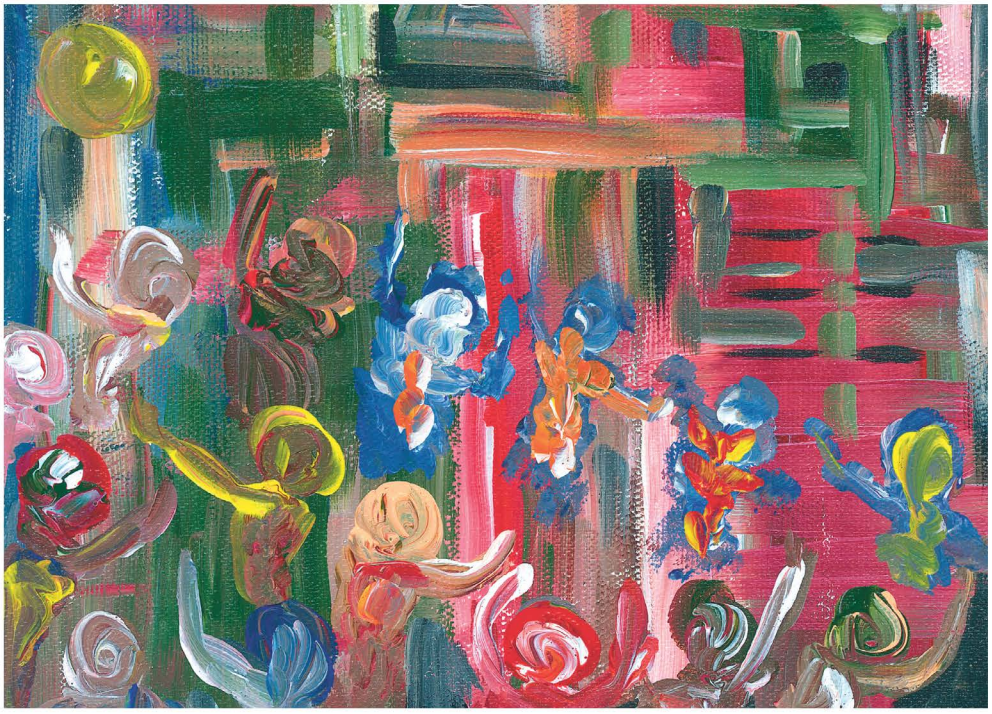
Management

Facets of Managing in Cross-Cultural Diversity

Edited by
Ilona Świątek-Barylska
Udaya Mohan Devadas



WYDAWNICTWO
UNIWERSYTETU
ŁÓDZKIEGO

Facets of Managing in Cross-Cultural Diversity

WYDAWNICTWO
UNIWERSYTETU
ŁÓDZKIEGO

Management

Facets of Managing in Cross-Cultural Diversity

Edited by
Ilona Świątek-Barylska
Udaya Mohan Devadas

WYDAWNICTWO
UNIWERSYTETU
ŁÓDZKIEGO
Łódź–Warszawa 2021

Ilona Świątek-Barylska – University of Łódź
Faculty of Management, 22/26 Matejki St, 90-237 Łódź

Udaya Mohan Devadas – University of Kelaniya
Department of Human Reosurce Managment

REVIEWER
Aldona Glińska-Neweś

INITIATING EDITOR
Monika Borowczyk

EDITOR
Barbara Gawrysiak

TYPESETTING
Grzegorz Urawski

COVER DESIGN
Grzegorz Urawski

COVER ILLUSTRATION
Udaya Mohan Devadas

Published by Łódź University Press
First Edition. W.10202.20.0.K

Publisher's sheets 12; printing sheet's 11,375

ISBN WUŁ 978-83-8220-533-6
e-ISBN WUŁ 978-83-8220-534-3
ISBN WN PWN 978-83-01-21836-2
https://doi.org/10.18778/8220-533-6

Łódź University Press
90-131 Łódź, 8 Lindleya St.
www.wydawnictwo.uni.lodz.pl
e-mail: ksiegarnia@uni.lodz.pl
tel. 42 665 58 63

Table of Contents

https://doi.org/10.18778/8220-533-6.01

Introduction

The book which you are about to read deals with an important and current phenomenon of operating in a global, multicultural environment. Countries and companies are becoming increasingly interdependent, employees are taking up jobs for companies in different locations (sometimes on a different continent), and managers are facing the challenge of managing a culturally diverse environment. The world has been drawing more closely together since 1990. Integration of flows of goods, people, and capital has increased significantly since then. Although the globalization index differs between countries (see Table 1), globalization is a fact that we all must recognize. It affects nations, organizations, and individuals. Thus, the knowledge, experience, and skills in managing cross-cultural diversity seem to be crucial both for decision-makers and employees.

The book is an attempt at an answer to the need for a scholarly exploration of managing cross-cultural diversity. It is aimed at professionals and researchers in the field of cross-cultural management, and practitioners who require a comprehensive, well-structured publication on the topic. Additionally, it could be useful for students of management or related majors.

This book brings together nine studies into management in the global world and, at the same time, in cross-cultural environments. It is divided into two parts which reflect two perspectives: macro and group-individual one. Part one, *Consequences of Cross-Cultural Diversity – Macro Perspective*, offers an analysis on the macro level. Chapter 1 deals with the problem of identity in the globalized world. The second chapter is closely related to the issue of identity, as it considers the question of the existing European identity; although Europe can be perceived as one entity, in fact it consists of 32 independent countries, thus the answer to the research question asked in Chapter 2 is important both for European and non-European managers. The chapter presents the preliminary results of a project which covers the EU member states (selected according to political and geographical criteria). Chapter 3 discusses aspects of managing in cross-cultural diversity. The author answers several questions: how diversity has been viewed and explained, and what concepts and models explain diversity, solutions available in managing diversity, and forecasts for the future of managing cultural diversity. The business world is affected not only by the globalization process, but also by the increasing role of artificial intelligence (AI); the human workforce is competing with increasingly intelligent machines. The Authors of Chapter 4 present examples of professions that can be replaced by technology and a case where such a replacement has already happened. They try to answer the question whether the human workforce can be universally (globally) 'disrupted' by autonomous technologies. The last Chapter analyses the role of *wasta* in developing social capital. Wasta is a phenomenon closely related to the culture of Arabic countries which influences many internal organizational decisions and processes.

Table 1. The globalization index 2018

Ranking	Country	Points in the globalization index	Ranking	Country	Points in the globalization index
1	The Netherlands	92.39	24	Greece	62.00
2	lreland	90.05	25	United States	61.62
3	Belgium	81.83	26	New Zealand	61.61
4	Switzerland	81.48	27	Poland	60.75
5	Luxembourg	79.69	28	Bułgaria	60.66
6	United Kingdom	75.12	29	Latvia	60.40
7	Denmark	75.09	30	Slovenia	60.10
8	Sweden	72.40	31	Romania	59.88
9	Austria	71.94	32	Chile	59.53
10	Finland	70.28	33	Japan	57.97
11	Portugal	69.70	34	lsrael	56.92
12	Czech Republic	69.11	35	Turkey	48.80
13	Canada	69.05	36	South Korea	48.66
14	Slovakia	68.51	37	South Africa	47.28
15	Norway	68.27	38	Mexico	46.82
16	Hungary	68.27	39	lndonesia	44.41
17	Estonia	68.02	40	Russia	43.92
18	France	67.89	41	China	42.43
19	Germany	66.36	42	Nigeria	39.S8
20	Spain	65.24	43	Brazil	39.45
21	Australia	63.79	44	Argentina	37.19
22	Lithuania	62.93	45	India	31.33
23	ltaly	62.93			

Source: A. Sachs, C. Funke, Ph. Kreuzer, J. Weiss, Globalization Report 2020, https://www.bertelsmann-stiftung.de/fileadmin/files/user_upload/GlobalizationReport2020_2_final_en.pdf (accessed 15.03.2021).

The chapter provides a great example of cultural differences and their influence on understanding people and their behaviour.

The second part of the book, *Human Resources and Organizational Behavior Perspectives on cross-cultural diversity*, offers an analysis of management challenges and solutions from both the group and individual perspective. This part consists of four chapters (6–9). Chapter 6 covers the problem of migration and human resources practices implemented by organizations employing workers from neighbouring countries. The case of Poland and Ukraine presented in the chapter can be treated as a starting point for a similar analysis for other neighbouring countries. Continuing the analysis of the cross-cultural environment and its influence on the management process, Authors of Chapter 7 present methods and tools of multicultural management, offer recommendations for managers, and propose a self-assessment questionnaire testing multicultural management skills. Next, Chapter 8 deals with diversity and inclusion practices in different cultures and verifies similarities and differences in approaches towards those concepts. A literature review and a case study of an international IT company allow to understand the phenomenon and learn a few HRO practices in terms of different cultural environments. Chapter 9 provides an insight into culture and performance appraisal practices and processes in the South African public sector, underlining the core elements of appraisal systems there.

At the end of the introduction, it is worth to underline the fact that the book itself is a result of a multicultural team's work. I would like to thank the Authors for sharing their knowledge and perspectives.

Ilona Świątek-Barylska

Part 1
Cross-Cultural Diversity – Macro Perspective

Chapter 1
Identity – a Brief Humanistic Perspective[1]

Joanna Sośnicka
Lodz University of Technology
Faculty of Management
and Production Engineering
Poland
https://doi.org/10.18778/8220-533-6.02

Abstract

Today *identity* is 'the loudest talk in town', the burning issue on everybody's mind and tongue. Normally, we tend to notice things and put them into the focus of our scrutiny and contemplation only when they vanish, go bust, start to behave oddly or otherwise let us down (Bauman 2004: 16–17).Does the concept of identity find itself in a similar situation? Any extensive analysis undoubtedly blurs the concept, and interdisciplinary approaches do not help with grasping the essence of identity (if that is possible at all). The objective of this article is not to create another definition (we have enough already); instead, by making use of the richness of humanistic thought, the goal is to draw attention to certain dimensions and aspects of realizing identity, which are currently, in the author's opinion, worth considering. Personal identity is not created in a vacuum – one's environment and social reality have a great impact on them. The chapter addresses these influences with particular attention to selected elements.[2]

Keywords: culture, personal identity, social identity, symbol

1 This article was financed by the EU-CAB project implemented under the Erasmus + Strategic Partnership in the higher education sector and co-financed by the European Union.
2 I would like to thank Angela Diehl-Becker for her inspiration and support.

Introduction

The first chapter of Zygmunt Bauman's *Identity* opens with a story:

> According to the old custom of Charles University of Prague, the national anthem of the country to which the person receiving an honorary doctorate belongs is played during the conferment ceremony. When my turn to be so honored came, I was asked to choose between the British and the Polish anthems… well, I did not find and answer easy. Britain was the country of my choice and by which I was chosen through an offer of a teaching job once I could no longer stay in Poland, the country of my birth, because my right to teach was taken away. But there, in Britain, I was an immigrant, a newcomer – not so long ago a refugee from a foreign country, an alien. […] So perhaps the Polish anthem should have been played? But that would also mean acting on false pretences: thirty-odd years before the Prague ceremony I had been stripped of Polish citizenship. […] Janina, my lifelong companion […] found the solution: why not the European anthem? … Our decision to ask for the European anthem to be played was simultaneously "inclusive" and "exclusive". It referred to an entity that embraced both alternative reference points of my identity, but at the same time cancelled out, as less relevant or irrelevant, the difference between them and so also possible "identity split"(Bauman 2004: 9–10).

The issue of identity is not just theoretical. Although it is found in numerous academic publications, the interest in this topic results from the practical, human and internal need to understand oneself as a human being. This refers to the most obvious sense of one's existence: we are first aware of our existence, and then the entire world "grows" out of this experience. Self-awareness is original, direct and preconceptual, irreducible to any other forms of awareness, because all of those forms presuppose it (Zwoliński 2002). The question of identity is a question of the essence of being human.

The amount of literature analysing the problem of identity is overwhelming, however, the absence of a clear indication of designations for this concept is apparent (Osika 2016). What we have at hand is a huge tradition of the concept of identity. The history of this concept has not been straightforward; as British philosopher David Hume aptly notes, the concept of identity should be treated as a distinguished academic problem, or even an enigma[3] – "it is certain there is no question in philosophy more abstruse than that concerning identity, and the nature of the uniting principle, which constitutes a person" (Witkowski 1991: 69). However, the increasingly widespread use of the concept led to the decreasing rigour in its definition. Already in 1983, Philip Gleason could argue that identity had become more and more a cliché, its meaning progressively more diffuse, thereby

3 D. Hume, *A Treatise of Human Nature*, book I, part IV, sect. II., https://oll.libertyfund.org/titles/hume-a-treatise-of-human-nature (accessed 20.02.2020).

encouraging increasingly loose and irresponsible usage. In consequence, a good deal of what passes for a discussion about identity is little more than portentous incoherence (Kraay 2007). Bearing in mind these difficulties, it should be emphasized that it is impossible to even summarize the most important humanistic attempts at characterizing the intricate issue of identity in a short article, thus the proposed subtitle is a slight exaggeration – however, the goal here is different: it serves as an invitation to reflect on certain interdisciplinary features (aspects) of identity that are particularly worth highlighting today. Because finding identity to be a bunch of problems rather than a single-issue campaign is a feature we share with a much greater number of men and women (Bauman 2004).

Who am I?

Identity is the answer to the question "who am I" or "what makes me who I am". This constitutes and shapes a certain type of image – like painting a self-portrait. This metaphor of painting is incomplete when separated from the reality in which we live. We do not live in isolation, we are social beings, we live and impact one another – painting the image of "self" cannot fail to capture this aspect. Sociologists therefore stress that the problem of identity contained in the question "who am I" is associated with the answer to the question "who are we" – "what is the group in which I live?" The identity of "self" is also a characteristic of the relation between people and groups (myself and others surrounding me). Therefore, identity often does not boil down to definitions and characteristics of "self", but also contains (or should contain) a series of aspects of the world "around us", which the "self" shapes and/or constitutes in a very direct way. Norbert Elias, in his book *On Civilisation, Power, and Knowledge*, accurately grasps this thought:

> "The basic structure of the idea we have of ourselves […] is a fundamental precondition of our ability to deal successfully with other people and […] communicate with them" (Elias 1998: 280).

The answer to the question of oneself is inscribed in every human action and relationship with others, regardless of how we answer this question ourselves.

The issue of identity is, on the one hand, a reflection on who I am as an individual, but also a member of a group – whether or what of kind of group I belong to. The extraordinary popularity of this concept may be due to the fact that it fits into the discussion of the individual's relation with society (Osika 2016). Moreover, as Philip Gleanson points out, ever since the word "identity" started to be used in reference to the relationship between an individual personality and the entirety of social and cultural features that grant particular groups a distinct character, it has offered hope for explaining the connection between the individual and society.

Undoubtedly, how we perceive ourselves as individuals and as members of a given society is influenced by the reality that closely surrounds us – and more precisely, the symbols of that reality. Everything we perceive and what we think about is somehow defined – it is known to us and has its place. This world created by us is the only world that shapes our thoughts and actions, and also provides us with a feeling of security and life in a familiar and understandable area. When this world is disturbed, we experience fear and the an inability to orient ourselves in a given social environment (Mach 2008). Symbols found in one's closest community define and determine relationships between people, as well as ways and methods of communication. They also define the relationship with *sacrum*, ways of perceiving good and evil – in other words, people act according to this social, conventional and symbolic perspective, and not according to some objective nature of the world. Self-perception and people's behaviour are therefore determined by their vision and interpretation of reality, and the cultural model of the world they create is the only one known to them. Charles Taylor pointed this out by stating "To know who I am is a species of knowing where I stand. My identity is defined by the commitments and identifications which provide the frame or horizon within which I can try to determine from case to case what is good, or valuable, or what ought to be done, or what I endorse or oppose. In other words, it is the horizon within which I am capable of taking a stand" (Taylor 2006: 27). According to Taylor, this effort to place oneself within the categories of good and evil, in relation to others, serves one purpose: obtaining a coherent image of oneself and understanding the world. Studying another culture is therefore a process of interpreting the world in its language, an attempt at understanding the sense which that world has for the people living in it.

