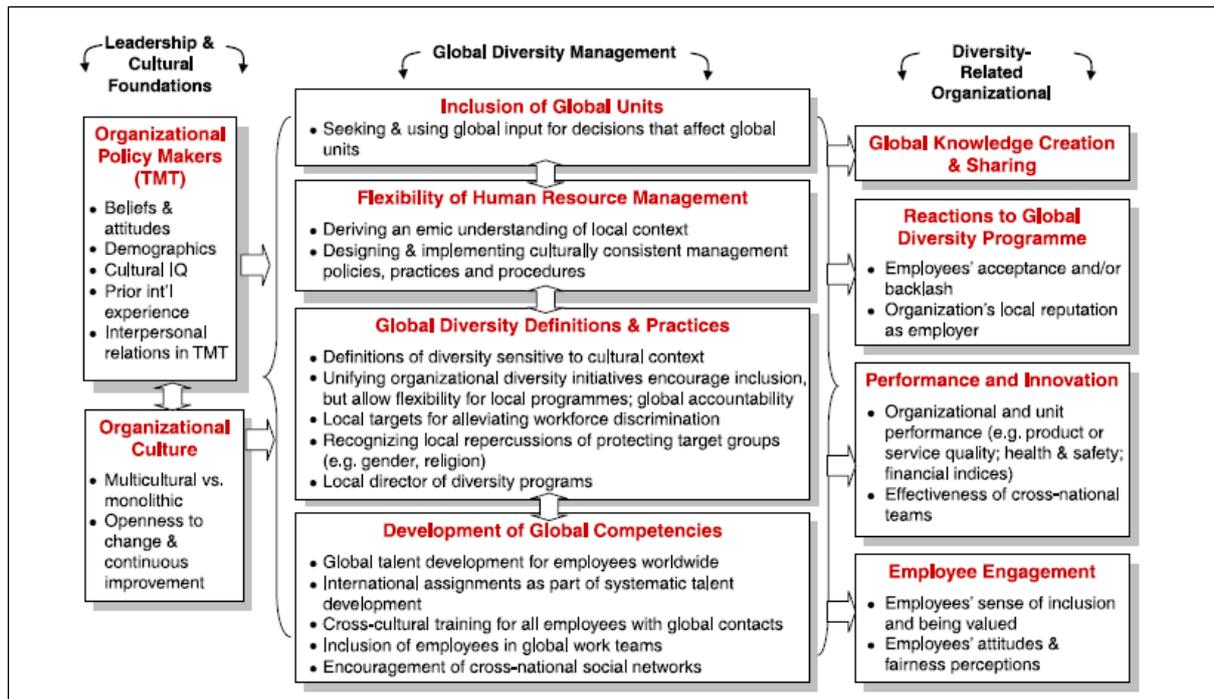
The legal arrangements to reduce discrimination emphasise mainly on the social level and do not focus on the level of the organisation or the individual (Subeliani and Tsogas, 2005). For example, affirmative action focuses on specific minority groups that are demographically different in terms of gender, age, physical abilities, ethnicity, sexual orientation and race.

However, the management of diversity in organisations is based on a more comprehensive and wide definition of diversity (Polzer, Milton and Swarm, 2002; Kersten, 2000; Rosenzweig, 1998). In light of this, Hewlett Packard states that diversity is the existence of many unique individuals in the workplace, marketplace and community, which includes men and women from different nations, cultures, ethnic groups, lifestyles, generations, backgrounds, skills and abilities (Hewlett Packard, 2014). This definition of diversity is broad, since it is based on a variety of potential differences at the individual level. It explicitly mentions some specific types of differences, but it does not mention any specific social groups. Furthermore, it includes both primary characteristics (physical characteristics of the individual which are relatively unchanged and are not related to job roles), and the secondary features that are usually less visible, volatile, time-specific and of a more psychological nature (Bellard and Rüling, 2001).

Taking into account the dynamics of diversity and the fact that organisations need to cope with diversity issues, regardless of whether they offer the opportunity for competitive advantage or not (Cox and Blake, 1991), organisations need to develop systems and practices for its effective management. Multiple reports and meta-analyses have examined effects of diversity in the workplace (Joshi and Roh, 2009; Webber and Donahue, 2001; Bowers *et al.*, 2000; Williams and O'Reilly, 1998) and have concluded that the relationship between diversity and organisational outcomes is complex and based on a plurality of different possibilities. One of these likelihoods is the presence or absence of effective diversity management through practices that are designed and applied in order to produce positive results in a multicultural workplace. Yang and Konrad (2011) and Kossek and Pichler (2007) describe management practices of diversity as any official practices which aim at increasing cultural diversity, create a positive working relationship between the various stakeholder groups, and create value from cultural diversity.

Cox (1993) and Ely and Thomas (2001) argue that employees should be encouraged to bring their own cultural elements into the organisation, and describe the ideal results desired from implementing practices for managing diversity in organisations. Kossek and Pichler (2007) expand the view of these researchers and conclude that the best diversity management practices are those that achieve the following three objectives: (a) promoting concepts of organisational justice and inclusion, (b) reducing discrimination and (c) improving economic competitiveness.

Nishii and Özbilgin (2007) introduced a model of global diversity management for international organisations. Global diversity management, as defined in the second column of the model, reflects an intermediate between cultural diversity and monolithic organisational culture, with emphasis on the former in terms of the freedom to define diversity, the targets for reducing discrimination and diversity managers, from subsidiaries of the same countries other than the parent company. However, in the same section there is an indication of the consolidation of organisational diversity initiatives to strengthen inclusion, while allowing the flexibility to adapt to local programs. Inclusion and adaptation imply centralised planning practices in diversity management that gets feedback from affiliates.



**Figure 6:** A conceptual framework on global diversity management (Nishii and Özbilgin, 2007, p. 1887)

#### 4.2.2 Improving diversity and the cultural mosaic within the workplace

The literature highlights that a skilful, cutting-edge and diverse workforce is an important and essential constituent for business success (Khan *et al.*, 2010). The adjustment of the lack of appropriate human resources as well as the recruitment and retention of high-level employees originating from various backgrounds are indeed an essential incentive for companies to put into practice diversity strategies (Ng and Burke, 2005). Many companies require, as a key objective, to achieve greater diversity in their workforce. As scholars suggest, lessening access to a wider group of employees and augmenting the capability to recruit and retain high quality employees from various backgrounds consists of one of the most powerful arguments to attract and convince organisations to launch diversity policies (Williams and O'Reilly, 1998).

Businesses that strengthened their recruitment efforts of attracting and retaining employees from underrepresented social groups, have reported an enhanced acceptance level within those cultures (Beauregard, 2008; Kossek *et al.*, 2005). En route to enjoying such changes in their human mosaic, organisations need to assume a wide range of schemes (Pitts, 2009; Kaley *et al.*, 2006; Ng and Burke, 2005). These could include advertising specifically focused on disadvantaged and socially excluded target groups in addition to collaborating with community offices in an attempt to enhance recruitment efforts and to support the objectives towards local social and economic development.

International business are nowadays in need of improving their universal organisation skills through the promotion of measures to recruit and retain a diverse and high skilled workforce, which is able to work across-cultural and national borders (Pitts, 2009; Kalev *et al.*, 2006; Ng and Burke, 2005). They should also ensure the presence of members of local communities and cultures at all organisational levels.

In addition to improving diversity in the workforce, companies also need to augment their ability to efficiently manage it and enhance an organisational culture that promotes inclusion and respect. A means to address this need could include the establishment of pertinent policies and practices to enhance the working environment and the personnel experience. In light of this, policies that promote flexible working and working at home, policies and procedures for expressing disaffection and ensuring safety in the workplace, policies against bullying, along with information systems to measure progress aligned with equality objectives, are established within organisations. A plethora of these procedures is also serving the development and increasing awareness of employees, in order to fulfil a wide range of personnel advancement needs (Henley and McMahan, 2006). Such programs could include fair recruitment and selection procedures, training sessions on diversity, legal issues and compliance matters, intercultural skills and exchange programs, language and integration sessions for migrant workers, as well as evaluation and change management programs. There are even companies that provide managers with a framework of performance programming, control methods and diversity devices to assist them in implementing the policy (Nishii and Özbilgin, 2007; Ferner *et al.*, 2005).

A diverse workforce composed of competent employees also enables companies to meet the requirements of various customers, thus augmenting customer service (Gardenswartz and Rowe, 1998; Iles, 1995; Cox and Blake, 1991). It even offers supplementary means to access new markets and augment business intelligence. Numerous companies are now supporting special interest groups for employees to enhance communication on two levels, and assist companies in strategic consultation and information.

#### **4.2.3 The role of individual differences**

Companies, whose organisational culture and climate promote and embrace diversity, identify numerous prospects for escalating their services and products network (Richard *et al.*, 2003; Richard, 1999; Watson *et al.*, 1993). The literature review has revealed a number of promotional campaigns and products designed to gain market share through covering new market segments and conventionally underrepresented cultural groups. A number of these initiatives were designed to increase access to and awareness of existing products and services to these groups. Under the umbrella of the increasing social responsibility awareness, such initiatives are not only motivated by the objective to augment profitability, but are also considered as a means to improve the corporate image by promoting social inclusion, diversity and equality within the workplace (Deeter-Shmelz and Kennedy, 2003).

The concept of diversity has been interpreted and presented in a variety of ways and has been the subject of the research agenda for many scholars. Jackson (1996) argued that the term diversity was used as an umbrella to highlight the presence of different characteristics

between groups' members and to illustrate the changing demographic characteristics in the workforce. Diversity may be defined as the set of all the dimensions where the employee is differentiated with respect to the role, functioning and personality (Hicks-Clarke and Iles, 2000). Managing diversity refers to the utilisation of people of different genders, ages, skills and cultural backgrounds, ultimately aiming to develop genuine relationships between different people in the workplace (Cox, 1993; Cox and Blake, 1991; Fernandez, 1991). If diversity contributes to maximising a competitive advantage as these researchers assert, a significant issue for research is the creation of a positive diversity climate to enhance the operational strategy, using the various policies and procedures of human resource management as the main tools.

When a group is formed, its members are likely to have elements and attributes that differentiate one member from another. There are several classifications for the source of diversity within team members. Therefore, individual differences may be divided into the directly recognisable differences (surface features) such as age, ethnicity and gender, (Bowers *et al.*, 2000; Harrison, Price and Bell, 1998; Pelled, 1996). Following are the less obvious characteristics (deeper features) such as personality, knowledge, skills and abilities, values and beliefs, then the job oriented differences such as knowledge and skills, experience and seniority in the company and finally, are the differences related to human relations (less job oriented) such as some personality traits. It is evident that these attributes cannot be exclusively categorised in a single category. The superficial characteristics are the ones that are immediately shown during the formation of a team. For example, we know that the team consists of two men and three women. On the other hand, the deeper traits appear throughout the long-term behaviour of each individual and via its interactions with other members (Harrison *et al.*, 2002).

Harrison *et al.* (2002) claimed that as cooperation among team members develops, the more any negative effects of surface characteristics are reduced, while the effects, either positive or negative, of the underlying characteristics are increased. This implies that it is likely that at first distrust among members of different sexes or nationalities could arise, but as members start to know each other and become more familiar, these differences disappear. Nevertheless, when some negative personality features come up, then as time passes the problems will grow, since personality is relatively stable in the human life and thus it is difficult to change (Biernat and Kobrynowicz, 1997; Byrne, 1971). They also revealed that the surface traits have no influence in forming an opinion on the deeper features. For instance, nationality will have no impact on the members' ability to draw conclusions about the beliefs or competencies of an individual. Of course, this might be questioned, because on many occasions we tend to treat some people stereotypically, thus drawing hasty conclusions regarding them only because they belong to a particular category.

Differences in deeper characteristics like personality, knowledge and skills, if properly managed, can constitute a competitive advantage for the team, since it will allow the best utilisation of each member' contribution (Roberson and Park, 2007; Wentling and Palma-Rivas, 2000; 1998 ; Thomas and Wetlaufer, 1997). The surface features, if not overcome, are likely to lead to low cohesion of the group, frequent replacement of members, social

isolation, and lack of identification of members with the group and therefore miscommunication and poor dedication, which will eventually result in poor performance.

Bowers *et al.* (2000) suggested another classification of individual differences and argued that it is more functional, because each feature can be integrated more clearly in a particular category, hence making it easier to compare with other traits. Accordingly, differences are classified as biographical differences, such as literacy and education, nationality and age; personality differences, such as conscientiousness and the intrinsic motivation; and expertise differences, such as intelligence and leadership abilities. The various classifications are certainly useful, since they enable scholars to have a basis for discussion on how to differentiate members of one group. However, what matters most is the way these features will be interpreted towards drawing conclusions about the formation, development and performance of a group. Besides, as the literature reveals, each case is not the same and hence a different approach will be needed.

Rico *et al.* (2007) introduce three theories on how to approach the description and analysis of team members' diversity. The first one is dispersion theory, according to which one trait is considered at a time, focusing on how this is distributed among team members, and to what extent. For example, we could be examining the number of members who are extroverted and whether they are less or more outward, using a conventional rating scale. The second one is alignment theory, according to which several characteristics are examined simultaneously, taking into account the interactions that they may have. For example, someone may investigate whether age is related to learning ability, and how this combination may affect the performance of a particular group. The last one argues the value of faultlines, a borrowed term from the field of geology and refers to the separation of geological rocks (Polzer *et al.*, 2002; Brewer, 1996; Insko and Schopler, 1987). Therefore, as regards to group theory, faultlines refer to the separation of team members into categories, depending on their alignment to one or more characteristics. The focus is, according to this approach, whether there is high correlation between different characteristics and in particular, whether that leads to the formation of powerful groupings within the group; namely the creation of subgroups. The establishment of subgroups associated with high correlation traits, as one consisting of young men and one of middle-aged women, implies the division of the team that leads its members to identification with the subgroup and not with the team (Halevy, 2008; Insko *et al.*, 1990). All of these adversely affect the decision making process and the overall performance.

It is utopian to expect that there will be no trait differences among team members; it should be desirable to have these differences. Imagine a production team with ten members who are all aware only of assembling: would they be able to produce a complete and successful outcome? Most likely, they would fail. Therefore, the essence lies in the way of managing diversity, whether this is done by the same team, if self-governing or by a leader from either inside or outside the group. The role of such management is to eliminate potential conflicts caused by differences and exploit diversity for the benefit of the group. In order to have, finally, a greater chance of survival and long term high performance, the similarities and differences of members should be considered and taken into account in the initial

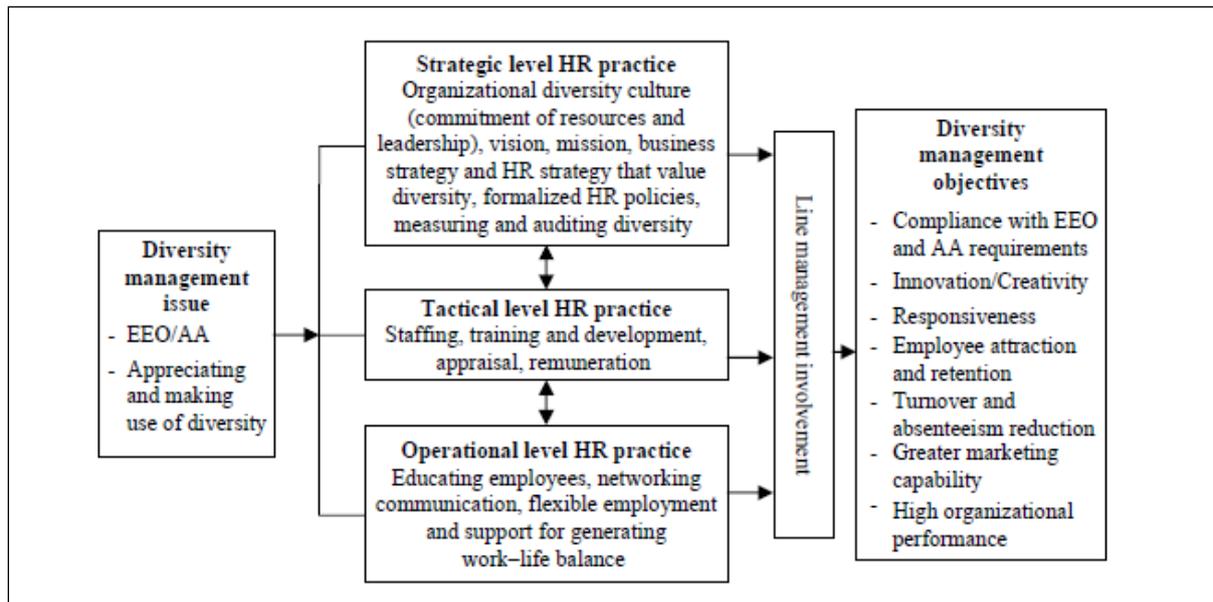
composition of the team, always bearing in mind the purpose and the type of work to be carried out.

#### **4.2.4 Diversity and organisational climate**

The context in which my inquiry was carried out considers the successful management of diversity as a function of the cultivation of a positive diversity climate and a supportive organisational culture. The two definitions of organisational climate and diversity are combined through the Kossek and Zonia (1993) model: the organisational climate is studied through the rate of power and access that is granted to each team according to its demographic characteristics. They argue that the separation of groups is obviously the best way of shifting beliefs and stereotypes towards the convergence of equal opportunities procedures. They focused on employees' perceptions based on their educational level, age differences, gender diversity, whilst they studied their overall contribution in establishing a climate of diversity. They have showed that, in the sample used, men find it difficult to understand the advantages of the development of this climate as compared to the women. Moreover, interestingly enough, minorities proved to be more receptive than white women were to the promotion of a positive organisational climate. Nevertheless, their model is exposed to weaknesses. More specifically, they do not address individual differences and organisational results as significant factors in researching a climate of diversity, and thus they collected and analysed data derived from a sole organisation.

#### **4.2.5 Human resource diversity management**

Human resource diversity management aims at treating employees “equally and fairly with regard to both work outcomes (distributive justice) and the process by which decisions are made (procedural justice)” (Shen, D’Netto and Tang, 2010, p. 2160). Human resources diversity management policies that are designed to exploit and utilise diversity are free of prejudices in all HR activities and value the contributions of every single employee (Figure 7). These mechanisms facilitate the inclusion of “non-mainstream employees in the core groups and leadership teams, and encourage collaborative activities between different groups, thereby increasing cohesiveness within the organisation” (Shen *et al.*, 2010, p. 2160).



**Figure 7:** A framework of HR diversity management (Shen *et al.*, 2009, p. 245)

Within his empirical research, Cox (1993) developed a connection plan between the diversity climate and human resource management. He approaches the diversity climate through three main factors: individual differences, inter-group differences and organisational differences. The individual differences include prejudice, stereotyping and personality. Inter-group differences relate to cultural differences, inter-group ethnocentrism and conflict. Finally, organisational differences refer to culture, structural participation and informal participation through the human resources management system. Then he links the diversity climate with the individual career development of employees, and explains how that interacts with organisational efficiency. Individual professional development includes the job and professional satisfaction. The results of individual professional development are related to organisational effectiveness, as this is measured by the coefficients of two levels. For example, a first rate level is the staff turnover rate. The effects of climate diversity have two dimensions in terms of career development; firstly, the way employees feel about their job and their relationship with their colleagues and secondly how well employees perform their duties. According to Cox (1993), the results of strategic human resource management are measurable and can be combined with the evaluation of performance, whilst Childs (2005) argued that in order to be flourishing, multinational firms should invest in the future, meaning that HR and top managers, along with diversity practitioners, should realise their crucial role in this process. “Workforce diversity cannot be delegated; it must be a partnership” (Childs, 2005, p. 73).

Organisations that succeed in managing a positive diversity climate by using a system of equal opportunities are encouraging and support their employees, thus providing the company with the competitive advantage of promoting the creativity and utilisation of the labour force. If employees do not feel comfortable due to their gender or ethnicity, this will inevitably affect their performance at work, and therefore overall organisational development, and their

job satisfaction, as well as their participation in the formation of creative teams. Scholars have argued that women with different ethnic origins might be characterised by reduced work integration compared to men (Siim, 2013; Liu and Wilson, 2001; Lee and Mowday, 1987). This affects the workforce regeneration rate, as people who are characterised by low transposition rate or social acceptance are more likely to declare voluntary retirement. Literature highlights that gender constitutes a primary factor in career development, with women receiving fewer promotion opportunities than men (Smith, Smith and Verner, 2013; Semykina and Linz, 2013; Parcheta, Kaifi and Khanfar, 2013; Cannings, 1988).

The framework that is being developed in my inquiry underlines the relationship between diversity management and employees' understanding of the organisational culture. Considering also the organisational culture as an important factor of implementing change, different conceptual approaches on the establishment of a practical framework for effectively managing diversity are considered.

#### **4.2.6 Conceptual approaches**

Jackson (1996) highlights the new challenges faced by organisations, as well as the contribution of diversity management to enhance effective problem management and innovation. Lawrence (1997) approached diversity through four trait categories. The first one included attributes that describe individuals' relationships with organisations, such as organisational tenure. The second one referred to attributes that identify individuals' social positions, such as marital status. Demographic attributes, including immutable characteristics such as gender and ethnicity, was the third classification, followed by the personal attributes, such as individual personalities.

Lichtenstein (2005) discussed the importance of diversity by promoting its importance through a summer training program at the University of Michigan (Michigan's Summer Enrichment Program) for the participation of Black students who were attending a health management's module.

As aforementioned, within the literature of diversity, two opposing views about the effects of diversity management on groups' processes and their performance are discussed (Hackman, 1992; 1990; 1987). A group of researchers from a range of fields foresee significant benefits from the presence of diversity in teams and organisations. Cox and Blake (1991) use the value in diversity hypothesis. The other group of researchers claim that diversity diminishes the performance of the organisation. The difference exists in the theoretical background they use to prove their argument (Hackman, 1990). The former have a positive attitude towards the availability and utilisation of different information (Kandola and Fullerton, 1994) in decision-making, while others are pessimistically predisposed, relying on social classifications and the similarity and attraction theory (Biernat and Kobrynowicz, 1997; Byrne, 1971).

The concept of diversity, apart from how it is presented through the importance of social justice and human rights, it is particularly approached through the perspective of workforce

diversity that enhances the effectiveness of the pharmaceutical occupations and functionally the efficiency of the entire organisation (Deeter-Shmelz and Kennedy, 2003).

Organisations address working groups as the optimal tools towards achieving their strategic objectives. As the labour force tends to vary, both working groups will vary as well (Dreachslin *et al.*, 1998). Under the concept of information processing and decision-making, diverse groups can be an advantage for the organisation. This holds especially for those groups that perform decision-making and complex tasks (Cox, 1993; Watson *et al.* 1993). Teams consisting of diverse members present the ability to foresee the multiple reviewed problems, thus promoting a holistic, comprehensive understanding of the problem and developing high quality decisions (Manion, Lorimer and Leander, 1996; Gardner, 1989). Despite this, these benefits can be limited by malfunctions arising from group processes and lack of effective communication. Especially when the majority of intra-group members tend to reduce the number of inter-group members by showing forth the specific nature of their status, then the contribution of diverse opinions is significantly reduced. In light of this, groups that measure quality performance are likely to collide with the groups that measure the quantitative effectiveness of resource allocation.

Jehn (1999) presents the notion of informational diversity, and refers to the different levels of knowledge that the person has obtained through previous experiences and integrates within the working group. This kind of diversity emerges from different educational background, previous work experience and leads to new ways of thinking, perceiving and innovating. Gordon (2002) confirms that group diversity generates multiple benefits, including firstly the acceptance of the decision. Considering that the group decision requires consensus, the resolution will be more easily accepted than if it had been promoted by a single member of the organisation. Furthermore, it enhances creativity, since by increasing the diversity of group thinking, attitudinal and behavioural innovation is promoted through the implementation of challenging tasks. This method allows the augmentation of a variety of responses and ways to address an issue, since each individual has a different opinion and perspective. Finally, by establishing diversity, the collective decisions combine and improve the knowledge of members. Hence, synergy is performed in view of everyone participating and contributing additional knowledge to the decision making process.

Ivancevich, Konopaske and Matteson (2008) posed the legitimate question “why diversity should be managed?” The answer lies in the fact that many studies have shown that the management of heterogeneous groups offers numerous advantages such as creativity, increased morale and better marketing to different customers. Cohen (2003) argues that a non-comprehensive policy of diversity can make the entire health system incapable of fulfilling their different obligations to the public such as protection, restoration and improvement of public health through creativity, increased morale and better marketing. Whereas Hammer and Champy (1993) argued that increased competition is not addressed by obliging people to work harder, but by teaching them how to work differently, adopting new techniques suitable for each specific case. In light of this, Gail Warden, President and CEO Emeritus of the Henry Ford Health System in Detroit, spoke about assessing diversity in terms of leadership in health services, citing both issues of justice and organisational

efficiency, clearly stating, “it is the right thing to do. It is a reality. It is a good strategy” (Warden, 1998, p.421).

Researchers in health-oriented organisations are focusing on the business case of leadership diversity in health care units, arguing that this form of leadership will enable organisations to respond effectively, both to the diversity of patients as well as to increasing workforce diversity. Cohen (2003) characteristically mentioned that it seems obvious to have a relatively diversified management team, since it designs and implements crucial strategic plans and explicit decisions; it is at least an advantage and in many cases leads to success. Allen *et al.* (2004), in a study performed in American companies ranging from 5 employees to over 1 million, argued that diversity is a key feature of businesses that want to maintain a competitive advantage and increase it through administration (leadership, motivation, communication), planning, organising, staffing (personnel management) and prudential control.

#### **4.2.7 Diversity and performance**

The literature has confronted me with the core belief that effectively managing workforce diversity can be considered as a strategic “value-adding HR function that enhances organisational performance” (Cooke and Saini, 2010, p. 476).

The majority of organisations appear to be establishing diversity management’s policies as a prospect to augment their future growth and to establish a sustainable competitive advantage against rivals (Panaccio and Waxin, 2010; Roberson and Park, 2007; Wentling and Palma-Rivas, 1998; Thomas and Wetlaufer, 1997), whilst when properly leveraged it can enhance organisational performance (Williams and O’Reilly, 1998; Maznevski, 1994). Kochan *et al.* (2003) concluded that the impact of diversity depends on the context in which it is being leveraged, including organisational culture, human resource practices, and strategy (Dreachslin, 2007, p. 83).

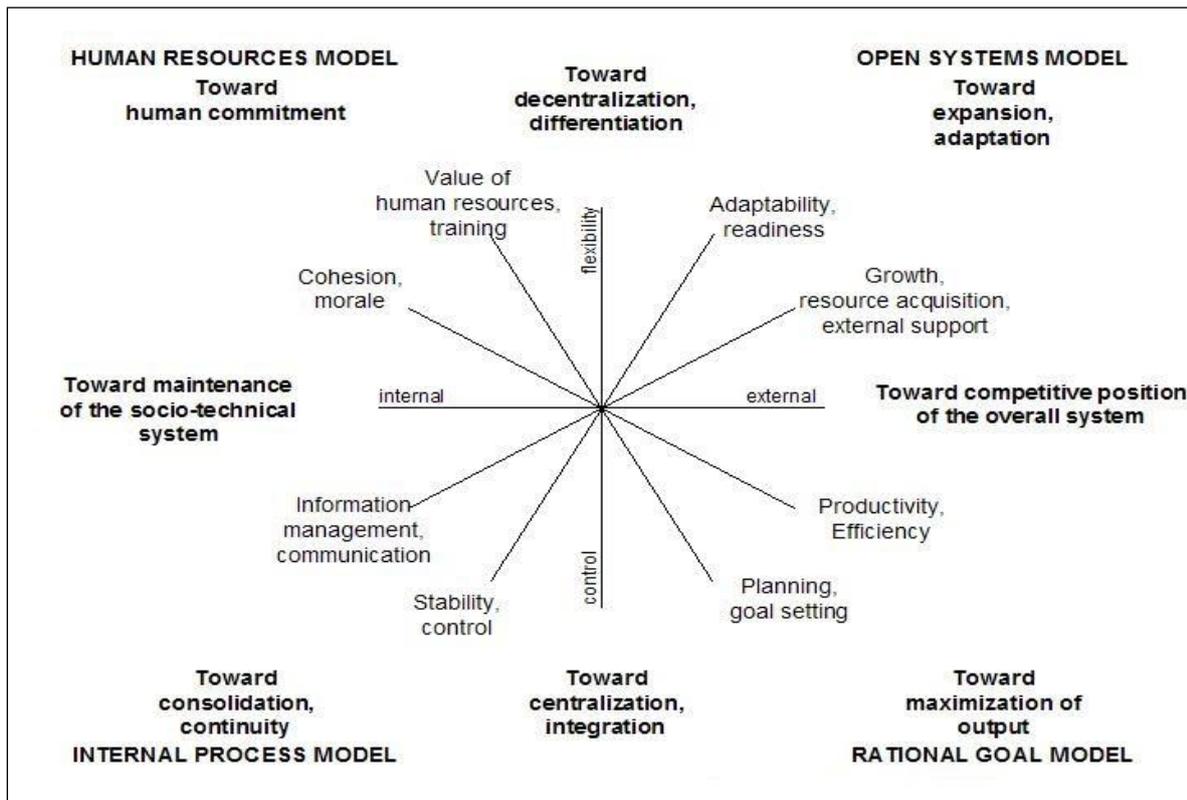
Scholars suggested that “entrepreneurial orientation plays an important moderating role for diversity to enhance organisational performance” (Cooke and Saini, 2010, p. 480), whereas Schneider and Northcraft (1999) acknowledged that businesses that wish to leverage workforce diversity for their effectiveness and vision realisation must address organisation, managerial and individual participation. They also highlighted that the effectiveness of diversity management depends significantly on employees’ perceptions: which is exactly what my project seeks to contextualise (Cooke and Saini, 2010).

The competing values framework of Quinn is a useful tool for examining the effectiveness of businesses and organisations. The concept of the effectiveness of a company is deeply embedded in the literature. An indicative position was expressed by Goodman and Pennings (1980) claiming that effectiveness should be considered as the backbone of organisational analysis and, therefore, it is difficult for a theory that does not include performance to be conceived (Quinn and Rohrbaugh, 1983).

However, despite the fact that the importance of the effectiveness of the company has always been clear and unequivocal, specific problems were never lacking, the main being the

absence of a clear definition of this effectiveness. This problem relates to the fact that the efficiency of the organisation is not perceived as a definition, but rather as an idea which consists of individual concepts (Quinn and Rohrbaugh, 1983). The foundation of the problem lies in the fact that it is very difficult to determine accurately one of the concepts that make up the notion of effectiveness.

The Human Relations Model, located in the upper-left quadrant of Figure 8, has a strong emphasis on flexibility and focus within the enterprise, whilst it emphasises criteria such as cohesion and morale (means) in addition to participation and development of human resources (ends). The Open Systems Model, which is located in the upper right quadrant, emphasises the flexibility and focus on the external environment, and highlights criteria such as flexibility and awareness (means), along with development, resource acquisition and external support (ends). The Logic Objectives Model, located in the lower right quadrant, emphasises the stability of and focus on the external environment, and stresses efficiency criteria such as planning and setting goals (means), and productivity and efficiency (ends). The Internal Processes Model, located in the lower-left quadrant, has a strong emphasis on stability and focus within the enterprise, and emphasises the role of communication, information management (means) in addition to stability, and control (ends) (Miller and Faerman, 2003).



**Figure 8:** Competing values framework (Quinn, 1988, p. 48)

### 4.3 Conclusion

As a matter of principle, all organisations should consider diversity for ethical reasons. Businesses are required to manage their workforce with appreciation, esteem, justice, establishing a fair and supportive environment that takes into account the identity and background of everyone; excluding no one.

However, organisations are not only morally responsible for their labour force. They are also legally responsible and must always act in a manner that is compliant with the law and its prohibitions on discrimination. The organisation that handles a diverse staff in a fair way can be improved, enjoying a positive corporate social image. Correspondingly, such an organisation is likely to enjoy economic benefits due to a highly committed and thus productive workforce.

Managers and employees need to be aware of diversity in the workplace and how can this affect their organisation. At the same time, and while organisations are becoming even more diverse, employees need to know how to work harmoniously with people from different cultural backgrounds. Developing a positive attitude towards diversity at all levels of an organisation can create a more satisfying and productive working environment. This requires that all employees, including managers, value diversity as an asset rather than a burden.