Social Identity

Social identity, understood as an element of that symbolic model of the world, gives every individual and group space in relation to other people and groups. Thus, it implies a certain synthesis of the human-world relationship determined by the group (social, cultural) perspective. On the one hand, identity maintains a state of unity, while on the other, it constitutes a conscious process of adapting individuals to the changing conditions surrounding them. In this perspective, it encompasses personal, mental and unique features for a given person along with biological characteristics shared with others (physical appearance, race, gender, etc.) (Paleczny 2008). As Tadeusz Paleczny indicated, we define identity as our spiritual, intellectual and emotional portrait (Paleczny 2008). Therefore, identity is both a relatively fixed system of features determining the continuity and stability of a person, and a product of relations with other people that change in various contexts. The answer to the question "who am I" simultaneously answers the question

"who am I in relation to other people" and "who am I in relation to other groups". Identity is simultaneously the foundation for interaction and its product. The self is "situated" – "cast in the shape of a social object by the acknowledgement of his participation or membership in social relations. One's identity is established when others *place* him as a social object by assigning him the same words of identity that he appropriates for himself or *announces*" (Stone 2020). We may be members of a particular nation, religious group, region or professional group while simultaneously building an image of ourselves in relation to others who differ from us in some respect, and still remain ourselves. This is because each of us has a unique combination of elements for constructing our identity resulting from particular situations and biographies (Mach 2008). Maria Straś-Romanowska (2008: 28) expressed this aspect in the following manner:

> […] in light of descriptions of contemporary culture, as a global and dynamically transforming symbolic reality, diagnoses concerning the identity of people living in our age seem to be accurate insofar as we reject classical diagnostic criteria. Otherwise, it would be necessary to speak not of a new identity, but rather of the loss of identity. […] However, if we take into consideration the personal condition of people, these diagnoses can be considered to be somewhat exaggerated. People are, for their part, "unlimited" beings, open, unfinished – mainly due to consciousness, reflectiveness and freedom. Ultimately, human consciousness is shaped throughout the process of the clash of two needs: the need for rootedness, belonging, stability, while on the other hand, the need for freedom, change and development.

In the social process and in the dynamics of social life, both our own identity and that of our partners change and take on new expressions. As Edwin Ardener argued, identity is not a stable, intrinsic, and independent property of a human being, we do not "have" an identity, what we see are simply ways that we are identified (passive) and ways we identify (active). When we talk about somebody's identity, we abstract and objectify the process of an exchange of acts in which partners in a social contact classify, describe and define one another (Mach 1993) This constant developing of one's identity consists in "negotiating" interpretations of the world with partners in a social contract.

> '[S]elf' is not a solid kernel defined once and for all, but is in its formation connected with contingency in many ways. It evolves through contingent processes; it represents a matrix which offers a variety of potentialities; it constitutes a style rather than a substance, or a way of living, acting and thinking rather than a number of strictly defined contents or projects; it is not defined in a purely internal way, but takes shape in interaction with, and is dependent upon many entities outside: certain people, cultural contexts, and professional, economic and cultural conditions; finally, it is, as a matter of principle, never stable, but open to modifications (Welsch 2020).

Boundaries

Identity is therefore the world of "myself" and "we" in a certain system of interaction. It is problematic, despite the existence of standard labels – and particularly the typification of roles. Identity is therefore a consensus of roles which binds the participant, and which they and their partners ascribe to themselves in given situation (Hałas 2006). It is a dynamic phenomenon, but it also contains elements of endurance, stabilization and continuity. In conflict situations, perceived differences are exasperated and the sides of the conflict tend to polarize the world. The internal differentiation of each side is forgotten and people perceive themselves and their opponents in terms of one highlighted aspect of identity – that which defines the difference between them and constitutes the symbolic basis of the conflict (Mach 2008).

While shaping identity, we construct the boundaries which differentiate and separate us from others. In the words of Fredrik Barth, Zdzisław Mach argues that establishing and transforming boundaries makes interpersonal relationships meaningful. They assist in making classifications between "us" and "others" – between those who belong to our group and those who do not but with whom we want to maintain contact for our own various benefits. In the absence of boundaries the world becomes continuous, uniform and chaotic. Exchange is impossible, because its participants and partners cannot be defined. It is impossible to separate ourselves from others or to express feelings of friendship, because in such a uniform world, they are culturally indistinguishable. Without walls, fences and thresholds, there are no neighbours or guests whom you could invite into your home. Doors are needed not only to keep them closed, but also to be able to implement an "open door policy" (Barth 1969: 157, Mach 2008).

Boundaries are made of symbols. The symbols used to create boundaries certainly depend on a particular social situation and cultural differences between partners. This is particularly significant, because every culture selects only some of them – from an extremely wide range of symbols, which can potentially indicate and highlight differences between people. The materials for building boundaries can include religious, linguistic, racial, moral symbols etc. The symbols which selected and established boundaries are more important for understanding the identity of the group than its cultural features found within. The most important issue is what a group chooses and displays to emphasise the differences that separate them from others (Barth 1969).

Many symbolic structures of identity and images of other people are simplified, stereotypical and ideological in nature – and are primarily used to mark their differences. They then appear as different from us in terms that are relevant from the point of view of our culture. Based on these symbolic boundaries, it is possible to learn about the people who build them. These boundaries are constructed of symbols that are important and valuable from the point of view of the world of their builders. Understanding the symbolism of the barriers is of particular significance and plays an important role in multicultural societies.

We change our own image along with the transformation of the symbolic vision of the world. We build new boundaries and transform old ones, otherwise we answer the question of "who am I in relation to others" and at the same time, the constellation of partners changes in relation to whom we build our identity (Mach 2008). The image of the world is formed in this way, the image of us in the world – our identity in relation to other actors in social life. The model of the world that forms the foundation of people's perception consists of basic models of themselves and their partners' identities. People act in accordance with their interpretation of the world and their conduct is determined by their view of reality. Of course, this is a simplified generalization of the very complicated process of creating images of oneself and the world. However, at a high level of generality, it is possible to state that the image of the world and social identity are dynamic structures developing in a stream of social activities. In order to understand human activity, it is necessary to study both the conceptual model of the world and the processes of social interaction (Macg 2008).

Conclusion

Identity is an extremely vague idea. Contemporary identity turns out to be fluid and based on individual choice, however, it depends on interactions between partners in social situations to a large extent. It is often subject to negotiations during which the partners communicate to each other the sense of their mutual relations by simultaneously answering the question "who are we in relation to each other". This manner of describing identity is worthy of attention based on: (1) Indicating the significant influence between the identity of "myself" and that of "us". Individuals do not exist without groups – life always takes place in a social setting, which, whether we like it or not, has great impact on individuals (shaping their vision of the world and themselves); (2) I, as an individual, am an active person shaping my own identity; (3) Identity is a process of construction rather than a ready-made product. Identity is "becoming" rather than "being". Therefore, this fits into the busy and dynamic reality of the contemporary society in which constant change and choice are the way of life; (4) This model also allows us to understand that the contemporary world is based on the constant negotiation of certain aspects of identity.

References

Barth, F. (1969), *Ethnic Groups and Boundaries: The Social Organization of Culture Difference*, Waverland Press, Inc, Long Grove.

Bauman, Z. (2004), *Identity. Conversations with Benedetto Vecchi*, Polity Press, Malden.

Elias, N. (1998), *On Civilisation, Power, and Knowledge: Selected Writings*, The University of Chicago Press, Chicago.
Hałas, E. (2006), *Interakcjonizm symboliczny. Społeczny kontekst znaczeń*, PWN, Warszawa.
Hume, D., *A Treatise of Human Nature*, book I, part IV, sect. II., https://oll.libertyfund.org/titles/hume-a-treatise-of-human-nature (accessed 20.02.2020).
Kraay, H. (2007), *Negotiating Identities in Modern Latin* America, University of Calgary Press, Calgary.
Mach, Z. (2008), *Przedmowa*, [in:] T. Paleczny, *Socjologia tożsamości*, Oficyna Wydawnicza AFM, Kraków.
Mach, Z. (1993), *Symbols, Conflict, and Identity: Essays in Political Anthropology*, State University of New York Press, New York.
Osika, G. (2016), *Tożsamość osobowa w epoce cyfrowych technologii komunikacyjnych*, Universitas, Kraków.
Paleczny, T. (2008), *Socjologia tożsamości*, Oficyna Wydawnicza AFM, Kraków.
Stone, G. P., *Appearance and the Self,* https://granolagradschoolandgoffman.wordpress.com/2016/05/03/stone-g-p-19621995-appearance-and-the-self/ (accessed 20.02.2020).
Straś-Romanowska, M. (2008), *Tożsamość w czasach dekonstrukcji*, [in:] B. Zimoń-Dubowik, M. Gamian-Wilk (eds), *Oblicza tożsamości. Perspektywa interdyscyplinarna*, Wydawnictwo Dolnośląskiej Szkoły Wyższej, Wrocław.
Taylor, Ch. (2006), *Sources of the Self: The Making of the Modern Identity*, Cambridge University Press, Cambridge.
Welsch, W., *Becoming Oneself* http://sammelpunkt.philo.at/198/1/becoming_oneself.htm (accessed 25.02.2020).
Witkowski, L. (1991), *O problemie tożsamości osobowej w filozofii*: *część II: David Hume.* "Acta Universitatis Nicolai Copernici – Filozofia", vol. 228, No. 12.
Zwolinski, Z. (2002), *Świadomość podmiotu i podmiot świadomości*, [in:] M. Frank, *Świadomość siebie i poznanie siebie,* Wydawnictwo Oficyna Naukowa, Warszawa.

Key terms and definitions

Culture – the way of life, especially the general customs and beliefs, of a particular group of people at a particular time.
Personal Identity – properties which a person takes to "define him/her as a person" or "make him/her the person he/she is", and which distinguish him/her from others.
Social Identity – person's sense of who they are based on their group membership(s) or how they identify themselves in relation to others according to what they have in common.
Symbol – an object, word, or action that is used to represent something else with no natural relationship to what is culturally defined.

Joanna Sośnicka, PhD, lecturer of the Department of Humanities at the Faculty of Management and Production Engineering at Lodz University of Technology; scholarship holder and graduate of the Internationale Akademie für Philosophie im Fürstentum Liechtenstein; her research interests include the phenomenological

tradition, ethics, anthropology and philosophy of technology. She is the author of numerous articles and books including: (2008) *Bariery Człowieczeństwa* [Barriers of Humanity]; (2015) *Phenomenology of Love;* (2016) *Nie warto żyć bezmyślnym życiem* [The unexamined life is not worth living]; (2019) *An Engineer with a Humanist's Soul. Humanistic Issues of technological World*.

Chapter 2
Comparative Analyses of European Identities in Business – and Every-Day Behaviour: Working and Living Together in Europe

Angela Diehl-Becker
Duale Hochschule Baden-Württemberg
Cooperative State University Baden-Wuerttemberg
Karlsruhe, Germany
https://doi.org/10.18778/8220-533-6.03

Abstract

The aim of the project "Comparative Analyses of European Identities in Business and Every-Day Behaviour" (EU-CAB) is to find out whether – regardless of the return to national state positions that has been obvious lately since the peak of the refugee movement in 2015 – a kind of European identity has been built up in the selected European nations. Furthermore, the project seeks to answer whether the perception of behaviour in these countries is similar or varies to a certain degree. The project covers the following EU member states: Finland, France, Hungary, Poland, Portugal, and Germany,[1] which were selected according to political and geographical criteria. The project's staff is multi-disciplinary, including social psychologists and sociologists, engineers, linguists, economists, mathematicians and philosophers.

Keywords: identity, Europe, organizational behavior

1 The universities and business schools participating are: University of Lodz, Technical University of Lodz (both Poland), Budapest Business School (Hungary), University of Applied Sciences Mikkeli (Finland), Porto Polytechnic ISCAP and University Institute of Maja ISMAI (both Portugal), University of Cergy-Pontoise and Ecole de Management Strasbourg (both France), Cooperative State University Karlsruhe (Germany).

Introduction

The research questions are as follows: Are different collective identities still empirically verifiable in the participating states or is it already possible to identify a common European basis? Which different or similar behaviours can be empirically proven in business – and every-day situations? Are there systematic differences between people's perceptions depending on their nationalities? Are there systematic biases in the way they perceive their own culture and foreign environments? The results and analyses are to give some information to companies and European organisations about the potential progress the EU has already made in growing together or issues that still need to be addressed.

The project is funded by the EU-programme line Erasmus+ Strategic Partnerships. The target group of the EU-CAB project are students from all the participating countries. In order to reach the outlined objectives, the students are conducting a large empirical scientific study in the area of social sciences under the supervision of professional staff. The students' empirical research will take place in each of the participating countries in joint study visits at one of the partner universities. All the participating students have the opportunity to travel to each participating country and to gain an insight into their cultures. The students are also conducting theoretical studies addressing economic, political, cultural and psychological topics, which will provide additional understanding and generate the framework for the empirical results. In addition to a scientific insight into the field of identity and behaviour, the students are expected to develop their competencies in cooperating in a European team, as well as gain an in-depth understanding and a solid knowledge base of other European countries and the functioning of Europe. They shall cooperate in mixed teams while working in a foreign country, make decisions in unstructured situations, manage situations of conflict that might potentially arise in their international teams and reach their shared goals as one group. When entering the labour market, they are supposed to offer some additional intercultural value to their future employers. In order to collect the research data, two scientific methods are applied:

a) qualitative and quantitative data will be collected to measure behaviour, applying the systematic observation method SYMLOG (Bales and Cohen 1979). The data, based on a structured observation of behaviour in business and every-day situations, are collected by the students;
b) self-concept data are collected to describe and compare identities throughout the participating countries using the Self-Concept Grid developed by Orlik (Orlik: 2006: 167–182), based on Kelly's grid-technique (Kelly 1995). There is a consensus in social psychology that "identity" and "self-concept" are similar ideas.[2] The students encourage a pre-fixed number of respondents

2 H. D. Mummendey, *Psychologie des „Selbst"*. Hogrefe, Göttingen 2006.

to participate and fill in the questionnaire to build a database containing measurement and descriptions of collective identities. The students are thoroughly trained in both methods by the participating research staff, who also supervise the analyses and research outcomes.

All the collected data will be published with an open-source access in order to hopefully start an even broader, pan-European dialogue. A website and a scientific blog should foster communication and an exchange of ideas throughout Europe, as well as ensure a high degree of dissemination. Further information about the progress of the project can be found on the website: www.eu-cab.eu. All colleagues in Europe (as well in other continents) are invited to join the initiative, to replicate the project outlined below, or to adapt it according to their needs, experience and expertise. We are also willing to share original data for further analysis.

Background and Objectives

The success of nationalist politicians and their respective parties, such as Alexander Gauland, AfD ("Alternative für Deutschland", Germany), Marine LePen Ex-FN ("Front National", renamed as "Rassemblement National", France), Nigel Farage ("Brexit-Party", Great Britain), Matteo Salvini ("Lega Nord", Italy), to name but a few, have been the starting point of the project. They are in opposition to philosophers like Peter Sloterdijk, Jürgen Habermas, Jacques Derrida and many others[3] who underline the necessity of what they call the "European Identity". However, does this European Identity already exist or is it just wishful thinking, while national identities are dominating in national states that strive to protect themselves against any foreign influence? The following objectives have been fixed:

- Confirm or falsify the existence of a collective European identity in the participating countries.
- Confirm or falsify the existence of a collective European identity in particular subgroups like young or elderly people.
- Confirm or falsify the existence of national collective identities in the participating countries.
- Describe the respective collective identities.
- Describe the differences between various collective identities and evaluate their potential effects on an inter-European level.

3 For a selected bibliography see www.eu-cab.eu

- Additionnally, what similarities or differences can be found in the participating countries, i.e. Poland, Hungary, Finland, Portugal, France and Germany on a more superficial level of behaviour?[4]

The *perception* of identity and behavior, as opposed to "identity" and "behaviour", can be measured and described as a matter of fact or "truth". Two more objectives are based on these reflections:

- Explore the differences in perceptions of people with different cultural backgrounds (the six participating nations).
- Establish possible biases in perceiving one's own and foreign cultures.

Finally, it needs to be mentioned that the author works at a university closely related to business, and all the students are already employed by a partner-company of the university. Besides the more general and theoretical objectives mentioned above, there is therefore also a rather practical one:

- Deduct recommendations for organizations like partner companies of the author's university.

Definitions and Concepts

Identity

"Identity" has originally been an issue of philosophical discourses which defined it – generally speaking – as aspects that make one person different from another. However, speaking about national or European identities we do not address a phenomenon that differentiates between individual people, but are referring to a phenomenon that is shared between a multitude of people, the "collective identity" (Mead 1934). We shift the focus from a philosophical argumentation to a social phenomenon that is subject to reflections in social psychology and sociology. In these disciplines, it means the perception of oneself that is

- conscious in parts, but pre – or unconscious in other parts,
- closely related to the perception of our social environment and,
- closely related to language ("language games"), therefore referring to Wittgenstein (1984) "Die Grenzen meiner Sprache bedeuten die Grenzen meiner Welt" [The limits of my language are the limits of my world],

4 Referring to the Hofstede model of culture the concept of "identity" shall be understood as the core, the inner-level of the onion, whereas the outer levels stand for "behaviour", G. Hofstede*: Interkulturelle Zusammenarbeit.*

- relatively constant over time,
- the basis of deriving action strategies, as action is the consistent answer to the perception of a particular situation.

It is very similar to the social psychological term "self-concept" (Mummendey 2006), that has been thoroughly discussed by researchers like Cooley (1902), Mead (1934), Kelly (1955) already at the beginning and in the middle of the last century. Kelly was the first to provide tools for measuring and describing identity.

It will later be important to keep in mind that (collective) identity is developed in the course of human socialization, through processes like feedback, personal experience, and cognitive reflection of experience.

Behaviour

In the tradition of Pawlow and Watson (1927) behaviour is a response to a stimulus, a process which is known as "classical conditioning" (a dog salivates when food is presented). According to later experiments by Skinner (1958), behaviour can also be regarded as the generalized result of consequences, which has been known as "operant conditioning" since his research (a baby learns to say "mummy" after experiencing a lot of affection after having uttered some sounds that sound like this).

Regarding the concept of "behaviour" once again under the light of Wittgenstein's "language games" (1984), it is the result of a language game, and therefore a construction of the recipient of a message or a seemingly „neutral" observer. It can be verbal or nonverbal, overt or covert, conscious or unconscious, voluntary or involuntary. For example, when a stranger asks kindly "Can you help me, please?", and someone turns to them saying "Sure", somebody observing the interaction is more likely to offer assistance. This small scene represents the language game mechanism in a community where it has been agreed that the appropriate answer to the phrase "Can you help me" is to say "Sure", that a kind smile requires a smile in return, etc. The game requires the knowledge of its rules by all participants. Behaviour is therefore the "logical" response to the perception of the preceding behaviour, which is identical with a "message".

Behaviour is therefore not "reality", not "true", but only a perception. For our project this means that the behaviour of people who have learned to encode their message according to their respective cultural set of rules are observed by people who have learned to decode message according to either a similar or different scheme. Behaviour "observation" therefore gives more information about the observers than about the senders of particular messages which we call "behaviour".

Project Design

The project is co-financed by the EU Erasmus+ programme of the European Union, it is therefore bound to meet some requirements, e.g.

- the objectives outlined above must be reached,
- the budget nor the time frame of three years can be exceeded,
- the project needs to reflect a state-of-the-art theory and methodology and has to be peer-reviewed,
- its target group are students,
- its focus is on teaching and mobility, not on basic research.

The design respects all pre-conditions by selecting methods to measure and describe collective identity and behaviour that are challenging for students who can benefit from the multidisciplinary approach of the staff, which helps them to get access to psychological tools. The first step was therefore to train staff members, as they are the first point of contact for the students in their home countries. The training of the students starts already at their universities. Next, they go through an Intensive Study Programme (ISP) that takes place in each of the participating countries. Each ISP gathers about 48 students, ideally eight from each country, and about 10 teachers/researchers, and is run in the cities of all partner universities Budapest (Hungary), Lodz (Poland), Mikkeli (Finland), Porto (Portugal), Paris/Cergy-Pontoise, Strasbourg (France) and Karlsruhe (Germany). The students' role is to collect and analyze data. The teachers' role consists of securing the quality of the data by advising and supervising the students' work and by delivering the tools for data analyses. Teachers also deliver theoretical frameworks and communication

France	• upfront: 3-5 self-concepts grids • behaviour observation: business- and every-day situations
Hungary	• upfront: 3-5 self-concepts grids • behaviour observation: business- and every-day situations
Portugal	• upfront: 3-5 self-concepts grids • behaviour observation: business- and every-day situations
Finland	• upfront: 3-5 self-concepts grids • behaviour observation: business- and every-day situations
Germany	• upfront: 3-5 self-concepts grids • behaviour observation: business- and every-day situations
Poland	• upfront: 3-5 self-concepts grids • behaviour observation: business- and every-day situations

Chart 1: Research design
Source: Own elaboration.

tools that will hopefully help disseminate the project and its findings and start an even bigger European movement focusing on identities, culture, and behaviour. Each ISP consists of five days of full-time work, out of which about three (half-time) are reserved for a structured observation either in every-day or business situations. The observations take place in areas of the respective cities most likely to be populated with local residents (rather than tourists). Self-concept entries have to be collected and uploaded upfront.

In total, the number of self-concept grids is maximally N = 6 x 48 x 5 = 1,440, however, the maximum will most likely not be reached as students who participate for the second or third time only need to deliver three sets of data.

The design is shown in chart 1.

Research Methods

Self-Concept Grid

There are tools of measurement like "The Personal and Social Identity Scale" (Nario-Redmond et al. 2011) or the single-item measure of social identification by Postmes et al (1976). These tools seem to concentrate on the conscious parts of identity, whereas the definition of identity applied in this project understands identity as a phenomenon that is only partly subject to consciousness, and is unconscious in other parts. An adequate tool should therefore allow to measure both conscious and unconscious facets of social identity. Hooper (1976) suggested understanding identity by the means of analysing and categorising behaviour in order to establish the social group from which the characteristics observed in the behaviour originated (Hooper 1976). While other tools are selective with regard to their scope of interest (economic preferences (Yin and Etile 2019), entrepreneurship or scholarship), Hooper's approach claims to offer both a general application and taking into account unconscious components of social identity. Still, a link seems to be missing: the classification of behaviour. If identity should be deducted from observing the behaviour that is characteristic for a particular group, the interconncection between certain categories of behaviour and social identities must be known. Since this knowledge is not available for the countries participating in EU-CAB, Hooper's approach is therefore not applicable.

As "identity" and "self-concept" are very similar (Mummendey 2006), it was therefore decided to use a complex tool in the tradition of the Kelly grid (1955), Orlik's self-concept grid (2006). It stems from over a century of psychological research, and accommodates for essential findings of researchers like Cooley's looking-glass self (1902), Mead's concepts of "I" and "me" (1934), Lewin's field theory (1958), Kelly's grid technique (1955) and Epstein's action theory (1973). In order to measure and describe *collective* identities an additional step of analysis has to be applied, as the tool has so far concentrated on individual identities: content analyses have to be added

that examine shared meaning and allow the calculation of similarity respectively variance of the data collected.

Each person holds more than one identity: one can have an identity as a woman or a man, and, at the same time, as a grandparent, parent or student. The group of teachers therefore decided that all the collected self-concept data should include sociodemographic information like sex and age of the respondents.[5] If the existence of national identities can be proven, there should be a high similarity across ages – however it might as well be found that there is more similarity within a particular age group (for example, generation Z who was born under in a politically unified Europe without borders and takes advantage of international student exchange programmes, etc.).

Due to the limitations of space, the selected tool for the measurement of collective identity and behaviour cannot be described in all detail. Those interested in more detailed information shold contact the author.

Systematic Multiple Level Observation of Groups

There is a multitude of tools that seem appropriate for the measurement and analyses of behaviour based on the data collected in the course of field research. However, they are often limited to a certain environment and are therefore able to answer a limited range of research questions, which may not apply to our project. For example, they can be used for studying the behaviour of patients in medical environments (e.g. Lucket et al. 2007) or be restricted to workplaces (Nunamaker and Applegate 1987). In the case of quantitative tools, measurements are often based on commercial software tools analysing physiological reactions e.g. eye movements, blood pressure and circulation etc. which are inadequate too, as they do not refer to human interactions, which is the object of the structured observation in our project.

One of our researchers, who studies systematic behaviour observation of human interactions in Bales, developed two tools which can be applied by researchers and practitioners as well as – under certain conditions – even by laymen. One is the Interaction Process Analysis IPA (Bales 1950), which he developed to become the Systematic Multiple Level Observation of Groups SMLOG (Bales and Cohen 1979), an elaborated collection of various tools that allow (among others) to collect data on verbal and nonverbal behaviour through genuine observation (in real time or using pre-defined questionnaires). A classification of behaviour into 26 different categories is the basis of all the tools, whereas the observation consists of a real-time classification and requires thorough training in order for the questionnaire to be used easily. It is even recommended for self-analyses of untrained work-groups.

5 The following classification was applied: generation Z < 24 years, Y 24–37 years, X 38–58 years, baby boomers >58.

Therefore, the use of the questionnaire seems to fit the purpose of EU-CAB. However, the students all study social sciences programmes like economics, political studies, or language studies at university level. They should thus be able to conduct observations, even if the quality of their conclusions might vary in terms of neutrality and the quantity of entries. The students are therefore asked to note as many observations as they can on special sheets, review them, and then answer the questionnaires. The questionnaires are entered into the database which calculates the results. In this sense, the observation is meant to be a tool, which helps to minimize mistakes of observation such as primacy or recency effects. In total, the number of questionnaires will be N = 6 x 48 x

Charts 2 and 3 give on overview of both of the used methods.

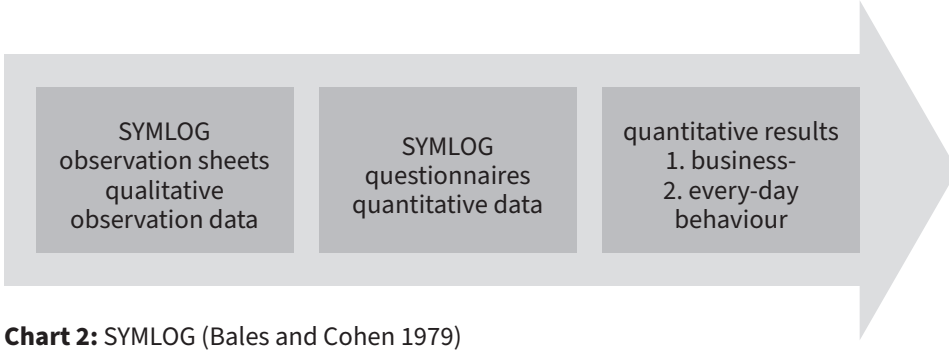


Chart 2: SYMLOG (Bales and Cohen 1979)
Source: Own elaboration.

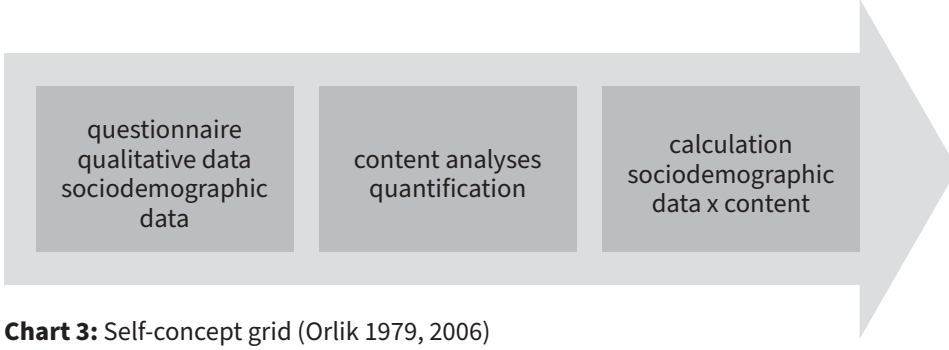


Chart 3: Self-concept grid (Orlik 1979, 2006)
Source: Own elaboration.

Initial Results

The collected data were entered into a SYMLOG. Next, the self-concept data-base, the SYMLOG-data, were calculated according to the standard procedures described by Bales and Cohen (1979). The self-concept data were additionally calculated according to Orlik (2006), and all individual entries were content-classified in order

to allow further quantitative analyses. This content analysis used the classification offered by SYMLOG.

Since so far only half of the ISPs have taken place, all our analyses are still preliminary, and conclusions are subject to change. In addition, there are some critical aspects to be taken into account which are limiting factors to the range of application of the results. Nonetheless, some preliminary comments on the results can be offered, both on the level of behaviour and identity.

Chart 4 is an example of our preliminary findings regarding behaviour. It shows business and everyday behaviour observed in Paris/France. According to the SYMLOG charts that visualize the 26 dimensions of behaviour (the so-called "field diagrammes") friendly behaviour (P=positive) and unfriendly behaviour (N=negative) is on the abscise; goal-oriented behaviour (F=forward) and emotional behaviour (B=backward) on the ordinate. There is a third dimension, the upward-oriented striving for influence (U) and its opposite, a passive head-down behaviour (D). The three axes are bipolar scales with a 0-point in the middle. The circles show what kind of behaviour the respective national group has perceived. The charts visualize the trend of all the results which have been since confirmed by two other ISPs.

They show that the students have perceived the observed behaviour in the same way. They agree on what positive, friendly behaviour is. Only two minor biases have been identified: the Finnish students tend to perceive the observed behaviour as friendlier and more influential than students of other nationalities. The French students tend to overestimate the influence which the observed French people had on others. Even though there are some slight[6] differences in perceptions which tend to support some stereotypical views (like quiet Fins who therefore perceive more talkative people talking "a lot") the students seem to share the same perceptions. On the behavioural outer levels in Hofstede's model of culture, they seem to share behaviour.

However, looking at the self-concept data this similarity cannot be found. Chart 5 presents the examples of Finland and France, the spots represent the so-called object persons (Orlik 2006: 167–182) – these are the same for each country, but clearly differ in terms of distribution.[7]

Should these differences be confirmed by future results, the following conclusion can be drawn: Perceiving the same behaviour, classifying behaviour in a similar way, might lead us to assume that we share our self-concept and have developed a common identity. However, this is not the case. There seem to be different identities, discrepancies between what we are and what distinguishes "us" from "them", the in-group and out-group (Taijfel 1970).

6 Please note that in future work on the project those differences will be statistically calculated.
7 Statistical measures will be calculated in the further course of the project.

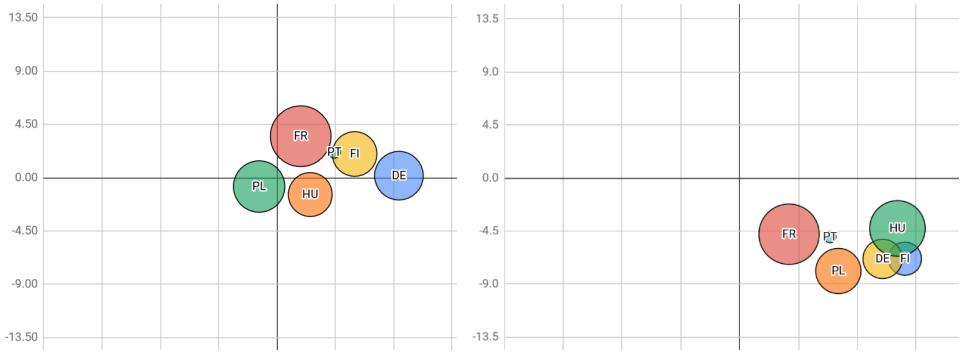


Chart 4: Business – and every-day behaviour, Paris/Cergy-Pontoise
Source: Own elaboration.