Nowadays, employees with different backgrounds and identities assert their rights and seek recognition of their differences. Meanwhile, the urgency for cultivating team spirit is ever increasing, as employees need to be able to effectively work together to achieve the objectives of their organisation. When there is a lack of recognition and support for diversity in an organisation, differences may prove to be devastating and result in conflicts, absenteeism and resignations, as well as low productivity. It is therefore necessary for the upper echelon to set diversity as an instrument that needs to be acknowledged, appreciated, and used properly to serve the objectives and mission of the organisation, and not to be ignored or even worse, a reason to be punished.

A management approach that is based on open communication with all employees regardless of their background, and a climate that supports diversity, nurtures the unique traits and skills of all individuals, and provides an objective and fair assessment of their efficiency, can contribute to creating the essential conditions necessary for a productive and satisfied workforce.



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## 5. CYPRUS' PERSPECTIVES ON DIVERSITY

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“I am not an Athenian nor a Greek, but a citizen of the world.”

Socrates

### **Structure:**

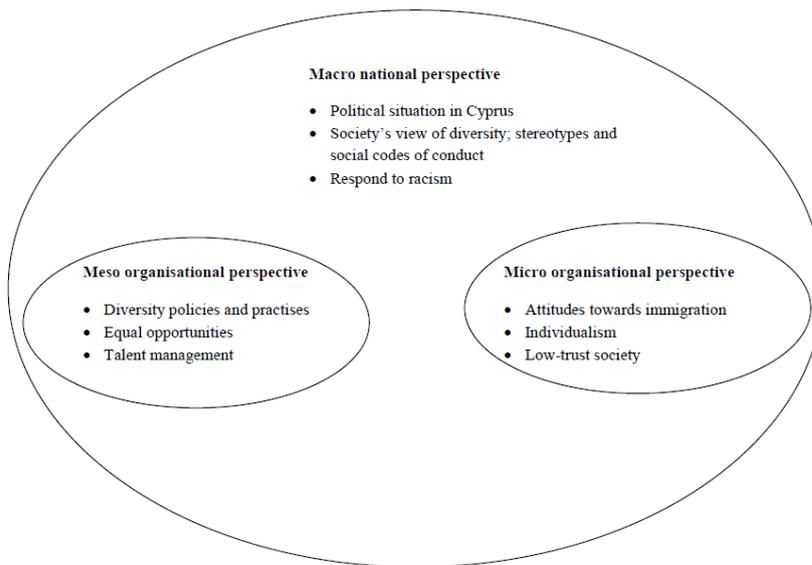
This chapter reviews the Cyprus' perspectives on diversity by reviewing policies at the macro, meso and micro level of analysis.

### **Content:**

Inspired by Syed and Kramar's (2010) inquiry on assessing the Australian diversity model this chapter applies Syed and Özbilgin's (2009, 2007) relational, multilevel framework for managing diversity to study policies at three interrelated levels of analysis in Cyprus.

### **5.1 Introduction**

Inspired by Syed and Kramar's (2010) inquiry assessing the Australian diversity model, this chapter applies Syed and Özbilgin's (2009; 2007) comparative, multilevel framework for diversity management, to investigate policies at three interrelated levels of analysis in Cyprus. At the macro-national level, the effectiveness and implications of the present legal system is evaluated, and the thesis discusses whether it brought about the desirable results of safeguarding a fairer and efficient legal system, eliminating any kind of discrimination at the European Union (EU) level. At the meso-organisational level, the chapter presents a number of diversity management policies at the workplace. At the micro-individual level, the chapter refers to the results of research indicating that Cyprus is a society of possessive individualism, dominated by degraded solidarity and racism with a negative attitude to foreigners of other skin colours, races and nationalities.



**Figure 9:** Relational framework (based on Syed and Özbilgin, 2009) showing macro, meso and micro perspective on diversity management in Cyprus

## 5.2 Macro-national perspective

At the macro-national level, this chapter offers an examination of the public policy and legal framework of Cyprus on equality and anti-discrimination.

In spite of Cyprus’s accession to the EU in 2004 and the enactment of EU immigration law, the prolonged division of the country for more than 50 years contributes enormously to the existence of discriminatory and xenophobic behaviours and perceptions against anyone different. This derives essentially from the fact that Cyprus peculiarity and the so-called “Cyprus issue” (Kyprianou and Veziroglu, 2011) preponderate the socio-political agenda, whereas issues like equality and inclusion are “not even close to be considered as worthy of any priority” (Kyprianou and Veziroglu, 2011, p.4). In addition, the ethnocentric attitudes and practices of individuals in both parts of the island about the country’s political situation are centred on depicting the Greek Cypriot community as Turkish Cypriot’s community victim and vice-versa. By this means, a deep dogmatic and racist (mis) understanding is nurtured, evident at both institutional and societal level. Consequently, dominant communities evade any censure about the treatment of socially vulnerable groups subject to racist practices. Those being the case, inclusion and diversity related incidents remain largely undisputed in public and thus, are insufficiently investigated.

### 5.2.1 Immigration in Cyprus

The phenomenon of migration constitutes an integral part of the history of Cyprus. In the past, many Cypriots emigrated, resulting in the number of Cypriots living abroad becoming nearly half the population of the island itself (Anthias, 1992). Being a former British colony, a considerable number of Cypriots migrated to the UK, whilst others headed to South Africa,

Australia and Canada (Anthias, 1992). This was followed by a two-way situation; a large number of Cypriots, who fled to various countries abroad, settled permanently in their countries of residence. Another significant percentage of Cypriots returned at a later stage to their place of origin, where they were reintegrated and contributed to the development of the island (Anthias, 1992).

The contemporary history of Cyprus has been marked by rapid economic development since 1974, which was followed by the devastating financial crisis and bailout of 2013. In the meantime, Cyprus was in need of labour, which resulted in 18.6% of the population in Cyprus at the end of 2012 consisting of foreign residents (CyStat, 2014). Consequently, there have been efforts to modernise the legislation of Cyprus concerning foreign workers and immigrants, in a way that fully complies with the requirements of international law, international conventions and protocols of international organisations. Those included the International Organisation for Migration, the UN High Commissioner for Refugees United Nations and the Council of Europe, and the various directives, regulations and recommendations of the EU (ECRI, 2011).

### **5.2.2 Legal framework**

As an EU state, Cyprus is obliged to comply with the *acquis* on migration, especially in the matter of allocation of long-term residence and work permits to immigrants who complete a five-year stay, as well as other rights, like family reunions and part-time students. The main challenge that Cyprus faces is to recognise the inadequacy of the current system, accept that it is a multicultural society, establish procedures and policies that promote the social integration of immigrants, and create conditions of equality for all residents, irrespective of national, ethnic, racial or other origins.

By law, the body responsible for fighting racial discrimination is the Office of the Ombudsman, incorporating the Anti-Discrimination Body and the Equality Authority. The main responsibilities of both the Equality Authority and the Anti-Discrimination Body are centred on ethnic or national origin, religion, community, sexual orientation or sex. The Office examines complaints of discrimination or racist acts, makes recommendations to the offenders and imposes fines, conducts surveys and studies on these issues and publishes their results. The Police Department has established an Office for Combating Discrimination and an Office for Combating Trafficking.

Constitutional provisions on Equality and Antidiscrimination, introduced in 1960, place huge weight on eliminating discrimination and constitute the main legal regimes on establishing equality both to natives and to foreigners. Article 28(1) of the Cyprus Constitution, which equates to Article 14 of the European Convention on Human Rights (ECHR), states that ‘all persons are equal before the law, the administration, and justice, and are entitled to equal protection thereof and treatment thereby’. Article 28(2) establishes the enjoyment of rights and liberties by all persons, without any direct or indirect discrimination on the grounds of community, race, religion, language, sex, political or other conviction, national or social descent, birth, colour, wealth, social class or any ground whatsoever. The entire second part of the Constitution gives rights and liberties to anyone who legally resides in Cyprus (both

natives and non-natives) to the same extent, and in some instances expands upon the rights and liberties safeguarded by the ECHR. Part II also gives the right to anyone to reside in Cyprus, subject to specific exceptions, while it also establishes the right to bring a claim against anyone who violates any of the established rights. The Constitution guarantees the right to a fair trial, while the Government is obliged to offer legal aid to individuals who cannot afford the legal cost.

Howbeit, the Republic of Cyprus lingers in a balance between the rights of foreigners and the duty of the State to keep its citizens safe. Thus, the constitution imposes some restrictions, as it allows for the detention of aliens with a view to deportation or extradition (article 11), while it also allows for the Government to regulate on, through the enactment of additional laws, any subject or conflicting issue regarding non-citizens, in accordance with international law (article 32).

However, the case law established after Cyprus's induction into the EU in 2004 tends to ignore the anti-discrimination Directives, and in practice continues to treat the Constitution as the highest form of law in the country. The disability Directive 2000/78 (Council Directive 2000/78/EC *Establishing a general framework on equal treatment in employment and occupation*, OJ L303/16, available at <http://eur-lex.europa.eu/en/index.htm>) includes provisions legalising 'the creation of employment opportunities by introducing schemes for the employment of disabled persons with motivation to the employers and the creation of posts in the public and semi-public sector to be filled in exclusively by persons with a disability' (Law on Persons with Disabilities 127(I)/2000 as amended, article 5).

This nonetheless, does not seem to affect court decisions issued, which discards positive action supporting socially vulnerable groups on the reasoning that they breach the basis of equality. In 2011, a series of court judgments arisen as regards with allegations of age discrimination in the context of setting dissimilar retirement ages for different groups of employees, depending on their age or rank. The legal advocacy of these statements discloses practices and tendencies that do not comply with the equality acquis, such as "widening the scope of the exceptions to the non-discrimination principle and introducing concepts such as reasonable discrimination which must be done because of the special nature of things" (European network of legal experts in the non-discrimination field, available at: <http://www.nondiscrimination.net/content/main-legislation-14>).

### *Diversity management*

Over recent years, and especially after Cyprus' introduction in the EU, notable anti-discrimination efforts have been carried out. The purpose was to make people aware of issues of diversity and equality in all areas, eliminating any working conditions or remuneration-related mistreatment issues. These efforts also included amendments in legislation, establishing educational programs and seminars to educate children towards accepting and appreciating diversity, as well as conducting research in related fields.

In light of this, the following measures have been taken nationally:

- i. Active participation of the Government through the state budget and EU Programmes (e.g. the Community Action Programme to Combat Discrimination and Equal Initiative)
- ii. State Institutes offer to all migrants the chance to improve their knowledge of the Greek language, in order for them to have more opportunities for employment and an easier induction into the society by attending afternoon and free evening Greek lessons.
- iii. The Cyprus Equality Body conducts research on sexual orientation.
- iv. Asylum seekers have access to free medical care if they do not have sufficient means of support and the right to public allowance under the relevant laws.
- v. The Asylum Service has decided that families and single women will have absolute priority in being hosted at the Reception Centre.
- vi. The District Social Welfare Offices, under special circumstances, give assistance to asylum seekers in finding accommodation, especially in cases of vulnerable groups, as well as giving them a considerable amount of money per month in order to enable them to live decently until they find an appropriate job and accommodation.
- vii. A series of laws and attempts to eliminate discrimination has taken place, but these alone are not sufficient to achieve the established goals if civil society is not involved in this effort. Thus, the Government encourages everyone to attend events and national days for minorities in Cyprus, in order to meet and understand each other's cultures, to share experiences and set common goals.

However, the European Commission against Racism and Intolerance stated in its 2011 report that “the criminal, civil and administrative law provisions against racism and racial discrimination are rarely applied” (ECRI, 2011, p. 7). Despite the measures that appear to be taken at a national level, still “Cyprus has no integration policy. Legislation is being drafted to combat irregular migration by means of “sham marriages”. Negative attitudes towards migrants, asylum seekers and refugees are commonly expressed in political discourse and in the media. There is a rise in prominence of extremist anti-immigration groups. Certain extreme nationalist websites disseminate hate speech” (ECRI, 2011, p. 7).

### *Gender equality*

Gender equality has always claimed to be a basic and primary goal of the Cypriot government, which by the late 1970s began to be incorporated into the overall socio-economic policy of the state, and specific measures were promoted in the context of Strategic Development. The measures aimed towards expanding and improving the facilities provided for the reconciliation of family and work responsibilities, the creation of a legislative

framework that would effectively address the issue of gender, and to consolidate and improve the position of women in economic and social life.

Gender equality in employment is a broad and multifaceted issue. The promotion of equal opportunities and gender equality in employment is a vital component of this priority for employment policy, which inter alia aims to promote growth and employment, whilst socially integrating women. Promoting measures and priorities in the field of gender equality in employment, combined with the upwards trend of the economy that was evident up to two years ago, as well as the radical economic restructuring due to the significant growth of the tertiary sector, and the gradual transition into a knowledge economy. This resulted in increasing the participation of women in employment, with organisations appealing to ensure equal development opportunities, remuneration and career progression, thus leading to strengthening and improving the role and status of women in the socio - economic life of the country.

The fact that the vast majority of new vacancy openings come from the service sector, which in Cyprus offers better terms and conditions of employment, appears to attracting and motivating women. Nowadays in Cyprus, about 15,000 women are engaged in temporary employment and around 16,000 are working part-time in areas such as education, trade, agriculture and in the manufacturing industry, due to favourable conditions of work and flexitime with regard to their family and social obligations (CyStat, 2014). The increased interest of women in part -time jobs can be attributed either to their desire to achieve a work-life balance, or to wider social undermining of women's high career aspirations.

#### *Current labour market situation*

Despite the fact that Cyprus delayed in expressing signs of pressure from the global depression compared to the rest of the EU members, its economy tipped into recession in 2009 and has been slow to bounce back ever since. There was though some growth in 2010-11 before contracting again by 2.3% in 2012. Relentless disputes surfaced in the Cypriot financial sector in early 2011, which were culminated in March 2012 when the government requested an economic bailout program from the International Monetary Fund, the European Central Bank, and the European Commission (CIA World Factbook, 2013).

This had an instant effect on the labour market, where, according to the Cyprus Statistics Service (2014, p.15), the number of unemployed persons amounted to 70831, or a rate of 15.9% of the labour force. The unemployment rate for males was 16.5% or 38698 persons, whereas for females the rate was 15.2% or 32133; explicitly, for males, the unemployment rate was higher than for females. In 2012, the number of unemployed persons was 51999 or 11.8% (males 12.5%, females 11.1%). The employment rate, namely the number of employed persons aged 20-64, as a percentage of the population aged 20-64, was 67.1%. The respective percentage for males was 72.6% and for females 62.2%. In 2012, the rate was 70.2% (males 76.1%, females 64.8%) (CyStat, 2014). Cypriot employed individuals numbered 295910, and they comprised 78.9% of the total number in employment, whereas foreigners accounted for 21.1% or 79198 (European Union nationals 44758 and citizens of

other countries 34440) (CyStat, 2014). According to the distribution of employment by sector, the biggest percentage of employed persons was concentrated in the services sector, with 79.3% or 297585, whereas the industry sector followed with 17.6% or 65868, and lastly the agricultural sector, with only 3.1% or 11654. In 2012, 76.9% were employed in the services sector, 20.2% in the industry sector and 2.9% in the agriculture sector (CyStat, 2014).

### **5.3 Meso-organisational perspective**

At the meso-organisational level, this chapter discusses a number of organisational policies that organisations in Cyprus have established towards managing diversity, as stated on the websites of a number of firms based in Cyprus.

### 5.3.1 Microsoft (Greece/ Cyprus)

#### **Diversity and inclusion**

We embrace, recognise, and respect diversity every day in our relationships with a customer base that reaches across continents to include people from every part of the world. That diversity is mirrored in an equally diverse workforce that reflects, understands, and engages with the local customer base, wherever it might be.

#### **Talented women**

**An e-mail alias:** For women (and men) to informally network with other colleagues, sharing information about conferences, news, or stories that are relevant to working at Microsoft.

**EMEA Women Mentoring Ring:** We are currently testing various mentoring programmes across the region.

**Women in IT:** We offer numerous events to bring women (and men) together for discussions, information, and experience sharing. At each event, key speakers address diversity from different perspectives. From work/life balance issues to career development, the topics include what it's like being a woman in a male-dominated industry.

#### **Flexibility**

We support flexible hours and the option to work from home. We also provide the tools to support different work styles, and tailor each employee's work/life balance to meet individual needs. We are constantly striving to improve our approach and have launched several initiatives across the region.

#### **Equality**

Disability/accessibility in EMEA ensures Microsoft is a fair and accessible company for potential and existing employees, regardless of disabilities.

Source: <http://careers.microsoft.com/careers/en/gr/diversity.aspx> (Accessed: 18 June 2014)

### 5.3.2 Investors in people (Cyprus)

The benefits:

- Establishing a credited working environment that respects and values employees, diversity, uniqueness and human values;
- Injecting a fresh, independent perspective;
- Boosting leadership skills and management effectiveness;
- Demonstrating your commitment to staff development;
- Validating the progress you've made;
- Showing your customers what is important and winning their respect and loyalty too.

**Source:** <http://www.investorsinpeople.com.cy/general-info/benefits-investors-in-people/>  
(Accessed: 18 June 2014)

### **5.3.3 British Council (Cyprus)**

We are committed to treating our staff, customers and partners fairly, removing barriers to equal treatment and acting to redress existing imbalances. Our agenda is based on the idea of societies and working environments where people are understood and their differences are respected. In recognising, valuing and managing diversity between people and cultures, we seek to demonstrate these principles and deliver impact for the UK. We focus on seven main areas of diversity – age, disability, ethnicity/race, gender, religion/belief, sexual orientation and work–life balance – and have developed an equal opportunities policy and a diversity strategy around them. Documents explaining both policies can be found on our global diversity website.

#### **Measuring progress**

By measuring and monitoring our actions we can make progress in bringing equality and diversity into the mainstream. We have a number of ways of doing this, including equality monitoring, an integrated equality scheme and a diversity assessment framework.

#### **Integrated equality scheme**

To meet the UK equality legislation obligations, we have established an integrated equality scheme. Details of this scheme are available on our global website, with progress reports that explain how we are seeking to eliminate unjustified discrimination in the areas of disability, gender and race, and how we are seeking to promote equality and inclusion, specifically the inclusion of disabled people.

#### **Diversity assessment framework**

The British Council's Diversity Assessment Framework (DAF) is a tool which helps embed equality and diversity into our work. It encourages and guides our network of offices to develop good practice and report what they have achieved against a range of equal opportunities and diversity measures. It acts as an internal benchmarking tool, generating examples and evidence of good practice from which others can learn in the process. The approach has attracted considerable interest from the public and private sector in the UK and around the world.

#### **Disabled employees**

We are committed to attracting disabled people to work with us and to ensuring disabled employees are able to progress and develop their careers. The Positive About Disabled People, is displayed on our recruitment advertisements and our web pages; this aims to encourage disabled people to consider applying to work with us and reflects our commitment to existing employees. We guarantee an interview to all disabled people who meet the required criteria and make reasonable adjustments to help support the full participation of disabled people. Our internal Disability Working Group and external Disability Advisory Panel are a valuable resource in promoting understanding and awareness, supported by training and development materials and initiatives.

**Source:** <http://www.britishcouncil.com.cy/equal-opportunities-and-diversity> (Accessed: 18 June 2014)

### 5.3.4 Deloitte (Cyprus)

Deloitte is naturally diverse and multicultural. Deloitte and its member firms recognise and emphasise cultural diversity through the Deloitte Diversity and Inclusion initiative.

At Deloitte, diversity is a collective mixture of individuals, cultures, and organisational expertise. It is all the differences that make each of us unique and the things we have in common that connect us. Diversity includes everyone. Understanding, appreciating, and leveraging our diversity gives the Deloitte members firms a local and a global business advantage.

For Deloitte, inclusion means behaviours, policies, and practices that allow all Deloitte member firm people to achieve their full potential. An inclusive culture transforms diverse perspectives into value for Deloitte member firms, their people, clients, suppliers, and the communities where we live and work.

Our commitment to and vision for inclusion requires us to create opportunities for all our people to participate in various aspects of our organisation. Although our member firms are united by this vision, our Diversity and Inclusion initiative recognizes that the implementation of programs will be shaped, above all, by local cultures.

**Source:** <http://mycareer.deloitte.com/cy/en/life-at-deloitte/globalperspectives/diversityandinclusion> (Accessed: 18 June 2014)

### 5.3.5 PricewaterhouseCoopers (Cyprus)

#### Women in PwC

PwC Cyprus has introduced a number of relevant and positive initiatives to address diversity during the last few years which have also gained the recognition of our local community with the Business Award for Female Employment (EQUAL) in June 2007 and the Channels of Access Certification (EQUAL) in January 2009.

Recent Global Awards awarded to PwC, together with the other local distinctions of our firm in Cyprus as well as the personal achievements of our people, creates for us a new commitment for the establishment of higher goals and continuously enhance our efforts to attract and retain the most talented people, and offer equal opportunities for career advancement and development to our people irrespective of gender.

At PwC Cyprus a forum of champions, representatives from all service lines, comprising female and male Partners, Directors, LoS female Senior Managers and Managers was formed with the aim of continuously evaluating and assessing our working practices and to provide recommendations for any possible enhancements which may assist further our female colleagues to combine their work, family and personal life commitments and have a successful career. This Forum of "Women in PwC" will be working closely with our HC Partners.

The creation of this forum will bring even more positive results with regard to the employment, development and career advancement of our colleagues and make our firm excel even more in the offering of great opportunities and support for our female colleagues in their career progression and maintain its position as the employer of choice.

Source: <http://www.pwc.com.cy/en/about-us/women-pwc.jhtml> (Accessed: 18 June 2014)

### 5.3.6 Coca-Cola (Cyprus)

#### **A fair workplace**

We respect the fundamental rights of our employees, aiming to create an open, inclusive and positive work environment. Our policies on human rights and equal opportunities are widely communicated and are integrated into management training programmes. In addition, our Supplier Guiding Principles programme sets out similar expectations for the work environments of our suppliers.

#### **Equal opportunities**

We are committed to providing an inclusive workplace where all of our employees are treated fairly and equally. Our equality of opportunity policy protects against discrimination and ensures equality of opportunity and fair treatment for all.

Although our workforce is largely male - due in part to the physical nature of work - women make up a significant part of our management. In Cyprus our workforce includes 80% male and 20% female employees

#### **Source:**

<http://en.coccolahellenic.com.cy/Towardssustainability/Workplace/Afairworkplace/>

(Accessed: 18 June 2014)

As revealed by the research, the majority of local organisations within the sample have a low degree of awareness on issues of multiculturalism and diversity management and align their policies with a standard adjustment to labour and insurance law. However, it appears that a significant proportion of international firms who franchised in Cyprus, recognise the value of diversity in the workforce, but only through the prism of a personalised approach, where the emphasis is on individual characteristics of the employee over and above cultural or other differences.

Diversity is recognised as a positive value in itself only by a very small percentage of the sample firms, which seem to appreciate more of an interactive style of management where the company takes into account the unique and diverse needs and skills of employees.

### **5.4 Micro-organisational perspective**

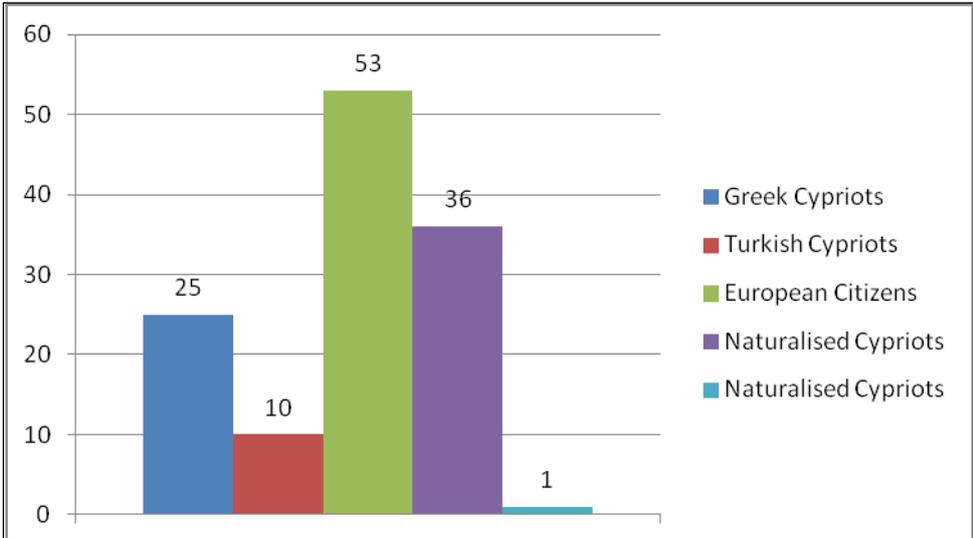
In a survey conducted in 30 countries, involving 1600 individuals from Cyprus, Cyprus has emerged as a low-trust society and revealed deep social problems, including lack of social trust and lack of social capital, that often act as factors of social inertia / apathy (Kyprianou and Veziroglu, 2011). It is also noted that there is a somewhat belated inclusion in the information society, and that Cypriots live in a society of possessive individualism,

dominated by degraded solidarity and racism, with a negative attitude to foreigners of other colours, “races” and nationalities.

An interesting point that arises from these findings is the existence of racist trends, confirmed by daily management practices of foreign immigrants, people of different colours, “races” and religions at various levels of social life. Specifically, Cypriots, while they would not have any particular problem with migrants belonging to the same race as them being allowed to enter their country (namely for citizens with European origin), they would like to prevent the entry of immigrants from different cultural backgrounds into Cyprus (specifically individuals from non-European countries).

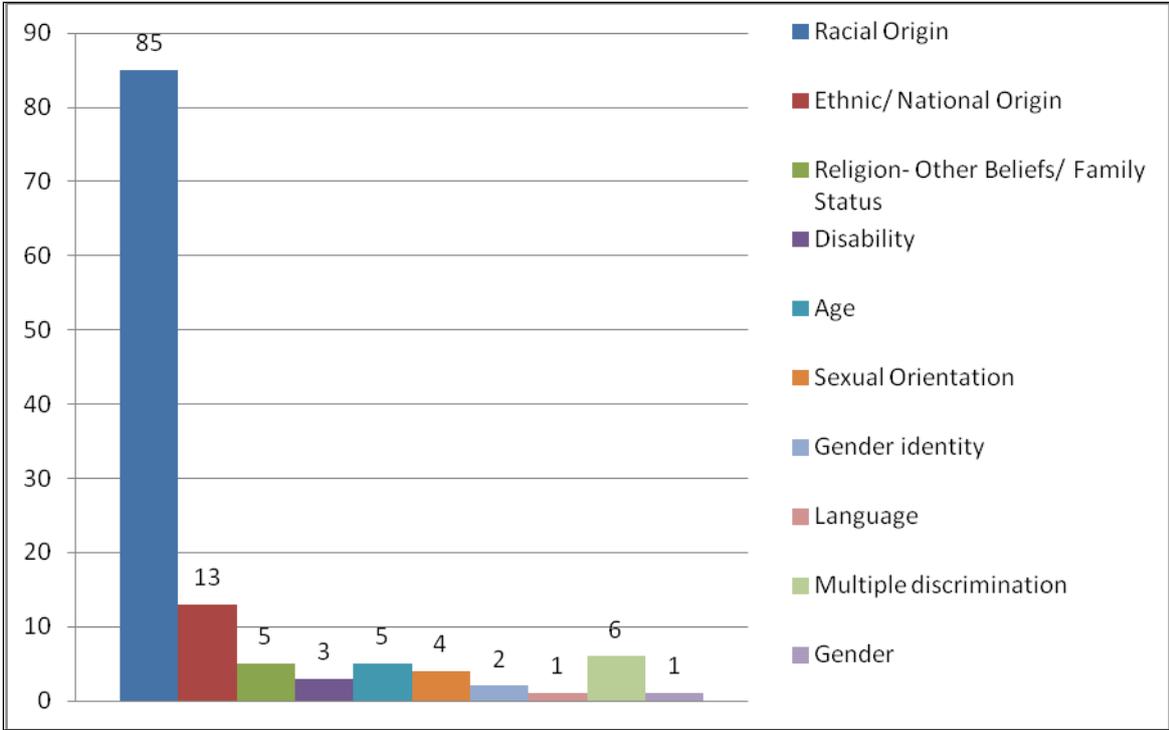
According to another survey (Drousioti, 2011), Cypriot citizens have negative attitudes towards immigration and strong concerns about the economic impact of immigration, although they have not expressed racist attitudes. More specifically, it was exposed that a large proportion of those rejected immigration while, because of immigration, the economic concerns of Cypriots were particularly intense. By the same token, though the respondents appeared dismissive towards immigration, a very small percentage of them still expressed racist attitudes. More specifically, on the question of whether discrimination against immigrants is justified, 41.7% disagreed completely, 24.8% disagreed somewhat, 18.8% agreed somewhat, and only 11% totally agreed (Drousioti, 2011). Moreover, on the question of whether immigrants should be excluded from entertainment areas, 59.3% disagreed completely, 27.2% disagreed somewhat, only 6.1% agreed somewhat and 6.3% totally agreed (Drousioti, 2011).

Furthermore, the action of the Anti-Discrimination Body in 2012 demonstrates that nowadays, discrimination, intolerance and racism have an impact not only on immigrants but also on other socially vulnerable demographic groups. Amidst the financial recession, the phenomena of discrimination and racism are triggered by a couple of common underlying originators – disdain or the inadequate consolidation and respect of rights, social exclusion, poverty, and exploitation (Anti-Discrimination Body, 2012). From its establishment on 1 May 2004 until the end of 2012, the Body has received 1273 complaints. In 2012, the number of complaints rose to 125 and the majority concerned discrimination on the grounds of racial, national or ethnic origin (Anti-Discrimination Body, 2012). During 2012, the investigation of 154 individual complaints was completed.



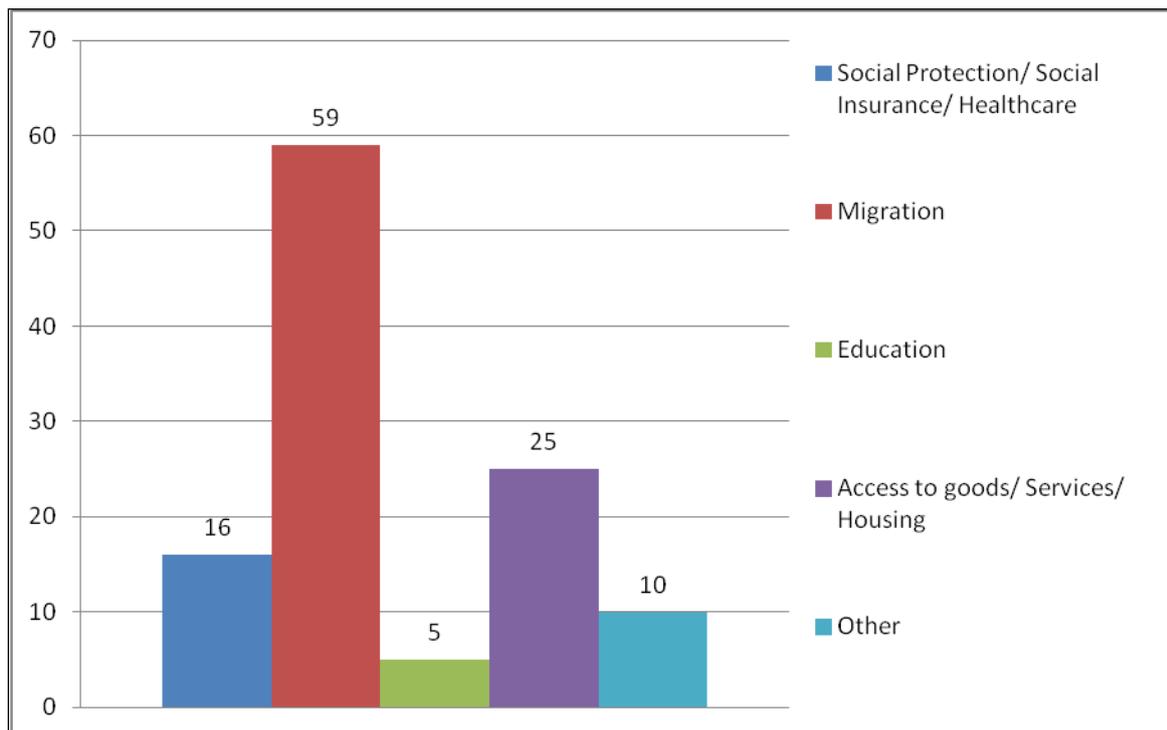
**Figure 10:** Classification of complaints according to place of origin (Anti-Discrimination Body, 2012, p. 48)

The large majority of complaints received by the Body in 2012 – 85 out of 125 – concerned (alleged) discrimination on the grounds of racial, ethnic or national origin of a person or group of persons.