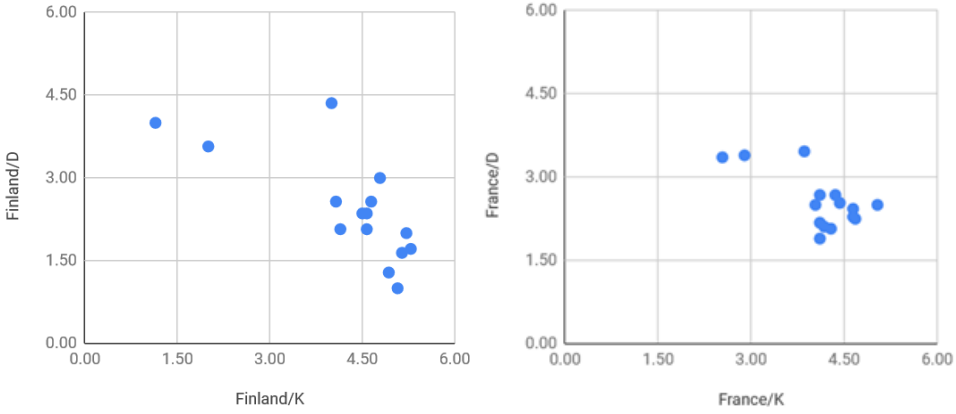


Chart 5: Finnish versus French identity (after ISP 1), spots represent object persons (for explanations, refer to the text)
Source: Own elaboration.

Consequences of the Preliminary Results

If the trend is confirmed, we would have to think about recommendations for companies like the partner organisations of the author's university and to society in general. What does it mean when, for example, Polish and German managers talk, having a sense that the other party is following the same set of rules (as the behaviour is obviously highly similar) but on a deeper, hidden level, their values and thoughts are different? Obviously, this situation would mean that the two people feel they understand each other because they behave similarly, they are e.g. both polite and perceive each other as such. However (if the preliminary results are confirmed), this would also mean that they most likely misunderstand each other: if the person I talk to behaves in the same way as myself, he or she must also have the same core

values, will strive to achieve the same thing and share dislikes. But this is – provided the results are confirmed – obviously not the case.

What could be done? A lot of useful exercises are already implemented in intercultural training programmes, such as the game Barnga (or its variations), which help to understand that the knowledge of underlying rules that are not openly discussed is crucial for the ability to work together. But there are still some more measures that could be taken, such as group dynamics training methods developed by Lewin about 70 years ago in the United States, a melting pot of nations, in the context of World War 2. Bearing in mind that identity has been adopted by processes of feedback in the course of socialization, we cannot expect a sudden change. Talking to each other about thoughts, feelings, values, attitudes – changing at least attitudes and thoughts – then trying to manifest changes, often referred to as "unfreeze – change – freeze" (Lewin 1958) and later group dynamics settings, sometimes referred to as "survey feedback" (Lewin 1947). As the name suggests, the core of this method consists of giving feedback in a particular setting. As has been demonstrated identity is only partially conscious. The unconscious parts can be revealed on purpose, as there is no other access than feedback from other people who see those "blind spots"[8] Without going into too much detail, the consequence of the preliminary results is to suggest working on giving and taking more feedback in structured settings and group dynamics situations in their true sense.[9]

Last but not Least: Some (Self-) Critical Remarks

As has been said, the results are only preliminary and require confirmation in the course of the project. Another critical point is that the data were only collected in the cities in which the partner universities are located, which reduces the scope of recommendations. The preliminary results show that students from Lodz, Budapest, Porto, Mikkeli, Paris/Cergy-Pontoise, Strasbourg, and Karlsruhe perceive behaviour observed in the mentioned cities in a similar way. The identities of participants surveyed in those cities tend to differ. Although in the case of business, most companies function in cities rather than the countryside, it might nonetheless be important for political institutions to collect data in the countryside in Poland, Hungary, Germany, France, Portugal and Finland. On the one hand, the preliminary results can be applied to companies and other organisations located in cities. On the other, it might be important and interesting to replicate the study in the countryside and to compare the results for the EU and its political institutions. This might eventually be the focus of another project either by the existing consortium or by other colleagues who are interested in European identities.

8 J. Luft and H. Ingham, *The Johari Window, a Graphic Model of Interpersonal Awareness.*

9 Please note that outdoor-training etc. is not group dynamics in Lewin's sense.

References

Bales, R. F. (1950), *Interaction Process Analysis.* Addison-Wesley, Cambridge, MA.

Bales, R. F. (1970), *Personality and Interpersonal Behavior.* Holt Rinehart & Winston, New York.

Bales, R. F. and Cohen, S. P. (1979), *Systematic Multiple Level Observation of Groups SYMLOG. A System for the Multiple Level Observation of Groups*. Free Press, New York.

Bailey, J. S. and Burch, M. R. (2017), *Research Methods in Applied Behavior Analysis*. Routledge, New York.

Cooley, C. H. (1902), *Human Nature and the Social Order*, Scribner's, pp.183–184, New York. Retrieved from http://www.psychologyconcepts.com/looking-glass-self/ (accessed 16.02.2021).

Epstein, S. (1973), *The Self-Concept revisited*. "American Psychologist", vol. 28, pp. 404–415.

Hofstede, G. (1993), *Interkulturelle Zusammenarbeit*, Springer, Wiesbaden.

Hooper M. (1976), *The Structure and Measurement of Social Identity*. "Public Opinion Quarterly40", No 2, pp. 154–64.

Kelly, G. A. (1955), *The Psychology of Personal Constructs*. Norton, New York.

Lewin, K. (1947), *Frontiers in Group Dynamics*. Retrieved from https://doi.org/10.1177/001872674700100103

Lewin, K. and and Cartwright, D. (1958), *Field Theory in Social Science*. Harper, New York.

Lewin, K. (1958), *Group Decision and Social Change.* Holt, Rinehart and Winston, New York.

Luck, L., Jackson, D. and Usher, K., STAMP: *Components of Observable Behaviour that indicate Potential for Patient Violence in Emergency Departments*. "Journal of Advanced Nursing", 2007. Retrieved from https://www.ncbi.nlm.nih.gov/pubmed/17543010 (accessed 30.12.2019).

Luft, J., Ingham, H. (1955), *The Johari Window, a Graphic Model of Interpersonal Awareness*. University of California, Los Angeles.

Mead, G. H. (1934), *Mind, Self, and Society*. University of Chicago Press, Chicago.

Mummendey, H. D. (2006), *Psychologie des „Selbst"*. Hogrefe, Göttingen.

Nario-Redmond, M. R.; Biernat, M., Eidelman, S. and Debra J Palenske, *The Social and Personal Identities Scale.* Published online: 21.06.2011, [in:] "Self and Identity", vol. 3, pp. 143–175, 2004. Retrieved from https://www.researchgate.net/publication/254224983_The_Social_and_Personal_Identities_Scale_A_Measure_of_the_Differential_Importance_Ascribed_to_Social_and_Personal_Self-Categorizations (accessed 30.12.2019).

Nunamaker, J. F. Jr. (1987), Applegate, L. M., *Facilitating Group Creativity*. "Journal of Management Information Systems", vol. 3, pp. 5–19.

Orlik, P. (1979), *Das Selbstkonzept als Bezugssystem sozialer Kognitionen*. "Zeitschrift für Sozialpsychologie", vol. 10, pp. 167–182.

Orlik, P. (2006), *Sprachspiele und Lebensformen*. Pabst, Lengerich.

Pavlov, I. P. (1927), C*onditioned Reflexe*s. "Nature", vol. 121, pp. 662–664.

Postmes, T., S. Alexander Haslam, S. A. and Lise Jans, L. (2012), *A single-item measure of social Identification*. Retrieved from https://doi.org/10.1086/268284 (accessed 29.12.2019). Published 01.01.1976.

Skinner, B. F. (1958), *Verbal Behavior*. Copley Publishing Group, Acton, MA.

Taijfel, H. (1970), *Experiments in Intergroup Discrimination*. "Scientific American", vol. 223, pp. 96–102.

Watson, J. B. (1930), *Behaviorism*. University of Chicago Press, Chicago.
Wittgenstein, L. (1984), *Tractatus logico-philosophicus*, 5.6. Suhrkamp, Frankfurt.
Yin, R., Etilé, F. (2019), *Measuring Identity Orientations for Understanding Preferences: A French Validation of the Aspects-of-Identity Questionnaire*. Retrieved from https://ideas.repec.org/e/pet5.html (accessed 29.12.2019).

Key Terms and Definitions

Behaviour – language game and response to a primarily decoded message.
Collective identity – concept that a particular group has formed about itself, even though it might be partially unconsious.
Identity – social phenomenon that is widely identical with the "self-concept" that an individual has formed about him – or herself.

Dr. Angela Diehl-Becker has been with Baden-Wuerttemberg Cooperative State University Karlsruhe since 2011 where she is the director of a study programme in the area of economic studies focusing on particularities in German-French business environments. She started her career as a researcher at Saarland University, Saarbrucken, where she was part of the team of Peter Orlik in social psychology and worked with Robert F. Bales and his colleagues at Harvard University. After having completed her PhD she gathered more than 25 years of practical experience in international H.R. management positions like e.g. with Merck & Co. Her research interests are centered around international topics of cooperation and social psychology, particularly German-French.
ORCID ID: https://orcid.org/0000-0002-1105-5803

Acknowledments

The project described in the chapter is based on precious contributions of all partners. The author's special thanks are dedicated to Ilona Swiatek-Barylska, her staff and her Dean from Lodz University for the perfect organisation of the international conference "InterScience" which took place in November 2019, her colleague Bogna Kazmierska-Józwiak for taking care of the Polish students so thoroughly, Edyta Pietrzak and Joanna Sośnicka from the Technical University of Lodz for the comprehensive bibliography that delivers a perfect theoretical framework, Katalin Kolláth from Budapest Business School for helping us with English, Eva Kereztes (also from BBS) for her perfectly professional and yet easily-accessible inputs on statistics and her statistical analyses of the data, our Finnish colleagues Marko Kananen, Jussi Ronkainen and Antti Rantaniva for their great support in some

psychologically and interculturally challenging situations, Jaime Fins from the University Institute of Maia (ISMAI) for the perfect spreadsheets, Tereza Cristina from ISMAI for the excellent communication strategy, so important in each and every innovative teaching – and research-project, Alexandra Albuquerque from Porto Polytechnic (ISCAP) for all her energy and her inspiring and motivating way of interaction, Sandra Ribeiro from ISCAP for her critical comments, Werner Zettelmeier from Université de Cergy-Pontoise for the courage to run the first intensive study programme and to give us critical feedback, Didier Wehrli from Ecole de Management Strasbourg for the support of students in data-entries and the great analyses-tools he has programmed, and last not least his Mélody Zinger for her great support in the use of these tools and my dear colleague Ulrike Schneider who is always there for everybody and kindly answers any question. She is the perfect manager of the whole project. It is an exceptionally precious experience to work with all of you!

Chapter 3
Managing in Diversity: the Major Domain and Contemporary Transitions

Udaya Mohan Devadas
University of Kelaniya, Sri Lanka
https://doi.org/10.18778/8220-533-6.04

Abstract

Diversity has been a popular term both in theory and practice for many decades, especially with globalization. This chapter discusses diversity and diversity management with special reference to cultural diversity. The aim of this chapter is to understand: how diversity has been viewed and explained, what concepts and models explain diversity, what solutions are given in managing diversity, and what the future of managing cultural diversity might be. A targeted literature review was carried out for the purpose, using journal articles, selected books, theses and documents, as well as other open web sources. The review outcomes show that: diversity has been viewed differently in different times, it is mainly explained in terms of its cognitive and cultural dimensions, diversity management has been mainly targeted for performance improvements, and in the future managing cross-cultural diversity is likely to focus on enabling individuals to be more successful in different cultures, based on their cultural competencies and intelligence, rather than on ethnocentric views towards other cultures.

Keywords: diversity, managing diversity, cross cultural diversity, change in diversity management, problems and challenges for diversity management

Introduction

Differences between people and communities have been a critical issue since times immemorial. In dealing with diversity, there are key questions to be addressed: how is diversity perceived? What concepts and models explain diversity? What are some solutions in managing diversity? And what is the future of managing cultural

diversity? The chapter answers these questions while building an argument to label the subject as "managing in cross cultural diversity", rather than managing cross cultural diversity, considering the latest developments in the field.

Background: Views on Diversity and Related Concepts

Diversity, a buzz word in political, management, and human rights agendas at various levels, such as national and international, corporate, public, non-governmental, as well as individual, is greatly valued as a concept and a practice. In its basic sense, diversity is accepting and tolerating all kinds of differences. However, it moves beyond simple tolerance to embracing and celebrating the rich dimensions of diversity. Diversity means understanding that each individual is unique, and recognizing individual differences, along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies.[1] Diversity is related to differences which can be innate or biologically – and/or psychologically-determined, or they can be an outcome of socialization within a particular group (Monin and Belhoste 2013). Such differences that emphasize multiplicity, overlapping and crossing between sources of human variability, can be understood as diversity (Dietz 2007).

The term *cross-cultural diversity* refers to differences in race, ethnicity, language, nationality or religion[2] and to a variety or multiformity of human social structures, belief systems, and strategies for adapting to situations in different parts of the world.[3] Cultural diversity can be defined as "the difference in human traits, qualities, values and beliefs which an individual adapts to by nature and nurture, depending on the group to which the individual belongs and relates to" (Toutet, Escaille, Eisenring and Ranz 2007: 6). Cultural diversity represents the quality of diverse or different cultures, as opposed to a monoculture,[4] which includes, but is not limited to: nationality, ethnicity, race, traditions, customs, values, religious beliefs, political views, language, sexual orientation, ancestry, parental and marital status, educational background, income, dress, gender, and age.[5]

The term *multiculturalism* has been used both in the literature and in practice interchangeably with the term *cultural diversity*. Multiculturalism is the co-existence of diverse cultures that includes racial, religious, or cultural groups, and is manifested in customary behaviours, cultural assumptions and values, patterns of thinking,

1 http://gladstone.uoregon.edu/~asuomca/diversityinit/definition.html (accessed 10.02.2020).
2 https://www.dot-connect.com/styled-4/ (accessed 10.02.2020).
3 https://www.dot-connect.com/styled-4/ (accessed 10.02.2020).
4 https://www.definitions.net/definition/cultures (accessed 27.04.2020).
5 https://www.qcc.cuny.edu/diversity/definition.html (accessed 10.02.2020).

and communicative styles.[6] It can be further described as the manner in which a given society deals with cultural diversity by recognizing and acknowledging a "plural society", while accepting the existence of many other cultures in addition to the dominant culture.[7] Multiculturalism is also a system of beliefs and behaviours that recognizes and respects the presence of all diverse groups in an organization or society, acknowledges and values their socio-cultural differences, and encourages and enables their continued contribution within an inclusive cultural context which empowers all within the organization or society (Rosado 2006). Thus, multiculturalism can be defined as "a belief or policy that endorses the principle of cultural diversity of different cultural and ethnic groups so that they retain distinctive cultural identities".[8]

Diversity management is an intrinsic approach to business ethics and human interrelations (Rosad 2006). This facilitates diverse workforce to demonstrate its full potentials without discriminating any advantages or disadvantages in any particular groups over others (Torres and Bruxelles 1992). Furthermore, diversity management acknowledges and respects the contributions which various groups have made to society, and incorporates these contributions in a general program of human resources management (Rosado 2006). Managing diversity is much broader than multicultural issues and embraces many different types of people who represent different cultures, generations, ideas, and thinking while standing for different things (Llopis 2011). Managing diversity also becomes strategic as it links business results with the results of best practices in creating a diverse and inclusive workplace.[9]

Benefits of Diversity

Traditionally, diversity was valued as a corporate social responsibility measure to address the issue of discrimination. With the identification of diversity as a strength in policy decisions, there have been many perceived benefits of diversity, such as: inspiring creativity, driving innovation, capitalizing on multiple knowledge, sparking insights to make businesses more competitive and profitable, enhancing higher quality, increasing marketing capabilities, enabling to recruit a diverse talent pool for a better strategic fit, creating more productive teams characterized by better performance, and creating more opportunities for personal and professional growth.[10]

6 https://www.thoughtco.com/what-is-multiculturalism-4689285 (accessed 15.02.2020).
7 https://www.thoughtco.com/what-is-multiculturalism-4689285 (accessed 15.02.2020).
8 https://www.dot-connect.com/styled-4/ (accessed 16.02.2020).
9 https://www.skillsportal.co.za/content/diversity-management-definition-and-tips (accessed 31.01.2020).
10 https://www.hult.edu/blog/benefits-challenges-cultural-diversity-workplace/ (accessed 20.02.2020).

As a result, diversity enables to create an inclusive environment for successful strategic implementation to drive results and competitive differentiation through enhancing innovation, choices and insights at national, regional, organizational, and team levels. Due to these perceived and realized benefits, solutions are found at different levels to managing diversity, especially cultural diversity.

Main Focus: Concepts and Models of Explaining Diversity

It is important to know the alternative knowledge bases that explain the phenomenon in question using different perspectives, models and frameworks, in order to analyze how diversity has been dealt with.

Concepts and Models of Explaining Diversity

Extant literature provides evidence in diversity factors, causalties, and process of creating diversity. The proceeding sections will briefly describe such evidence.

Ethnocentrism vs. Cultural Relativism

Ethnocentrism is a behavior or beliefs that favor one particular culture and judge other cultures against it.[11] Thus, ethnocentric individuals judge or make decisions based on the ideas and beliefs of their own culture and use these to judge other cultures. Cultural relativism is the concept of understanding different cultures and respecting their beliefs.[12] Cultural relativists value other cultures and try to understand their "odd" practices. Their judgments are influenced by ideas and beliefs of others' and they value diversity. On the other hand, ethnocentrism can lead to racism and perceiving diversity as a problem and/or threat.

Halls' Model of Cultural Iceberg

In 1976, Hall developed a model of cultural iceberg presented in Figure 1. As can be seen, the external or conscious culture, characterized by behavior and beliefs, is regulated by the internal or subconscious culture that is based on values and thought patterns. Therefore, one should actively learn the internal culture of others to understand its explicit behaviors without judging a new culture only based on what is seen at the surface level.

11 https://www.oxfordlearnersdictionaries.com/definition/english/ethnocentrism?q=ethnocentrism (accessed 29.02.2020).

12 http://www.differencebetween.net/miscellaneous/culture-miscellaneous/difference-between-cultural-relativism-and-ethnocentrism/ (accessed 29.04.2020).

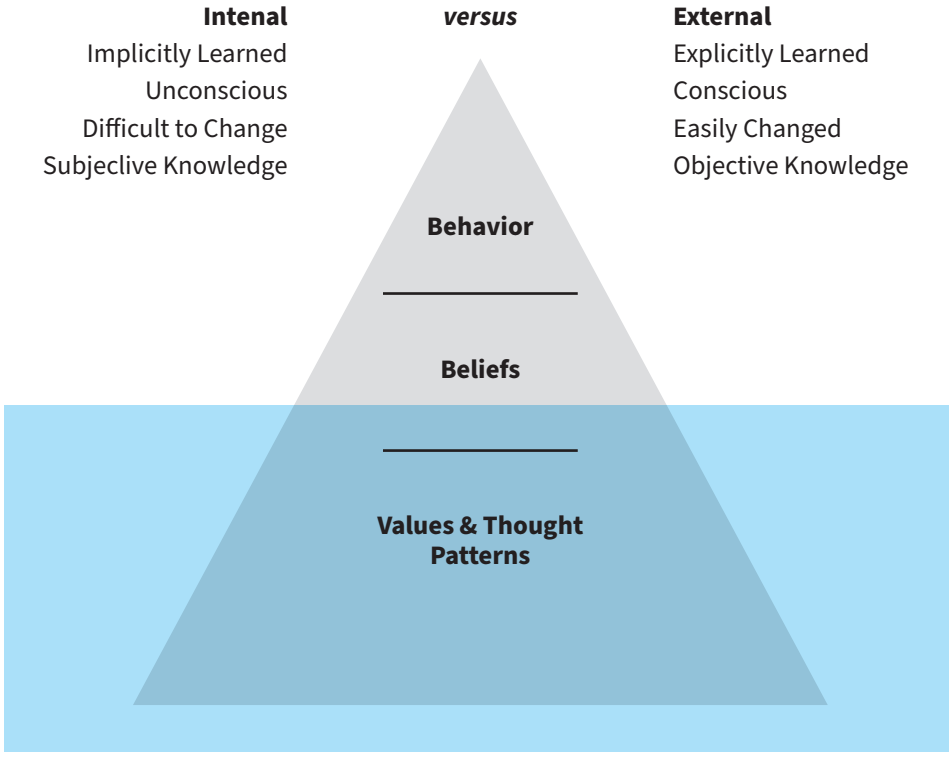


Figure 1. Hall's Model of Cultural Iceberg
Source: Hall (1976).

Geert-Hofstede's Six Cultural Dimensions

After studying multi-national corporations, Hofstede (1980) described six dimensions of understanding cultures: power distance index (high vs. low), individualism vs. collectivism, masculinity vs. feminism, uncertainty avoidance index (high vs. low), long vs. short-term orientation, and indulgence vs. restraint. National cultures have been categorized based on their evaluations under these six dimensions. A detail account of this model has been provided in the following chapters in this book.

Hall and Hall Model of Culture

Hall and Hall (1990) presented a model that identifies eight cultural dimensions (Figure 2). As can be seen, the set of alternative cultures, identified alongside the cultural dimensions include: monochronic and polychronic cultures; public space and private space cultures; individualistic and collectivistic cultures; doing and being cultures; present-oriented, past – and future-oriented cultures; hierarchical power and equality power cultures; high context and low context cultures; and competitive and co-operative cultures.

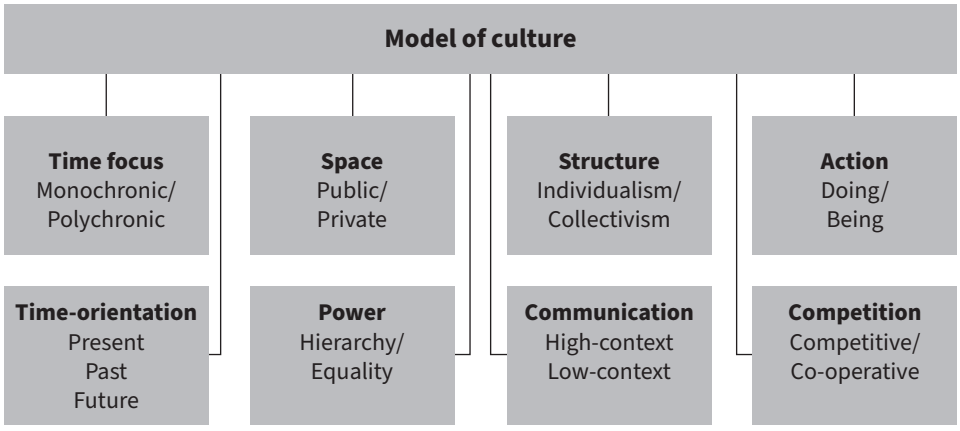


Figure 2. Hall and Hall Models of Culture
Source: Hall and Hall (1990).

Seven Cultural Dimensions of Trompenaars and Hampden-Turner

Trompenaars and Hampden-Turner developed this model based on research performed over a period of 10 years into people's preferences and values, conducted on over 46,000 respondents in 40 countries (Trompenaars and Hampden-Turner 1993). 75% were managers and the remaining 25% – administrators. The study found that people from different cultures differ in very specific, even predictable ways, as each culture has its own way of thinking, values and beliefs, and different preferences. As a result, the authors developed seven cultural dimensions to compare different cultures. These are: universalism vs. particularism; individualism vs. communitarianism; specific vs. diffuse; neutral vs. emotional; achievement vs. ascription; sequential time vs. synchronous time; and internal direction vs. outer direction.

Lewi's Model

Lewi's model presents three alternative culture types based on behaviors rather than nationality or religion (Lewis 1996). They are: linear-active, multi-active, and reactive. Under each, Lewis identified many cultural dimensions for a better comparison of behaviors. Based on these dimensions, three types of cultures can be compared (Table 1).

Model of Core Problem and Core Solution

Holden presented his model in 2002 (Figure 3). In the model, some ethnocentric cultures regard diversity as a problem for the cultural shock. Some geocentric cultures consider the cultural shock, which stems from diversity, as a solution for adjustments that paves the way for the development of intercultural skills to benefit from cross-cultural management.

Table 1. Lewi's Three Cultural Types

	Linear-active	**Multi-active**	**Reactive**
Focus	Results	Relationship	Harmony
Talks	Half	Most	Little
Tasks	Sequential	Parallel	Responsive
Plans	Stepwise	Outline	Principles
Politeness	Mostly	Sometimes	Always
Challenge	Logical	Emotional	Indirect
Emotion	Ignored	Expressed	Suppressed
Communication	Written	Verbal	Face-to-face
Body language	Restrained	Open	Subtle

Source: http://changingminds.org/explanations/culture/lewis_culture.htm (accessed 27.02.2020).

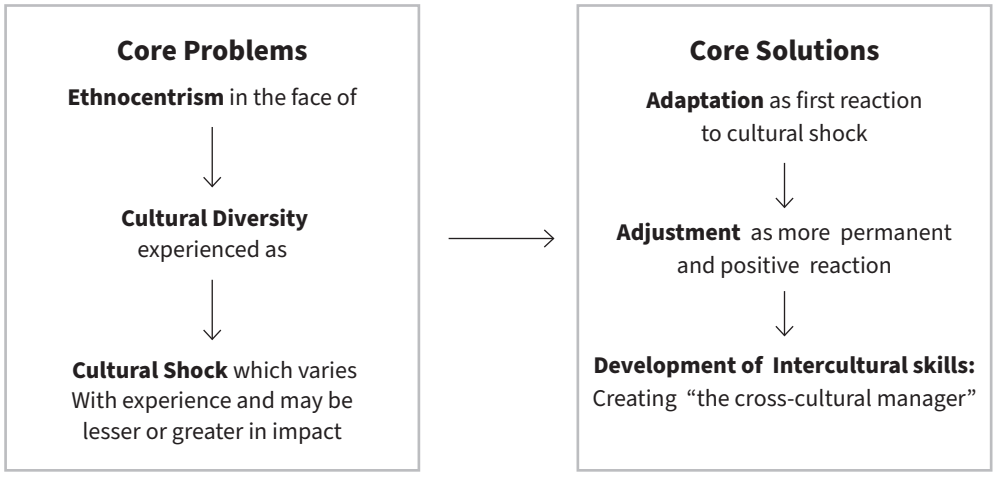


Figure 3. Holden model of core problem and core solution
Source: Holden (2002).

The Global Project's Nine Cultural Dimensions

The GLOBE project's nine cultural dimensions, developed by House et al. (2004), is based on a survey collected from more than 17,000 middle managers, in 951 organizations, across three industries, in 62 countries and regions. This is an extension of Hofstede's model. This model identifies nine dimensions that describe differences

in national cultures. These dimensions are power distance, uncertainty avoidance, performance orientation, assertiveness, future orientation, humane orientation, institutional collectivism, in-group collectivism, and gender egalitarianism. It provides ten country cluster categories based on the nine cultural dimensions.

Critical Cultural Variable Model

Susan Vonsild (2007) presents three critical variables of a culture: (1) urgecy, (2) authority, responsibility and accountability, (3) commitment, agreements and contracts, risk taking, and conflicts (Figure 4). Urgency is determined by the way in which time is viewed and used. Based on the way communication happens, and whether a group or individuals get precedence, the nature of commitments, agreements and control is to be determined. Based on the extent to which power is distributed and the extent to which a given structure allows uncertainty, the orientation of culture to authority, responsibility and accountability is determined.

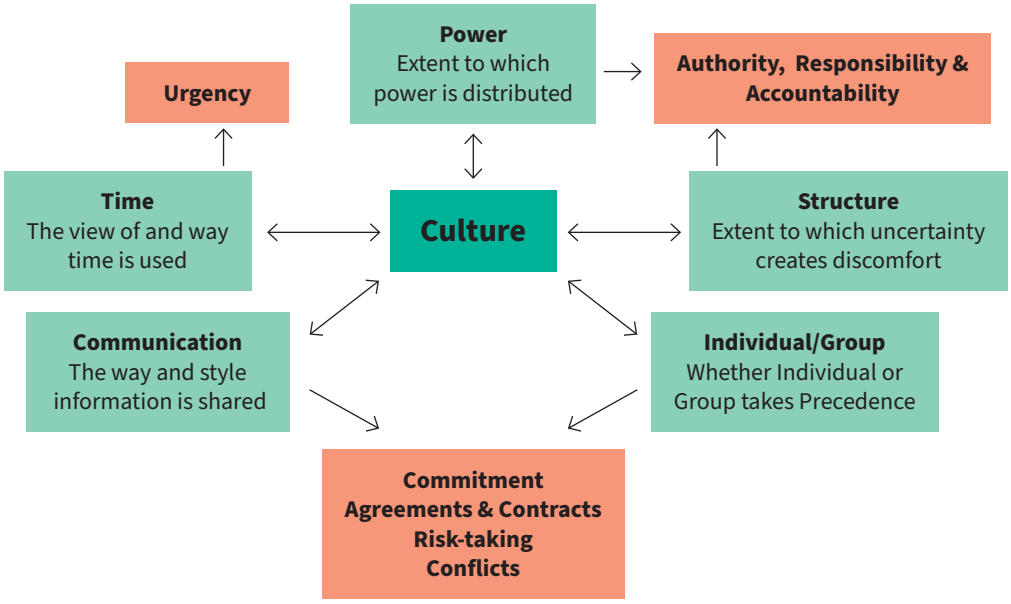


Figure 4. Critical cultural variable model
Source: Vonsild (2007).

Hard and Soft Model of Cross-Cultural Diversity

Based on a comparative study, Eriksson and Hägg (2016) developed a Model of Central Cross-Cultural Aspects (Table 2) that compares India and Sweden in terms of four cross-cultural aspects: time, relationships, gender equality, and hierarchy. India represents a hard model of cultural diversity, whereas Sweden – soft. Other countries can be closer to either model, or represent a mix of both hard and soft aspects.

Table 2. Hard and Soft model of Cultural Diversity

Dimension	India (hard model)	Sweden (soft model)
Time	• more synchronous • not emphasizing deadlines and time scheduling • scheduling is only a guideline • flexible deadlines	• sequential pattern • following schedules and observing deadlines • punctuality • deadlines are respected
Relationships	• more collectivistic • preference for group recognition and groupwork • valuing relationship-based promotion	• more individualistic • more likely to work independently • valuing individual recognition and merit-based promotions
Gender equality	• more masculine culture • valuing gender discrimination • giving women a secondary status	• promoting feminine culture • valuing gender equality • accepting rules for uniformity between men and women
Hierarchy	• maintaining hierarchies with high power distance • accepting centralized power • belief in managers' control guidelines	• mainly accepting low power distance hierarchies • using decentralized power • belief in managers' coaching model

Source: Extracted from Eriksson and Hägg (2016).

Integrated Model, Explaining Cultural Diversity

It is clear that all models that explain diversity focus on cultural diversity and are mainly based on individuals' cognition (including values, believes and attitudes), and behaviors. The models can be categorized based on their focus (Table 3):

Table 3. Focus of cultural diversity models

Attitude, values – and cognition-based models	Behavior-based models
Ethnocentric vs. geocentric Hall's Cultural Iceberg Model Geert Hofstede's Six Cultural Dimensions Hall and Hall Model of Culture Seven Cultural Dimensions of Fons Trompenaars Holden's Model of Core Problem and Core Solution Global Project's Nine Cultural Dimensions Susan Vonsild's Critical Cultural Variable Model Hard and Soft Model of Cultural Diversity	Lewi's Model

Source: Author (2020).