**Figure 11:** Classification of complaints (Anti-Discrimination Body, 2012, p. 49)

Most of the complaints submitted in 2012 concerned, firstly, discrimination in relation to migration issues (59) and, secondly, discrimination in relation to access to goods and services including housing (25) (Anti-Discrimination Body, 2012).



**Figure 12:** Areas of discrimination (Anti-Discrimination Body, 2012, p. 50)

## 5.5 Conclusion

Cyprus lacked a comprehensive anti-discrimination legal framework prior to its induction into the EU. Thus, in the last decades, Cyprus's Government has given much more weight to establishing a good working legal framework against discrimination, in all the forms that this can take. It adopted a wide range of EU laws, directives and measures, as well as enacted laws aiming to eliminate discrimination both for nationals and for non-nationals. However, the anti-discriminatory attitudes, as well as perceptions relating to diversity, are not satisfactory. Furthermore, the protracted division of the island and the concomitant peculiar political situation contributes to the presence of discriminatory attitudes and behaviours. These inefficiencies created a relatively large gap, which cannot be balanced, even with the huge changes that the introduction of directives and laws has brought. The particular gap needs to be filled with the correct approach and through the correct enactments of laws to ensure a fair and well-functioning anti-discrimination context. A number of seminars have already taken place to inform the public about issues regarding discrimination, and these efforts should continue until the desired result is achieved.

A good furtherance of the campaign against discrimination will be as previously mentioned, the adoption of further measures and laws, as well as investment in educating the public on issues related to diversity and equality. This can be achieved by providing the public with more insight as to how some people are being treated upon by others, and simple methods that each individual can embed in daily life to eliminate discrimination.



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## 6. RESEARCH RATIONALE AND DESIGN

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“At all events, this is the way the phenomena look to me: in the region of the knowable the last thing to be seen, and that with considerable effort, is the idea of good; but once seen, it must be concluded that this is indeed the cause for all things of all that is right and beautiful—in the visible realm it gives birth to light and its sovereign; in the intelligible realm, itself sovereign, it provided truth and intelligence—and that the man who is going to act prudently in private or in public must see you it”

Plato, “The Republic” (517b–c)

### **Structure:**

This chapter introduces the company overview, the research purpose and significance of study, the research questions and objectives, as well as the case study research design, including the theory on how to conduct and evaluate case studies.

### **Content:**

The research questions have attempted to capture the perceptions of employees on cultural diversity management within a particular private pharmaceutical organisation in Cyprus. Gay and Bamford (2007) introduce cultural diversity management as a journey, not a destination; this research seeks to assess how far the organisation has travelled on that journey.

### **6.1 Introduction**

The research questions have attempted to capture the perceptions of employees on cultural diversity management within a particular private pharmaceutical organisation in Cyprus. Gay and Bamford (2007) introduce cultural diversity management as a journey, not a destination; this research seeks to assess how far the organisation has travelled on that journey.

The project is based on a case study undertaken in a private organisation in Cyprus. Having reviewed the relevant literature, the case study focuses on identifying bottlenecks and drivers to managing cultural diversity within the organisation. What was initiated as a process of drafting a simple piece of research appeared to develop into a multi-method, qualitative and quantitative, research project. A quantitative survey of the organisation members was followed with interviews with members of a multi-cultural department. Historical data on the organisation and the external environment were also consulted.

Research studies on diversity management in Cyprus are sporadic. The conclusions of this inquiry, nonetheless, can be valuable to research scholars and professional in cultures that exhibit analogous features to those of Cyprus, or to those who are interested in learning more about Cyprus’ context.

## **6.2 Company overview**

The organisation is considered the leading pharmaceutical company in the country. Its factories have been approved by a number of European Union Member States, including Denmark, the UK and Germany, as well as by the Australian TGA, and its products are marketed in over 100 countries around the globe (RIMED, 2012).

Despite being a former small business, it has turned into a multicultural environment, with employees coming from 15 different countries, and the average age of employees being around 37. Top management has adopted the principles of the International Labour Organisation and supports the 10 internationally accepted principles of the UN Global Compact in the areas of labour, human rights, the environment and anti-corruption (RIMED, 2012). It has also established an open door policy with well-established internal communication channels. As part of its CSR strategy, it supports various non-profit organisations, including financial and volunteers, organises visits from school and university students, and promotes active citizenship (RIMED, 2012). However, its lack of diversity expertise and limited social awareness on diversity issues counterbalances the organisation's naturally responsible approach to business. Notwithstanding the claimed provision of equality of opportunity for all ethnicities and genders, it seems that there is still a lack of information about diversity, which is mostly perceived as an ethical choice and not as an economic strategy (RIMED, 2012).

## **6.3 Purpose**

A recent approach to diversity management revealed that the synchronous working environment is evolving rapidly, whilst the pace of work is becoming more dynamic and unpredictable (Cascio, 2003). Moreover, organisational complexity appears to be ever increasing, and as existing organisations experience a tighter combination of their units and functions, a highly reliable team and an augmented organisational performance are considered crucial (Weick, Sutcliffe and Obstfeld, 2008). In addition, the relationship between the employee and the employer appears to be weakening (Cappelli, 2000; Hall and Moss, 1999; Rousseau and Libuser, 1997), since the current increase in the employee turnover rate implies that long-term employee relationships cannot be assumed anymore.

The purpose of this study is to examine the employees' attitudes about diversity management and to determine which diversity practises to incorporate into the organisational strategy. Considering that, though every human being is unique with a distinct and individual character, each person is also a member of a wide array of identity groups, I have measured the perceptions of employees on what they consider effective diversity management, and explored the relationship of these perceptions with the established organisational culture.

## **6.4 Significance of the study**

Attracting individuals from diverse groups appears to establish a fundamental link between the organisation and the wider community. Alongside this, organisational development is achieved through the attraction and recruitment of highly skilled labour, thus increasing

productivity and profitability. According to Georgiadou and Michael (2013), in Cyprus there are still inefficiencies in managing diversity, thus creating negative attitudes towards immigrants, whilst there is an indication that “Cypriots live in an individualistic society of possessive individualism dominated by degraded solidarity and racism with a negative attitude to foreigners of other colour, race and nationality” (Georgiadou and Michael, 2013, p. 3149).

The main contribution of the thesis is to develop an integrated and academically verified conceptual framework, which includes all the critical parameters for an organisation to assess and identify the impact of the value of diversity. Thus, the firm is gaining the knowledge and potential to leverage talent, exploit employees’ skills and developing a positive climate between managers and employees. Consequently, they will increase productivity and economic benefits. This conceptual framework is essential in enhancing the attempt to develop a comprehensive and constructive critical interpretation of the existing approaches and policies, through which scholars and professionals are promoting the value of diversity in cultures different from the one in Cyprus. Although scholars agree on paper on the value of diversity, organisations appear to be facing problems in its implementation in practice. Undoubtedly, there are still stereotypes regarding the profile of people who run companies or generally possess momentous hierarchical positions. For example women, though they are normally included in the business arena, still face problems to climb to the top managerial level.

The proposed conceptual framework does not aspire to be the final and definitive framework that organisations in Cyprus should adopt; rather, it is only the beginning of a necessary and complex journey. It is more of a measure for planning a diversity management policy to achieve an alignment with the needs of both the internal and external environment. To that effect, it can be considered a road map of interventions that organisations in Cyprus could start to follow towards promoting the advantages of diversity and eliminating the costs of disregarding it.

Out of all the definitions that I have occasionally come across in various articles and studies, I most agree with the following: managing diversity should be defined as respecting and valuing individual differences (Ely and Thomas, 2001). The terms “respect” and “value” are extremely important, since they indicate the usefulness of diversity as a tool of business development, not only as a means of corporate responsibility. These differences, which may relate to gender, ethnicity, religious beliefs, sexual orientation, and many individual and personal characteristics and abilities, are exploiting opportunities for a business to augment its operations. In practice, the value of diversity lies in the fact that it will help the pharmaceutical company to leverage talent, to exploit employees’ skills and to develop a positive climate between managers and employees. This conceptualisation highlights the different options and established frameworks that are proposed to approach the problem of undervaluing diversity. This justifies the fact that the adoption and implementation of any diversity policy in Cyprus should be associated with the individuals involved and the dynamic conditions of the external or internal environment.

Another significant contribution of this thesis, which is linked with the academic community, is to highlight the educational needs of future HR professionals and to raise the training needs of those currently practising. Managing, being the ability to effectively work and cooperate within diverse groups, where the result is considered more than just the sum of the efforts of the individual members, I think through it being the most crucial contribution towards the achievement of the overall business mission and vision. By and large, effective diversity management promotes communication, a sense of belonging, loyalty and commitment, whilst also providing learning opportunities, thus increasing creativity, innovation, engagement and satisfaction. Human resource managers – existing and potential - should be able to best utilise this value.

Finally, this thesis contributes to the literature at two levels. The first one refers to the holistic approach of developing and establishing a diversity management policy in organisations. Whilst the majority of the literature focuses on the management perspective, this research attempts to give voice to employees and to highlight their perception of diversity management policy. At the second level, it enriches Cyprus' bibliography by addressing an issue that is rarely challenged in public, as well as international scholarship, by presenting findings that reflect Cyprus' reality, which is largely absent from the global literature.

## **6.5 Research questions and objectives**

Having reviewed the relevant literature, the research questions attempt to capture the perceptions of employees on cultural diversity management within a particular private pharmaceutical organisation in Cyprus. Specifically, the project focusses on the following research questions:

1. To examine how employees feel diversity is considered in the organisation;
2. To examine how the organisation deals with diversity;
3. To identify whether the company is promoting inclusiveness and how employees perceive this, and,
4. To suggest strategies to increase inclusiveness and promote diversity.

## **6.6 Qualitative research**

According to the theoretical framework of qualitative research, we live in a relational world (both personal and social), which is complex and kaleidoscopic, and which can be viewed from different angles, with different methodologies. This multilevel world is continually restructured through language (narratives, theories, and discussions), joint action, and collective memories. The primary source of meaning is human relations, rather than the individual mind.

As the social constructionism of Gergen (1985) aptly demonstrates, knowledge is indissolubly interwoven with action, collectivism and social coexistence and interaction. Additionally, individuals recognise that ontology, epistemology and methodology are essentially inseparable, and that scientific research is a performative social action, which is

constantly reformulating itself and its main objectives. Qualitative research is inextricably linked with certain assumptions about the nature of the social reality (ontology) and the way in which we as researchers become aware of that reality (epistemology). Epistemology, being the traditional philosophical branch on the theory, range, reliability and validity of knowledge, is usually determined in terms of positivism, which depends on the assumption that the outside world completely defines the one and only correct perspective, regardless of the procedure or the conditions of observing (Kirk and Miller, 1986). Phenomenology aims at studying the phenomena, namely the way things appear to our experience or our consciousness (Myers, 2013).

In my inquiry, I decided to adopt a phenomenological research perspective, since it is aligned with my belief “that the organisational world is socially constructed and subjective and that the observer is part of the phenomena” (Ziv, 2004, p. 38). Realising that the investigation of the employees’ perception of diversity management is clearly an enquiry that falls into the social phenomenon discipline, the use of a pure positivist approach in this research could raise a number of objections, including epistemological differences, instability, sensitivity and lack of realism (Behling, 1980).

Focusing my attention on the fact that my study is underpinned by case study research, my methodology should be aligned with the principles of phenomenology. However, the research methodology can never be exclusively independent of ontology and epistemology. This implies that once I have chosen a mixed method research approach, entailing the conducting of qualitative research, this will always involve some profound assumptions about the nature of the scientific knowledge and the nature of the social reality. For me, one of the most significant criteria and principals that should be taken into consideration when choosing epistemology is the way at which this will influence the entire research process and design.

In qualitative research, the researcher must reflectively recognise that "there can be no reality without the subject who observes and describes. The observer of the image lies within the image and hereby as a component of the image is inextricably linked with the rest of its components" (Tsviakou, 1997, p. 16). Qualitative social research and qualitative methodologies belong to one of the two major methodological research approaches in social sciences. Key issues related to qualitative methodology (as with any methodology) are the research and methodological approach, the research problem, the theoretical stimulus of the researcher and the methodological tools used to raise knowledge out of the research field.

Qualitative methods apply to research projects and approaches that have a main objective to investigate social qualities. In other words, they are aiming at uncovering correlations between social subjects and social groups, describing, analysing and understanding social processes, formulating assumptions and theoretical positions on promoting social and calibration of social relations, positions and roles. Qualitative research aims at description, analysis, interpretation and understanding of social phenomena, situations and groups, mainly by addressing questions of how and why. The implementation of qualitative techniques depends on the nature of the research problem and the particular choices of the researcher. Many research questions and approaches relate to social phenomena, groups and situations

for which the main objective is the investigation and analysis of the structure and functioning as well as the social relationships (causes, correlations, implications) that underpin them. Furthermore, depending on the perspective of the researcher, emphasis can be given to qualitative, non-measurable characteristics of a particular social phenomenon in order to explain, interpret, understand, develop or confirm a theory or discovery of causal relations. The main methodological tools to raise knowledge of the research field in the context of qualitative research are participant observation, interview, biographical analysis, the historical comparative method, content analysis, case studies, research with the help of groups (in the latter category includes and focus groups) and others. These methodologies can be used individually or in combination, depending each time on the type and nature of the research problem and the specific characteristics of the respondent population.

Even the term “qualitative research” emphasises the quality of the analysed entities and meanings that cannot be studied experimentally (namely in relation to the quantity, intensity, or frequency). Qualitative research focuses on the meaning, on how people understand the world, experience and themselves. Researchers therefore tend to focus on quality and on the special touch of experience, rather than seeking impersonal laws of cause and effect, or variables that aim towards safe predictions. In light of this, I have designed the research to be descriptive and exploratory because I am seeking to answer emerging questions and to access phenomena in a new light, while my inquiry is based on both quantitative and qualitative data. Moreover, one of the research objectives includes the proposal and establishment of a practical framework on effectively managing diversity, whilst my methodologies were developed in the organisation as a means of validating the conceptual framework.

I have adopted a strategy based on the case study approach, which involved a descriptive and exploratory study. This adopted the collection of quantitative and qualitative data from a variety of sources including a survey, interviews and observations, which were used “as an approach that allowed for the collection of rich and meaningful data from a multiple of sources such as interviews, workshops and questionnaires” (Ziv, 2004, p. 41). The research is defined as both applied and action orientated in type, since it was conducted mainly in the context of the real world, whilst new concepts and models were “generated in an organisational setting working with the members of the organisation to solve a genuine problem” (Ziv, 2004, p. 41). Apparently, the research is both qualitative and quantitative, due to the nature of the research objectives, as well as the availability and type of data. Moreover, the analysis of the qualitative data enables the clarification of complex conditions that can arise from small samples.

The source of data that I used included a population in which I adopted three different research strategies: questionnaires, semi-structured interviews and observations. The foremost logic behind my decision to use observation method lies in the need to identify the reality of a particular unstructured situation, whereby it can be considered as a harbinger to subsequent testing of insights. The observation technique was used to complement prospective data obtained by other means and to validate insights obtained by other techniques, namely interviews. The qualitative data was “based on meetings, internal and

external documents, interviews and an observation diary, enabling triangulation and cross analysis between the various sources” (Ziv, 2004, p. 58).

## **6.7 Epistemology**

Linking specific epistemology and social theory with qualitative social research is challenging, although it seems that modern qualitative social research is more influenced by specific theoretical currents. The reason for this is that in several cases the quantitative and qualitative data as well as the respective methodologies vary considerably. A first important distinction is the seeking of claims for generalisation. In qualitative research, such claims are generally more limited, while the search for social trends or revealing hidden structures and relationships is quite common.

A second distinction is that in qualitative research the richness and depth of information often exceeds or reverses the initial theoretical component and planning of the researcher, highlights new research questions and may lead research into new roads. In qualitative social research, a continuous and intense interaction between theoretical constructs and research findings in the field is more likely to occur.

## **6.8 Hermeneutics and phenomenology**

Interpretive theoretical tradition begins from the premise that access to social reality is only possible through means of different social structures or instruments such as language, individual and collective consciousness or common meanings and representations (inter-subjectivity). This theoretical tradition includes different schools of thought, the most basic of which are philosophical hermeneutics and phenomenology. Interpretative social research seeks to understand social phenomena and social processes mainly from the perspective of individual and social subjects emphasising the complexity and multidimensional nature of social experience.

This more general philosophical and epistemological tradition comes to bear upon three schools of thought that influence and inspire research projects mainly qualitative in nature: symbolic interactionism, hermeneutics and phenomenology (Kim, 2010).

Symbolic interactivity deals with social relations from the perspective of subjects and their individual action; it has an intense anti-systemic character. It centres on the continuous interaction between social subjects that produces and reproduces social phenomena. The interaction is made possible through various symbolic means of communication, and people construct their social relationships through the interpretation and understanding of the operations, behaviours and actions of others.

The similarities between symbolic interactivity and hermeneutics are important. Quite simply, we could define hermeneutics as the study of representation and meaning. As part of this tradition, the meaning and importance that emerges through social interaction is sought and the claims for a single truth or a given method of disclosure or discovery of truth are critically addressed.

Phenomenology, epistemologically relative to symbolic interactivity, is characterised by the importance attached to the role of consciousness in the construction and replica of social and human phenomena. The phenomenological tradition argues that the external and social world has a meaning and becomes relevant only through the consciousness. Along these lines, the outside world is recognised as a sequence of events associated to the theoretical processes of consciousness, and not as being an objective reality visible through a precise process. Thus, the social reality is determined and constructed by the action of the underlying social basis of inter-subjectivity. Inter-subjectivity is a fundamental notion for the phenomenological understanding of social phenomena and society as an entity, since through its lens a position positing the existence of a common objective social reality that may become the subject of scientific investigation is rejected.

Qualitative research in social sciences was significantly influenced by the hermeneutic tradition, since it was directed towards the understanding of social phenomena and the ways in which to display and reproduce them, attributing prime importance to the meaning imparted by social objects in action, in the conduct of their own and of others.

## **6.9 Case study theory**

Yin (1994) defines the case study as an empirical inquiry which investigates a contemporary phenomenon in the context of reality, especially when the boundaries between phenomenon and context are not very clear. According to Guercini (2004), the term 'case study' is rather vague, and the clarification of the term is contingent on a series of factors. These include the target population of the case study (teaching, research, professional), the focus of the analysis (businesses, organisations, organisational systems), the type of data collected (quantitative, qualitative or a combination of both), the purpose of research (descriptive, exploratory, explanatory), and the analysis of the results (more than an analysis of case studies, in-depth analysis of an individual case, or cases directed in opposition to the general trends).

The case study as a research method or strategy, compared with other methods of social research, is traditionally considered to show no rigor and objectivity (Patton, 2002; Rowley, 2002). However, despite the scepticism with respect to this research method, its value lies in the fact that through the case studies one can have an insight into issues that could not have been accessed using other methods (Rowley, 2002).

According to Yin (1994), the case study is a particularly useful method when there is a question of 'how' or 'why' with regard to contemporary events, which the researcher cannot control. Case studies vary depending on their scope and purpose. In terms of scope, Yin (2003, 1994) distinguishes between explanatory, exploratory and distractive, whilst in terms of purpose he introduces on the one hand single or multiple case study designs and on the other hand holistic versus embedded case studies.

The research design is the rationale that links the data collection and the conclusions together with the initial questions of a study, ensuring consistency (Rowley, 2002). It includes the definition of basic research ingredients, such as survey questions and suggestions, the way they can ensure the reliability and validity of the selection and design of the case study

(Rowley, 2002). According to Rowley (2002), a case study research design consists of the research questions, the research propositions, the units of analysis, the rationale linking research data with propositions and the criteria used for interpreting research findings. Data collection in case study research includes (Yin, 2003; Rowley, 2002) a summary of the case study, the field procedures, such as the use of different sources of information, and access to other sources and the formulated research questions. Whatever sources of data the researcher decides to use, the collection must be aligned with the principles of triangulation, through a case study database, which contributes to the transparency of the results and provides a sequence of evidence (Yin, 2003; Rowley, 2002).

Case studies typically combine data collection methods, such as archival research, interviews, questionnaires and observation (Eisenhardt, 1989). Patton (2002) argues that interviews and research documents are extremely important in order to keep the focus on the object of investigation. Case studies can be grounded on any combination of qualitative and quantitative approaches (Rowley, 2002). Patton (2002), states that while quantitative data are often encountered in the case studies, usually qualitative data dominate.

According to Yin (2003, 1994), case study research is subject to four quality criteria: construct validity, internal validity, external validity and reliability. However, scholars have also proposed different sets of criteria for judging the quality of case study research, with Healy and Perry (2000) having established six quality criteria for case study research within the realism paradigm, and Riege (2003) proposing comparable and practical criteria (Figure 13).

		Authority	
<b>Paradigms</b>	Yin (1994)	Denzin and Lincoln (1994), Lincoln and Guba (1985)	Hirschman (1986), Miles and Huberman (1994), Robson (1993), Healy and Perry (2000), Riege (2003)
<b>Positivism</b>	Construct validity Internal validity External validity Reliability	Construct validity Internal validity External validity Reliability	Construct validity Internal validity External validity Reliability Objectivity, neutrality
	Yin (1994, p.32) referred to corresponding tests such as: Credibility Trustworthiness Confirmability Dependability	As for the positivism Denzin and Lincoln (1994) and Lincoln and Guba (1985) used the term post-positivism instead of realism	Credibility <sup>1</sup> Transferability <sup>2</sup> Dependability <sup>3</sup> Confirmability Construct validity Contingent validity Analytic generalisation Methodological trustworthiness Ontological appropriateness Multiple perceptions of participants and of peer researchers
<b>Realism</b>			
<b>Critical theory and constructivism</b>		Credibility Transferability Dependability Confirmability	
<p>1: Analogous to the function of internal validity in positivism  2: Analogous to the function of external validity in positivism  3: Analogous to the function of reliability in positivism  4: Analogous to the notion of neutrality and objectivity in positivism</p>			

**Figure 13:** Criteria for evaluating design tests (Riege, 2003, p.80)

### 6.9.1 Validity

Validity refers to the feature by which the method or technique actually corresponds to the reality that we wish to look at (Bryman and Bell, 2011). The validity of a method as regards to the scientific objective, ensures the researcher that what is being considered and examined is indeed the requested issue, and that the method or technique chosen is the most appropriate.

Qualitative research has been accused of using soft and blurry research procedures, of producing findings that are figments of imagination, not science, and that researchers who conduct it have no way to confirm whether their findings are true or not (Denzin and Lincoln, 2005). Case studies have received even fiercer criticism. It has been argued, for example, that in case studies there is limited weighting of data analysis, thus causing a potential confusion between the data and their interpretation, which will lead to selective presentation of data (Yin, 2003; Winegardner, 1998). In addition, opponents claim there may be an anti-deontological collection of data, bias and unsuccessful distinction between the formulated and observed behaviours and attitudes (Winegardner, 1998). This criticism originally arose from positivist researchers, however nowadays it is generated from within the field of qualitative research, and refers not to the traditional positivist criteria of validity and

reliability, but to issues related to the research design, the style and method of writing and presenting the research process, the importance and value of the research theme, but also to the growing influence of positivism in qualitative methodology (Winegardner, 1998). For this reason, Denzin and Lincoln (2005) describe the current period in the development of qualitative research as a period of triple crisis in regards to the presentation, justification and practice of qualitative research, which involves serious reflection on terms like validity, reliability and generalisability.

In order to ensure the quality of this case study, I recruited specific strategies that attempted to satisfy the specific research criteria of consistency on the one hand, and to disclose the details of the research process to the readers, enabling them to carry a value judgment in regards to the research validity and reliability on the other. The legitimacy criteria (Denzin and Lincoln, 2005) or standards (Eisenhart and Howe, 1992), or even varieties (Lincoln, 2001) of validity and reliability which were employed in this case study, were the ones proposed by Guba and Lincoln (cited in Lincoln, 2001), namely credibility, transferability, dependability and confirmability. The strategies that were employed to meet these criteria are discussed below.

### **6.9.2 Credibility**

Credibility in qualitative research refers to the validity of the methodological design, the quality of the data that was collected during that period, and how this design and these data lead to real and trustworthy findings in the sense that they represent reality (Lincoln, 2001; Levin and O'Donnel, 1999). The concept of credibility in the context of quality would correspond to the concept of internal validity in quantitative / positivist field of research.

The first methodological strategy that I followed in this case study to ensure the credibility of the research was the triangulation of methods and data. Triangulation is the application and combination of different research methodologies to explore the same phenomenon (Denzin, 1994). Specifically, this inquiry attempted triangulation of both methods and data: multiple data collection methods, as well as multiple sources of data and evidence, were mobilised in order to triangulate and confirm the findings arising during the data collection. In this way, data in the context of this research were crossed from different sources, to confirm or contradict one another. Each data source was associated with a specific research question yielding confirmatory evidence in relation to this research question, which were triangulated with information coming from other data sources. In this way, the research methods and tools were associated with the research purposes and the coding frame with which the data were analysed. The interview data were triangulated with data obtained through the questionnaires and observations, while the interviews were triangulated with one another: the ones of the manager with those of the employees, and vice versa. Thus, each data source enriched the final data analysis in a way that each research finding arose as a confirmed result of at least one other data source. The triangulation conferred credibility to the research findings and ensured the adequacy and appropriateness of interpretations resulting from these findings.

The credibility of the research was also supported in other ways. The decision to investigate these research questions was not random, but was designed to satisfy the reliability criterion of prolonged engagement within the research field. As the researcher who conducted this research, I had some experience in the field of cultural diversity and the catastrophic results that its mismanagement may cause. In addition, I devote sufficient time to explore this area both through prior research that falls within this research area, and for the collection of data in the context of this research, which lasted four months in the field.

Finally, the credibility of this research was supported through member checks. As an integral part of the research process and while seeking stronger ethical methodological choices, both the data that were collected in the field (transcribed interviews) and the interpretation and discussion of research findings that were related with the surveyed employees, were returned to them to verify their reliability. Thus, participant validation was achieved. In particular, as regards to the final research report, it was sent to the HR manager, prior to its publication, to disseminate to the employees interviewed, along with a letter inviting them to confirm the reliability of certain passages of the research and give their consent to publication. They were asked to make specific comments, remarks and suggestions for changes in case they questioned the reliability of descriptions and interpretations of the researcher, or if they felt that the text was in any way insulting. The letter concluded with the acknowledgment that the input of every participant would be respected, and invited them to sign the letter and return it to the researcher along with their suggestions in relation to the passages of the investigation concerning them.

### **6.9.3 Transferability**

Transferability of the findings of a qualitative study is equivalent to the term external validity used in quantitative research, and refers to the extent that the study findings can be generalised to broader sets of similar cases in the population from which the specific sample derives. It constitutes the validity or legitimacy the readers can give to the research. Through studying a research report, readers should be able to juxtapose with their own experience and to be persuaded by the claims and statements made by the researcher (Denzin, 1994).

The most important technique to obtain transferability is through dense and vivid description of the data and research findings. Denzin (1994) defines this dense description as the one that gives the context of an experience, states the intentions and meaning that organise experience, and reveals the experience as a process. Aiming to satisfy the criterion of transferability, this research attempted to provide a consistent description of the research findings and allow the readers to travel to the world of the study participants. In this way, readers of this research should recognise the experience of the participants and test them against their own experiences and those who have previously examined such themes through other empirical investigations.

For the description of the research findings, an inductive approach was followed. First, a detailed description of the perceptions of employees of a number of organisational outcomes was presented through the analysis of the questionnaires, while dense description of the local

context was provided. This first level of presentation of the findings was kept as close as possible to the data that was collected from the field, in order to keep description and interpretation in equal balance. The interpretations, as presented in this first level of research findings, arose from the observations and experiences in the research field and from the perceptions of the researcher on the experiences and realities of the survey participants.

The theoretical framework that underpinned this research was based on the concepts of social identity theory, organisational culture and diversity management. This theoretical background allows the findings to be presented in a way that can be understood by both research participants and readers, and employs a theoretical perspective that can be correlated with broader educational experiences. Through the description of the research findings at this level of presentation, readers could engage themselves in the process of data analysis and read again the presentation of findings with a new perception of data.

#### **6.9.4 Dependability and confirmability**

Two other criteria of quality, precision and rigor of qualitative research are the dependability of the research, namely the description of the emerging nature of the process of inquiry, and the confirmability of the research - that is, for the researcher to be able to illustrate that the interpretations are based on a specific context and that participants are not the product of his or her imagination. A necessary condition to achieve dependability and confirmability is for the presentation of the research to include a description of the history of this study along with the stories of the participants (Mulholland and Wallace, 2003). Guba and Lincoln (1994) argue that the dependability and confirmability of the research enhance its transferability.

Aiming at both dependability and confirmability, the discussion here sought to describe the world of the participants. Comments of respondents were included in the presentation and discussion of the findings in a way justifying the role of the study participants. The stories and the words of the participants emerged from the scope of the research sources that were used during the field research, so that the reader can come into direct contact with the evidence and testimonies. At the same time, the reader is able to determine whether the interpretations that the research resulted in were based on the realities of the participants. The triangulation of data sources was again the primary strategy of research to support dependability and confirmability.

The dependability of the research was also achieved through the disciplined self-control and self-awareness of the researcher during the data collection, analysis and presentation of research data. I presented systematically and precisely the methodological steps and procedures followed in the investigation, while documenting subjectivity and personal biases. The dependability of the research is also related to the personal deontological stance of the investigator towards the research itself, the methods of data collection methods and data analysis. In this case study, as a researcher I took on the role of the external researcher, the interviewer and the observer. Being an outside researcher, my involvement in the lives of participants was kept to a minimum, while remaining neutral to the greatest extent possible.

### **6.9.5 Axiology**

Axiology refers to the role of values and ethics in research (Klenke, 2008) and it assumes that the values we bring as researchers to the selection of method, design, planning and analysis will manipulate the research process. The process of looking and identifying my values from the perspective of conducting this research has confronted me with the need of addressing the question of what I value in effective diversity management. To this end, my research approach was affected by my belief in the inherent worth of collaboration, effective communication and cohesion. Since axiology focuses on questions about what ought to be (Klenke, 2008), in applying my axiology, I have to be careful in following acceptable standards of conduct when designing and performing the questions and the research in general.

### **6.9.6 Critical reflection**

Barnett (1997) suggests that criticality has the following dimensions: reconstructive or transformational; self-reflection or reflexivity; an understanding of how ideas relate to various traditions; and the discipline or self-monitoring of critical thinking. Reflection or critical reflection refers to a method or procedure in which an experience is evaluated, usually in relation to a broader rationale. Bartlett (1990) indicates that developing into a reflective researcher encompasses moving outside a prime apprehension with methods and techniques and how-to queries and getting into asking questions that deal with instructions not as ends in themselves, but as part of a broader educational process.

### **6.10 Philosophical principles**

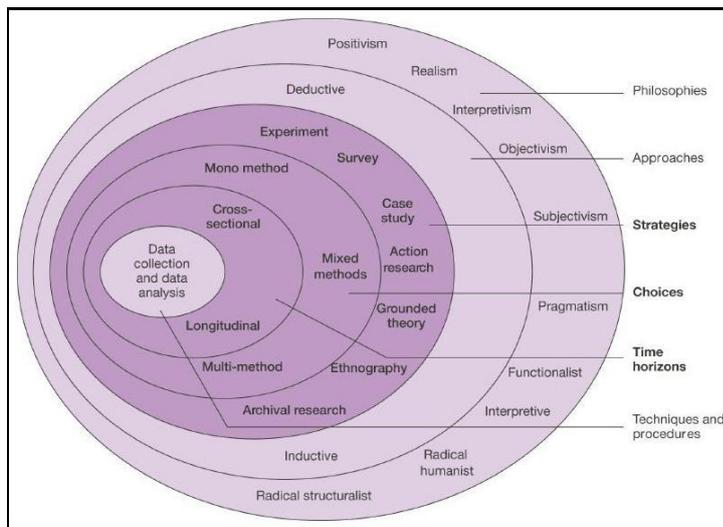
According to the conventional or traditional view of intellectual output, scientific truth is universally valid and features a strong linear, progressive, and binding nature (Woolgar, 2003). The key features of positivist qualitative research include the attempt to control or confirm theories in the area of research; the effort of recording and analysing objective social reality, as it emerges from the collected data; the strict and detailed design of the phases of the research; the effort of establishing and implementing the criteria for assuring validity and reliability within the research results and; the formulation of generalisation.