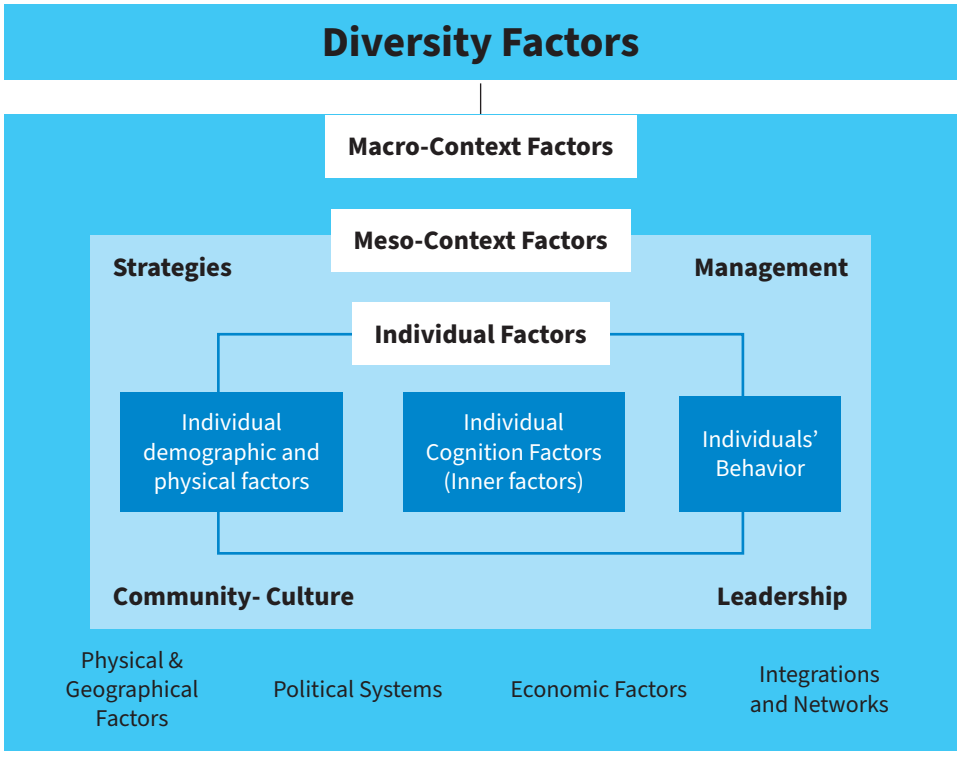


Figure 5. Integrated model explaining overall diversity factor-areas
Source: Own elaboration.

Table 3 demonstrates that diversity has been mainly explained by giving more priority to culture and cognitive factors. Nonetheless, the definitions of diversity include many factors such as race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies other than culture and cognitive factors. With this limitation, we would like to present our model for explaining diversity (Figure 5) that highlights three main areas at "individual", "meso", and "macro" levels. These levels have emerged in today's diversity-related issues and require more attention in explaining diversity, even highlighting the co-dependencies that can exist among the factors at different levels.

Solutions Given in Managing Diversity

Solutions for managing cultural diversity can be discussed in three main ways: applying diversity management strategies, developing skills and competencies for cultural sensitivity, and policy guidelines for decision making with regard to cultural diversity.

Diversity Management Strategies

Strategies for managing cultural diversity refers to the extent to which decision makers recognize cultural diversity and its potential advantages and disadvantages leading to a set of actions to be implemented. Four such main sets of strategies for managing cultural diversities are: (i) ignoring cultural differences, (ii) minimizing cultural differences, (iii) managing cultural differences (Adler 1997), and (iv) cultural adaptation (Singh 2014). The best practices in diversity management at a corporate/organizational level are derived from these strategies and include: creating a diverse and inclusive workplace through recruitment; retention and management of diverse talents by effective use of executive diversity councils; mentoring and sponsorship programs, and creating employee resource groups; addressing and supporting multiple lifestyles and personal characteristics within a defined group and educating such groups; and providing support for the acceptance of and respect for various racial, cultural, societal, geographic, economic and political backgrounds.[13] In implementing and managing a cultural diversity program, proper guiding frameworks are important. Figure 6 presents such a framework (Toutet, Escaille, Eisenring and Ranz 2007).

Global Diversity Management (GDM) of corporations, presented by Bartlet and Goshal in 1989, is an important strategic choice to leverage diversity in organizations (Özbilgin and Tatli 2014). This model presents four alternative strategies for managing diversity (Figure 7).

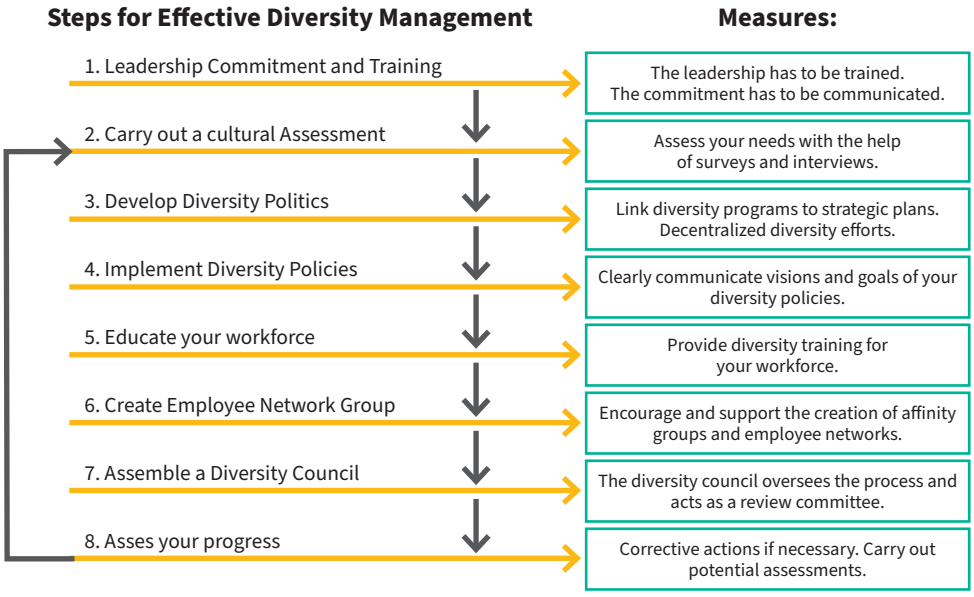


Figure 6. Steps for Effective diversity Management
Source: Toutet, Escaille, Eisenring and Ranz (2007: 21).

13 https://www.skillsportal.co.za/content/diversity-management-definition-and-tips (accessed 31.01.2020).

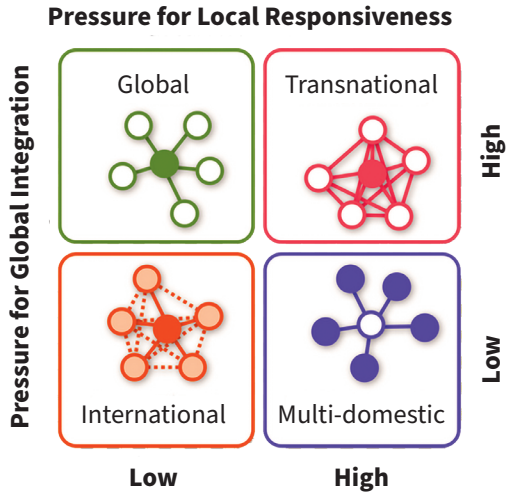


Figure 7. Corporate design model of managing diversity
Source: https://www.pocketbook.co.uk/blog/2017/07/04/christopher-bartlett-sumantra-ghoshal-managing-across-borders/ (accessed 05.02.2020).

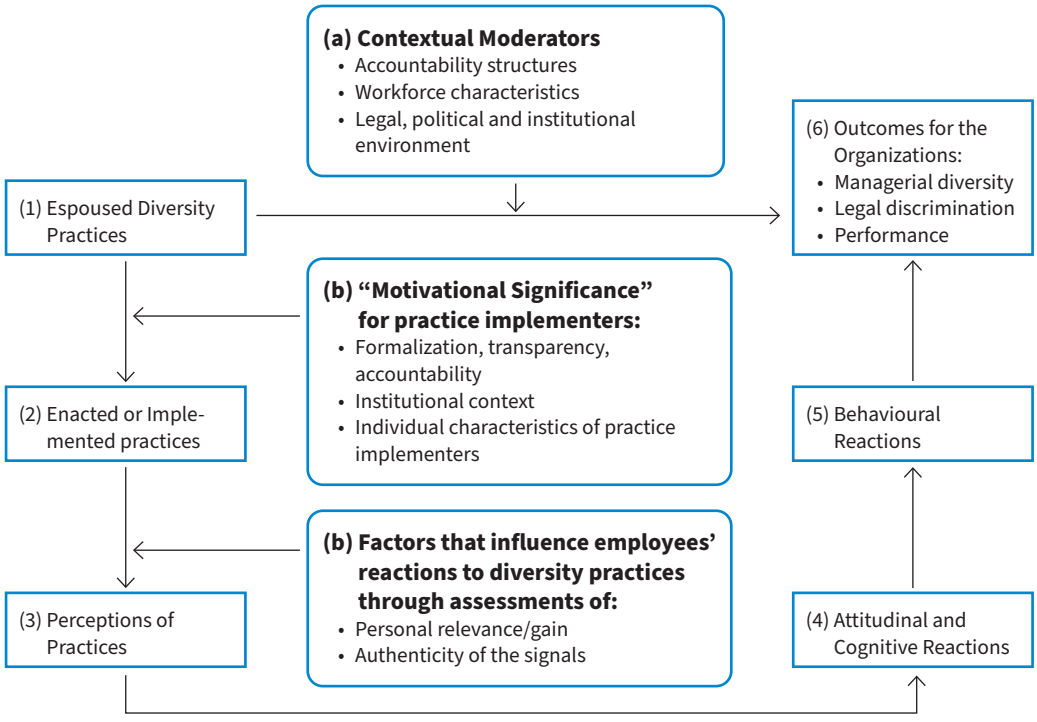


Figure 8. The process model of diversity
Source: Becky and Lisa (2017).

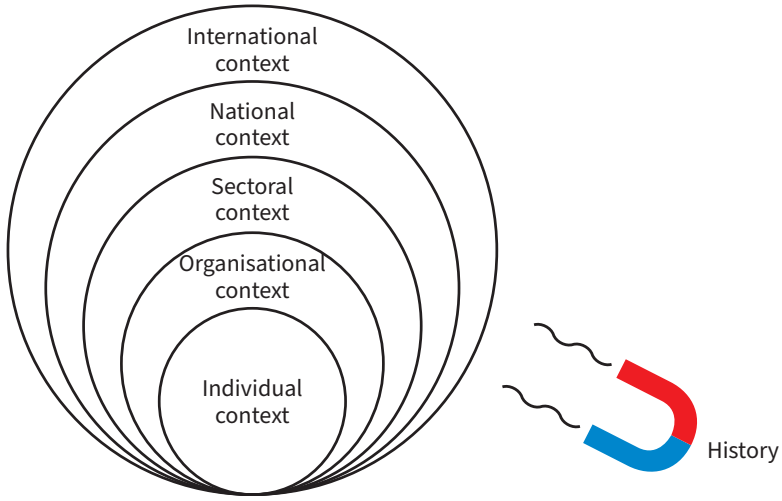


Figure 9. Contextual Model of Global Diversity Management
Source: Özbilgin and Tatli (2008: 28).

Figure 7 demonstrates that a multi-domestic set up is highly decentralized and values local responsiveness to fully capitalize on cultural diversity. A global set up does not encourage such a high level of diversity as it mainly has an ethnocentric approach in its decisions with a highly centralized focus on efficiency. In an international set up, diversity is valued to some extent as a resource for wealth maximization under the strategic guidance of the center. A transnational model is more divergent and challenging, it capitalizes on all cultural strengths and resources.

In many cases diversity-related activities are studied (and implemented) in isolation, and they do not always work according to the plan as many factors come into play between diversity practices and organizational outcomes (Nishii, Khattab, Shemla, and Paluch 2017). As a result, organizations cannot rely on specific diversity-related activities to consistently produce favorable results, in the absence of a holistic view of the situation (Nishii et. at. 2017). Hence the process model of diversity (Figure 8) which explains how diversity is viewed and strategies are designed and practiced in its holistic context is noteworthy.

Moreover, it is important to consider contextual influences, such as history and human geography, that moderate the variations in diversity practices and outcomes. Such a contextual approach suggests an analysis of facilitating and hindering factors of diversity, stimulated within a particular context level (Figure 9) (Özbilgin and Tatli 2008).

The process and contextual models alone do not elaborate how the depth of diversity interventions that organizations adopt is shaped by the maturity (age and legitimacy of activity), resources, and strength of provided support. Such diversity interventions vary from shallow actions to organizational transformation initiatives

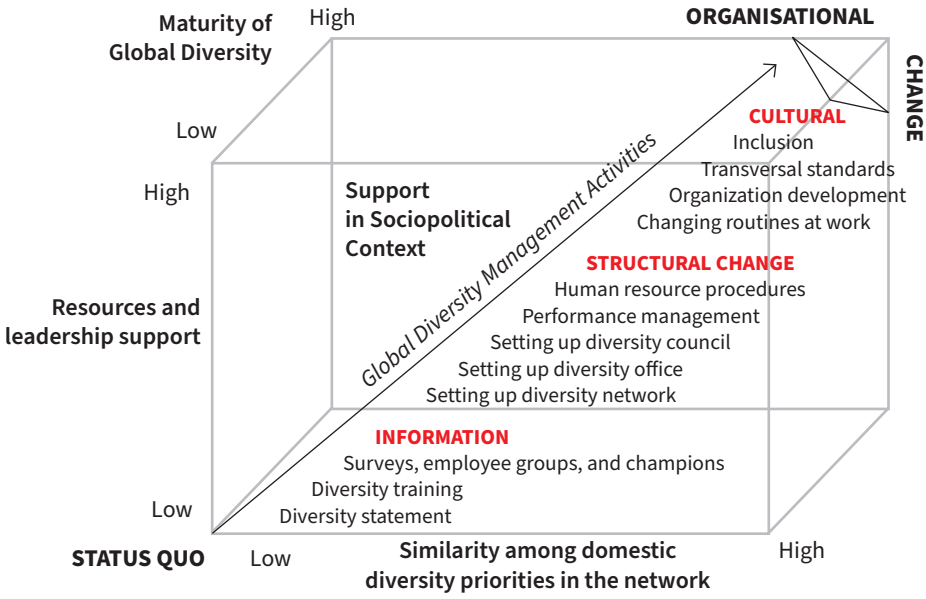


Figure 10. Intervention model of GDM
Source: Özbilgin, Jonsen, Tatli, Vassilopoulou, and Surgevil (2013) sited in Jonsen, and Özbilgin (2014: 375).

(Jonsen and Özbilgin 2014). The intervention model of diversity presents three major sets of diversity and inclusion interventions: (1) *informational interventions* which involve diversity management activities for providing information, training, and education to staff; (2) *structural interventions* which seek to change and develop organizational structures and processes; and (3) *cultural interventions* that challenge the implicit cultural assumptions of an organization to make organizations more welcoming of difference and inclusive practices (Jonsen and Özbilgin 2014). Figure 10 shows how the maturity and the depth of diversity is achieved under the three major diversity interventions.

A simplification of the critical domains, related to the diverse and inclusive model of large corporations in doing business in a global scale is useful and helpful. Especially since in many places there is no proper legal framework enforcing diversity and inclusion. The House model of diversity presents a critical component of global diversity management to correct this error (Figure 11).

It is crucial to see how the deviation between "what is written down and shown off—the rhetoric"— deviates from "what actually goes on—the reality" with regard to diversity practices. The communication model of diversity explains this relationship (Jonsen and Özbilgin 2014) by describing the state of diversity in organizations under different scenarios (Figure 12). The *Walk the talk* type of organizations are

Figure 11. House Model of Diversity
Source: Jonsen and Özbilgin (2014: 379).

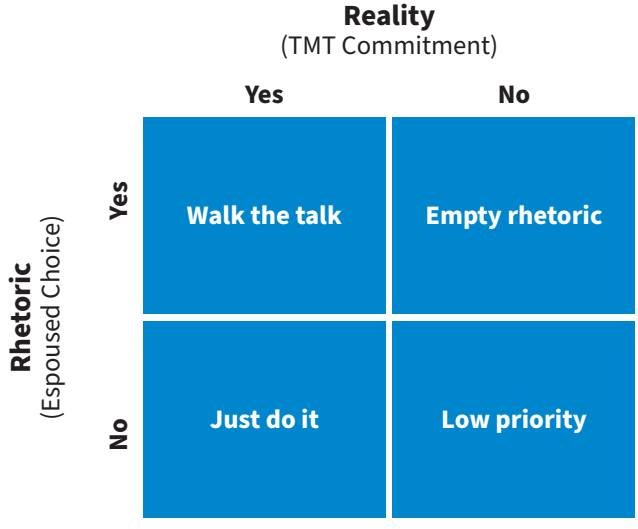
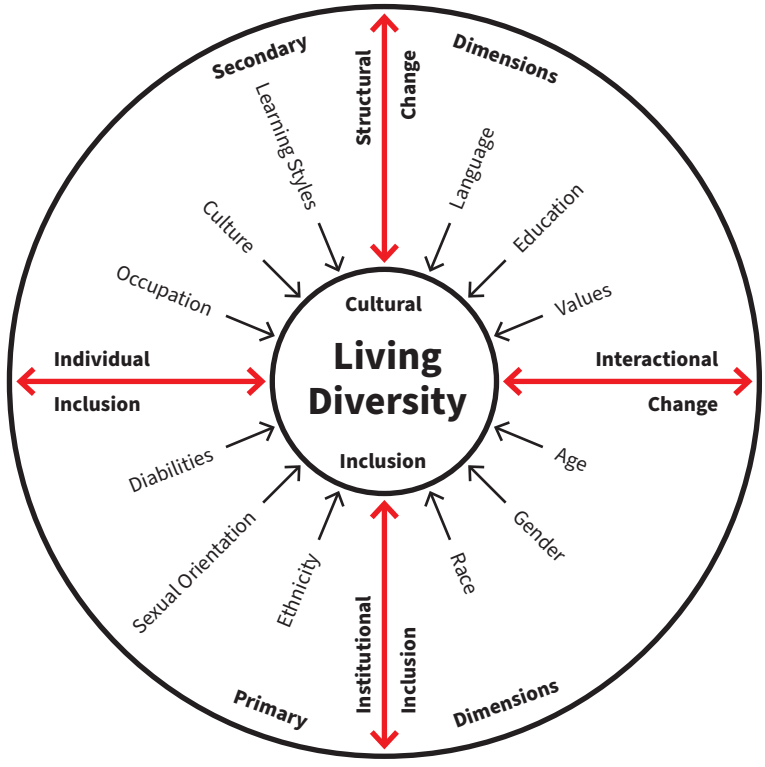


Figure 12. Communication Model of Diversity
Source: Jonsen and Özbilgin (2014: 381).

highly committed to diversity in reality and they actively share information about their diversity activities. *The empty rhetoric* organizations talk proactively about diversity, but they do not take more than cosmetic action that perhaps is political for *window dressing*. The *Just do it* type applies to organizations which have a diversity strategy while undertaking important activities, but do not officially state them or label them as diversity activities. Organizations that rhetorically reject diversity and have no strategy or dedicated resources for diversity management will fall under the *low priority* quadrant.

Talking about diversity together with quality is important. The total quality diversity model (Figure 13) recognizers two dimensions: Horizontal, i.e. the individual interactional change dimension (embracing and valuing diversity), and Vertical, i.e. the institutional structural change dimension (harnessing and empowering diversity). The first dimension is mainly biological, usually visible through age, gender, race, ethnicity, sexual orientation, and disabilities. It focuses on creating foundational awareness on diversity. The second dimension is related to a change in corporate culture and structure. Managing the four sets of factors helps achieve quality standards by valuing and harnessing diversity.



"Unity in diversity"

Figure 13. A holistic model of total quality diversity

Source: Rosado (2006: 8).

Learning Competencies for Cultural Sensitivity

Strategies for diversity management require training and developing competencies. In this case, there are some human resource management activities to be practiced. They are mainly relating to educating all groups and providing them support to recognize, accept and respect for various dimensions of different backgrounds of people (Rosado, 2006). There are two approaches to such a cross-cultural education: offering training to diverse groups of employees for an entry-level skill, and providing training to managers and other employees who work with diverse employees (Luthans 1995). Three more types of learning include: learning culture and languages, learning avoiding cultural biases, and learning cultural skills (Singh 2014). They teach cultural skills for life and work leadership success at different levels (Figures 14, 15 and 16) (Gundling 2003).

Education for avoiding cross-cultural conflicts and improving cross-cultural communication constitute two more critical skills (Anand 2014). The following measures for avoiding conflicts play a critical role: (a) probing for cultural dimensions, (b) learning about other cultures, and (c) altering organizational practices and procedures. In enhancing cross-cultural communication, Anand (2014) cites Hall and Hall's (1990) high context vs. low context communication model. In the high context communication model, the contextual details and biases are included in a massage, communicated. In a low context communication massage, the details about the message are included, not the context or the biases of the respondent.

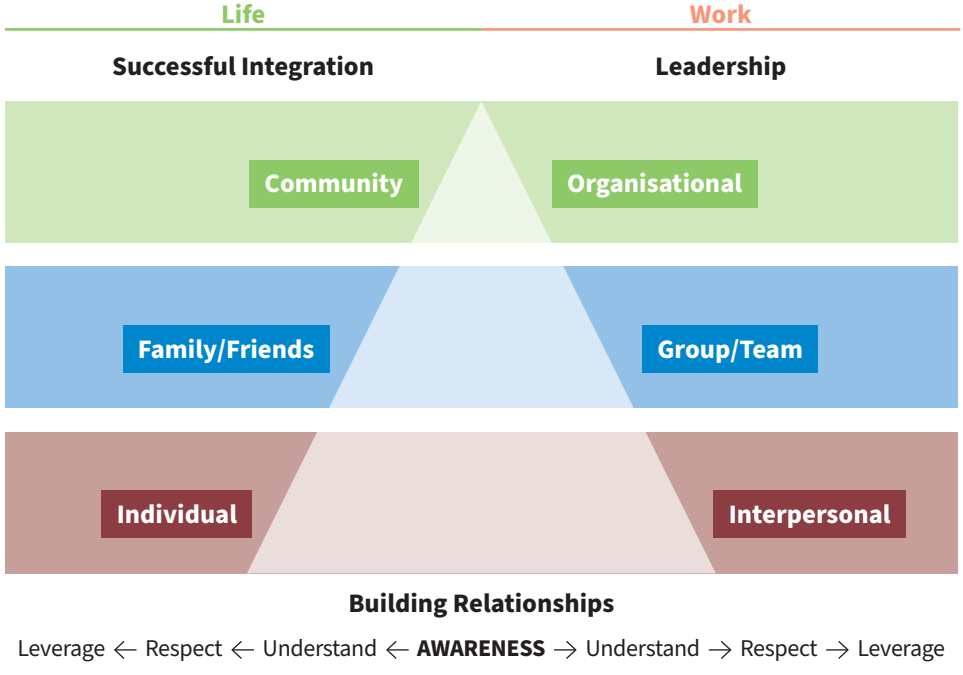


Figure 14. People Global Skills
Source: Gundling (2003).

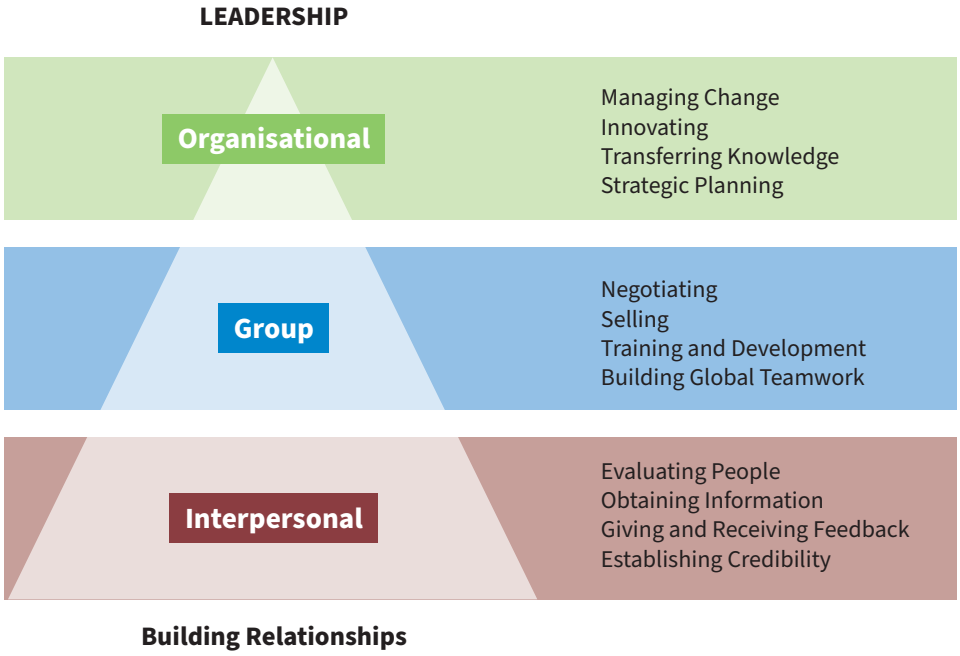


Figure 15. Global business skills
Source: Gundling (2003).

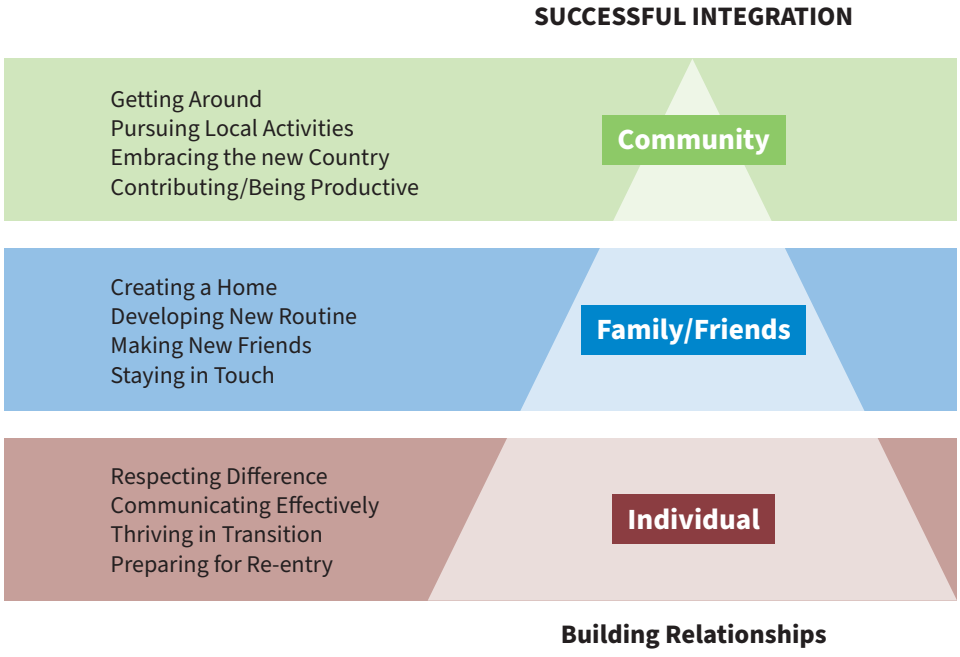


Figure 16. Global Expatriation Skills
Source: Gundling (2003).

Policy Guidelines for Cultural Diversity

Policy guidelines are important at organizational and national levels to support the cultural diversity strategy implementation and competency development for cultural sensitivity.

Australians have long recognized the importance of diversity as a competitive advantage. Their government's *diversity works* policy that promotes utilizing cultural and linguistic skills of workforce to benefit organizations and the economy has led organizations to launch diversity practices to attract foreigners in local markets. Another outcome is the rich educational information on cultural diversity (Toutet, De L'Escaille, Eisenring, Tomàs and Ranz 2007).

In the European context, diversity management policy priorities are: commitment from leadership to link it to organizational strategies and values; operationalizing cultural diversity as "walk the talk" rather than just "talk the talk"; leadership training for leaders to value and recognize diversity and its importance to organizations; celebration of culture through firm-wide or office-wide events to retain employees who represent a cultural minority and to hire them; networking to promote employees' career development, informal mentoring, education and access to senior management; and recruiting people who belong to different cultures (Toutet, De L'Escaille, Eisenring, Tomàs and Ranz 2007).

In the North American private sector diversity management policies include: leadership commitment to diversity management, strategic planning for diversity and inclusion, assessment and evaluation of diversity management practices, and involving employees in the diversity management process (Toutet, De L'Escaille, Eisenring, Tomàs and Ranz 2007).

In the context of India, Anad (2014) suggests some policy guidelines in managing cross-cultural diversity strategies and practice: (1) the recognition and acceptance of a diversity policy by top-level leaders; (2) the existence of a policy for formal communication of diversity policy among all relevant stakeholders; (3) creating a separate policy for diversity training provided to relevant parties, organization-wide; (4) recognizing differences, created by other sources other than individual cultural differences; (5) recognizing and valuing minority groups; (6) linking reward systems to diversity management to reinforce the importance of effective diversity management; and (7) establishing a flexible work environment; (8) monitoring the progress and process of the diversity management.

In the North American public sector, diversity management policy considers developing formal processes for diversity management, decentralizing diversity efforts, providing diversity training to the workforce, and building accountability for diversity efforts.

At an organizational level, the support of the top management is a critical diversity policy area, which includes: (1) to conduct an organizational audit to include continuous monitoring of all human resource management decisions around hiring, placement, training and development, evaluation, promotion, compensation, and reward systems; (2) to assess whether diverse workforce feel good about their

stay and experience and enjoy the work; (3) to establish and communicate clear performance standards to recognize critical competencies necessary for each job that values diversity; (4) to provide continuous feedback to identify undesirable behaviors to be changed and desirable behaviors to be encouraged by a company; (5) to avoid imitation so as to be contextually sensitive utilizing the human resources, strengths, and culture of an organization.

Future of Managing Cultural Diversity

With the very popular concept of globalization, managing cross-cultural diversity was welcomed by the world. However, recently the views on cross-cultural diversity, especially with the change of leadership of global powers, the concept seems to be questioned and in need of a more cautious adaptation. As a result, such issues as how the evolution of responses towards diversity, the changing nature of managing cross-cultural diversity, and new global tensions with cross-cultural diversity need to be examined to understand the future of managing diversity.

Evolution of managing in cultural diversity

Racism, i.e. zero tolerance with regard to diversity or different races, is one extreme consequence of cross-cultural diversity. It was the dominating approach between 18th to early 20th centuries.[14] This paradigm totally excluded the "outside" members and included groups from a particular "inside racial group". With racism, during the 19th century *nativism*, i.e. favoring the native population over migrants, was also common, followed by *racial intolerance*, i.e. refusal to accept behaviours, beliefs, or opinions that are different from one's own race. This trend dominated from 1920s to 1940s, followed by *nationalism*, in which people saw their nations as superior to all others, and their own group was benefited (Ericsson 2016). Although nationalism began already in the 17th century, it reemerged since the great depression in 1940. *Multiculturalism*, i.e. managing certain cultures to satisfy the needs of a particular culture, focusing on managing and sharing with the out group, was the next movement. Multiculturalism first began as an official national policy in the western, English-speaking countries, later becoming a theme of national policies, such as in Canada (1971) and Australia (1973). Since its inception, multiculturalism has been backed by organizational, national, regional, interregional and global level entities until recently. This strategy sometimes may provoke nations or groups who are managed by someone else, especially countries subjected to such management are prone criticizing multicultural management practices.