As claimed by Kant (1787), a distinction should be made between the study of objects and events (phenomena) as they are perceived by the experience, and the study of objects and events as themselves. Nevertheless, Husserl (1976) laid the foundations for the transformation of phenomenology in a stream of thought and a research approach in human sciences. Husserl developed the concept of the lifeworld: a central notion to a driven phenomenology, aiming at describing and analysing the modes in which phenomena occur in lived experience. Phenomenology differs from other social research methods in the sense that it distinguishes between appearance and essence.

Focusing my attention on the fact that this study is underpinned by a case-study approach, my methodology was aligned with the principles of phenomenology. However, the research methodology can never be independent of the ontology and the epistemology. This implies

that once a qualitative research approach (methodology) is chosen, this will always involve some profound assumptions about the nature of scientific knowledge and the nature of social reality. Therefore, in order for me to be able to triangulate the data and obtain an efficient and effective analysis, I have used a mixed set of research methods.

As the “research onion” reveals in Figure 14, there are a number of methods and research approaches available to me, and I had to consistently use them when conducting my own enquiry, whilst prior to data gathering and designing the analysis and the action plan, I had to take into consideration all the different layers.



**Figure 14:** Research onion (Saunders, Lewis and Thornhill, 2012, p.128)

## 6.11 Case study application

Yin (1994) identifies four case study applications. The first one seeks to explain the causal links in real interventions, which are particularly complex, to justify the use of questionnaires or experimental conditions. The second application is used to describe an actual context in which an intervention has emerged. The third classification refers to a descriptive case study that can be used as an assessment tool, and the final one aims to investigate situations in which the intervention did not yield clear results.

A case study was chosen as the general means of investigating the perceptions of employees of diversity management, in part because a ‘how’ type question was being asked, and this approach enabled me to utilise the multiple data sources I had at my disposal. Explicitly, my research was an exploratory, single-case study of cultural diversity management.

In light of the pre-mentioned design components:

1. Research question: A ‘how’ type question guided the case study: how do employees perceive effective cultural diversity management?
2. Research propositions: Considering the exploratory nature of the case study, none was formulated. Instead, the purpose was introduced as “to examine the employees’ attitudes about diversity management and to determine which diversity practises to incorporate into the organisational strategy”.
3. Unit of analysis: See subsection 6.12.
4. Logic linking data and propositions: No hypothesis was developed.
5. Interpretation criteria: See subsection 6.12.

### **6.12 Population and sampling**

My research was conducted among the members of a department of a private pharmaceutical organisation in Cyprus. Given that my study focuses on effective diversity management, this department appeared to be to be the ideal team for me to work with, since its top management was already interested in examining the impact of diversity in its organisational culture. Given that expanding activities in the global market is included within the firm’s short-term objectives, being able to effectively deal with diversity issues was crucial for its overall mission and vision. The aim of the sampling design is to ensure that the analysed data are providing the optimum information required for the population that is under investigation, at the lowest possible cost. For the purpose of the quantitative part of my research, I was investigating employees working in the offices and not the laboratories or the factory of the organisation. Whereas for the qualitative research, I investigated the whole population of the department, since there were no barriers to collecting data from each employee team member. Therefore, my sampling strategy was intentionally based on the population, since each of the individuals was members of a team, in which effective diversity management was essential for overall success.

### **6.13 Instrumentation**

Organisations and enterprises worldwide achieve better operational and financial results by enhancing the way people socialise, communicate, collaborate and are supervised. In light of this, a team is effective when it is mature. This means that members consciously evaluate and redesign the way they behave, communicate, decide, and act. The resulting work rests on two things:

1. How the individual understands his or her abilities and,
2. How the person selects and works with others towards implementing objectives.

Given that the case study is profoundly involved with ongoing interactions with individuals

and as part of it, I was dealing with people, attending meetings within their groups and interacting in any feasible way, a number of cross sectional data were gathered to be further analysed. In light of my research strategy, mixed methods were used as a means to obtain an efficient and effective analysis. Accordingly, my research employed a combination of both explanatory and exploratory approaches (Saunders *et al.*, 2012; Coolican, 2004), to gain a deep and overall comprehensive perspective on effective diversity management.

In particular, individual interviews and questionnaires provided me as a researcher with the valuable opportunity of dissolving any adverse suspicions, as well as to explain and analyse individual profiles, thus enlightening individuals on their competencies and weaknesses (Myers, 2013). Through individual interviews, I gained a better and overall understanding of the causes, the triggers, as well as the criteria set for the interpretation and evaluation of the behaviour of the rest of the team, merely by observing and interpreting the use of speech and body language.

Members of a mature team are competent in understanding the thresholds and requirements of the working tasks and must be in position to interact and communicate in alignment with the overall mission and objectives of the team, thus enhancing and promoting effective diversity management. To this end, I used participative observations as a means to break the ice among individuals, to explore the strengths and weaknesses of each member and to endorse and establish a new, effective channel of communication and collaboration.

## **6.14 Research tools**

The case study is a holistic approach to addressing a research problem, rather than a single method of data collection and analysis. This justifies the use of various research tools when conducting a case study. These various methods and techniques of the peer-dialectical research paradigm include questionnaires, interviews, research diaries and workshops.

### **6.14.1 Questionnaire**

The questionnaire consists of a group or series of questions aimed at providing some information related to one or more research questions of an underlying research project. Therefore, it reflects the objectives of the research in the form of questions, which are intended to induce the responses of individuals, expressing with the utmost thoroughness their views on the problem under investigation. The questionnaires are commonly composed of three types of questions (Coolican, 2004); closed questions or questions with fixed answers, open questions, and questions graded on scale responses. It is common practise for the questions to ask individuals to assess the degree of acceptance or rejection of a number of respects, phrases, themes and persons, based on a numerical scale, which can be from 1 to 5, 1 to 7, and so forth. These types of questions are called scaled questions. The scales are used when we are interested not only in whether research subjects are for or against a point of view, but also in the acceptability of this view (Coolican, 2004). There are various methodologies to create scale measuring attitudes, the most familiar the one suggested by Likert, Guttman and Turstone (as cited in Coolican, 2004). The Likert Scale type is simple to create and more prevalent in social research. Its aim is to measure attitudes or opinions of

subjects, who are required to choose one of the possible answers from a set of questions that represent the problem under study. These responses reflect the size of agreement or disagreement on a certain statement.

The questionnaire used in my inquiry examined the concept of diversity management in relation to the overall organisational culture, and included questions that explored individual, work group and organisational factors, as well as the organisational culture in respect to diversity management. It was a structured questionnaire, which actually involves the perceptions of the individuals on diversity, as these are measured in the diversity climate questionnaire of the Australian Centre for International Business (Bean *et al.*, 2001) and the organisational culture, using the competing values model of Quinn. The review of the literature shows that this provides a complete picture of the understanding and effect of diversity management on the organisational culture. The specific factors were measured by 37 forced (no answer implied the do not know choice), prime numbered (there was a mid-point scale) and balanced (equal number of favourable and unfavourable responses) questions. For its construction, five Likert scale values were used in order to describe the frequency of the specific behaviour (1: Never, 5: Always). Efforts were made so that the size of the questionnaire facilitated its completion by the appropriate stakeholder within a reasonable amount of time. The questionnaires were developed in such a way to be easily understood by respondents, thus reducing to a minimum the follow-up questions. Moreover, I paid particular attention to providing a user-friendly design to the questionnaire, incorporating the feedback received during the pilot study.

The questionnaire consisted of five sessions, which included groups of questions. The first session included questions on the workforce profile of the respondent (Questions 1-6). The second one focused on individual factors and examined how the individual experiences working in this organisation and how he or she thinks and/or feels diversity is being addressed (Questions 7-11). Section three screened work group factors and individuals were asked to examine how they experience working together in their team or unit and how they think and/or feel teamwork is being addressed (Questions 12-16). The fourth section referred to the organisational factors and examined how the organisation deals with diversity and what policies have been established (Questions 17-23). Finally, the last one centred around culture, and examined the respondent's department's organisational culture and how they experience working in this organisation and being part of their department (Questions 24-37). The conditions of the survey (completion of the questionnaire by the employees without any assistance by the interviewee), necessitated the formation of closed questions. Only one question was open.

## **Completion of the questionnaire**

After the development and formation of the questionnaire, it was given by hand to the HR manager of the organisation so it could be distributed to the employees. At the same time, a response envelope was provided to enable the employees to return the completed questionnaires anonymously.

The time set for the process to complete and return the questionnaires was seven days. However, because there was a great response and interest in the research, return was extended for five days more.

### **6.14.2 Interviews**

Using the term interview, I imply personal contact with the interviewee in order to explore, understand and analyse in-depth their views. An interview is a purposeful discussion between two or more people, which can also be used as a primary method of collecting data directly related to the objects of research (knowledge, information, values, preferences, attitudes, and beliefs) in order to investigate the research questions. Moreover, it can be used in combination with other methods. Personal interview is probably the most frequently used qualitative method, due to its flexible conduct, as well to the immediacy and familiarity that the respondent feels in relation to it and its low cost (Coolican, 2004).

#### **6.14.2.1 Types of interview**

Depending on the degree of structuring of the interview – namely depending on the degree of its standardisation by the researcher - we can schematically distinguish three main types of interview: the structured interview, the semi-structured interview and the unstructured interview. The structured interview is based on a strictly predetermined set of questions that are uniformly posed to all respondents. Questions are predetermined as to their content, and as to the order in which one follows another (Robson, 2002). Semi-structured interviews are characterised by a set of predetermined questions, but have much more flexibility regarding the order of the questions, the modification of the content of the questions depending on the interviewee and to addition or removal of questions and topics for discussion. The unstructured interview is characterised by the absence of predefined questions and is based on thematic areas around which interaction is developed between the interviewer and the interviewee (Robson, 2002). In qualitative social research, the last two interview types are mainly used, since they allow the extraction of information and data in depth, and highlight issues that were not predetermined by the researcher.

As a data collection technique, I chose the method of interview and in particular the form of semi-structured interview (Coolican, 2004). The interview was not subject to quantitative analysis, as its main purpose is to investigate a phenomenon, taking into account the perspective of the interviewee. It was essentially a recording of the experience, views and perceptions of the respondents. It allowed an in-depth exploration of the causes and reasons behind specific attitudes and behaviours, since it involved the dynamics of the discussion. Through individual interviews, I gained a better and overall understanding of the causes, the

triggers, as well as the criteria set for the interpretation and evaluation, of the behaviour of the interviewee, merely by observing and interpreting the use of oral speech and body language.

My semi-structured interview format included closed type questions, like the structured interview, but at the same time, open questions were asked in order to achieve a better understanding of the answer that was given to the imposed the closed question. Overall in the semi-structured interview, there is no defined number of questions, but rather a list of topics that are likely to be covered. The order of questions varies from interview to interview. Furthermore, I could add new questions that have not been pre-planned and prepared, depending on the analysis of the data. As a result, I was able to discover and categorise these new questions and hence analysed and processed them more easily. In addition, the selection of the type of the interview can be justified by the fact that it corresponds to the nature and the topic of the investigation. The place of the interview was a neutral meeting room in the organisation, isolated from the rest of the office, where the employees were not under pressure and felt more comfortable, and where there was silence, in order to keep the interest steady during the interview.

At the beginning, I made the necessary recommendations and explained the purpose and objectives of the research. I also explained how I was going to exploit the information derived from the interview, and assured that the reports and views of the respondent would be anonymous. As an interviewer, I identified the approximate time duration that the interview would last and announced it to the interviewee. It was very important that I did not exceed the predetermined time, because if I had, the interviewee might have been subsequently irritated. I would also have been violating one of the core codes of ethics of a social investigator, according to which I should not made the scope difficult for subsequent researchers by disappointing respondents by giving them negative impression after participating in my research. The interview took the form of an enjoyable, informal conversation in which the questions were submitted and answered in a natural manner. The recording of information immediately after the implementation of an interview is established as one of the ways to control prejudice and biases, and to generate reliable data for analysis (Saunders *et al.*, 2012).

There are two basic methods for recording data during an interview. The first is by using technology (such as a tape recorder) and the second one by taking notes. Of course, a combinatorial method can be applied, thus obtaining a more comprehensive approach. In this research, I chose to use the first method, but also utilising some elements of the second. I chose to conduct this research using a combined application of the two methods by focusing on the one of the recordings. Therefore, on the one hand, it was possible for me to re-hear and refer to the views of the respondent, and on the other hand, I was given the opportunity to capture notes, whenever that was applicable (Beveridge, 1993). During this assessment, I asked the interviewee for permission to use the recorder, assuring them that I would manage and handle the information in a reliable and ethical way. To this end, I have used a tape recorder and then produced a transcript, which, although it appeared to be more time

consuming, enabled me to gain a deeper and more thorough understanding of the research topic. However, if I had not taken notes, and written word by word the interviewee's responses, I would have missed the non-verbal messages that benefited the overall process.

#### **6.14.2.2 The questions of the interview**

The design and formulation of questions is perhaps the most important element of a successful research interview, whether structured or not. Saunders *et al.* (2012) provide a number of classifications as regards to the types of questions, starting with closed questions. In these types of questions, all the possible answers the respondent might give are provided by the researcher. This type of question is commonly used in strictly structured interviews. Then, they introduce open questions, which allow the interviewees the freedom to develop their response without anything being predetermined. This kind of question is mainly used in unstructured and semi-structured interviews. Mixed questions are questions that combine features of both the previously mentioned types, whilst leading questions indirectly guide respondents to align their answer with the personal view of the researcher. These questions were strictly avoided when conducting the interviews for my inquiry, since they distort the real opinions of the research subjects and thus the research results.

Biased questions are those that affect or prejudice the respondent and indicate a lack of sensitivity and genuine interest on the part of the researcher. These questions were also avoided for ethical reasons, but also because they may lead to the annulment of the research process. Another classification is descriptive questions, which aim at obtaining specific information from the interviewee associated with specific characteristics and knowledge, such as gender, age, date of birth, educational level, and income level. Finally, opinion questions seek to investigate the attitudes and perceptions of respondents about various social phenomena and processes.

#### **6.14.2.3 Research stages when conducting interviews**

The detailed, consistent and careful planning of research interviews are a prerequisite for the success of each project based on this methodology. According to Kvale (1996, p. 88), seven general stages of the interview can be distinguished from beginning until its completion; stages that I followed to ensure the success of the interviews. These stages are:

- i. Thematising. At this stage I formulated the research problem, formed the research questions and assumptions to be confirmed or refuted by the research field. Nevertheless, it is not essential or desirable to have specific hypotheses or research questions couched prior to the interview; rather, just the general research topic or area of interest. The crucial element of this stage was to document the appropriateness of the application of the interview methodology for my research project.

- ii. Designing. The most critical element at this stage was to design a functional interview guide. The guide included a range of subject areas that were to be covered during the interview. It included specific questions, especially given my purpose of using semi-structured interviews, whilst it could only include subject areas or keywords if it had been to do with unstructured interviews.
- iii. Interviewing. This was the implementation phase of interviews: a direct interaction between the researcher and the respondent, and the retrieval of information and data. This stage required a climate of trust between the researcher and the respondent, so that the obtained data would be factual, adequate and satisfy the overall research design.
- iv. Transcribing. This phase included all the processes and operations for converting speech into written text.
- v. Analysing. This stage is extremely important in attributing meaning to the empirical qualitative data collected through interviews. Attributing meaning can include clustering, categorisation and theorisation of data in order to address the research questions that were either formulated a priori or derived from the data during the research process.
- vi. Verifying. This stage includes all the methods and techniques that aim to control the credibility and validity of the research results.
- vii. Reporting. The stage refers to the dissemination of the research results to the scientific community and, where appropriate, the public or private sector.

#### **6.14.2.4 The interviewee and the interviewer**

In the personal interviews that I conducted, the interviewees did not have the role of a subject, who should just answer a set of questions, as would be the case in quantitative surveys. Opposing this, the research data was derived both from discussion and from the established relationship between the respondents and me. Therefore, as a researcher, I am not independent and uninvolved in the results and findings of the research. The relationship developed between the researcher and the respondent during the interview, is crucial to the quality and the range of results as well as the information produced. This relationship, on the one hand, requires high scientific and communication skills of the researcher, and on the other, it raises important moral and ethical issues.

As a researcher I had to be aware of in-depth investigation, had to have the skills to successfully design the process and progress of the interview, whilst I had to be clear, polite, and sensitive, but nonetheless constantly critically reflective. I also had to proceed to interpretations of the views and attitudes of the respondent during the interview, which I tried to confirm or deny before its completion. Furthermore, I was obliged to communicate all the necessary information about the object and purpose of the survey to the respondent, ensuring the consent of the latter for their participation in the overall research process.

Moreover, it was my obligation to guarantee anonymity and confidentiality, as well as to try to reduce any negative consequences that the involvement in the research process could cause to the interviewees (Kvale, 1996).

### **6.14.3 Observation**

Observation consists of an organised and systematic observation of social behaviour, social interaction, communication (verbal and otherwise), social processes and social contexts. The main advantages of this method are the direct extraction of information on individual and social behaviours, understanding the social context within which a phenomenon or social process occurs and the ability to conduct research in a non-artificial environment (namely real environments within which the social action occurs). Nevertheless, there are a number of disadvantages attached to the use of observation. It is a laborious, time consuming and by nature difficult process. It requires experienced and fully focused observers. Sometimes the presence of the researcher-observer changes the social attitudes and perverts the collected qualitative material. Finally, if the observation is unsystematic, there is a risk of recording behaviours and processes that are completely non-standard.

In many cases, systematic observation requires a well-organised research framework - research categories or questions. In other cases, this may not initially exist or can be reshaped as the research proceeds and matures. Usually, observation requires the consent of the observed, and at this point research ethics issues play a key role. The data collected through observation is usually in the form of notes separated and organised by thematic categories.

#### **6.14.3.1 Participant observation**

Participant observation is considered one of the most widespread methods of extracting quality material in the social sciences, with science of social and cultural anthropology being pioneers in its application. Participant observation allows the systematic observation of social behaviour, phenomena and processes in the real, natural social environment, with the researcher being involved in social processes under investigation through a continuous interaction of the researcher and the surveyed population.

A major role in participant observation is attached to the degree of involvement and interaction of the researcher with the social group under investigation. Traditionally, this level of participation is classified into four categories: complete participant, participant as observer, observer as participant and complete observer. Participatory observation relates to the first three of the above categories, since in the last the observer does not participate.

The method of participatory observation is usually applied to research on small and relatively cohesive social groups, social phenomena and processes, and aims towards an in-depth analysis and understanding of human and social relationships through rich qualitative descriptive data. This description is called thick description.

#### **6.14.3.2 Types of observation and participant observation**

Based on different criteria, different types of observation and participant observation can be

identified. According to the criterion of building and rigorousness of observation, there is a distinction between controlled and uncontrolled observation. Controlled observation requires strict standardisation of specific events and facts, and does not constitute the usual method of observation in social research. This is unlike uncontrolled observation, in which the researcher seeks to understand processes and behaviours that arise in the context of the field and which often have not been pre-standardised and were not expected.

Depending on the immediacy of the observation, a distinction can be made between primary and secondary observation. Primary observation requires the physical presence of the researcher or research team in the field and the direct qualitative data collection. On the contrary, secondary observation refers to the interpretation of data collected through observations of other researchers. Often the interpretation and theorisation of qualitative data may differ from researcher to researcher, or at different times. The dynamic nature of social phenomena and social reality in general creates the need for reinterpretation and reassessment of earlier qualitative data and the supplementing of it with new data from new situations or different geographical areas. For this reason, there are qualitative databases available from a series of such surveys, which provide the opportunity for other researchers to use and consider them.

Depending on the degree of the researcher's involvement (as mentioned previously), we can distinguish three main types of observation: full participation, participation as observation and observation as participation (Robson, 2002). Usually, the full involvement of the researcher in the social group under investigation presupposes hiding their role and scope. However, this has been criticised from a moral and ethical standpoint, though it is routine in cases of investigating closed social groups or collectives with special features that do not permit access to non-members. One example of such surveys is those of closed religious groups or organisations (sects or cults). In essence, the actual team members are being deceived by the investigator or investigators, whose purpose is different from the one they are communicating and proclaiming.

The other two categories of participant observation differ in the degree of involvement of the researcher in the events and processes of social group under investigation. The choice of the different degrees of the researcher's participation depends on the nature of the research object, the scope and type of information to be drawn from the field, and the awareness of the researcher of the risk of going native, thus potentially losing their research orientation. Their common feature lies on the fact that the researcher reveals the status of the field and sometimes explains in detail and analyses the research issues and questions with the respondent, whilst working closely with them.

In case of participation as observation, the identity of the researcher is known in the research group. In this case, the researcher collects data only through observation and through active participation in the group activities. This method is quite common in social research and produces rich and in-depth qualitative data and information. However, as aforementioned, there is a risk of the researcher going native and assimilating the ideas and values of the group under investigation, thus causing the loss of the necessary distance that should be kept

with it. This matching is able, in some cases, to cause serious problems in the interpretation and theorisation of the findings and the dissemination of the research results.

Finally, in the case of observation as participation, the identity of the researcher is known in the research group, but the researcher does not participate in any relevant processes or activities. Usually in such cases, the researcher applies the method of systematic observation and produces an events and behaviours log.

#### **6.14.3.3 The position of the observer**

In practice, the observer may officially declare his or her position to the team members, or to hide it, thus becoming an unidentified observer. Hidden observation can be justified by the environment; for instance, if it is closed, hostile to any effort to research and identifies each foreign intervention as a form of invasion. However, this type of illegality on behalf of the observer is not easy, and can cause a number of problems. On the one hand, these problems are ethical. On the other hand, it does not allow the use of technical means for recording, whilst it poses relationship problems with the members of the studied group. Great care should be taken in the case that an observer decides to keep the research identity hidden because he or she believes that the team is dangerous, and thus carries his or her own perceptions in this area. The success of the participatory observation depends mainly on the relationships that are established between the observer and the members of the team under investigation.

#### **6.14.3.4 Engagement of the observer**

In participant observation, the observer cannot be left out of the team under investigation. The premise behind this tactic is that one cannot learn human behaviour in a better way than observing it as an insider. Therefore, in participant observation, the observer has a mandatory personal involvement with the group in order to understand its operation, the importance of individual behaviours and some interactions. The observer is therefore part of the team, and is transformed into a part of the network of interaction among the members of this group. Personality therefore plays a key role, as well as the ability to establish and effectively maintain relationships. The emotional involvement of the observer is important and in any case cannot be neglected. Instead, it must be analysed and used as an element of the situation and sometimes as an index view of the studied phenomenon.

### **6.15 Data analysis**

#### **6.15.1 Content analysis**

An important definition of content analysis was proposed by Berelson (1952), stating that content analysis is a research method for the objective, systematic and qualitative description of the manifest content of the information (Kaid and Wadsworth, 1989). In light of this, content analysis is a procedure for the classification of verbal data or data derived from the behaviour of people involved in a discussion, aiming towards data classification, aggregation and design.

The content can be analysed on two levels: the basic level of analysis is a descriptive account of the data. The higher level of analysis is interpretive; it has to do with what was concluded and what this implies. Sometimes it is called the hidden level of analysis (Hancock, 1998). Content analysis is often considered a means of counting a word's frequency. The underlying assumption is that the words identified most often are the words that express the most important concepts (Stemler, 2001).

One thing that should be taken into account when analysing content, is that synonymous words can be used for aesthetic purposes in a document, and thus may lead researchers to underestimate the importance of the concept. Researchers should bear in mind that each word cannot represent a class equally well- limitations that should be taken into consideration during the process. Finally, whilst counting the frequency of the words, the likelihood of some words having multiple meanings should not be neglected (Stemler, 2001).

A proper implementation of this type of analysis is defined by good use of the measured words that appear more frequently, to facilitate the process of recognising sentences, which are of particular interest. Afterwards, research is conducted towards identifying the Key Word In Context (KWIC), to check the consistency of the use of a word. Most qualitative data analysis programs identify the sentence in which the word is used so that the researcher can identify the word in a specific text frame. This process enhances the validity of the conclusions drawn from the data (Stemler, 2001). The basic idea is to define the recorded data which were converted to text (transcripts), which in some way is more informative, and to identify the important messages hidden within each discussion (Hancock, 1998) .

Content analysis as a scientific method is governed by designated rules and has three main requirements: objectivity, regularity and generality throughout all of its steps.

#### **6.15.1.1 Objectivity**

Ensuring objectivity requires that each step of the research process is explicitly aligned with the formulated rules, and it requires the researchers to use their judgement in deciding these steps. Once the document is encoded and the conclusions drawn from it are summarised, researchers are called upon to reconsider the reasoning that led to the specific framework of conclusions and not to alternative findings. It even implies that decisions are guided by a set of rules that minimise the possibility that conclusions that are drawn reflect the subjective predispositions and biases of the researcher, rather than the content of the data under analysis. Researchers who cannot divulge their findings to other researchers and discuss with them the procedures followed and the data selection criteria, or define what part of the data is relevant and what is not and present the interpretation of findings, have failed to fulfil the requirement of objectivity.

### **6.15.1.2 Regularity**

Regularity in content analysis implies that the exclusion or admission of various documents (sampling) for further analysis, as well as the setting of the various categories, are in total accordance with rules. This requirement of content analysis as a scientific method clearly eliminates the types of analysis that recognise as research data solely the texts that support the assumptions of the researcher. Regularity also implies that the levels of analysis are defined in a way that enables these categories to be used in accordance with predetermined rules.

### **6.15.1.3 Generality**

Generality as a characteristic of content analysis requires that the conclusions drawn are relevant to theoretical concepts and frameworks. Purely descriptive information about the content that is independent of other features of the documents or the characteristics of the sender or recipient of the message is of little value. A single element on the content of a communication is meaningless until it is associated with at least one other element. Linking data to theory represents the connection between elements. Consequently, content analysis is concerned with the comparison and the type of comparison that is justified by the theory of the researcher.

The requirement for objectivity, regularity and generality is not unique to content analysis but necessary for a whole range of scientific research. Therefore, in general, content analysis is an application of scientific methods over scientific evidence. Given the vast scope and diversity of the evidence, the applicability of content analysis is limited only by those who use such data in their research. The aim of the analysis is to discover identifiable qualities or statements that constitute the conceptual horizon of the material in order to extract specific and valid conclusions. Content analysis can achieve the reorganisation of information, containing the evidence in order to achieve the above purpose (Vamvoukas, 2002).

A special case of content analysis is thematic or semantic analysis. Here, we consider as a category the importance of groups of words, and this is based on the idea that speech is a declarative behaviour and is revealing of the centres of interest, opinions, beliefs, fears and general emotional state of a person or a group. The analysis focuses on concepts, meanings or revoked issues regarding the object of study, whilst information is gathered about the object and how it is perceived by individuals or by groups (opinions, beliefs, interpretations). The phrase (as part of a separate conceptual context) or topic (as part of the plea corresponding to a concept), are used for selecting and rationalising the categories which encapsulate the main content of a text, of a communication. Content analysis is divided into sections, allowing the quantification of the results and further comparison, subject to the equivalent calculation of the units of classification. Each section of analysis allows taking into account information under investigation only once. Thematic or semantic analysis allows the functionalisation of independent variables, the suppression of parasitic effects of certain variables, and the quantification of results (Vamvoukas, 2002).

In this research, interviews with employees and the HR manager constitute the empirical content of the content analysis. That is, the empirical content of the analysis includes their spoken responses to my posed questions. The first step of applying the content analysis method included determining the coding unit. The coding unit may be a word, a group of words, a phrase, a sentence, a paragraph, a theme or a whole text. In this investigation, the coding unit of content analysis I applied was the respondent's entire answer to a question. I selected the central concepts of the whole of the answer, which I sometimes had to reword, transformed them into categories and then analysed them accordingly. The second step covered the configuration of the categories. The main ideas arising from the analysis of participants' responses form the categories, and so each answer is recorded into different categories. That phase was followed by comparison. Having reorganised the material, comparisons should be made. In this research, the comparison was made between the answers participant-employees provided to each question. Finally, interpretation and discussion of the findings took place. This research focused on the semantic content of the responses. In the following chapters, I will elaborate on discussing and interpreting the findings.

For processing and analysing qualitative data (Computer Assisted Qualitative Data Analysis-CAQDAS) I tracked a lot of general and some more specialised electronic programmes and software packages (Josephides, 2002). There are the oldest forms of software (known as text retrievers) and the theory builders, in which the software constructs a theory or even prints mental maps on paper, directed by the codes that the researcher has decided upon. The codes are nothing more but ideas, generalisations, or even keyword phrases within the same text. These software packages consider as inputs both the text from the recording of interviews and the researcher's notes and audio files and images. Some of the most widespread software packages in the category of theory builders are Atlas.ti ([www.atlasti.com](http://www.atlasti.com)), Nvivo ([www.qsrinternational.com](http://www.qsrinternational.com)), Observer XT ([www.noldus.com](http://www.noldus.com)), NUD \* Ist ([www.qsrinternational.com](http://www.qsrinternational.com)) and Transana ([www.transana.org](http://www.transana.org)). Some of these packages, besides being data analysis tools, can be used as instruments for collecting data, since they have features for recording and saving files in many forms. The use of such packages has raised concern among researchers, mainly because there is theoretical pressure from trading houses and publishers to consider as good and reliable qualitative research only that which has been conducted based on particular software.

In the case of this research, I used the software program NVivo 9. Nvivo is mainly used for qualitative analysis based on notes and text files that have arisen from observation and does not make extensive use of video, audio or other sources. There are many similar tools that attempt to achieve text analysis as Nvivo does, but without the same success. The reason I selected to use Nvivo is that it is one of the most reliable and widely used pieces of software in this category. Observer focuses on data analysis of ethnographic observation, Transana is a qualitative data analysis tool that gives the researcher the opportunity to watch the video activities that were assessed, and Atlas.ti appears to be less user friendly and more complicated than NVivo. Moreover, NVivo provides continuous online support for any occurring problems, whereas updates from the program site are adequate and frequent.

In order to ensure objectivity, I was careful to approach the subject through a balanced and neutral perspective, whilst I revised my encoding with a colleague in order to avoid any biases. As a researcher, I was not biased when gathering or analysing data, whilst I reported my findings and recommendations in an unbiased way.

### **6.15.2 Triangulation**

Understanding the limitations and difficulties inherent in a research project, triangulation was used; an approach that many accept in principle but only a minority actually use. Triangulation refers to the use of multiple methods to examine a complex human behaviour or a complex situation such as diversity management, through more than one lens. Given that ensuring validity is a desirable state for the researcher, by using triangulation I am obtaining it through the cross-tabulation of multiple data.

Regarding my research, a variety of data resulted from the combination of different types of triangulation. Firstly, a methodological triangulation was employed to achieve a holistic understanding of the research situation. Thus, I used a variety of data collection methods such as questionnaires, semi-instructed interviews, diary research, and observations to the organisation. Aiming to achieve combined levels of triangulation, I used more than one level of analysis, derived from the three main levels used in the social sciences, namely the individual level, the level of interaction and level of collective activity. In light of this, I involved in the research process seven employees, their manager, as well as the HR manager of the organisation. Thus, I tried to survey all the potential stakeholders affecting, directly or indirectly, perceptions of employees on diversity management.

### **6.16 Scope and limitations**

As Carr and Kemmis (2005) propose, research can be a collaborative activity and its main benefits lie in getting individuals involved in the process of becoming connoisseurs of more areas under discussion, thus expanding and transforming their knowledge and learning how to function as a team towards achieving their common objectives. This process generates new patterns of teamwork and communication, whilst it encourages concrete experiential representation aligned with day-to-day knowledge. It also promotes creativity, systematic work and the cultivation of the imagination.

Therefore, given that I was working as an outsider in the organisation for this inquiry, it was expected that people at first would be reluctant and resistant to allowing me to access the necessary information. Hence, I had to create the appropriate positive environment and an effective team culture that would enable the individuals to unlock themselves. Moreover, given that as a researcher I was introducing some new ideas and changes, I was confronted with the significance of people allowing me to introduce and implement my suggestions.

### **6.17 Research ethics**

In social research, individuals or subjects can be engaged without even knowing it. On some occasions, they may be deliberately misled about the purpose of the research, whilst on others

they may find themselves in circumstances dominated by anxiety and dilemmas. It is vital to deal with moral issues in the early stages of an inquiry and to consider ethics seriously prior to depositing a research proposal (Kerlinger and Lee, 2000). Morality refers to formal rules of behaviour - most often explicitly depicted in books or circulars, and many social professions have codes outlining the boundaries between the permissible and impermissible (Bryman and Bell, 2011). The ethical problems of research can come into sight from very early on; the objective of the research could be rejected due to the likelihood of creating social damage or of acting as a catalyst for a social explosion in the case of conducting research among vulnerable populations.

In a case-study research, things become more complicated since there is a high risk of violating fundamental rights of the individuals due to the assumption of a linear collaboration between the researchers and the objects of the research (Mills, 2000). This type of research goes far beyond mere trust between the observer and the individual: the conduct under investigation plays an active role in the research of investigator.

Analytically, as a researcher, I was obliged to pay particular attention to the following ethical dimensions:

- i. The observation protocol: I had to be particularly careful about informing all the involved stakeholders and getting their endorsement.
- ii. Engagement of the participants: the direct involvement of the individuals had to be utmost, so not to result in a lukewarm rejection.
- iii. Negotiating with all those who were directly occupied, since decision-making had to involve all stakeholders, consciously considering their particularities.
- iv. A thorough progress report had to be prepared in order to maintain the progression of the research, in a transparent framework where each leeway could be considered. All the parties involved had to have the authority to protest against if they feel like doing so.
- v. It was essential for me as a researcher to obtain all the participants' endorsement and approval prior to the observation.
- vi. It was indispensable for me to obtain the approval of the respondents prior to using their words or writings. This referred also to the transfer of statements and verbal expressions, as well as recordings of a conversation.
- vii. I had to take responsibility concerning the fundamental confidentiality and conviction for the participants.
- viii. Attaining the acceptance of the participants concerning the principles of the process was vital for the establishment of the project.

## **6.18 Conclusion**

As in every piece of research, it is important to select the research method to be used properly. This allows the researcher to design the research, and formulate in advance the strategy to obtain, process, and analyse the primary data. This study has adopted a mixed research method, using questionnaires, semi-structured interviews and observation in order to obtain all the information needed. After thorough examination and inspection of the collected information, the data is encoded in order to be recognisable by the software that will produce the results. The target population was chosen based on the interest of its top management in examining the perceptions of employees on diversity management and its relationship with the organisational culture. Any limitations, as well as ethical issues, were taken into account and the study employed risk management techniques to minimise any possible risks that might have jeopardised its validity and reliability as well as ethical perspectives.



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## 7. RESEARCH ANALYSIS

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“There are no facts, only interpretations.”

Friedrich Nietzsche

### **Structure:**

This chapter presents the analysis of both the quantitative and qualitative phases of the research.

### **Content:**

The aim of this chapter is to present the main research framework used, to justify the choice of statistical methods, and to present a thorough statistical analysis of the data.

### **7.1 Introduction**

Inferential statistics are an indispensable tool for researchers, as they allow for the generation of conclusions about populations, using information derived from a plethora of statistical methods. In every research project, the information which needs to be taken into account prior to selecting the appropriate method of testing research questions includes; the research aim(s); the number of independent variables and their different values; the number of dependent variables; the number of available samples; the class of data; and finally the type of statistical control in conjunction with the conditions that must be met for its use. The aim of this chapter is to present the main research framework used, to justify the choice of statistical methods, and to present a thorough statistical and thematic analysis of the data.

### **Methodology**

### **7.2 Sample**

The quantitative part of the research was conducted among the employees of a private organisation in Cyprus. To achieve some degree of representativeness, a moderately large sample size of 70 was selected (out of a population of 150 employees in both the factory and the offices), and respondents with diverse ethnic backgrounds were included. The selection was based merely on the nature of the individuals' work - people working at the factory were excluded, due to their different organisational culture. Though the questionnaire was sent to the 70 respondents, only 30 questionnaires were returned, comprising a response rate of 43%. For the purpose of the quantitative research, the whole population of a particular department – including the HR manager of the organisation - was investigated, since there were no barriers to collecting data from each employee, considering that everyone was present and willing to participate. Therefore, the sampling strategy was intentionally based on the population, since each of the individuals was a member of a team, in which effective diversity management was essential for overall success.

## 7.3 Quantitative analysis

### 7.3.1 Instrumentation

Cross-sectional designs typically come together with the survey method (Robson, 2002). The main research instrument used was a self-completing, validated and simple questionnaire, in order to elicit accurate information and a high response rate, and easy to analyse as it had closed questions (Coolican, 2004; Robson, 2002). Clarity and applicability were checked by piloting the questionnaire on a small sample of employees (Lewin, 2005). Four participants were chosen randomly, and given questionnaires on two occasions two weeks apart. The results matched 100%, showing that this study has a concrete stability. The reliability of the scales was tested using Cronbach's alpha, whilst construct validity was ensured by selecting statements from the works of Bean *et al.* (2001) and Zammuto and Krakower (1991). Content validity of the statements was established by thorough review by a panel of HR professionals, an organisational psychologist and business scholars.

The questionnaire was divided into five sections:

*Section I*- Information regarding the respondent's position, area of expertise, age group, nationality and native language.

*Section II*- Information pertaining to the respondent's experience of working in the organisation and perceptions of how diversity is being addressed, using a 5-point rating scale, with 1= *strongly disagree*, 2= *disagree*, 3= *don't know*, 4= *agree*, 5= *strongly agree* (with Cronbach's reliability value of .661).

*Section III* - Information pertaining to the respondent's experience of working in teams, using a 5-point rating scale, with 1= *strongly disagree*, 2= *disagree*, 3= *don't know*, 4= *agree*, 5= *strongly agree* (with Cronbach's reliability value of .525).

*Section IV* – Information pertaining to the respondent's perception of how the organisation deals with diversity, using a 5-point rating scale, with 1= *strongly disagree*, 2= *disagree*, 3= *don't know*, 4= *agree*, 5= *strongly agree* (with Cronbach's reliability value of .826).

*Section V* - Information pertaining to the respondent's experience of the organisational culture, using a 5-point rating scale, with 1= *strongly disagree*, 2= *disagree*, 3= *don't know*, 4= *agree*, 5= *strongly agree* (with Cronbach's reliability value of .953).

### 7.3.2 Techniques of analysis

The data collected from the respondents was analysed through appropriate statistical techniques. Although causality cannot be inferred, data was analysed with SPSS in order to indicate relationships and correlation. The ranking questions were analysed using the Friedman test - a non-parametrical test used to detect differences among rankings. Moreover, questions were analysed using descriptive statistics, whilst differences between groups of different nationalities and native languages were analysed using t-tests, one-way Anova, Kruskal-Wallis and Mann-Whitney U tests.

### **7.3.2.1 SPSS**

The analytical technology of Statistical Package for Social Sciences (SPSS), through forecasting and many other features is considered one of the most powerful competitive tools for a variety of sectors, since it converts data into meaningful information necessary to extract valid and reliable conclusions. For the purposes of this study, I used the basic version, which features simple and complex methods of statistical analysis and enables the graphical exhibition of results. More specifically for the requirements of this research, I initially interpreted the demographics of the sample. Then, I ran control reliability tests for all the independent and dependent variables, and calculated the mean, standard deviation and correspondent *p*-values. Finally, I estimated correlations and conducted statistical tests to identify and present the relationship between the variables.

### **7.3.2.2 T-test**

Single sample t- testing uses data from a sample to test assumptions related to the mean of a population when the variance of the original population is unknown. In this statistical method, population variance is estimated using the variance of the sample. The null hypothesis states a particular value for the mean of the unknown population, resulting from the change of the independent variable (Coolican, 2004).

### **7.3.2.3 Chi-square test**

Chi-square control is a very useful statistical criterion, as it can be used to evaluate a large number of cases associated with categorical data. It examines a null hypothesis, declaring that the frequency distribution of a series of certain events observed in a sample is consistent with a particular theoretical statistical distribution (Coolican, 2004).

### **7.3.2.4 Pearson correlation**

Correlation is a statistical technique that enables the researcher to observe two variables in the natural environment (uncontrolled environment), and to identify and measure accurately the relationship between them. The correlation coefficient's values range from -1 to 1. If the value is positive, then the two variables tend to change in the same direction, i.e. when one increases, the other increases as well. Conversely, if the value is negative, then the variables have the tendency to move in the opposite direction, namely, when one increases the other decreases. The greater the value of the correlation coefficient (regardless of its sign) is, the greater the relationship between the two variables. In the extreme case that the two variables have a correlation coefficient of 0, the researcher can conclude that there is no relationship between the two variables (Coolican, 2004).

Although there are several techniques for calculating the linear correlation coefficient depending on the available data (quantitative and qualitative), the most commonly used method is to calculate the Pearson correlation coefficient.

### **7.3.2.5 One-way ANOVA test**

The analysis of variance is used to test hypotheses in independent sample studies. The researcher selects a sample for each different value of the independent variable, and tests

hypotheses comparing the mean values of these samples. The null hypothesis states that there is no difference between the mean values of all the samples. It is evident, therefore, that if the researcher ultimately rejects the null hypothesis, it can be claimed that the samples are different (Robson, 2002).

#### **7.3.2.6 Kruskal-Wallis test**

The Kruskal-Wallis test is analogous to the F-test used in the analysis of variance. While the tests used in the analysis of variance depend on the assumption that all populations under comparison are normally distributed, the test of Kruskal-Wallis does not impose such restrictions in comparison (Robson, 2002).

#### **7.3.2.7 Mann-Whitney test**

Although it is primarily used to test whether we have two independent samples, the Mann-Whitney test can be applied in many different situations. The usual case is that the researcher has two independent samples from two populations, possibly different, and wants to use a statistical test to examine whether the null hypothesis of the two populations being identical can be rejected. That is, the researcher wishes to detect differences between the two populations, based on random samples from these populations (Robson, 2002).

### **7.3.3 Respondent profile**

The profile of respondents is presented in Table 1. As we can see, the majority of the respondents were working in a professional position (50%) rather a managerial (23%) or technical one (10%), and in sciences (23%) and administration (13%) departments. In terms of age group, the majority of respondents were in the 26- to 35-year age group (50%), followed by the 36- to 45-year age group (23%). Most of the respondents had been working for the organisation for 3-5 years (33%), followed by 6-10 years (30%) and 1-2 (17%). In terms of nationality, the vast majority were Cypriot (77%), followed by non-Greek foreigners (20%). The native language of the majority of the respondents was Greek (60%), followed by English (27%).

<b>Variable</b>	<b>Sub-category</b>	<b>Number</b>	<b>Percentage</b>
Position in the organisation	Managerial	7	23%
	Technical	3	10%
	Professional	15	50%
	Other	5	17%
Area of the organisation working in	Marketing	1	3%
	Sciences	7	23%
	Human Resources	2	7%
	Engineering	3	10%
	Administration	4	13%
	Customer Service	1	3%
	Other	12	40%
Age	15-25	3	10%
	26-35	15	50%
	36-45	7	23%
	46-55	2	7%
	56-70	3	10%
Years working for this organisation	Less than 1	3	10%
	1-2	5	17%
	3-5	10	33%
	6-10	9	30%
	11-10	3	10%
Nationality	Greek	1	3%
	Cypriot	23	77%
	Other	6	20%
Native language	Greek	18	60%
	English	8	27%
	Other	4	13%

**Table 1:** The profile of the respondents

## 7.4 Findings and discussion

### 7.4.1 Employees' experience of working in this organisation

The analysis of the experience of the employees working in this organisation is shown in Table 2. It was found that, overall, employees feel that they are treated with respect and dignity (mean 4.20), whilst there is evidence suggesting that the organisation provides its employees with equal opportunities for training and career development (mean 4.03). Research revealed that employees do not hear any offensive racist or sexist jokes, nor do they see inappropriate behaviour (that makes them feel uncomfortable) based on peoples' differences (mean 1.57), and they have never experienced harassment, bullying or discrimination from other employees in the organisation (mean 1.70). Overall, employees stated that they feel positive about diversity in their workplace (mean 4.17), whereas the asymptotic significance, 0.332, does not show statistical significance at the 5% level.

Considering that diversity management is the active and conscious development of a strategic, communicative and administrative procedure with a future orientation and driven by values; a procedure which accepts and uses differences and similarities as an asset to a company and; a process that adds value to the company, then the fact that employees feel positive about diversity in their workplace is a positive sign. However, we cannot ignore the fact that the organisation has not established any formal diversity and equality policy. Hence, it is also possible that the respondents claimed to feel positive about diversity in the organisation, firstly because there is no awareness around the term and therefore they cannot objectively reflect on the organisational diversity climate, and secondly because they might feel positive about the absence of diversity and diversity management. Nevertheless, in order to avoid any potential conflict or reaction in the future, diversity must be defined in a wide and all-encompassing manner. The definition of this concept should make clear to employees that everyone is included, and therefore everyone's diversity is appreciated and valued in a well explained and formally established institutional way.

Furthermore, taking into consideration the high percentage of local employees, we could argue that the positive working experience is justified by social identity theory and attraction-selection-attrition theory (Schneider *et al.*, 2001). According to these, employees tend to be attracted and evaluate more favourably the capabilities and competencies of members of their own group, irrespective of individual qualifications or characteristics (Hewstone, 1990). Therefore, the absence of an innovative system of recruitment and selection of candidates, aligned with the lens of effective diversity management, enhances person-environment fit (Schneider *et al.*, 2001) thus creating a homogenous organisational team, which could be justifying the positive diversity score on our survey.

It is therefore crucial for the organisation, in order to appreciate diversity, to ensure that it is diverse on every level - not only in the secondary but also in the primary dimensions of diversity.

<b>Experience of working in this organisation</b>	<b>Mean</b>
Respect and dignity	4.20
Equal opportunities for training and career development	4.03
Offensive racist or sexist jokes	1.57
Experience harassment, bullying or discrimination	1.70
Positive about diversity in the workplace	4.17
Friedman's chi-square	4.591
Cronbach's alpha	0.661
Asymptotic significance	0.332

**Table 2:** The experience of employees working in this organisation

#### **7.4.2 Employees' perceptions on working within a team in the organisation**

The analysis of the experience of the employees working within a team in this organisation is shown in Table 3. Evidence indicates that employees feel that they are included in decision making by their manager (mean 3.70), and that the way they work indicates an understanding of the different needs and expectations of all types of customers (mean 3.90). Moreover, it seems that respondents' work groups do not experience any relationship problems or mistakes caused by differences between people in the group (mean 2.73) and that the training they receive at work helps them deal with the diversity of their workforce and customers (mean 3.60). Overall, employees claimed to feel included by their work group (mean 4.07). The *p* value is 0.000 and suggests that the five statements are significantly different in their effects on shaping the experience of working within a team in this organisation.

Interestingly enough, employees claimed to receive an adequate diversity training which ultimately guides and supports them on how to deal with customers and colleagues' diverse values and perspectives. Yet, the organisation has not established any diversity management policy nor it provides any form of training. Hence, their responses indicate the high degree of necessity for designing and implementing an appropriate policy, starting with raising awareness amongst the employees. They claimed adequacy of the (non)existing program, simply because they do not know what that is; they cannot miss nor claim something they are not aware of.

To a great degree, the effectiveness of a group depends on the successful use of different personal characteristics, knowledge and skills that its members possess. The selection of the best professionals for a task undertaken by the group is a necessary but not a sufficient condition for the effectiveness of the team; the appropriate combination of people should be aimed for too. Investigating the heterogeneity of groups is complex, because we have to take into account various types of heterogeneity, including differences in demographic

characteristics, personality and knowledge, various types of tasks, simple and complex tasks, and different ways of measurement, including mean and variance. Thus, concluding about the usefulness and better use of heterogeneity becomes a very difficult process. An important feature that affects the performance of the individual within the context of a team is also the stress felt in regard to group or individual work; that is, if the person prefers to work in a team environment or alone. Beyond this, however, the impact that the composition of the team has at the level of performance is not simply a summation of individual characteristics, but has more to do with how they interact with these different characteristics over time.

Heterogeneity can lead to the desired performance, but it might not if not managed properly. There have been strong results to support homogeneity or heterogeneity within a group. The similarity between the members can have a positive impact on communication, while diversity may have a positive impact on performance, offering the group a variety of knowledge and skills, creativity and innovation. It seems that the effect of homogeneity and heterogeneity depends by some means on the type of work performed, but also upon the inclusiveness of the organisational culture.

<b>Experience of working within a team in this organisation</b>	<b>Mean</b>
Manager includes all members in decision making	3.70
Understanding of all customers' needs and expectations	3.90
Relationship problems due to differences within group	2.73
Training received helps employees deal with diversity	3.60
Inclusion by workgroup	4.07
Friedman's chi-square	32.833
Cronbach's alpha	0.525
Asymptotic significance	0.000

**Table 3:** The experience of employees working within a team in the organisation

### **7.4.3 Employees' perceptions of the way the organisation deals with diversity**

The analysis of the way employees perceive diversity management in the organisation is shown in Table 4. Evidence indicates that employees feel that they are treated with respect by their manager (mean 4.40), and that senior management shows practical support for the equal opportunities policy (mean 3.97), anti-discrimination policy (mean 4.10) and diversity management policy (mean 3.87). Moreover, it seems that employees can talk openly with managers about issues related to diversity (mean 3.70), that managers visibly challenge any incidents of racism, sexism or other forms of discrimination (mean 3.87) and there is an overall feeling that the organisation is open to change (mean 3.70). The *p* value is 0.001 and

suggests that the seven factors are significantly different in their effects on shaping the perceptions of the employees on how the organisation deals with diversity.

Achieving a difference with a degree of influence requires a fundamental shift in the assumptions of the company's culture, as well as changes in key systems and practices used to support customers and employees. Though employees declare that they are treated with respect by upper echelons, still the absence of an established diversity management procedure can severely hurt any attempts for effectively managing diversity. Without investing heavily in both time and labour, the company will not be able to adopt fully the estimated standard diversity. Thus, it is important to elaborate the strategic and economic arguments for the assessment of diversity, as the development of business practice enhances the likelihood of acceptance and full adoption.

In order for diversity to be managed properly and effectively, the company needs to establish a highly transparent performance management system that will be developed in an orderly manner after consultation with many internal stakeholders. Upper echelons need to provide guidance for diversity management, covering the entire range of the company, whilst specific prioritising and evaluating criteria must be set. The performance measurements must take place, regardless of racial or ethnic origin, skin colour, gender and religion. This is extremely difficult, as most individuals are not familiar with their own perception criteria. Furthermore, as cultural distance is “both constructed and interpreted by the perceivers, and it is influenced by experience and history” (Chapman, *et al.*, 2008, p.218), we cannot afford neglecting the fact that the degree of effectiveness of any attempt to manage and promote diversity depends merely on the understanding, experiences and thus perceptions of the individuals involved.

<b>How employees think the firm deals with diversity</b>	<b>Mean</b>
Managers treats everyone with respect	4.40
Senior management shows practical support for Equal Opportunities policy	3.97
Senior management shows practical support for Anti-discrimination policy	4.10
Senior management shows practical support for Diversity management policy	3.87
Can talk openly with managers about issues related to diversity	3.70
Manager visibly challenges incidents of racism, sexism or other forms of discrimination	3.87
The organisation is open to change	3.70
Friedman's chi-square	22.397
Cronbach's alpha	0.826
Asymptotic significance	0.001

**Table 4:** How employees think the firm deals with diversity

#### **7.4.4 Employees' experience of the department's character**

The analysis of the way employees experience their department's character is shown in Table 5. It was found that the department is willing to stick their necks out and take risks (mean 4.14), and that the manager seeks to develop employees' potential (mean 4.57), encourages employees to take risks and be innovative (mean 4.43), expects employees to follow established rules (mean 4.57) and helps employees to meet the Department's aims and objectives (mean 4.43) There is also evidence to support the idea that the company is not a strictly bureaucratic organisation (mean 3.14). The *p* value is 0.001 and suggests that the six parameters are significantly different in their effects on shaping the employees' experience on the department's character.

Leading and managing a complex organisation is a challenge that goes beyond logical management and requires peculiar skills and behavioural complexity, as well as skills that distinguish great leaders from the rest (Belasen, 1998). These so-called peculiar skills include conflicting options or situations that require simultaneous resolution. For example, leaders want their companies to be flexible and responsive to changes in the environment, but, at the same time, they seek stability and integration. They pursue greater efficiency and profitability, but also seek to maintain a high level of commitment of the staff. The art of effective leadership today lies precisely in the ability to reconcile incompatible demands rather than choosing between them. Leaders must learn to consider ambiguity and paradoxes through a new culture; a culture that combines and optimises rather than splits and diversifies.

<b>Employees' experience on the department's character</b>	<b>Mean</b>
Department willing to stick necks out and take risks	3.67
Bureaucratic orientation	3.57
Manager seeks to develop employees' potential	4.10
Manager encourages employees to take risks and be innovative	3.87
Manager expects employees to follow established rules	4.27
Manager helps employees to meet the Department's goals and objectives	4.20
Friedman's chi-square	20.507
Cronbach's alpha	0.741
Asymptotic significance	0.001

**Table 5:** Employees' experience of the department's character

#### **7.4.5 Employees' experience of the fairness of employment practises in the organisation**

The analysis of the way employees experience the fairness of the organisation's employment practises is shown in Table 6. It was found that the company uses job relevant criteria in personnel decisions (mean 3.80), ensures that selection measures are not potentially unfairly discriminatory (mean 3.67), examines remuneration policy to identify discrimination (mean 3.63) and monitors systems for employment equity legislation compliance (mean 3.60). However, there is no evidence to suggest that it pays the same for doing the same work (mean 3.13), or has equitable systems for recognition, acknowledgement and reward (mean 3.37), whilst employees claim that the workplace is not really designed to be accessible to disabled individuals (mean 3.03). The *p* value is 0.000 and suggests that the factors are significantly different in their effects on shaping the employees' experience on the fairness of the organisation's employment practises.

The results indicate that the organisation needs to invest in establishing and promoting a comprehensible and approachable framework of fair organisational employment practises. Thinking about diversity is what distinguishes effective managers from those who pretend devotion to the need for change. The company needs to consider the diversity of specific groups of divisions, groups and programs, and to take into account skills, talents, experiences, personal characteristics (such as gender, age and immigrant background) and roles. This detailed knowledge will facilitate the eventual creation of innovative teams and will generate new ideas. By the time that an inferior employee evaluation has occurred (namely discrimination or devaluation based on personal characteristics), then this should be immediately addressed and treated accordingly. The company must develop an innovative system of recruitment and selection. Management should be in a position to clarify and identify what kind of people they need, what skills and profile the candidates should fulfil.

Addressing questions like “where can we find extremely diverse talented people regardless of ethnic / national origin?” and “how are we to search for and attract them?” should be at the core of the human resource management policy.

<b>Experience on the fairness of the organisation’s employment practises</b>	<b>Mean</b>
Company monitors systems for employment equity legislation compliance	3.60
Company ensures that selection measures are not potentially unfairly discriminatory	3.67
Company uses job relevant criteria in personnel decisions	3.80
Company examines remuneration policy to identify discrimination	3.63
Company pays the same for doing the same work	3.13
Company monitors unfair discrimination	3.67
Company has equitable systems for recognition, acknowledgement and reward	3.37
Company ensures equitable notification for job openings	3.43
Company ensures that advertisements of positions are accessible to designated groups	3.57
Company addresses and eradicates stereotypes and prejudices	3.43
Company designed the workplace to be accessible to disabled individuals	3.03
Friedman’s chi-square	36.187
Cronbach’s alpha	0.907
Asymptotic significance	0.000

**Table 6:** Employees’ experience of the fairness of the organisation’s employment practises

#### **7.4.6 Employees' experience of the promotion of inclusiveness in the organisation**

The analysis of the way employees perceive the promotion of inclusiveness in the organisation is shown in Table 7. It was found that the company creates awareness of diversity issues within the workplace (mean 3.53), encourages the appreciation of differences (mean 3.60) and shows an awareness of diversity concerns of all groups (mean 3.67). There is also evidence to support that the company supplies information in a manner and format that is accessible to all employees (mean 3.80) and facilitates employee-socialisation (mean 3.53). However, there is a gap in consulting employees on ways of implementing diversity management (mean 3.13), on providing diversity awareness training (mean 3.03), on facilitating discussions on diverse employee values and needs (mean 3.10), and in general on promoting the value and appreciation of diversity amongst employees (mean 3.43). The *p* value is 0.000 and suggests that the factors are significantly different in their effects on shaping the employees' experience on the promotion of inclusiveness.

The promotion of equality within the company is an example of democracy and contributes to the general objective of promoting human rights. Furthermore, it gives the opportunity to develop personal potential, to express ideas, and contribute to the development of the company. Practice has shown that the promotion of equality can have a positive impact on the productivity and quality of production. Further, it paves the path for optimising the management of change and reconciling the social development of the staff through the enhanced organisational competitiveness.

Discrimination is directly attached to lost opportunities and limited growth opportunities for the business itself. If employers and personnel managers limit the pool of necessary talents and human resources, then the organisation will not be able to benefit from the current and future development opportunities in industry. A balanced, diverse workforce will attract the best candidates and widen the choice of talent, experience and individual capabilities, which will lay the foundations of organisational excellence.

<b>Experience on the promotion of inclusiveness</b>	<b>Mean</b>
Company creates awareness of diversity issues	3.53
Company encourages the appreciation of differences in the firm	3.60
Company shows an awareness of diversity concerns	3.67
Company supplies information in a manner that is accessible to all employees	3.80
Company facilitates employee socialisation	3.53
Company consults employees on ways of implementing diversity management	3.13
Company provides diversity awareness training to all employees	3.03
Company facilitates discussions on diverse employees needs and values	3.10
Company promotes the value and appreciation of diversity amongst employees	3.43
Friedman's chi-square	63.644
Cronbach's alpha	0.942
Asymptotic significance	0.000

**Table 7:** Experience of the promotion of inclusiveness

#### **7.4.7 Employees' perception on the inclusiveness of the organisational climate**

The analysis of the way employees perceive the inclusiveness of the organisational climate is shown in Table 8. It was found that employees are respected in the organisation (mean 4.00), different opinions are appreciated and considered as legitimate (mean 3.83) and the perspectives of all employees are respected (mean 3.83). Furthermore, company values differences in its employees (mean 3.77) and employees feel that they are part of the organisation (mean 3.73). The asymptotic significance, 0.214, does not show statistical significance at the 5% level.

Equality is not a short-term goal. It relates to changes that need to occur in the behaviours, attitudes, norms and values of the members of an entire society within larger systems. The company constitutes one of these systems. For each change to be successful, it requires commitment, especially on behalf of its upper echelons. For this change, the top management must be committed to the goals set to achieve it. Experience has shown that no improvement or change can be accomplished without changing the attitudes and behaviours of management. A committed management, after accepting the challenge of change, can be a driver in the development of a new diversity policy and strategy and the nurture of conditions

that would allow everyone to adapt to this strategy. To leave one's old habits and attitudes for the sake of new demands requires a large pool of trust and engagement.

The core values, conditions, goals and beliefs that guide the way in which a company operates and that may still reflect the values of the founders of the company, are what determine organisational culture and the way is perceived by the outside world. In addition, a vital part of the process to promote equality within a company is through having every member of the organisation realising the importance that equality and non-discrimination has for them.

The commitment to equality must be demonstrated in practice. Compliance with labour regulations, corporate social responsibility, equality policies in the context of personnel management, equality committees or councils involving senior managers, are some ways in which the top management can prove their commitment to equality.

<b>Experience on the inclusiveness of the organisational climate</b>	<b>Mean</b>
Employees are respected in the organisation	4.00
Company values differences in its employees	3.77
Diferent opinions are appreciated and considered as legitimate	3.83
Employees are not scared to speak up	3.53
Employees feel welcome in the organisation	3.80
Employees feel that they are part of the organisation	3.73
Everyone is encouraged to make a unique contribution	3.67
The company has a culture of openness to diverse views of employees	3.73
Perspectives of all employees are respected	3.83
Friedman's chi-square	8.346
Cronbach's alpha	0.931
Asymptotic significance	0.214

**Table 8:** Experience of the inclusiveness of the organisational climate

## **7.5 Analysis according to respondents' nationality**

### **7.5.1 Employees' perceptions of workgroup factors, organisational factors and organisational culture according to nationality**

The analysis of differences between employees of different nationality is shown in Tables 13-26. Research revealed that overall there were not significant differences between Cypriot and non-Cypriot employees. Regardless of their nationality, employees stated that managers treat everyone with respect, that senior management shows practical support for equal opportunities, anti-discrimination and diversity management policies, that they can talk openly with managers about issues related to diversity, that managers visibly challenge any incidents of racism, sexism or other form of discrimination, and that the organisation is open to change. However, there is evidence to suggest significant differences among Cypriots and non-Cypriots as regards recruitment processes and diversity training. The one-way Anova, Kruskal-Wallis and Mann-Whitney U tests corroborated these findings (Table 24, p. 220).

Differences of perceptions and feedback on the absence of diversity training and inadequacy of some human resource management practices can be justified by employees' potential experience of working abroad. Whilst some organisations abroad play an important role in supporting the efforts to increase diversity in the workforce and tackle under-representation of disadvantaged groups, and propose innovative and proactive initiatives to address social exclusion, enhance development skills and bridge the gap between employers and community, in Cyprus the levels of public diversity awareness are to a great extent low. Thus, people who were exposed to a diversity-aware workplace can easily identify and challenge the absence of a clear and established vision of equality and inclusion. As most companies have mono-cultural backgrounds (namely individuals in managerial positions are mostly men aged between 30 and 40 years, of the predominant ethnicity), they are likely to follow a restrictive and biased method in environmental analysis and adopt a narrow perspective to approaching the requirements for any change. In order for the organisation to overcome such limitations and to broaden this perspective, senior managers could establish a preparatory group (a Diversity Organising Committee) consisting of dedicated people from diverse backgrounds. This Committee must be given a clear mandate, whereas its aim should be to ground a clear contractual basis for the collaboration with the senior management of the company.

The formation, though, of employees' perceptions of workgroup factors, organisational factors and organisational culture can be somehow justified through the lens of learning theories. The cognitive approach emphasises the cognitive process of categorisation. According to this approach, stereotypes are cognitive structures including the knowledge and beliefs that people have for one group.

According to Tajfel (1981; 1978), individuals tend to categorise the various social stimuli thus leading to stereotypical perceptions and attitudes. By and large, people tend to maximise the differences between the groups, while they are striving to eliminate them, once they find themselves being a member of one of those categories. Therefore, individuals on the one hand classify themselves into specific group-categories and on the other hand create other

groups, alien to them. Stereotypes arise because the person simplifies complex stimuli received from the environment. More specifically, stereotypes arise from the correlation between a categorisation, like gender, race, ethnicity and sexual orientation, and a dynamic dimension, as attributes and behaviours of the person.

In order for people to understand better and more holistically their broader environment, they classify the stimuli received in various categories. Through categorisation, the process of organising stimuli, the person is able to accept a larger amount of information because it can be assimilated more easily. By the same token, the categorisation helps the person to immediately recognise into which category a stimulus falls and thus determines the behaviour to be taken against it. Although perceptions of subjects in the world are limited to some extent by a degree of objectivity of social stimuli, their own interpretive approaches do not respond consistently to the real attributes of persons or situations that they attempt to understand. A major source of conflict between subjective meanings and the so-called objective truth is the undertaking of inference procedures that easily use discoverable features of social stimuli, to lead to confirmed characteristics, which are not apparent in the original conceptual approach. Stereotypes are a classic case of this process, and refer to our tendency to designate people in cognitive categories and to behave to them as though they were similar to each other. Stereotypes are hence defined as oversimplified, usually mental images of a category of individuals, institutions or events, which is common as regards to its fiducial characteristics to a considerable number of people (Fiske and Morling, 1996). Therefore, in light of this, stereotypes are the result of a human cognition, categorisation, which are used by the individual as a receiver of social stimuli in an attempt to classify and organise the variety of the external surrounding environment. Taking note of the definitions, stereotypes are social categories stemming from this human function and refer to erroneous impressions, but serve the individualistic need of trying to organise the complexity of the surroundings (Fiske and Morling, 1996).

In general, however, it is interesting to have observed that there was no statistical evidence to support differences among the perceptions of Cypriots and non-Cypriots. This could be an indicator of an organisational culture towards human commitment, where individuals feel themselves to be equal members of a social group. The organisational place in which individuals are asked to operate is complex and has its own special cultural character, which limits and defines professional demeanour. In this particular organisation, we notice each person is invited to follow appropriate work behaviour rules, which are defined through working relationships with subordinates and superiors. These rules help maintain a uniformity, togetherness and cohesion, which contributes to maintaining and raising the prestige of both the members forming the labour group and the working area in which they work. The greater the unity and cohesion are in the workplace, so high will be the cooperation, efficiency and productivity of its members.

Considering the absence of a diversity management policy, the alignment of employees' perceptions regardless their nationality could also be justified through the social identity theory and person-organisation fit that was previously mentioned (Schneider *et al.*, 2001). The focus of the theory is the identity of the person, which is composed of two parts: personal

and social. The personal identity consists of elements that characterise the person and their personality. Social identity results from the participation of the individual in a group or in a number of groups. The groups that a person feels to belong to, provide him or her with a social identity and a definition of who he or she is. For example, one can define and describe themselves as employees of the particular organisation, if they consider that they belong to the particular social group. Each person can have many social and personal identities, according to the different social groups to which they belong and always subject to the personal relations under which they define themselves. However, a functional measure of the behaviour of the individual in the group is the social identity of the individual. That is, within the group, individuals activate those features and behaviours related to their status as a member of that group.

In a not opposite end of the same continuum, we observe employees of this organisation, to claim satisfaction and appreciation of the organisation culture, irrespective of nationality. Recalling the notion of attraction-selection-attrition, it is rational for individuals being part of a homogenous wider group, to be positively biased towards the organisational culture that promotes their “likeliness”. In consideration of the impact of nationality in the perception on diversity training, this can receive a two-fold justification. On the one hand, either, as aforementioned, employees having worked abroad and being exposed to the heavy diversity awareness campaign and requirements that are imposed in the UK and most EU countries, are conscious of what the organisation should be doing and reflect the realisation of the absence of those practises in their responses. Alternatively, on the other hand, they are encompassing a more general negative experience of working and living in Cyprus -of not appreciating and promoting diversity at societal and institutional level- in their replies.

The same stands for the difference noticed among the perceptions on rules of employees of different nationalities. Non-Cypriots, realise that managers expect employees to follow established rules and behave in a certain way, because they were nurtured in a social environment where the smooth operation of any social group is a function of the establishment and respect of rules and processes. Cypriots on the other hand, form a less rule- and more relationship- centred society, where importance is paid on who you know and what type of relationship you establish, rather on formalising procedures. Considering the dynamic character of culture however, and the amalgamation of different cultural backgrounds and norms in the island nowadays, there is a shift in local organisations’ strategies, with more focus to be placed on designing and implementing formal processes. Hence, the organisation under investigation needs to adopt accordingly, starting firstly by diversity related policies.

	Mean	SD	t-test	Sgf	Mean square	F	p	Mean square	$\chi^2$ cal	p
Company monitors systems for employment equity legislation compliance										
Non-Cypriot	2.83	.753	.096	.759	2.966	4.637	.019	16.740	5.369	.020
Cypriot	3.79	.833			.640			8.330		
Company ensures that selection measures are not potentially unfairly discriminatory										
Non-Cypriot	3.00	.632	1.088	.306	2.377	4.613	.019	16.700	5.211	.022
Cypriot	3.83	.761			.515			8.500		
Company uses job relevant criteria in personnel decisions										
Non-Cypriot	3.17	.753	.122	.730	2.070	4.416	.022	16.520	4.278	.039
Cypriot	3.96	.690			.469			9.170		
Company examines remuneration policy to identify discrimination										
Non-Cypriot	3.17	.753	.200	.658	1.632	2.806	.078	16.070	2.035	.154
Cypriot	3.75	.794			.582			10.920		
Company pays the same for doing the same work										
Non-Cypriot	3.17	.753	.537	.470	.664	.810	.455	15.070	.007	.932
Cypriot	3.13	.947			.820			14.750		
Company monitors unfair discrimination										
Non-Cypriot	3.33	.816	0.000	1.000	1.232	1.646	.212	15.740	1.007	.316
Cypriot	3.75	.897			.748			12.170		
Company has equitable systems for recognition, acknowledgement and reward										
Non-Cypriot	3.50	.548	2.325	.139	.299	.306	.739	14.670	.181	.671
Cypriot	3.33	1.049			.977			16.250		
Company ensures equitable notification for job openings										
Non-Cypriot	2.67	.816	.012	.914	3.191	5.072	.013	16.670	4.862	.027
Cypriot	3.63	.824			.629			8.580		
Company ensures that advertisements of positions are accessible to designated groups										
Non-Cypriot	2.83	.983	.410	.527	2.832	3.881	.033	16.430	3.506	.061
Cypriot	3.75	.847			.730			9.500		
Company addresses and eradicates stereotypes and prejudices										
Non-Cypriot	3.17	.753	.037	.849	1.441	3.709	.038	15.610	.712	.399
Cypriot	3.50	.659			.388			12.670		
Company designed the workplace to be accessible to disabled individuals										
Non-Cypriot	2.67	1.211	.115	.737	.904	.657	.527	15.590	.566	.452
Cypriot	3.13	1.154			1.376			12.750		

**Table 9:** Employees' perceptions on fair practises according to their nationality

		Non-Cypriot	Cypriot	U cal	z cal	Significance
Company monitors systems for employment equity legislation compliance	Mean rank	16.74	8.33	29.000	-2.317	.020
Company ensures that selection measures are not potentially unfairly discriminatory	Mean rank	16.70	8.50	30.000	-2.283	.022
Company uses job relevant criteria in personnel decisions	Mean rank	16.52	9.17	34.000	-2.068	.039
Company examines remuneration policy to identify discrimination	Mean rank	16.07	10.92	44.500	-1.427	.154
Company pays the same for doing the same work	Mean rank	15.07	14.75	67.500	-.086	.932
Company monitors unfair discrimination	Mean rank	15.74	12.17	52.000	-1.004	.316
Company has equitable systems for recognition, acknowledgement and reward	Mean rank	14.67	16.25	61.500	-.425	.671
Company ensures equitable notification for job openings	Mean rank	16.67	8.58	30.500	-2.205	.027
Company ensures that advertisements of positions are accessible to designated groups	Mean rank	16.43	9.50	36.000	-1.873	.061
Company addresses and eradicates stereotypes and prejudices	Mean rank	15.61	12.67	55.000	-.844	.399
Company designed the workplace to be accessible to disabled individuals	Mean rank	15.59	12.75	55.500	-.752	.452

**Table 10:** Employees' perceptions of fair practices according to their nationality

### **7.5.2 Employees' perceptions of the organisation's diversity policies according to native language**

The analysis of differences between employees with different native languages is shown in Tables 27-40. Research revealed that there were not significant differences between Greek and non-Greek native speakers. Regardless of their native language, employees stated that managers treat everyone with respect; they can talk openly with managers about issues related to diversity; managers visibly challenge any incident of racism, sexism or other form of discrimination; and that the organisation is open to change. The one-way Anova, Kruskal-Wallis and Mann-Whitney U tests corroborated these findings. However, it was found that there were significant differences between employees of different native languages as regards to their perceptions of whether senior management shows practical support for equal opportunities, anti-discrimination and diversity management policies: findings that support the analysis conducted for employees of different nationality.

By the same token as before, we can see the impact of working abroad and being exposed to more officially inclusive working environments on the development of perceptions of the organisation's diversity policies.

The consequences of being subject to a minority, in terms of the individual's social identity as this is reflected in the wider social perception, are of both practical and theoretical importance. For example, Kanter (1977) indicated that in a male-dominated trade company, the partners and customers pay more attention to the feminine and non-feminine characteristics of the working female, such as her clothing and appearance, rather than her professional behaviour and performance. Kanter (1977) argues that when individuals belong to a minority, then their gender emerges as the dominant feature. Consequently, their behaviour is more likely to be interpreted in terms of gender stereotypes (Swan and Wyer Jr, 1997).

In the same vein, according to distinctiveness theory (McGuire *et al.*, 1978), it seems that most people tend to pay attention to the characteristics that distinguish them from others in a particular social context. This is particularly reflected in their response to an open type of question imposed during a job interview such as, "Talk to me about you", where they tend to respond defining their identity, through characteristics such as gender, race and age. Conveying this view, it becomes apparent why the interview guides encourage female candidates to describe themselves with more masculine and therefore dominant characteristics, especially when it comes to claim a senior management position.

Taking the theory a step further, towards applicable gender standards in the work environment, Kirchmeyer's (2002) research findings demonstrate the role of gender among middle executives, and states that people often describe the ideal manager in terms of androgynous traits. Namely, they indicate masculinity to include positive and fundamental features, where they assume to convey femininity through expressive and rather passive and trivial attributes.

Kirchmeyer (2002) notes that these findings demonstrate that the working environment has a major impact on the personal characteristics of the employees. On this line of reasoning, employers play an important role in developing the features required in employees to succeed in their career. It is not enough for employers to simply choose during the process of recruitment, individuals who share their desired characteristics. Success also seems to depend on the opportunities that employees are given to develop and strengthen the required and desired characteristics during their professional career. If this becomes evident, it may turn out to be a very important improvement for ensuring the success of women and other non-traditional employees, who may initially have been rejected due to not having the desired characteristics.

It becomes manifest, therefore, that so far the required characteristics for recruiting candidates were formed under the dominant social perceptions of desirable qualities and skills, which were typically associated with a masculine pattern. Thus, the effort of candidates during the selection interview to describe themselves in a way that would be socially desirable is nothing other than a strategic self-presentation, in order to influence positively the judgment of the interviewer(s) (Swan and Wyer Jr, 1997).

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Department willing to stick necks out and take risks										
Foreign language	4.00	.426	12.291	.002	1.299	1.747	.193	11.890	3.245	.072
Greek	3.44	1.042			.743			17.130		
Bureaucratic orientation										
Foreign language	3.50	.905	1.244	.274	.794	1.360	.274	13.190	.116	.733
Greek	3.61	.698			.584			14.190		
Manager seeks to develop employees' potential										
Foreign language	4.50	.674	1.998	.169	2.350	2.266	.123	11.560	4.394	.036
Greek	3.83	1.200			1.037			17.880		
Manager encourages employees to take risks and be innovative										
Foreign language	4.25	.622	4.890	.035	1.657	1.589	.223	12.060	2.441	.118
Greek	3.61	1.195			1.043			16.750		
Manager expects employees to follow established rules										
Foreign language	4.58	.515	.049	.826	2.024	4.623	.019	11.030	7.393	.007
Greek	4.06	.802			.438			19.060		
Manager helps employees to meet the Department's goals and objectives										
Foreign language	4.58	.669	.008	.931	2.490	4.250	.025	10.810	8.782	.003
Greek	3.94	.873			.586			19.560		

**Table 11:** Employees' perceptions of the department's character according to their first language

		Foreign language	Greek	U cal	z cal	Significance
Department willing to stick necks out and take risks	Mean rank	11.89	17.13	43.000	-1.801	.072
Bureaucratic orientation	Mean rank	13.19	14.19	66.500	-.341	.733
Manager seeks to develop employees' potential	Mean rank	11.56	17.88	37.000	-2.096	.036
Manager encourages employees to take risks and be innovative	Mean rank	12.06	16.75	46.000	-1.562	.118
Manager expects employees to follow established rules	Mean rank	11.03	19.06	27.500	-2.719	.007
Manager helps employees to meet the Department's goals and objectives	Mean rank	10.81	19.56	23.500	-2.963	.003

**Table 12:** Employees' perceptions of the department's character according to their first language

### 7.5.3 Phase 2: Interviews

The main research instrument used in the second phase of the research was the semi-structured interview: one of the most commonly used tools in the case of qualitative research, especially in the case study (Peräkylä, 2005; Fontana and Frey, 2005; Coolican, 2004; Robson, 2002). The posed questions were mostly open-ended to allow for greater flexibility, more depth, better clarification of possible misinterpretations, a more harmonious atmosphere and a greater chance for unanticipated or unexpected responses (Coolican, 2004; Robson, 2002).

The existing archival material on policies that organisations in Cyprus have established towards managing diversity was used as a complementary research tool, whilst the legal framework of Cyprus on equality and anti-discrimination was also examined. According to Robson (2002), studying archival material can be a valuable complementary tool and a rich source of information, especially when the research is conducted in organisations.

#### *Procedure*

During the interview, an attempt was made to avoid common mistakes, such as a critical or pressing climate, double-barrelled questions, deliberate guidance of the interviewee, as well as posing any complex and ambiguous questions. In addition, regular feedback was provided to respondents, while there was flexibility in the order of the questions as well as in their wording, and the venue for the interview was ensured to be quiet and the respondent was allowed sufficient available time to avoid distraction (Coolican, 2004). The selected questions were considered reliable and relevant to the purpose of the research, so as not to overload the search with unnecessary and irrelevant information. Alongside, all the rules of ethics (confidentiality, informed consent, anonymity) were fully complied.

## 7.6 Results

### Data analysis

The data analysis revealed the following outcomes:

#### 7.6.1 Experience of working in Cyprus

No country should be considered to exhibit absolute uniformity in its national culture, as individuals differ with respect to the values they consider important due to diverse experiences, personality traits, and perceptions. Nevertheless, it is true that the prevailing values and behaviours leave their footprint on the political and economic organisation of a country, but also in important institutions such as education, thus differentiating one country from another (Thurow, 1993; Albert, 1991). On these grounds, the differences in national culture among members of the same organisation called on to effectively collaborate, can be a genuine challenge for the establishment of a commonly accepted organisational culture.

The challenge lies in the fact that these individuals do not necessarily share the same values, a difference which can undermine effective communication and trust between them - features that are crucial for successful cooperating in a multinational level - thereby reducing their performance and even resulting in conflicts.

Barkema and Vermeulen (1997) were interested to investigate the effect of different national cultures on performance using Hofstede's model of five dimensions. They concluded that when team members differ in two out of the five dimensions, avoidance of uncertainty and long-term orientation, survival and let alone successful performance is uncertain, as the differences in these dimensions reflect the manner in which each member reacts and adapts to threats and opportunities in the environment. Differences are difficult to bridge, compared to the differences arising from the remaining three dimensions of Hofstede, which reflect the different way organisations treat employees.

Therefore, individuals of other than Cypriot nationality working in the organisation are subject to cultural challenges when asked to work in a purely Cypriot family business, headquartered in Cyprus:

I think Cyprus is a nice place to live. Ok sometimes there are cultural differences and sometimes we overcome them with difficulties. I sometimes tell my wife that 50% of the time I want to pick up Cypriots and hug them and tell them how much I love them and the other 50% I want to kill them! So, that's how it is. On average however the feeling is positive. I worked in the UK, but I think there are things that here they do it better than in the UK. You know, it's different. It's like comparing a pair of apples with oranges. That's the way it is sometimes. (Employee 3)

I think the worst cultural thing I cannot get used to and it's so frustrating is gossip. Yeah I am sure this is the worst thing, it's awful when people actually do this. (Employee 6)

The recent 'bail-in' program that was implemented in Cyprus by the Troika (European Commission, European Central Bank and International Monetary Fund) has shaken the foundations of the Cypriot Economy. The impact, however, was not only in economic and financial terms. This unprecedented bailout program created social turmoil, with massive demonstrations by the Cypriot citizens because of the imposed 'haircut' of deposits above €100.000, resulting in investors leaving Cyprus and Cypriot depositors losing their funds.

Undoubtedly, the levy on Cypriot accounts catalytically burdened the economic situation of the vast majority of Cypriot enterprises and radically changed the wider Cypriot business landscape. However, allegedly, the organisation is a minority of companies not burdened, and this is reflected in the working experience of employees who feel particularly safe, with some declaring themselves as even lucky.

It has been found that the sense of job security for workers in times of great economic change and uncertainty is low. On the contrast, it is enhanced during periods of economic stability (Linz and Semykina, 2008). However, the job security that appears to exist in this company exceeds the wider outer-organisational obscurity. Kuhnert, Sims and Lahey (1989) investigated the crucial role of job security for workers' health. Yousef (1998) found that the greater the satisfaction deriving from job security, the greater is the job commitment and performance. The inverse relationship between job insecurity and work engagement and performance was investigated by Rosenblatt and Ruvio (1996). The impact of job security on performance in conjunction with a clear working role was examined by Fried *et al.* (2003).

Especially the last year or so, with the economically negative environment you know, friends ask me “why do you want to live there?”, you know but yesterday I was up in the mountains walking around with my wife and our dogs, it was lovely. Last year when I was in the sea, looking the mountains, you could not find this in the UK. (...).Well, the positive thing about this company is that I look around the social chaos is obvious and this company is doing still well –because it’s able to- and it’s still employing people. (Employee 3)

For me I feel very privileged, because I work in this organisation; it’s one of the biggest organisations for Cyprus’ standards and it’s one of the secure sectors still in Cyprus, especially with the last changes due to the economic recession. So, that’s why I am feeling privileged. (Employee 7-HR manager)

### **7.6.2 Experience of working in the organisation**

During this study, the importance of communication and the organisational language has primarily emerged. Communication exists within each process of the organisation. A primary duty of a manager is to establish effective communication channels and thus create good communication among members of the organisation. Communication is essential for effective decision making, firstly because it is the means by which messages that are relevant to decision making are transmitted, and secondly because it is fundamental to the implementation of decisions. The communication, whether written or oral, formal or informal, serves a type of organisational objective.

I mean like, 'cause we are English based, I mean English is the first language of the company, well I think it is yeah. So that makes it easier for me and everyone in the Department because they are mainly from non-Cypriot backgrounds. (Employee 1)

it's not always possible you need to have clear policies and practices and so on, but still the approach of the management, we do have the open-door policy, which means you can talk to the manager if you want to. (Employee 7-HR manager)

All businesses and organisations need to motivate their employees to achieve the best possible progress towards the accomplishment of the organisational goals and objectives (Pashiardis, 2004; Papalexandri and Bourantas, 2002; Zavlanos, 1998). Motivation, as well as respect and sense of belonging, is directly linked to the satisfaction of their needs out of which a number derives from the working environment (Koustelios, 2001).

The majority of people treat me with respect. (..) I associate with different departments, sometimes there I can see that overall they are understanding. (Employee 1)

Everyone seems to be very helpful. I mean my wife has been recently employed here and everyone has been very helpful about that. (Employee 3)

### **7.6.3 Organisational culture**

Family businesses are universally considered the backbone of the economy. Apart from the large numbers - in most Western economies, family businesses exceed 80% of the total number of businesses – they are a major contributor to the GDP of each country and employ a significant proportion of the labour force (Cooper, 2011). Although most of them are very small, small and medium organisations, they are estimated to produce more than 40% of the GDP and employ more than 35 % of the labour force. Along the same lines, in Cyprus, the majority of organisations are small family enterprises.

The majority of new businesses being set up have the characteristics of family businesses, so we cannot ignore the involvement of family in their establishment. In addition, family businesses combine economic and social reality, and appear as family organisations in order to create family heritage and economic value for remaining in business. The creation of this heritage requires successful succession, and a proper leader is the one who manages to achieve succession in the family business.

The core values and the agreement between members of the family promote cohesion, and appear as the main advantages of family businesses. In particular, family businesses generate economic wealth, distribute goods useful to society, but may be also characterised by a focus on power distance, in which of special interest is the position of women, who traditionally struggle to position themselves as equal among the rest of the workforce.

I mean people higher up I think have more respect, not being offensive to other people that maybe in different sections that someone that's younger than them and has a higher position. (Employee 1)

So, I believe they are doing something right. There is a kind of family feeling here, the senior management makes sure people are looked after. Which I think is really nice they didn't have to but they did things there. I think that's what I like to see you know, these personal things which I don't think I have ever seen them before. And I think this thing is still in Cyprus, families, and people looking after people. (Employee 3)

Well it could be difficult to be heard sometimes, but they won't look down at you, they might not do what you told them, but they won't actually be offending. They just won't listen. I would like to think that this is not because I am a woman, but I think it is. Especially being a young woman and I am not a head of something, so they prefer to speak with something a lot more experienced. I think women in this company with managerial positions are actually heard a lot more and are not having this kind of issues. Just because of position. I think at our company is more about the gender rather than the nationality, because we have so many here. Even the Cypriot between us speak English which is something ridiculous, but now it's part of our culture. (Employee 5)

I believe that because we used to be a family organisation, a family business, so still a culture is, I mean we try to keep that kind of culture. (Employee 7-HR manager)

#### **7.6.4 Establishing policies enhancing effective diversity management**

According to the research, the organisation has not established any specific diversity management policy and any issues arise are often treated by the administration based on goodwill. Though it is important for the company to develop and implement a clear policy to prevent discrimination based on differences in national origin, gender, sexual orientation, age, still the management has neglected to establish a written policy addressing such discrimination on behalf of the personnel. According to the HR manager:

No we don't have any official diversity policy. The unofficial policy that we have is for the gender. We are trying to keep the gender percentage which is 60% to 40%. But nothing formally. Regarding foreigners, we don't have such a policy, but there is no barrier of hiring foreigners, I mean foreigners especially from EU, because if you have non-EU employees, you need to have a work permit from the Ministry of Labour, and since the Ministry does not give work permits due to the high unemployment rates, so by foreigners we mean mainly EU citizens. So, if we find an EU citizen which is suitable according to our needs, we hire them. Just because he or she meets the criteria.

Here, the necessity for increasing awareness on diversity becomes evident; the HR manager claims to be promoting gender equality, which according to the organisation's perception that is equivalent to keeping the 60-40 "balance". This statement highlights the priceless value and significant impact of perspectives on the effectiveness of any diversity related policy and program. If I had decided to design and implement a diversity-training program, without first recording the individuals' perceptions and understanding of the notions, I would have more

likely failed my mission. The absence of a formal institutional policy along with the wider social ignorance, leads to misunderstandings and the construction of erroneous conceptual definitions of diversity and its effective management.

Interesting enough, the majority of the employees have claimed that they never witnessed someone being discriminated against or experienced discrimination themselves.

No what I faced is a misunderstanding, not a discrimination. Maybe due to language, maybe to culture and so on. If you sit and talk with people you will find that there is no intention behind that. So that's why I am not calling that as a discrimination, because most of the times, discrimination is something that is intentional. (Employee 7-HR manager)

whilst a foreign employee has argued that:

I don't have that problem of people facing me as a foreigner. We may have a misunderstanding, but that maybe something that you clear out immediately. (Employee 2)

Suffice it to say here, that the rationale presented in 7.4.1 emerges in the interviews as well. Employees refer to what employees in the UK would have called indirect discrimination (Equality Act, 2010), as misunderstanding, simply because they cannot complain for what they do not know.

However, there were employees who have raised the necessity of establishing a formal diversity management policy, since that would have protected them against discrimination:

Well regarding cross-cultural experiences within the organisation you can categorise them into problem of communication or lack of communication, how to put it, sometimes it looks like there is lack of strategic planning. (...) There isn't any overall policy or plan for developing. There could be one but it would be nice for us to know it. (Employee 4)

No, there isn't any overall policy or plan for diversity. There could be one but it would be nice for us to know it. (Employee 5)

### **7.6.5 Upper management diversity and organisational culture**

The behaviour of upper management plays a key role in shaping organisational culture. Thereafter, employees set priorities as separate entities, which lead to the creation of a diverse climate. Both researchers of the organisational culture and of climate seem to share the same perspective that both are strongly influenced by the behaviour and attitudes of senior management. The hierarchical classification of the administration priorities lead to an analogous understanding and interpretation of the culture and climate on behalf of the workers. Any differences in the traits and background between members of the top management team can lead to value-creation for the company and thus improve performance, whilst "upper echelons theory builds on the idea of the dominant coalition to propose that

executives influence organisational performance through the decisions they make” (Knight *et al.*, 1999, p. 447).

The innovation of the leader-member theory is that it does not treat the leadership phenomenon as dependent upon a particular factor (namely the leader, the situation, the subordinates), but rather focuses on the interaction between the leader and the supporters. Furthermore, it is based on the belief that the relationship developed by the leader with each subordinate is different and has its own specific characteristics (Northouse, 2000). Most importantly, this approach underlines the link between the leader-subordinate relationship with job performance and the importance of communication within the relationship.

In light of this, respondents advocate that:

He is a person that is very easy to approach. Like, he is not someone who would yell, or something to get his point across, he would explain, he would sit there, if you had any problems or so ever, he'd always be open like as busy as he was. I believe he is a great manager, because he supports his team, like if we have a problem and let's say within our department, if you are wrong he explains you why, but if we are right he would back us up. He takes responsibility; he is easy approachable. (Employee 1)

Our manager is compassionate towards foreigners, he understands where they are coming from, and if people felt were left out of something, (...) our manager is very supportive. (Employee 2)

I feel I can speak up my opinion probably due to the combination of managerial skills and the overall organisational culture. Our manager allows us the freedom of speaking up our opinion, because obviously he values our opinions. I have always thought if there is something wrong, you have to say something about it, regardless of what it is. You have to stand up for yourself. (Employee 3)

As discussed by Boerner *et al.* (2011) diversity within a top management team should contribute to the processing of information within the team – that is, “to team members’ exchange, discussion, and integration of ideas, knowledge, and insights that are relevant to the team’s task. This in turn could reduce the tendency towards groupthink associated with homogeneous upper management teams and result in more elaborated team decisions” (Boerner *et al.*, 2011, p.330) and this is supported by employees’ statements:

I don't know if my manager would be as efficient if he was not a foreigner. There are Cypriot people that can be understanding, I would like to think. I have not met them yet. I have studied abroad, I have friends that are non-Cypriots, but still if someone asks me the same thing twice I will get pissed off. But our manager wouldn't. So probably it has to do with the way he grew up. (Employee 5)

I think he was effective because he was French. Because he wanted to do things in a correct way. He was scientifically correct. He could draw the lines, we wanted to do several things, but he would explain what we should do. (Employee 6)

### **7.6.6 Diversity training and awareness of human resources personnel**

In addition to improving diversity in the workforce, the organisation also needs to augment its ability to manage effectively this situation and to ensure respect and fairness for all. Companies have tried to address this need by implementing a series of human resources policies and programs to upgrade the working environment and the personnel experience. Such programs include training sessions on diversity, intercultural skills and exchange programs, legal issues and compliance matters, language and integration sessions for migrant workers, fair recruitment and selection procedures as well as evaluation and change management programs. There are even companies that provide managers with a framework of performance programming, control methods, and diversity devices to assist them in implementing the policy.

According to the HR manager:

To be honest there is no a specific training in diversity but we arrange meetings and bonding events and so on where people can join. We used to offer for foreigners the opportunity of having actually before I come we had an employee who had studied Greek literature and he was giving for free – fees paid by the company - and she was giving free Greek lessons. But foreigners didn't attend the lessons so we stopped the provision.

## 7.7 Management of diversity in the organisation

Factors	Application to the organisation
Mission and values	There isn't any diversity strategy; the organisation appears to align its policies with a standard adjustment to labour and insurance law. Interviews with employees show that the organisational vision is not necessarily understood at every level.
Objective systems	Research revealed that there is a need for the processes and systems – for example, recruitment, selection, induction, performance appraisals – to be systematically audited in order to ensure that no particular age group, sex, ethnicity or type predominates at any level.
Skilled workforce	There is no skilled workforce on diversity or a diversity manager.
Active flexibility	Despite the absence of a diversity policy, still the organisation recognises the diverse needs of employees and responds by providing a flexible approach, an approach that enables the potential of all employees to be maximised.
Individual focus	The company should focus on facilitating the development of all employees based on their development needs and not their group membership.
Culture which empowers	The organisation understands the importance of organisational culture and how this affects individuals within it. In light of this, it should do more to ensure that all employees have an understanding of how the organisation operates, what it values and how it expects its employees to behave.

**Figure 15:** Kandola and Fullerton's (1994) model of managing diversity as applied in the organisation

## 7.8 Conclusion

Richard *et al.* (2004) suggested that entrepreneurial orientation plays an important moderating role for diversity to enhance organisational performance, whilst Schneider and Northcraft (1999) identified what organisations need to address if they wish to leverage workforce diversity for their organisational success: organisation participation, managerial participation, and individual participation. More importantly, they highlight that, “employees’ perception plays an important role in effective diversity management” (Cooke and Saini, 2010, p.480).

As revealed by the research, the organisation has not established any form of diversity management policies. However, the human resources model toward human commitment that has been developed causes employees to feel that they are treated with respect, are encouraged to freely speak up their opinion, and cohesion and morale are enhanced.

Kochan *et al.* (2003) conducted a five-year study on the effects of diversity on business performance. Their conclusion was that “the impact of diversity depends on the context in which it is being leveraged, including organisational culture, human resource practices, and strategy” (Dreachslin, 2007, p.83). Literature has also confronted me with the core belief that effectively managing workforce diversity can be considered as a strategic “value-adding HR function that enhances organisational performance” (Cooke and Saini, 2010, p. 476).

If diversity contributes to maximising a competitive advantage as literature highlights, then the organisation cannot afford to neglect creating a positive diversity climate to enhance the operational strategy, using the various policies and procedures of human resource management as the main tools. Organisations that succeed in managing the positive diversity climate by using a system of equal opportunities are encouraging and supporting the employees, thus providing the company with the competitive advantage of promoting the creativity and utilisation of the labour force. If employees do not feel comfortable due to their gender or ethnicity, this will inevitably affect their performance at work, and therefore the overall organisational development, their job satisfaction as well as their participation in the formation of creative teams.

The teams consisting of diverse members present the ability to foresee the multiple reviewed problems, thus promoting a holistic, comprehensive understanding of the problem and developing high quality decisions. Despite this, these benefits can be limited by malfunctions arising from group processes and lack of effective communication. Though the organisation has established an organisational culture that promotes synergy and collaboration, still the absence of a formal diversity management policy makes the culture vulnerable to misunderstandings and misinterpretations.

If the company goes for the option of not establishing a comprehensive policy of diversity, then it will be incapable of fulfilling core benefits, such as creativity, increased morale and better marketing to different obligations to the public including the protection, restoration and improvement of public health.



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## 8. CONCLUSION

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*“And if you find her poor, Ithaka won’t have fooled you.*

*Wise as you will have become, so full of experience,  
you will have understood by then what these Ithakas mean.”*

*C.P. Cavafy*

### **Structure:**

This chapter discusses the conclusions of my research by presenting a synthesis focusing on the pillars of the human resource management model, the absence of the diversity management policy, the national and organisational culture and the role of the manager.

### **Content:**

In order for the organisation to create a culture of diversity, they first need to build common ground. This means building a common set of goals and rewards, mutual respect and understanding, mutual commitment to justice and a common vision for the future. To be effective, this mutual feeling needs to be built through openness and dialogue with all members of the organisation.

### **8.1 Introduction**

As revealed by the analysis, in addition to improving diversity in the workforce, the company also needs to augment its ability to manage effectively this situation and to ensure respect and fairness for all. Management should try to address this need by implementing a series of human resources policies and programs to upgrade the working environment and the personnel experience. In light of this, policies against bullying, policies that promote flexible working and working at home, policies and procedures for expressing disaffection and ensuring safety in the workplace, along with recording and information systems to measure progress aligned with the equality objectives, must be established without more ado.

### **8.2 A human resource management model towards human commitment**

The research revealed that the organisation has a strong emphasis on flexibility and focus within the enterprise and emphasises criteria such as cohesion and morale along with participation and development of human resources. The organisational culture is characterised by a strong emphasis on human relationships. The company, having adopted this type of culture, is considered a very friendly place to work at, yet it is distinguished from a business with a family character. It seems that the purpose of the company is to maintain good relations inside.

Team spirit, trust and participation are core values, working alongside motivational factors, while the commitment of people within the company is high. Managers are considered participative, considerate and supportive, that are frequently adopting the role of a mentor, while facilitating interaction through teamwork. Being loyal to tradition links the members of the company. Particular attention is given to the long-term benefits from the development of the human resources of the enterprise and to the cultivation of cohesion and high morale inside it (Cameron and Whetten, 1983). Success is determined by sensitivity and interest in the customer and the employee.

Relating the findings with the mode proposed by Cameron and Quinn (1999), it can be implied that the organisation is characterised by a clan culture, since it operates and is developed through a human-centred working environment where members share common goals and values. As such an organisation, it has an intra-business orientation, with quite strong flexibility. The main philosophical assumption underpinning the organisational human resource management model is the development of an environment where teamwork, cooperation and development of employees are enhanced and promoted. Its members develop strong interpersonal relationships and view the organisation as a big family. The leader is identified with the role of the mentor and tutor of the group; a kind of a paternal figure. The connective tissue that holds the organisation together is the strong dedication of its members, both to the values and goals set by the management, but also to maintaining the existing traditions. The effectiveness is directly linked to internal cohesion, interpersonal relations, high dedication and the contribution of members to the organisation's prosperity.

This human resource management model can effectively enhance and promote diversity management in the presence of a well-articulated and properly communicated diversity policy. Flexibility, team orientation and communication are the backbone of a successful cross-cultural management, and these are already well established within the organisation.

### **8.3 Absence of a diversity management policy**

Most organisations have realised that diversity exists and that the culture of any organisation should be inclusive towards the needs of a number of different workers. Epigrammatically, many managers are confronted with the challenge of how to make the corporate culture more harmonious and aligned with issues of multiculturalism. However, the organisation appears not to have realised that managing issues of diversity and multiculturalism is vital to the organisational success. Cox and Blake (1991) have proposed six arguments to support the belief that the management of cultural diversity can improve organisational performance.

The cost argument says that if the organisational results as regards to the management of multicultural issues are not acceptable by the upper echelons, then this pitfall will result in higher costs. The effort to regain lost ground in these cases is costly and time consuming. When women and minorities leave the organisation, there is no return on the investment. Moreover, if multicultural issues are not properly managed, then people do not feel comfortable and safe at work, and spend time and energy to deal with discrimination, harassment, and other related issues.

The resource acquisition argument states that companies that manage multiculturalism will simultaneously have an advantage over other companies for the ability to recruit at a multicultural level. Scholars advocate that the ideal workplaces for women and African Americans are companies like Merck, Xerox, Syntex, Hoffman Laroche, and Hewlett Packard (Cox and Blake, 1991). The marketing argument says that organisations that manage multicultural issues can have an insight into the markets that are composed of members of minority groups and women. The markets are also diverse, and cultural aspects have an influence on the customers' purchasing decisions. Nowadays, choosing to manage diversity can be successful, when a variety of people from diverse cultural backgrounds is involved in daily news meetings. Creativity and problem solving can be more efficient and innovative when coming from groups of people with different backgrounds, rather than from groups with homogeneous backgrounds. However, team members must be aware of the possible differences in the behaviour of others, whilst there must be a common core of shared values and beliefs in which people will be able to express their differences. Finally, the argument of the flexibility of the system indicates that the ability of managing diversity increases the adaptability and flexibility of the organisation. The external and internal issues may have more immediate response.

In order for this organisation to manage diversity successfully, it needs to renew its outdated policies and procedures that have arisen over the days in which multiculturalism was not an integral part of the wider society, and establish a formal diversity policy aligned with its mission and vision. A highly skilled, innovative and diverse workforce is important for business success, as highlighted in the previous chapters of this manuscript. Adjusting the absence of the apposite personnel and recruiting and retaining high-level employees from various cultural backgrounds are indeed an essential reason for this company to implement diversity policies. The top management team needs to start seeking to improve their skills, as regards to global management, through initiatives to ensure that they are attracting and retaining a diverse and culturally competent workforce, which will be able to work across national, linguistic and cultural borders. They should also seek to recruit employees representing local communities and nations at all levels of operations and management.

#### **8.4 National and organisational culture**

The last census revealed that Cyprus is a country where more than 15% of its population consists of economic migrants (CyStat, 2012). The needs, interests, attitudes and ways of expression of people of different culture are not easily tolerated, though, and the organisation has not incorporated these dimensions fully within their strategy. There are prejudices, established attitudes to foreign, stereotypical thinking, which although based upon unsubstantiated and inaccurate generalisations and interpretations, still have the power to involve emotionally people in a negative predisposition towards the other, the alien, and the different. So racism is born, not only institutional but also informal, that is still strong enough to limit the opportunities and choices of immigrants. The Cypriot society, as all European societies, is nowadays multicultural. It is important, though, to reflect that the coexistence of different cultures, in consequence of population movements, is a phenomenon as old as the humankind. We strive to respond to the growing cultural diversity around us, which derives

from the phenomenon of migration, a phenomenon that we experienced from the other side 30 years ago, being the country of emigration. Besides, we shall not forget that Cyprus, due to the mild climate, good natural harbours and rich mineral resources, attracted human populations from as early as the 10<sup>th</sup> millennium BC (Trimikliniotis, 1999). Ever since, it has been inhabited uninterruptedly, generating a remarkably rich archaeological record with substantial folk accomplishments and indication of interface with neighbouring cultures.

The evolution of monocultures in multicultural societies is a fact, and causes educational needs, which intercultural education has aimed to cover over the last years. Intercultural education prepares individuals for living in a multicultural society. This approach gives an opportunity for diverse cultural groups to participate actively in the social space in which values, practices and procedures will be of prominent significance.

### **8.5 The role of the manager**

The manager seems to encourage collective effort, builds cohesion and team spirit among the employees and manages interpersonal conflicts. He encourages the expression of opinions, seeks consensus and negotiates compromises. Adopting the role of the facilitator, the leader is characterised by an orientation towards processes. Among the behaviours that he has employed are included mediation in any interpersonal disagreements, using techniques designed to reduce conflicts within the firm, developing cohesion and high morale, and achieving the participation of workers and implementation of group problem solving.

Finally, he shows great sensitivity to the needs of employees and tries to facilitate their professional development. He is very considerate, sensitive, accessible to subordinates, open and fair. He develops high morale and employee engagement. Being an effective leader, he actively listens, supports legitimate requests of the employees, whereas he expresses appreciation to employees by giving them credit. By viewing people as valuable resources that can be developed towards gaining a competitive strategic advantage, he contributes significantly to the development of their skills, providing educational opportunities, while he helps subordinates to develop plans for their own professional development.

His ability to manage the department in an inspiring way depends more on his personal prestige: the respect he has earned towards his subordinates through his skills and relationships he has developed with each one of them. Leaders used to focus on enhancing their ability to control employees, but now they have identified the essence of being able to influence as well. That can only be accomplished through inspiring trust and confidence to employees. Without an effective manager, diversity management cannot happen, which would adversely affect important aspects of running a business.

### **8.6 Conclusion**

In order for the organisation to create a culture of diversity, they first need to build common ground. This means building a common set of goals and rewards, mutual respect and understanding, mutual commitment to justice and a common vision for the future. To be effective, this mutual feeling needs to be built through openness and dialogue between all

members of the organisation. Although all individuals are unique, they also belong to specific social groups, based on ethnicity, culture and age, and share to a greater or lesser extent, certain characteristics in common with other group members. It is important for managers to recognise that employees are complex individuals who comprise both individual and collective features. This recognition lays the groundwork to manage a diverse workforce effectively.

Managing diversity is neither a panacea nor a simple and quick process that can be applied in a work environment overnight. Apparently, its implementation requires complete dedication on behalf of the top management team and, most importantly, it requires the commitment of the leaders to the goal. Nevertheless, the fact that there is not a standard procedure for its application within the organisation makes it even more challenging. Recent developments link the company's need to successfully address the speed of changes in the wider social environment with the promotion of the value of the person, of each different personality, as components of effective management. In Ford, for example (Padilla, 2002), diversity practices have been applied for more than a decade, and their effectiveness in relation to the annually objectives is continuously positively evaluated. In the past few years, however, the emphasis has shifted from the management of diversity to inclusivity. The reason was that though the training, seminars and activities were supposed to facilitate the coexistence of different - in terms of age, gender and race - workers, they tended to create closed groups of people that were united either in the same interests or in features. That is, people in charge of the training realised that an indirect distinction was eventually created, which excluded in some way the person considered as not different from various actions, which target only the different. In light of this, the training activities have now been reoriented towards the mixing and coexistence of all with all.

This innovation brings closer to reality the until now theoretical notion that the management of diversity can only be based on the interaction between equal individuals and therefore it cannot but encourage the ability of the employee to develop their personalities in the context of their working role.



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## 9. RECOMMENDATIONS

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“It is not the strongest or the most intelligent  
who will survive but those  
who can best manage change.”

Charles Darwin

### **Structure:**

This chapter concludes the doctoral thesis by summarising the findings and providing a framework of recommendations towards the organisation.

### **Content:**

The doctoral thesis reports an explorative case study investigating the perceptions of employees on diversity management, through a synthesis of the organisational culture and the role of the manager. Despite limitations, including the generalisability of research findings, the research contributes theoretical concepts and propositions and addresses identified gaps in the literature, considering that studies on diversity management in Cyprus are scarce.

### **9.1 Introduction**

Homogeneity is no longer desirable. Seeking to homogenise, to mash all this heterogeneity's beauty through forming norms and cultivating stereotypes, the only thing we accomplish is to deprive humanity of the richness of expressing and utilising this diversity.

### **9.2 Cross-cultural management**

Many people from different cultures are brought into in confrontation and conflict within their organisation. It is crucial for management to realise how culture can affect a team. Conflict, success, commitment, motivation, satisfaction have different meanings to individuals from different backgrounds. This difference indicates that people from different cultures have different rules of behaviour, especially behaviour in the workplace.

Managers in the organisation under investigation must ensure that the way towards mutual trust among them and their subordinates is wide open. They also need to recognise the cultural influence on the organisational culture and work in the direction of utilising and not ignoring this knowledge. In such a case, it is essential for the manager to be able to explain the strategic vision and mission in a way that will enable the employee-listener to understand it and adopt it. Managers should seek to exploit the interaction among employees coming from diverse backgrounds and work apropos of understanding the cultures of the employees.

In line with Abbasi and Hollman's (1991) suggestions, the managers of this organisation should firstly recognise, admit and value that corporate life consists of people sharing different values, and coming from different areas. The management team needs to communicate and show respect for the culture and values of others. They should listen to the opinions of workers and minorities and must ensure that they are included in the formal and informal corporate networks. In light of this, they should avoid the stereotyping of any culture, and particularly provide foreign employees with a sense of security, whilst being in the process of adjusting in a new culture, and overall be understanding, but also honest and avoid trying to project and impose their own culture and value system on others using devious means.

According to Adler and Gundersen (2007), managing cultural differences is initiated by defining a situation in terms of all the cultures involved. The purpose is to reveal cultural interpretations of these issues and to reach a cultural synergy that will work for everyone. The organisation should place emphasis on building a repertoire of behaviours for each person. This will help the newcomers to adjust to the new cultural environment, while it will help those already adapted to be open-minded, sensitive and non-judgmental. Creating an environment in which the values and stability of rules and policies will be at the core of the management's priorities, differences will be valued and listened and designing a culture of diversity awareness and appreciation, to, should henceforth be part of the strategic priority of the organisation.

Motivation in a multicultural context in an organisation raises awareness of the individual to greater tolerance to everyday work problems arising from cultural differences. An informal method for discovering cultural differences that motivates people could be posing a corresponding question to the leaders of the organisation. A more formal process could be establishing and communicating an official diversity policy. This instrument can reveal a lot of information about the culture and how can it be managed and will be particularly useful for the company.

Finally, an important part to the management of cultural diversity is to discuss differences. When the group enters the stage of development, the rules can be discussed along with the differences. This will result in finding a common intersection of the two, which will be an asset for the organisation. At this point, the management can be led to new data, thus contributing to employees' smoother cultural adaptation.

To achieve the process of managing cultural change, managers need to develop behavioural skills and personal skills needed to deal effectively with any kind of conflict, culture and change.

### **9.2.1 Managing a culturally diverse workforce**

The managers of the organisation, hoping to create and manage effective, harmonious multicultural personnel, should initially ensure setting a good example. This basic tool can be particularly valuable in creating a healthy environment for people with different cultural

backgrounds, considering that managers are generally able to exercise significant influence over key dimensions and atmosphere of the company.

The management team needs to enhance internal written communication. Any policy of the organisation that expressly prohibits prejudice and discrimination and other similar behaviours, should be included in a formal written procedures manual communicated to all employees. Jørgensen *et al.* (2011) describe this as an internal transmission of the message of diversity in order to develop and establish a common language for all members of the organisation.

It would be for the benefit of the entire organisation if the upper echelons had established and promoted an adequate number of training programs (Keil *et al.*, 2007). Educational programs should be designed to consolidate the assessment and knowledge of the characteristics and advantages of the power of multicultural staff in recent years. According to Cox (1993), two types of training are the most popular: awareness and capacity building. The latter introduces the topic of diversity management and usually includes data on the demographics of the workforce, the concept of diversity, and exercises for participants to think about issues to increase their own self-awareness. Education for enhancing the necessary skills provides specific information about cultural patterns of different groups and insights on how these can affect work behaviour. New employee orientation programs are also ultimate for the introduction of the expectations of workers, regardless of their cultural and national backgrounds.

It is crucial for the top management team to recognise and value individual differences (Keil *et al.*, 2007). Differences in human relations can be interpreted around various dimensions. These include factors such as exposure to the relevant authority, acceptance of inequalities of power, desire for order and structure, the need to belong to a wider social group. Researchers revealed systematic differences between ethnic and religious groups centred on these dimensions. Managers and executives recognise that the differences between individuals cannot be readily identified and understood. Some are related to factors such as personality, ability, and competence. It is wrong to assume that all perceived differences have cultural origins. Managers tend to fall back into the easy explanation that individual behaviour and performance can be attributed to the fact that someone is Cypriot or Christian or female. These conclusions are more likely to reflect intellectually narrow and not culturally sensitised managers and employees.

Moreover, there is a requirement for a more active exploration of components and input from minority groups: participation of minority groups in important committees is beneficial, not only because of the input they can make, but also because such exposure confirms that the company values them. Attending relevant committees and working groups may increase their commitment to the organisation and thus increase their eagerness towards delivering the maximum. Instead, relegating minority members to lower commissions or projects can cause a vicious cycle in the relations between different cultural groups.

The analysis has revealed that the reward systems ought to be reorganised. The assessment of the organisational performance and reward systems should reinforce the importance of effective management of cultural diversity, according to Cox (1993). This includes ensuring that minorities are provided with adequate opportunities for career advancement.

The management team should allocate time and space for various social events funded by the company. These can be very useful in bringing closer together employees from different cultures and give them the opportunity to become better acquainted. In addition, they could introduce the concept of a more flexible working environment. The flexible work environments are an important development for all employees and could be of particularly beneficial significance for people from non-traditional cultural backgrounds because their approaches to problems are likely to be different from the standards of the past (Keil *et al.*, 2007).

Furthermore, managers need to avoid making assumptions as regards to values and opinions. According to Goffee and Jones (1996), due to lack of reliable information, it is likely that employees from a particular culture could mistakenly believe that they are liked (or not) by peers belonging to different cultural backgrounds. A final requisite for the top management team is to constantly observe working reality. Managers need to establish and maintain systems that can continuously monitor policies and practices to ensure that employees work in an ideal working environment. This could be promoted through periodic attitude and work behaviour surveys.

The ever- increasing cultural diversity among the employees of the company confronts the upper echelons with the challenge to maximise the opportunities presented whilst minimising costs. The multicultural organisation must be characterised by pluralism, the full integration of minorities, lack of prejudice and discrimination and low levels of internal conflict. If the organisation succeeds in incorporating these conditions, then the management will have created an environment in which all shareholders can contribute to their fullest potential, and in which the value of diversity can be fully exploited (Keil *et al.*, 2007).

### **9.2.2 Cross-cultural human resource management**

Among the multiple roles of HR managers lies the role in designing and cultivating an inclusive organisational culture of diversity and equality awareness. Indicatively, the HR manager of the company should be skilled with an understanding and acceptance of diversity and the belief that diversity and equality must permeate every aspect of managing people. It is essential for the individual in this position to have self-awareness, so to accurately know the culture that embraces their own identity, prejudices and stereotypes that can hinder their openness to experience, as well as the willingness to challenge and change institutional practices that different groups adopt.

However, accepting diversity and equality are not easy issues to deal with, and unfortunately, there is no one-size-fits-all approach that can work in every case. Managing diversity implies acknowledging the differences of people and especially that these differences are something valuable and worthy of attention. It suggests reinforcing of good management practices,

combating all forms of discrimination and promoting social inclusion. Nevertheless, because Rome was not built in a day, the HR manager of this organisation could use two fields as a springboard for establishing a culture of valuing diversity and enhancing equality.

The first one relates to recruitment processes and the second to communication procedures and strategies (Keil *et al.*, 2007). It is crucial for the organisational vision to be aligned with an inclusive organisational culture that promotes respect, teamwork and equality. In view of that, the HR manager should address accordingly the path the firm follows to make the job announcements attractive and accessible to different types of employees. Moreover, people in this position should reflect on ways that the recruitment process can be addressed effectively in diverse groups and on whether any potential bias in the interview process can be overcome. Prior announcing a job vacancy, the HR manager should firstly clarify the need for skills that candidates should possess, so as to work effectively in a diverse work environment, and ensure that efforts are made so as to fairly recruit out of a pool of candidates (Keil *et al.*, 2007). Likewise, emphasis should be placed on job requirements during the interview and evaluation of the experience. However, the transferable skills and abilities that the candidates could have, such as analytical and organisational skills, as well as communication and coordination, must be taken into respective consideration. Rich previous work experience does not necessarily denote effectiveness or success in this new position.

It is crucial for the HR manager to engage a number of people during the interview process, and to ensure that the committee is composed of members with different ages, backgrounds, and experiences, to represent different perspectives and to eliminate prejudices. They should come up with specific questions and procedures, ensuring that there will not be even unintentional bias. In addition, it has to be safeguarded that the organisation has adequate facilities for the convenience of candidates who have special needs. Finally, all individuals that participate in the recruitment process need to recognise their personal prejudices. What stereotypes do they have for people coming from different groups and how do they define them as doing a good job? What is the style of communication they prefer? Sometimes, what we consider appropriate or even desirable qualities in a candidate may reflect preferences that are more personal rather than the actual skills required for a job (Keil *et al.*, 2007).

### *Equal opportunities*

A number of managers and policy-makers consider justice as a synonym of adopting the same behaviour for all. Then a question arises: how can the same behaviour towards everyone lead to good results in a diverse workforce? For example, when employees have limited proficiency in one language and the transmission of important information is done using that, then this immediately ceases being an effective way of communicating with employees. While the intent is the same treatment for all, this approach, which was used as an example, it is probably not successful.

The employee, who missed the essential information communicated, is justified in feeling that the communication process was unfair. The establishment of a process that takes into account such information for workers is beyond essential, and pertinent efforts by upper

echelons should be supported and rewarded as best management practices for working with a diverse workforce. Diversity management is focused on trying to offer opportunities for all employees to contribute towards the attainment of the organisational goals.

The positive in this direction relates to specific groups that historically have received discriminatory treatment on the basis colour of their skin or their gender: a legal necessity, but also a social responsibility, and a rational association with the benefits that can be gained by the organisation. While diversity management deals with issues such as the underrepresentation of women and different racial origin, however, it is much more broad and inclusive, and recognises that diversity should work for everyone.

Ignoring diversity issues results in costs measured in time, money and effectiveness. Some of the consequences can include tension in the workplace, loss of productivity due to conflict, lack of engagement, inability to attract and retain proficient employees (regardless of origin) complaints and lawsuits and weak talent management, resulting in high cost of recruiting and training new employees. Synoptically, valuing diversity and equality in the workplace is vital to a healthy and growing business: harnessing people's skills and talents regardless of their gender or race can turn the organisation into a strong rival (Keil *et al.*, 2007).

A practical framework, addressed to the company's management team, can consist of the following steps. Initially, the company needs to analyse the current population of their employees. They should calculate the proportion of women and minorities in managerial positions, and the overall employment rate of minorities in the firm. However, it should be noted that other aspects of diversity might be more difficult to measure, because employees may fit into multiple categories. Following this step, the management needs to create a diversity and equality committee. The team should include people from different cultural and hierarchical environments. The committee should meet regularly to discuss ideas for raising awareness on diversity and promulgating fair employment in the company. They should set clear goals and develop strategies aimed at reaching these goals. In addition, the organisation needs to compose a new corporate equality policy and ensure that the company complies with the relevant laws. Upper echelons need to ensure that they periodically check the developments and keep in line with up to date and new data on their policy (Keil *et al.*, 2007).

A further improvement would include giving due importance to the process of recruitment. According to Green *et al.* (2012), a working environment employing a diverse population often realises a decline in lawsuits and an ease in recruiting new employees. In the process of recruitment for jobs, this type of company advertises in national newspapers, seeks to collaborate with local universities and encourages minorities and women to submit resumes. They can also introduce incentives for the existing human resources to recommend matching candidates to the job and the culture of the organisation.

Furthermore, it would be to the company's benefit to educate employees on diversity issues in the workplace. All employees should be trained in diversity issues, whereas the management should provide support for youth-workers to establish a program of mentoring.

Finally, managers need to make it clear that there will be consequences if any racial discrimination and unacceptable behaviours become noticeable in the workplace. They should incorporate progressive disciplinary procedures, which the company will follow if an employee makes a complaint against another employee (Keil *et al.*, 2007). Counselling, availability or even termination of an employment relationship, are all acceptable options. They should create an environment that emboldens open communication and honesty. Lately, a large portion of Cypriot society has speechlessly noticed the ever-increasing cases of racist attacks. The extent of this phenomenon is reaching worrying proportions, because apart from the blatant racism, such disturbances occur in everyday life of a number of people. Perhaps they are not manifested in overt acts of violence, but that does not mean less pain or that this is costing victims any less. From schools to organisations, it seems that equality and acceptance of diversity are not reaching the expected levels of a society aiming to be described as inclusive, progressive or even just human.

Although, as I previously mentioned, there is no one-size-fits-all approach in effectively managing diversity, still by addressing the following questions, the human resources management will be able to self-assess their diversity awareness and will be provided with a clear view on the points that must be immediately addressed (Keil *et al.*, 2007):

1. Do you challenge the arbitrary assumptions you may make, before acting upon them?
2. Do you believe that there is only one correct way to do some things, or that there are a variety of different means to achieve the same goal? Do you convey that to your colleagues?
3. Do you have honest relationships with all your colleagues? Are you familiar with each one of them? Do you know what motivates them, what their goals are and how they perceive the recognition of their value?
4. Are you able to give negative feedback to someone who belongs to a different cultural background?
5. When new job positions are created in the organisation, do you insist on the existence of several evaluators and make every effort so that the pool of candidates is as broad and diverse as possible?
6. When you hire a new employee, do you explain only job responsibilities and expectations of them, and not pay any effort to gear the person towards the work culture and its unwritten rules?
7. Have you considered rigorously existing policies, practices and procedures applicable to the company to ensure that they do not affect various groups of the working population? And when you see this happening, do you take actions to change the situation?

8. Are you willing to receive constructive feedback from people on ways to improve the working environment? Have you applied some of these suggestions and have you recognised the contribution of these people?
9. How readily do you take action and react when you find that some workers show disrespect for others in the workplace, with insulting attitudes and unacceptable words?
10. Do you have a clear understanding of how racist and sexist attitudes are manifested in the workplace?
11. Have you ensured that opportunities for advancement, training and development are accessible to everyone?

If the answer to most of these questions is affirmative, then the management is definitely on the right track for implementing diversity and equality in the workplace.

### **Definitions not restrictions**

Equality means ensuring individuals or groups are treated fairly, equally, and no less favourably because of their sex, religion or belief, race, disability, age and sexual orientation. The promotion of equality should eliminate discrimination in all areas mentioned above. Bullying, harassment and victimisation are also issues related to equality and diversity. The latter aims to recognise respect, value the contribution of different people, and promote an inclusive culture. The features that could cause the suppression of human rights include age, disability, sex, marriage, pregnancy and maternity, race, religion or political beliefs and sexual orientation.

On a practical level, however, in order for managers to address issues of diversity, they need to consider the way policies, practices and ways of thinking of organisational culture have different effects on different groups and what organisational changes they must make to meet the needs of a diverse workforce and to maximise the potential of all employees. People could agree or profess expressions like "Do not do to others what you do not want others to do to you" - treat others as you want them to treat you. However, the latter in particular is based on the arbitrary assumption that we know how the rest of the world, colleagues and fellow individuals wish to be treated. If we were to pose questions such as – "what is respect?" or, "does respecting have the same meaning for everyone?", then the answers depend merely on the respondent. We may share some same values, such as respect or need for recognition, but the way these values are interpreted and perceived through our behaviour, are different for groups or individuals. As HR managers seek practical ways of valuing diversity, the following question is inevitable (Keil *et al.*, 2007): How can the HR manager know and respond to what different groups or individuals need?

Maybe instead of embracing expressions with slightly egocentric perspective, we should slightly shift the burden outwardly and employ a rule, not so widespread, that dictates that we should encounter, manage and behave others, as they desire. Shifting our perspective from what we consider as the best way, to a different and sensitive perception mounted to glean the

best from a variety of ideas, can have great results in creating a tolerant and diverse working environment.

### **9.3 Critical multiculturalism**

Through the lens of critical multiculturalism, people produce and reproduce meanings in a context that is constantly shaped and reformed by the power relations, whereas group differences are constructed from these relationships in the social and historical context (Kincheloe and Steinberg, 1997). The attention is not focused on egregious cultural differences, but on the differences that exist as regards their potential access to some forms of power, differences in social positions, and identified structural differences of collective experience. Within the context of mechanisms of domination, exclusion and social inequalities, the study of the relationship between culture and politics is more than significant and essential (Giroux, 2003) and the path towards the vital multicultural practice (praxis), through which there is an attempt to revise the existing hegemonic arrangements (Sleeter and McLaren, 1995). It is obvious that this approach leaves no room for neutrality. As highlighted by McGlynn (2008), this form is committed to equality and engaged in the enhancement of social justice, while as per Kincheloe and Steinberg (1997) it can lead to social, political and educational transformation. As a prerequisite for change, literature indicates the reflection that leads people to understand themselves as social beings, whose political views, socioeconomic class, religious beliefs and racial self-image, are formed by the dominant perspective.

#### **9.3.1 National culture in multicultural organisations**

There is concern about how national culture affects multinational companies. Undoubtedly, during the daily business operation, behavioural phenomena are presented which are associated with cultural elements of workers. These phenomena are dealt with through a multicultural approach without conflicts and unwanted results.

Through a number of methods and theories that have been presented and developed in the previous chapters, scholars have attempted to classify national cultures. In light of this, generalisations were made referring to attitudes and perceptions of various individuals belonging to a culture. Efforts to coordinate working behaviours are focused on identifying and promoting the momentum of members of the business individually and as a whole. Earlier concepts of creating an organisational culture using cognitive and emotional factors proceed in favour of an instrumental-regulatory concept for the behaviour of members, which should be governed by specific inclusive, and not binding, policies.

Nobody can dispute the existence of the personal culture of people. It is a factor that must be respected by everyone in all aspects of everyday life, let alone in the workplace. Besides, the culture to which each employee belongs is the one determining largely their ways of action and behaviour towards daily problems on a professional and social level.

Unlike the individualistic theory of constructivism, Vygotsky (1978) has supported a socio-centric view of development by stressing the role played by socio-cultural factors in the

genesis of knowledge, the learning path and individual development. Known as a socio-cultural approach, is a theoretical direction in which personal thought is considered to have been built based on social intercommunication. According to Vygotsky (1978), cognitive development is a process closely connected with the socio-historical dimension and cultural context in which occurs. The development is achieved not only due to the innate mental equipment of each individual, but also because of the intervention of social events and cultural tools (such as language), in addition to the internalisation of meanings to which these cultural means and tools are attached. These tools and their meanings not only mediate the realisation of cognitive processes, but rather encompass meanings and ways of thinking which dialectically form the mental processes themselves.

In light of this, given that for the particular organisation the sense of team, trust and participation are core values, which operate as motivational factors, thus driving the employees' commitment within the company to high levels, it can be implied that a human relations focussed organisational culture can result in a broader social advancement through employees' working experience. Employees feel that they are treated with respect, and though no diversity policy has been formally established, equality and inclusion appears to be important for the achievement of the company's vision. By this token, the same individual that belongs in an organisation, which sets teamwork and efficient communication in the core of its effectiveness and who successfully, collaborates with a diverse workforce, is more likely to become an advocate of social inclusion and anti-discrimination, rather than its opponent. It is thereby fundamental to pay particular attention to the long-term benefits deriving from the development of human resources of the organisation and to maintain cohesion and high morale within it.

### **9.3.2 The profile of new managers**

The executives of multinational companies have now learned to work and perform in a working environment characterised by flexibility and uncertainty. The rapid transfer of information leads to huge labour rates amped up in risk. In contemporary organisations, employees are expected to have specific skills. One of these is computer literacy, as well as multilingual education, since the use of foreign languages (especially English) is necessary and facilitates the cultural adjustment. Therefore, multicultural communication skills are developed along with the skills of the individuals.

Employee flexibility is imperative in the business world of today. It can resolve language differences and adaptation of workers in a global workplace. Executives, in order to stabilise their position, are constantly trying to broaden their knowledge. Namely, they are in a continuous learning process, which requires flexibility, open-mindedness and cultural intelligence. In order for the company's managers to face the demands of the ever-changing technological developments, they should be able to form effective teams that will prepare the ground for achieving strategic choices.



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## **APPENDIX I**

## **Appendix A.1: Interview guide (employees)**

### **Person's background**

- Tell me about yourself. Where are you from; how many years have you been in Cyprus; how come and you chose Cyprus as your place of residence?

### **Present company**

- Tell me more about the place you work. What is it like? What does the organisation do?
- Do many people work in your organisation? Do you work with a lot of people?
- How many years have you been working there?

### **What is it like there?**

- What is it like working there? What do you like about the organisation? Do you enjoy working in this organisation?
- Describe in as much detail possible how you experience your working environment.
- How do you get along with your colleagues at work?
- Have you ever witnessed someone being discriminated against or experienced discrimination yourself? Describe the situation.
- Do you feel free to speak up about your opinion within your workgroup?
- Tell me about an incident at work when you experienced stress.
- Describe a typical day at work.
- Do you feel that you are treated with respect?
- Is there anything about your work that you find hard to cope with, that you find stressful? Tell me about it.

## **Appendix A.2: Interview guide (HR manager)**

### **Person's background**

- Tell me about yourself. Where are you from; how many years have you been in Cyprus; how come and you chose Cyprus as your place of residence?

### **Present company**

- Tell me more about the place you work. What is it like? What does the organisation do?
- Do many people work in your organisation? Do you work with a lot of people?
- How many years have you been working there?

### **What is it like there?**

- What is it like working there? What do you like about the organisation? Do you enjoy working in this organisation?
- Describe in as much detail possible how you experience your working environment.
- How do you get along with your colleagues at work?
- Have you ever witnessed someone being discriminated against or experienced discrimination yourself? Describe the situation.
- Do you feel free to speak up about your opinion within your workgroup?
- Tell me about an incident at work when you experienced stress.
- Describe a typical day at work.
- Do you feel that you are treated with respect?
- Is there anything about your work that you find hard to cope with, that you find stressful? Tell me about it.

### **Diversity management policies**

- Does the organisation have any established diversity policies? If yes, how are these communicated to the employees?
- Is there an Anti-Discrimination policy? How is it practically supported?
- How is Employment Equity legislation compliance monitored?
- How is the company creating awareness of diversity issues?
- What kind of training is provided that helps employees deal with diversity in the workforce?

## **Appendix B:** Case study protocol (following Yin, 2003)

### A. Introduction to the case study and purpose of protocol

#### a. Case study questions, hypotheses, and propositions

Research question: How employees perceive effective diversity management in the organisation

#### b. Theoretical framework for the case study

Kandola, R. and Fullerton, J. (1994) *Diversity in action*. London: CIPD.

Syed, J., Özbilgin, M. (2009) A relational framework for international transfer of diversity management practices, *International Journal of Human Resource Management*, 20(12), pp.2435-2453.

#### c. Role of protocol in guiding the case study investigator

Agenda for the research process

### B. Data collection procedures

#### a. Data collection plan

i. Attending project relating meetings

ii. Conductive quantitative survey

iii. Conducting qualitative interviews

iv. Observing work at the company

#### b. Expected preparation prior to site visits

### C. Case study report

#### a. Quantitative analysis

#### b. Qualitative analysis

## **APPENDIX II**

**Table 13:** Employees' perceptions of individual factors according to their nationality

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Respect and dignity										
Non-Cypriot	3.83	.408	3.419	.075	.766	1.073	.356	16.260	2.926	.087
Cypriot	4.29	.908			.714			10.170		
Equal opportunities for training and career development										
Non-Cypriot	3.83	.753	.042	.839	.588	.803	.458	15.590	.630	.427
Cypriot	4.08	.881			.733			12.750		
Offensive racist or sexist jokes										
Non-Cypriot	2.17	.983	.059	.810	1.528	2.528	.099	13.370	5.377	.080
Cypriot	1.42	.717			.604			21.250		
Experience harassment, bullying or discrimination										
Non-Cypriot	1.50	.548	1.670	.207	.443	.320	.729	14.930	.008	.927
Cypriot	1.75	1.260			1.386			15.250		
Positive about diversity in the workplace										
Non-Cypriot	4.00	.632	.479	.495	.127	.191	.827	15.740	1.145	.285
Cypriot	4.21	.833			.663			12.170		

**Table 14:** Employees' perceptions of individual factors according to their nationality

		Non-Cypriot	Cypriot	U cal	z cal	Significance
Respect and dignity	Mean rank	16.26	10.17	40.000	-1.710	.087
Equal opportunities for training and career development	Mean rank	15.59	12.75	55.500	-.794	.427
Offensive racist or sexist jokes	Mean rank	13.37	21.25	31.500	-2.319	.080
Experience harassment, bullying or discrimination	Mean rank	14.93	15.25	67.500	-.092	.927
Positive about diversity in the workplace	Mean rank	15.74	12.17	52.000	-1.070	.285

**Table 15:** Employees' perceptions of work group factors according to their nationality

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Manager includes all members in decision making										
Non-Cypriot	4.00	.894	1.363	.253	.411	.296	.746	14.570	.316	.574
Cypriot	3.63	1.209			1.388			16.670		
Understanding of all customers' needs and expectations										
Non-Cypriot	4.00	.632	.825	.372	.046	.055	.947	14.960	.004	.952
Cypriot	3.88	.947			.837			15.170		
Relationship problems due to differences within group										
Non-Cypriot	2.67	.816	3.468	.073	.310	.238	.790	15.110	.020	.887
Cypriot	2.75	1.189			1.305			14.580		
Training received helps employees deal with diversity										
Non-Cypriot	3.33	1.033	.260	.614	1.716	2.608	.092	15.850	1.271	.260
Cypriot	3.67	.816			.658			11.750		
Inclusion by workgroup										
Non-Cypriot	4.00	0.000	4.157	.051	.455	1.121	.341	15.260	.170	.681
Cypriot	4.08	.717			.406			14.000		

**Table 16:** Employees' perceptions of work group factors according to their nationality

		Non-Cypriot	Cypriot	U cal	z cal	Significance
Manager includes all members in decision making	Mean rank	14.57	16.67	59.000	-.562	.574
Understanding of all customers' needs and expectations	Mean rank	14.96	15.17	68.000	-.061	.952
Relationship problems due to differences within group	Mean rank	15.11	14.58	66.500	-.142	.887
Training received helps employees deal with diversity	Mean rank	15.85	11.75	49.500	-1.128	.260
Inclusion by workgroup	Mean rank	15.26	14.00	63.000	-.412	.681

**Table 17:** Employees' perceptions of organisational factors according to their nationality

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Manager treats everyone with respect										
Non-Cypriot	4.50	.548	.489	.490	.241	.314	.733	14.930	.008	.928
Cypriot	4.38	.924			.767			15.250		
Senior management shows practical support for Equal Opportunities policy										
Non-Cypriot	3.50	.548	.242	.627	1.255	2.059	.147	16.240	2.737	.098
Cypriot	4.08	.830			.610			10.250		
Senior management shows practical support for Anti-discrimination policy										
Non-Cypriot	3.67	.816	.116	.736	1.031	1.673	.206	16.130	2.296	.130
Cypriot	4.21	.779			.616			10.670		
Senior management shows practical support for Diversity management policy										
Non-Cypriot	3.50	.548	.071	.791	1.070	1.886	.171	15.980	1.754	.185
Cypriot	3.96	.806			.568			11.250		
Can talk openly with managers about issues related to diversity										
Non-Cypriot	3.50	.837	.119	.733	.965	1.165	.327	15.350	.219	.640
Cypriot	3.75	.944			.829			13.670		
Manager visibly challenges incidents of racism, sexism or other forms of discrimination										
Non-Cypriot	3.50	1.049	.004	.950	1.070	.867	.432	15.780	1.032	.310
Cypriot	3.96	1.122			1.234			12.000		
The organisation is open to change										
Non-Cypriot	3.50	.548	.672	.419	.183	.354	.705	15.460	.382	.537
Cypriot	3.75	.737			.516			13.250		

**Table 18:** Employees' perceptions of organisational factors according to their nationality

		Non-Cypriot	Cypriot	U cal	z cal	Significance
Manager treats everyone with respect	Mean rank	14.93	15.25	67.500	-.091	.928
Senior management shows practical support for Equal Opportunities policy	Mean rank	16.24	10.25	40.500	1.654	.098
Senior management shows practical support for Anti-discrimination policy	Mean rank	16.13	10.67	43.000	1.515	.130
Senior management shows practical support for Diversity management policy	Mean rank	15.98	11.25	46.500	1.325	.185
Can talk openly with managers about issues related to diversity	Mean rank	15.35	13.67	61.000	-.468	.640
Manager visibly challenges incidents of racism, sexism or other forms of discrimination	Mean rank	15.78	12.00	51.000	1.016	.310
The organisation is open to change	Mean rank	15.46	13.25	58.500	-.618	.537

**Table 19:** Employees' perceptions of the department's character according to their nationality

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Department willing to stick necks out and take risks										
Non-Cypriot	3.83	.408	3.528	.071	.178	.215	.808	14.720	.155	.694
Cypriot	3.63	.970			.826			16.080		
Bureaucratic orientation										
Non-Cypriot	3.33	.816	.029	.867	.278	.446	.645	15.520	.502	.479
Cypriot	3.63	.770			.623			13.000		
Manager seeks to develop employees' potential										
Non-Cypriot	4.17	.753	.786	.383	.455	.387	.683	15.090	.013	.908
Cypriot	4.08	1.139			1.177			14.670		
Manager encourages employees to take risks and be innovative										
Non-Cypriot	4.00	.632	2.400	.133	.777	.701	.505	14.910	.014	.907
Cypriot	3.83	1.129			1.108			15.330		
Manager expects employees to follow established rules										
Non-Cypriot	4.33	.516	.831	.370	.310	.549	.584	14.910	.014	.905
Cypriot	4.25	.794			.565			15.330		
Manager helps employees to meet the Department's goals and objectives										
Non-Cypriot	4.17	.753	.172	.682	.331	.444	.646	15.170	.056	.813
Cypriot	4.21	.884			.746			14.330		

**Table 20:** Employees' perceptions of the department's character according to their nationality

		Non-Cypriot	Cypriot	U cal	z cal	Significance
Department willing to stick necks out and take risks	Mean rank	14.72	16.08	62.500	-.394	.694
Bureaucratic orientation	Mean rank	15.52	13.00	57.000	-.709	.479
Manager seeks to develop employees' potential	Mean rank	15.09	14.67	67.000	-.115	.908
Manager encourages employees to take risks and be innovative	Mean rank	14.91	15.33	67.000	-.117	.907
Manager expects employees to follow established rules	Mean rank	14.91	15.33	67.000	-.120	.905
Manager helps employees to meet the Department's goals and objectives	Mean rank	15.17	14.33	65.000	-.236	.813

**Table 21:** Employees' perceptions of fair practises according to their nationality

	Mean	SD	t-test	Sgf	Mean square	F	p	Mean square	$\chi^2$ cal	p
Company monitors systems for employment equity legislation compliance										
Non-Cypriot	2.83	.753	.096	.759	2.966	4.637	.019	16.740	5.369	.020
Cypriot	3.79	.833			.640			8.330		
Company ensures that selection measures are not potentially unfairly discriminatory										
Non-Cypriot	3.00	.632	1.088	.306	2.377	4.613	.019	16.700	5.211	.022
Cypriot	3.83	.761			.515			8.500		
Company uses job relevant criteria in personnel decisions										
Non-Cypriot	3.17	.753	.122	.730	2.070	4.416	.022	16.520	4.278	.039
Cypriot	3.96	.690			.469			9.170		
Company examines remuneration policy to identify discrimination										
Non-Cypriot	3.17	.753	.200	.658	1.632	2.806	.078	16.070	2.035	.154
Cypriot	3.75	.794			.582			10.920		
Company pays the same for doing the same work										
Non-Cypriot	3.17	.753	.537	.470	.664	.810	.455	15.070	.007	.932
Cypriot	3.13	.947			.820			14.750		
Company monitors unfair discrimination										
Non-Cypriot	3.33	.816	0.000	1.000	1.232	1.646	.212	15.740	1.007	.316
Cypriot	3.75	.897			.748			12.170		
Company has equitable systems for recognition, acknowledgement and reward										
Non-Cypriot	3.50	.548	2.325	.139	.299	.306	.739	14.670	.181	.671
Cypriot	3.33	1.049			.977			16.250		
Company ensures equitable notification for job openings										
Non-Cypriot	2.67	.816	.012	.914	3.191	5.072	.013	16.670	4.862	.027
Cypriot	3.63	.824			.629			8.580		
Company ensures that advertisements of positions are accessible to designated groups										
Non-Cypriot	2.83	.983	.410	.527	2.832	3.881	.033	16.430	3.506	.061
Cypriot	3.75	.847			.730			9.500		
Company addresses and eradicates stereotypes and prejudices										
Non-Cypriot	3.17	.753	.037	.849	1.441	3.709	.038	15.610	.712	.399
Cypriot	3.50	.659			.388			12.670		
Company designed the workplace to be accessible to disabled individuals										
Non-Cypriot	2.67	1.211	.115	.737	.904	.657	.527	15.590	.566	.452
Cypriot	3.13	1.154			1.376			12.750		

**Table 22:** Employees' perceptions of fair practises according to their nationality

		Non-Cypriot	Cypriot	U cal	z cal	Significance
Company monitors systems for employment equity legislation compliance	Mean rank	16.74	8.33	29.000	-2.317	.020
Company ensures that selection measures are not potentially unfairly discriminatory	Mean rank	16.70	8.50	30.000	-2.283	.022
Company uses job relevant criteria in personnel decisions	Mean rank	16.52	9.17	34.000	-2.068	.039
Company examines remuneration policy to identify discrimination	Mean rank	16.07	10.92	44.500	-1.427	.154
Company pays the same for doing the same work	Mean rank	15.07	14.75	67.500	-.086	.932
Company monitors unfair discrimination	Mean rank	15.74	12.17	52.000	-1.004	.316
Company has equitable systems for recognition, acknowledgement and reward	Mean rank	14.67	16.25	61.500	-.425	.671
Company ensures equitable notification for job openings	Mean rank	16.67	8.58	30.500	-2.205	.027
Company ensures that advertisements of positions are accessible to designated groups	Mean rank	16.43	9.50	36.000	-1.873	.061
Company addresses and eradicates stereotypes and prejudices	Mean rank	15.61	12.67	55.000	-.844	.399
Company designed the workplace to be accessible to disabled individuals	Mean rank	15.59	12.75	55.500	-.752	.452

**Table 23:** Employees' perceptions of promoting inclusiveness according to their nationality

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Company creates awareness of diversity issues										
Non-Cypriot	3.00	.894		1.000	1.125	1.308	.287	16.260	3.080	.079
Cypriot	3.67	.917			.860			10.170		
Company encourages the appreciation of differences in the firm										
Non-Cypriot	3.17	.408	2.967	.096	1.575	1.928	.165	16.330	3.146	.076
Cypriot	3.71	.999			.817			9.920		
Company shows an awareness of diversity concerns										
Non-Cypriot	3.00	.894	.056	.815	1.681	1.662	.209	16.430	3.483	.062
Cypriot	3.83	1.007			1.011			9.500		
Company supplies information in a manner that is accessible to all employees										
Non-Cypriot	3.67	.516	.352	.558	.777	1.216	.312	15.480	.491	.484
Cypriot	3.83	.868			.639			13.170		
Company facilitates employee socialisation										
Non-Cypriot	3.00	1.095	1.617	.214	1.125	1.204	.316	15.980	1.726	.189
Cypriot	3.67	.917			.934			11.250		
Company consults employees on ways of implementing diversity management										
Non-Cypriot	2.67	1.033	.158	.694	1.110	1.100	.347	15.960	1.525	.217
Cypriot	3.25	.989			1.009			11.330		
Company provides diversity awareness training to all employees										
Non-Cypriot	2.17	.983	2.238	.146	3.632	2.747	.082	16.610	4.262	.039
Cypriot	3.25	1.189			1.322			8.830		
Company facilitates discussion on diverse employees needs and values										
Non-Cypriot	2.50	.837	.651	.426	1.643	1.509	.239	16.220	2.454	.117
Cypriot	3.25	1.073			1.089			10.330		
Company promotes the value and appreciation of diversity amongst employees										
Non-Cypriot	3.00	1.095	.868	.360	.814	.792	.463	15.780	1.054	.304
Cypriot	3.54	.977			1.027			12.000		

**Table 24:** Employees' perceptions of promoting inclusiveness according to their nationality

		Non-Cypriot	Cypriot	U cal	z cal	Significance
Company creates awareness of diversity issues	Mean rank	16.26	10.17	40.000	-1.755	.079
Company encourages the appreciation of differences in the firm	Mean rank	16.33	9.92	38.500	-1.774	.076
Company shows an awareness of diversity concerns	Mean rank	16.43	9.50	36.000	-1.866	.062
Company supplies information in a manner that is accessible to all employees	Mean rank	15.48	13.17	58.000	-.700	.484
Company facilitates employee socialisation	Mean rank	15.98	11.25	46.500	-1.314	.189
Company consults employees on ways of implementing diversity management	Mean rank	15.96	11.33	47.000	-1.235	.217
Company provides diversity awareness training to all employees	Mean rank	16.61	8.83	32.000	-2.064	.039
Company facilitates discussion on diverse employees needs and values	Mean rank	16.22	10.33	41.000	-1.566	.117
Company promotes the value and appreciation of diversity amongst employees	Mean rank	15.78	12.00	51.000	-1.027	.304

**Table 25:** Employees' perceptions of inclusive climate according to their nationality

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Employees are respected in the organisation										
Non-Cypriot	3.67	.816	.518	.477	.855	1.879	.172	15.700	1.322	.250
Cypriot	4.08	.654			.455			12.330		
Company values differences in its employees										
Non-Cypriot	3.33	.816	.422	.521	1.364	2.517	.099	15.980	1.872	.171
Cypriot	3.88	.741			.542			11.250		
Different opinions are appreciated and considered as legitimate										
Non-Cypriot	3.67	.516	.127	.725	.764	1.410	.262	15.520	.585	.444
Cypriot	3.88	.797			.542			13.000		
Employees are not scared to speak up										
Non-Cypriot	3.33	.816	.069	.794	.241	.310	.736	15.500	.468	.494
Cypriot	3.58	.881			.777			13.080		
Employees feel welcome in the organisation										
Non-Cypriot	3.33	1.211	3.374	.077	1.429	2.420	.108	15.610	.761	.383
Cypriot	3.92	.654			.590			12.670		
Employees feel that they are part of the organisation										
Non-Cypriot	3.50	.837	.027	.871	.966	1.454	.251	15.410	.332	.565
Cypriot	3.79	.833			.664			13.420		
Everyone is encouraged to make a unique contribution										
Non-Cypriot	3.83	.753	.831	.370	1.091	1.593	.222	14.480	.478	.489
Cypriot	3.63	.875			.685			17.000		
The company has a culture of openness to diverse views of employees										
Non-Cypriot	3.50	.548	1.333	.258	.966	1.090	.351	15.650	.748	.387
Cypriot	3.79	1.021			.886			12.500		
Perspectives of all employees are respected										
Non-Cypriot	3.50	.837	.025	.875	1.029	1.382	.268	15.700	.903	.342
Cypriot	3.92	.881			.745			12.330		

**Table 26:** Employees' perceptions of inclusive climate according to their nationality

		Non-Cypriot	Cypriot	U cal	z cal	Significance
Employees are respected in the organisation	Mean rank	15.70	12.33	53.000	-1.150	.250
Company values differences in its employees	Mean rank	15.98	11.25	46.500	-1.368	.171
Different opinions are appreciated and considered as legitimate	Mean rank	15.52	13.00	57.000	-.765	.444
Employees are not scared to speak up	Mean rank	15.50	13.08	57.500	-.684	.494
Employees feel welcome in the organisation	Mean rank	15.61	12.67	55.000	-.872	.383
Employees feel that they are part of the organisation	Mean rank	15.41	13.42	59.500	-.576	.565
Everyone is encouraged to make a unique contribution	Mean rank	14.48	17.00	57.000	-.692	.489
The company has a culture of openness to diverse views of employees	Mean rank	15.65	12.50	54.000	-.865	.387
Perspectives of all employees are respected	Mean rank	15.70	12.33	53.000	-.950	.342

**Table 27:** Employees' perceptions of individual factors according to their first language

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Respect and dignity										
Foreign language	4.08	.900	.022	.882	2.219	3.663	.039	13.060	.246	.620
Greek	4.28	.826			.606			14.500		
Equal opportunities for training and career development										
Foreign language	4.00	.739	.313	.580	.199	.261	.772	13.610	.015	.902
Greek	4.06	.938			.762			13.250		
Offensive racist or sexist jokes										
Foreign language	1.67	.888	.087	.770	0.121	0.171	.844	13.440	.004	.948
Greek	1.50	.786			.708			13.630		
Experience harassment, bullying or discrimination										
Foreign language	1.75	1.138	.225	.639	.213	.151	.860	12.940	.409	.523
Greek	1.67	1.188			1.403			14.750		
Positive about diversity in the workplace										
Foreign language	4.25	.622	.001	.979	.257	.393	.679	12.830	.579	.447
Greek	4.11	.900			.654			15.000		

**Table 28:** Employees' perceptions of individual factors according to their first language

		Foreign language	Greek	U cal	z cal	Significance
Respect and dignity	Mean rank	13.06	14.50	64.000	-.496	.620
Equal opportunities for training and career development	Mean rank	13.61	13.25	70.000	-.123	.902
Offensive racist or sexist jokes	Mean rank	13.44	13.63	71.000	-.065	.948
Experience harassment, bullying or discrimination	Mean rank	12.94	14.75	62.000	-.639	.523
Positive about diversity in the workplace	Mean rank	12.83	15.00	60.000	-.761	.447

**Table 29:** Employees' perceptions of work group factors according to their first language

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Manager includes all members in decision making										
Foreign language	4.08	.996	1.256	.272	2.490	2.018	.152	11.530	4.285	.038
Greek	3.44	1.199			1.234			17.940		
Understanding of all customers' needs and expectations										
Foreign language	4.17	.718	.199	.659	.794	1.016	.375	12.280	1.802	.179
Greek	3.72	.958			.782			16.250		
Relationship problems due to differences within group										
Foreign language	2.67	1.155	.088	.769	.378	.291	.750	14.110	.415	.520
Greek	2.78	1.114			1.300			12.130		
Training received helps employees deal with diversity										
Foreign language	3.67	.888	.001	.971	0.565	0.760	.477	12.780	.593	.441
Greek	3.56	.856			.743			15.130		
Inclusion by workgroup										
Foreign language	4.17	.389	.779	.385	.183	0.430	.655	12.890	.527	.468
Greek	4.00	.767			.426			14.880		

**Table 30:** Employees' perceptions of work group factors according to their first language

		Foreign language	Greek	U cal	z cal	Significance
Manager includes all members in decision making	Mean rank	11.53	17.94	36.500	-2.070	.038
Understanding of all customers' needs and expectations	Mean rank	12.28	16.25	50.000	-1.342	.179
Relationship problems due to differences within group	Mean rank	14.11	12.13	61.000	-.644	.520
Training received helps employees deal with diversity	Mean rank	12.78	15.13	59.000	-.770	.441
Inclusion by workgroup	Mean rank	12.89	14.88	61.000	-.726	.468

**Table 31:** Employees' perceptions of organisational factors according to their first language

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Managers treat everyone with respect										
Foreign language	4.58	.515	1.354	.254	1.357	1.982	.157	11.940	3.275	.070
Greek	4.28	1.018			.685			17.000		
Senior management shows practical support for Equal Opportunities policy										
Foreign language	3.75	.866	.174	.680	2.157	3.975	.031	13.500	0.000	1.000
Greek	4.11	.758			.543			13.500		
Senior management shows practical support for Anti-discrimination policy										
Foreign language	3.92	.996	2.285	.142	2.857	5.940	.007	12.940	.377	.539
Greek	4.22	.647			.481			14.750		
Senior management shows practical support for Diversity management policy										
Foreign language	3.67	.888	2.270	.143	1.733	3.343	.050	13.500	0.000	1.000
Greek	4.00	.686			.519			13.500		
Can talk openly with managers about issues related to diversity										
Foreign language	3.50	.905	.102	.752	.588	0.686	.512	14.060	.359	.549
Greek	3.83	.924			.856			12.250		
Manager visibly challenges incidents of racism, sexism or other forms of discrimination										
Foreign language	4.08	.996	.438	.514	2.553	2.270	.123	11.890	2.888	.089
Greek	3.72	1.179			1.124			17.130		
The organisation is open to change										
Foreign language	3.67	.778	.680	.417	.094	.181	.836	13.560	.004	.952
Greek	3.72	.669			.523			13.380		

**Table 32:** Employees' perceptions of organisational factors according to their first language

		Foreign language	Greek	U cal	z cal	Significance
Managers treats everyone with respect	Mean rank	11.94	17.00	44.000	-1.810	.070
Senior management shows practical support for Equal Opportunities policy	Mean rank	13.50	13.50	72.000	0.000	1.000
Senior management shows practical support for Anti-discrimination policy	Mean rank	12.94	14.75	62.000	-.614	.539
Senior management shows practical support for Diversity management policy	Mean rank	12.94	14.75	72.000	0.000	1.000
Can talk openly with managers about issues related to diversity	Mean rank	14.06	12.25	62.000	-.599	.549
Manager visibly challenges incidents of racism, sexism or other forms of discrimination	Mean rank	11.89	17.13	43.000	-1.699	.089
The organisation is open to change	Mean rank	13.56	13.38	71.000	-.060	.952

**Table 33:** Employees' perceptions of the department's character according to their first language

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Department willing to stick necks out and take risks										
Foreign language	4.00	.426	12.291	.002	1.299	1.747	.193	11.890	3.245	.072
Greek	3.44	1.042			.743			17.130		
Bureaucratic orientation										
Foreign language	3.50	.905	1.244	.274	.794	1.360	.274	13.190	.116	.733
Greek	3.61	.698			.584			14.190		
Manager seeks to develop employees' potential										
Foreign language	4.50	.674	1.998	.169	2.350	2.266	.123	11.560	4.394	.036
Greek	3.83	1.200			1.037			17.880		
Manager encourages employees to take risks and be innovative										
Foreign language	4.25	.622	4.890	.035	1.657	1.589	.223	12.060	2.441	.118
Greek	3.61	1.195			1.043			16.750		
Manager expects employees to follow established rules										
Foreign language	4.58	.515	.049	.826	2.024	4.623	.019	11.030	7.393	.007
Greek	4.06	.802			.438			19.060		
Manager helps employees to meet the Department's goals and objectives										
Foreign language	4.58	.669	.008	.931	2.490	4.250	.025	10.810	8.782	.003
Greek	3.94	.873			.586			19.560		

**Table 34:** Employees' perceptions of the department's character according to their first language

		Foreign language	Greek	U cal	z cal	Significance
Department willing to stick necks out and take risks	Mean rank	11.89	17.13	43.000	-1.801	.072
Bureaucratic orientation	Mean rank	13.19	14.19	66.500	-.341	.733
Manager seeks to develop employees' potential	Mean rank	11.56	17.88	37.000	-2.096	.036
Manager encourages employees to take risks and be innovative	Mean rank	12.06	16.75	46.000	-1.562	.118
Manager expects employees to follow established rules	Mean rank	11.03	19.06	27.500	-2.719	.007
Manager helps employees to meet the Department's goals and objectives	Mean rank	10.81	19.56	23.500	-2.963	.003

**Table 35: Employees' perceptions of fair practises according to their first language**

	Mean	SD	t-test	Sgn	Mean square	F	p	Mean square	$\chi^2$ cal	p
Company monitors systems for employment equity legislation compliance										
Foreign language	3.25	.965	1.308	.262	2.913	4.526	.020	14.250	.667	.414
Greek	3.83	.786			.644			11.810		
Company ensures that selection measures are not potentially unfairly discriminatory										
Foreign language	3.42	.900	1.491	.232	1.958	3.585	.042	13.750	.075	.784
Greek	3.83	.707			.546			12.940		
Company uses job relevant criteria in personnel decisions										
Foreign language	3.58	.793	.571	.456	1.490	2.912	.072	13.690	.046	.830
Greek	3.94	.725			.512			13.060		
Company examines remuneration policy to identify discrimination										
Foreign language	3.42	.900	.904	.350	1.803	3.169	.058	13.560	.004	.952
Greek	3.78	.732			.569			13.380		
Company pays the same for doing the same work										
Foreign language	3.17	1.030	1.234	.276	.532	.641	.535	12.640	.856	.355
Greek	3.11	.832			.830			15.440		
Company monitors unfair discrimination										
Foreign language	3.42	1.084	2.366	.135	3.146	5.187	.012	13.330	.034	.853
Greek	3.83	.707			.606			13.880		
Company has equitable systems for recognition, acknowledgement and reward										
Foreign language	3.42	1.165	1.154	.292	1.358	1.512	.238	12.500	1.114	.291
Greek	3.33	.840			.898			15.750		
Company ensures equitable notification for job openings										
Foreign language	3.08	.996	.678	.417	1.246	1.611	.218	14.750	1.753	.185
Greek	3.67	.767			.773			10.690		
Company ensures that advertisements of positions are accessible to designated groups										
Foreign language	3.08	.996	.972	.333	2.357	3.081	.062	15.170	3.064	.080
Greek	3.89	.758			.765			9.750		
Company addresses and eradicates stereotypes and prejudices										
Foreign language	3.25	.754	.397	.534	1.086	2.620	.091	13.610	.016	.900
Greek	3.56	.616			.415			13.250		
Company designed the workplace to be accessible to disabled individuals										
Foreign language	2.67	1.155	.343	.563	1.865	1.429	.257	14.280	.661	.416
Greek	3.28	1.127			1.305			11.750		

**Table 36:** Employees' perceptions of fair practises according to their first language

		Foreign language	Greek	U cal	z cal	Significance
Company monitors systems for employment equity legislation compliance	Mean rank	14.25	11.81	58.500	-.817	.414
Company ensures that selection measures are not potentially unfairly discriminatory	Mean rank	13.75	12.94	67.500	-.274	.784
Company uses job relevant criteria in personnel decisions	Mean rank	13.69	13.06	68.500	-.215	.830
Company examines remuneration policy to identify discrimination	Mean rank	13.56	13.38	71.000	-.061	.952
Company pays the same for doing the same work	Mean rank	12.64	15.44	56.500	-.925	.355
Company monitors unfair discrimination	Mean rank	13.33	13.88	69.000	-.185	.853
Company has equitable systems for recognition, acknowledgement and reward	Mean rank	12.50	15.75	54.000	-1.055	.291
Company ensures equitable notification for job openings	Mean rank	14.75	10.69	49.500	-1.324	.185
Company ensures that advertisements of positions are accessible to designated groups	Mean rank	15.17	9.75	42.000	-1.750	.080
Company addresses and eradicates stereotypes and prejudices	Mean rank	13.61	13.25	70.000	-.126	.900
Company designed the workplace to be accessible to disabled individuals	Mean rank	14.28	11.75	58.000	-.813	.416

**Table 37:** Employees' perceptions of promoting inclusiveness according to their first language

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Company creates awareness of diversity issues										
Foreign language	3.17	1.030	1.644	.210	2.678	3.595	.041	14.330	.970	.325
Greek	3.78	.808			.745			11.630		
Company encourages the appreciation of differences in the firm										
Foreign language	3.42	.996	.049	.827	1.669	2.062	.147	13.580	.008	.928
Greek	3.72	.895			.810			13.310		
Company shows an awareness of diversity concerns										
Foreign language	3.42	1.240	2.677	.113	1.958	1.977	.158	13.640	.022	.883
Greek	3.83	.857			0.991			13.190		
Company supplies information in a manner that is accessible to all employees										
Foreign language	3.83	.577	1.653	.209	.344	0.513	.604	13.220	.108	.743
Greek	3.78	.943			.671			14.130		
Company facilitates employee socialisation										
Foreign language	3.25	1.215	6.236	.019	3.803	5.170	.013	13.280	.062	.803
Greek	3.72	.752			.736			14.000		
Company consults employees on ways of implementing diversity management										
Foreign language	2.83	1.193	2.621	.117	0.921	0.900	.418	14.720	1.640	.200
Greek	3.33	.840			1.023			10.750		
Company provides diversity awareness training to all employees										
Foreign language	2.50	1.243	.067	.797	3.594	2.713	.084	14.830	1.945	.163
Greek	3.39	1.092			1.325			10.500		
Company facilitates discussion on diverse employees needs and values										
Foreign language	2.67	1.155	.840	.367	2.399	2.321	.117	14.780	1.776	.183
Greek	3.39	.916			1.033			10.630		
Company promotes the value and appreciation of diversity amongst employees										
Foreign language	3.08	1.240	7.284	.012	3.308	3.926	.032	13.720	.058	.810
Greek	3.67	.767			0.843			13.000		

**Table 38:** Employees' perceptions of promoting inclusiveness according to their first language

		Foreign language	Greek	U cal	z cal	Significance
Company creates awareness of diversity issues	Mean rank	14.33	11.63	57.000	-.985	.325
Company encourages the appreciation of differences in the firm	Mean rank	13.58	13.31	70.500	-.090	.928
Company shows an awareness of diversity concerns	Mean rank	13.64	13.19	69.500	-.147	.883
Company supplies information in a manner that is accessible to all employees	Mean rank	13.22	14.13	67.000	-.328	.743
Company facilitates employee socialisation	Mean rank	13.28	14.00	68.000	-.249	.803
Company consults employees on ways of implementing diversity management	Mean rank	14.72	10.75	50.000	-1.281	.200
Company provides diversity awareness training to all employees	Mean rank	14.83	10.50	48.000	-1.395	.163
Company facilitates discussion on diverse employees needs and values	Mean rank	14.78	10.63	49.000	-1.333	.183
Company promotes the value and appreciation of diversity amongst employees	Mean rank	13.72	13.00	68.000	-.241	.810

**Table 39:** Employees' perceptions of inclusive climate according to their first language

	Mean	SD	t-test	Significance	Mean square	F	p	Mean square	$\chi^2$ cal	p
Employees are respected in the organisation										
Foreign language	3.67	.778	.652	.426	2.444	7.244	.003	14.390	1.467	.226
Greek	4.22	.548			.337			11.500		
Company values differences in its employees										
Foreign language	3.50	.905	3.651	.066	2.399	5.152	.013	13.720	.066	.798
Greek	3.94	.639			.466			13.000		
Different opinions are appreciated and considered as legitimate										
Foreign language	3.83	.577	.804	.378	.333	0.581	.566	13.250	.087	.768
Greek	3.83	.857			.574			14.060		
Employees are not scared to speak up										
Foreign language	3.42	.900	.191	.666	.657	.880	.426	13.560	.004	.949
Greek	3.61	.850			.746			13.380		
Employees feel welcome in the organisation										
Foreign language	3.50	.905	1.227	.277	2.588	5.128	.013	13.890	.213	.645
Greek	4.00	.686			.505			12.630		
Employees feel that they are part of the organisation										
Foreign language	3.50	.798	.112	.740	2.232	3.912	.032	13.640	.025	.873
Greek	3.89	.832			.570			13.190		
Everyone is encouraged to make a unique contribution										
Foreign language	3.67	.778	1.057	.313	0.083	0.110	.896	13.110	.169	.681
Greek	3.67	.907			.759			14.380		
The company has a culture of openness to diverse views of employees										
Foreign language	3.58	.793	.467	.500	.558	0.609	.551	13.970	.253	.615
Greek	3.83	1.043			.917			12.440		
Perspectives of all employees are respected										
Foreign language	3.58	.900	.615	.439	1.646	2.354	.114	14.000	.303	.582
Greek	4.00	.840			.699			12.380		

**Table 40:** Employees' perceptions of inclusive climate according to their first language

		Foreign language	Greek	U cal	z cal	Significance
Employees are respected in the organisation	Mean rank	14.39	11.50	56.000	-1.211	.226
Company values differences in its employees	Mean rank	13.72	13.00	68.000	-.256	.798
Different opinions are appreciated and considered as legitimate	Mean rank	13.25	14.06	67.500	-.295	.768
Employees are not scared to speak up	Mean rank	13.56	13.38	71.000	-.064	.949
Employees feel welcome in the organisation	Mean rank	13.89	12.63	65.000	-.461	.645
Employees feel that they are part of the organisation	Mean rank	13.64	13.19	69.500	-.160	.873
Everyone is encouraged to make a unique contribution	Mean rank	13.11	14.38	65.000	-.411	.681
The company has a culture of openness to diverse views of employees	Mean rank	13.97	12.44	63.500	-.503	.615
Perspectives of all employees are respected	Mean rank	14.00	12.38	63.000	-.550	.582