Recently scholars have been investigating the competencies needed to become successful in different contexts rather than focusing on diversity factors. *Cultural competence* (CC), a research area in psychology for about 50 years (De Angelis 2015), has become an answer to this question. Cultural competence is defined as the ability

14 https://www.scholastic.com/teachers/articles/teaching-content/nativism-america-and-europe/ (accessed 20.02.2020).

of a person to effectively interact, work, and develop meaningful relationships with people of various cultural backgrounds. It goes beyond tolerance to include, recognize, and respect diversity through words and actions in all contexts (De Guzman, Durden, Taylor, Guzman, and Potthoff 2016). The main components of CC are: (1) awareness of one's own cultural worldview; (2) attitude towards cultural differences; (3) knowledge of different cultural practices and worldviews; and (4) cross-cultural skills.[15] Fundamentals for organizations to promote cultural competence include: (1) a defined set of values and principles, behaviors, attitudes, policies, and structures that enable them to work effectively cross-culturally; (2) a capacity to value diversity, conduct self-assessment, manage the dynamics of difference, acquire and institutionalize cultural knowledge and adapt to diversity and the cultural contexts of the communities they serve; and (3) incorporation of those two fundamentals in all aspects of policy making, administration, practice, and service delivery (NPIN 2020). In this case, CC should have critical principles; defining culture broadly, valuing clients' cultural beliefs, recognizing complexity in language interpretation, facilitating learning between providers and communities, involving the community in defining and addressing service needs, collaborating with other agencies, professionalizing staff hiring and training, and institutionalizing cultural competence (NPIN 2020).

Recently the term *cultural intelligence* (CQ) is gaining high popularity. It was first developed by Christopher Earley (2002), and Earley and Soon Ang (2003). CQ is defined as "a person's capability to adapt effectively to new *cultural* contexts" (Ward, Wilson, and Fischer 2011), and "an outsider's seemingly natural ability to interpret someone's unfamiliar and ambiguous gestures the way that person's compatriots would" (Earley and Mosakowski 2004). CQ has been studied in over 98 countries for nearly two decades to identify it as a form of intelligence, related to emotional intelligence (Earley and Mosakowski 2004).[16] As the latest version of diversity management, CQ has become the future for cross-cultural management due to the fact that it assesses one's capability of relating and working effectively in culturally diverse situations. Under CQ, unlike in multiculturalism, individuals are trained to manage themselves to effectively and flexibly perform among outsiders. Society for Human Resource Management (SHRM) presents four major components of CQ that flow in a cyclical manner: CQ drive, CQ knowledge, CQ strategy, and CQ action. SHRM further presents three major strategies: experience and reflection, training and coaching, and developing personal CQ development plans (Livermore and Dyne 2015). The introduction of CQ created a paradigm shift of research from focusing on cultural differences to focusing on how to perform effectively in diversity. The conceptualization of CQ comprises four elements: (1) metacognitive CQ (the mental capability to acquire and understand cultural knowledge); (2) cognitive CQ

15 https://cdn.ymaws.com/www.naswaz.com/resource/resmgr/imported/CulturalCompetence.pdf (accessed 05.05.2020).

16 https://culturalq.com/ (accessed 03.03.2020).

(knowledge about cultures, their similarities and differences); (3) motivational CQ (interest and confidence in functioning effectively in intercultural contexts); and (4) behavioral CQ (the capability to adapt behaviors in intercultural interactions).

The evolution described above is presented in Figure 17 below.

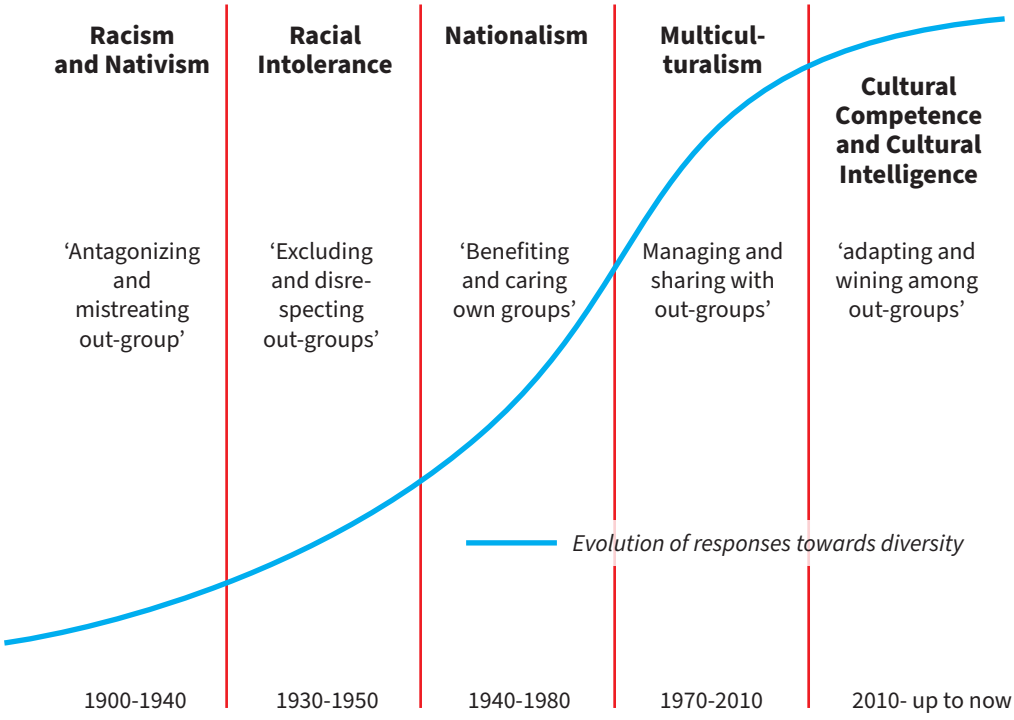


Figure 17. Evolution of responses towards cultural diversity
Source: Own elaboration.

Changing Nature of Cultural Diversity

The art of defining diversity has been changing in recent years. Canada was the first state to adopt multiculturalism as a national policy in 1970, identifying diversity as its strength. Nonetheless, although diversity is valued greatly, nowadays Canadians are experiencing some issues related to multiculturalism. According to an online survey commissioned during 2017 and 2018 by the Privy Council Office that supports Prime Minister's office, 46% of the respondents see diversity as a factor that is changing Canada in ways they did not like.[17] Furthermore, 61% also agreed that too many minority groups are seeking special treatments, while 59% said too many

17 https://globalnews.ca/news/4288791/diversity-immigration-canada-mixed-feelings-survey/ (accessed 06.05.2020).

immigrants fail to adopt Canadian values. The founder and the CEO of the Canadian Centre for Diversity and Inclusion also expressed that there is a "woeful lack of understanding in Canada about the experiences of newcomers".[18] Apart from that, the voice of some critical media (such as Rebel Media) also reflects such diversity issues: adopting bad cultural practices by non-Canadian minorities, discrimination against native Canadians in accessing facilities by non-Canadian-minority Muslims, difficulty of communicating with non-Canadian communities as some of them use their native languages, pushing native-Canadians from their homes as a high level of cultural pressure from non-Canadian minorities, losing political and governing control to non-Canadian Chinese in some Canadian cities (like Vancouver), increasing perception of native Canadians that diversity will not work as it did 20 or 50 years from now; people's concerns about the spread of Chinese goods, native Canadians' concerns over the emergence of Sharia law in Canada, and pressure for government to teach languages other than English and French in schools.[19] According to a national polling partnership between CBC (Canadian Broadcasting Corporation) and the Angus Reid Institute, 68% of Canadian respondents said minorities should be doing more to fit in with the mainstream society instead of maintaining their own customs and languages (53% Americans think the same). The survey also found that only 32% agreed that there should be cultural diversity, i.e. that different groups should maintain their own customs and languages.[20] Adding to this, CBC, further reports the poll's findings that 79% of respondents said Canada should give priority to Canada's own economic and workforce's needs rather than to people in crisis abroad.

In the USA, Trump's presidential campaign reflected views demeaning of immigrants, racial minorities, Muslims, women, and many other groups (Ferdman 2018). Ferdman (2018) refers to The New York Times' report on Trump's cabinet as "whiter and more male than any first cabinet since that of Ronald Reagan in the 1980s". Ferdman argues that Trump's slogan to "make America great again" did not value diversity and may result in exclusion.[21] The US green card diversity lottery programme that encouraged the country's diversity policy is to be abolished by Trump's government, focusing on skills and results.[22]

In the US corporate sector, the stages of diversity and inclusion have often reflected a continuum from, "civil rights" to "affirmative actions" to "managing diversity and inclusion" to "diversity and inclusion as a strategic imperative" (National

18 https://globalnews.ca/news/4288791/diversity-immigration-canada-mixed-feelings-survey/ (accessed 06.05.2020).

19 https://www.youtube.com/watch?v=EDM0WJ0089o (accessed 12.10.2018).

20 https://www.cbc.ca/news/canada/british-columbia/poll-canadians-multiculturalism-immigrants-1.3784194

21 https://www.emeraldgrouppublishing.com/archived/realworldresearch/world_events/inclusion-and-diversity-in-the-age-of-trump.htm (accessed 06.05.2020).

22 https://www.cbsnews.com/news/trump-says-visa-lottery-rewards-the-worst-immigrants-thats-inaccurate/ (accessed 06.05.2020).

Multi-Cultural Institute). This is a change of concerns over diversity from seeing it as a legal requirement to making it a strategic business model. Thus, in the US corporate sector, diversity is changing to "strategic diversity", going beyond the traditional limits of differences to include everyone and everything, even similarities, complexities and tensions that should advance business and achievements, create a real impact on business, enhance creativity, drive business values, create space for innovations, creativity, potentials and thoughts (Gates 2014 and 2013). Thus, skills and competencies are also becoming diversity factors.

Tensions with Cross-Cultural Diversity

Forbes reports that most diversity and inclusion initiatives fail due to ignorance and are promoted, among others, aiming at financial performance.[23] Based on over 40 years of data on large and private employers in America, Stanford and Harvard found such employers to still be homogenous, at large, and *more divided* than they were in the 1970s.[24] Despite a rise in diversity trainings, inclusion efforts, and tech-based hiring solutions, the racial wealth gap is growing. According to a 2017 study reported in The New York Times, white college graduates' earnings per hour are on average approximately 21% higher than Black college graduates', an increase by 8% since 1979[25]. In addition, according to Harvard Business Review reports, diversity training has failed and is unsustainable; some of them still can generate bias or spark a backlash and racial imbalances, and discriminations against women persists.[26] On this basis, the changing nature of managing cultural diversity questions whether cross-cultural diversity can further benefit societies and corporations. In this case, cultural intelligence suggests a more democratic option in responding to managing cultural diversity. In today's context, when the Covid-19 pandemic has been paralyzing the whole world economically, socially, culturally and demographically, the concept of diversity is to be challenged. This is mainly due to society's new orientation towards redefining their networks and partnerships, social distancing that has led people to be intolerance towards the unknown and out group members, and emerging concepts in self-sufficient economies reducing the dependencies. Thus, the future world will mostly welcome not managing a culture by someone else, but managing the self to perform among unfamiliar and out group contexts. This proposes to critically move from managing cross-cultural diversity to "managing in cross-cultural diversity" which enables individuals to be successful in different cultures using cultural intelligence they developed.

---

23 https://www.forbes.com/sites/glennllopis/2017/01/16/5-reasons-diversity-and-inclusion-fails/#2ab347c750df (accessed 20.04.2020).

24 https://blog.allegisglobalsolutions.com/pride-not-prejudice-why-diversity-and-inclusion-programs-really-fail (accessed 20.04.2020).

25 https://blog.allegisglo0balsolutions.com/pride-not-prejudice-why-diversity-and-inclusion-programs-really-fail (accessed 21.04.2020).

26 https://hbr.org/2016/07/why-diversity-programs-fail (accessed 21.04.2020).

Conclusions

Although diversity has been regarded through the prism of individual differences, the dimensions of differences are changing to encompass anything and everything. The key models that explain diversity are limited to discussing cultural diversity, and many factors are yet to be considered at individual, meso, and macro levels, with their causal interrelationships. Managing cultural diversity at national and organizational levels has been focused incrementally since 1970s. However, the focus of diversity management is changing from a corporate social responsibility concern to strategic concern, evolving from racist responses to developing cultural intelligence. Recently diversity and inclusion policies and practices have been critiqued over their demerits in spite of their realized merits. This has led decisionmakers to rethink their evolving diversity policies and strategies with the change of global leadership and political landscapes. Thus, mainly two arguments have emerged in managing diversity: to be more democratic in terms of diversity matters, and to withdraw and control diversity measures, while adopting novel approaches to defining differences, which stimulates a fresh research agenda towards diversity using integrated approaches.

References

Adler, N. J. (1997), *International Dimensions of Organizational Behaviour,* Cincinnati, South-Western College Publishin, Ohio.

Anand, P. K. K. (2014), *Cross Cultural Diversity in Today's globalized Era*. "Journal of Human Resource Management", vol. 2, No. 6–1, pp. 12–16.

Becky, P., and Lisa, H. N. (2017), *Work-life or work-benefit? The Paradox of Work-Life benefits Utilization*. "Academy of Management", https://journals.aom.org/doi/10.5465/AMBPP.2017.13274abstract (accessed 03.04.2020).

Belhoste, N., and Monin, P. (2013), *Constructing differences in a cross-cultural context: National distance, social differentiation or functional distinction*. "Human Relations", vol. 66, https://doi.org/10.1177/0018726713484943 (accessed 02.03.2020).

Belhoste, N., Monin, P. (2013), *Constructing differences in a cross-cultural context: National distance, social differentiation or functional distinction.* "Human Relations", vol. 66, pp. 1529–1561. https://journals.sagepub.com/doi/10.1177/0018726713484943 (accessed 05.02.2020).

De Guzman, M. R. T., Durden, T. R., Taylor, S. A., Guzman, J. M., Potthoff, K. L. (2016), *Cultural Competence: an Important Skill Set for the 21st Century*. "NebGuide", https://extensionpublications.unl.edu/assets/html/g1375/build/g1375.htm (accessed 15.03.2020).

DeAngelis, T. (2015), *In search of cultural competence*. "American Psychological Association", vol. 46, No. 3, https://www.apa.org/monitor/2015/03/cultural-competence (accessed 04.05.2020).

Dietz, B. (2007), *Migration Policy Challenges at the New Eastern Boarder of the England European Union: The Ukrain Case*. "EconPapers", https://econpapers.repec.org/paper/ostwpaper/267.htm (accessed 03.02.2020).

Dyne, L. V., Ang, S., Tan, M. L. (2019), *Cultural Intelligence*. "Oxford Bibliographies", https://www.oxfordbibliographies.com/view/document/obo-9780199846740/obo-9780199846740-0115.xml (accessed 20.01.2020).

Earley, P., and Soon, A. (2003), *Cultural Intelligence: Individual Interactions Across Cultures*. "Bibliovault OAI Repository, the University of Chicago Press", https://www.researchgate.net/publication/40421838_Cultural_Intelligence_Individual_Interactions_Across_Cultures (accessed 12.04.2020).

Earley, P. C., Mosakowski, E. (2004), *Cross-Cultural Management: Cultural Intelligence*. "Harvard Business Review", https://hbr.org/2004/10/cultural-intelligence (accessed 03.05.2020).

Earley, P. C. (2002), *Redefining interactions across cultures and organizations: Moving forward with cultural intelligence*. "Research in Organizational Behavior", vol. pp. 271–299, https://doi.org/10.1016/S0191-3085(02)24008-3 (accessed 05.05.2020).

Ericsson, M. (2016), *Historical research into racism and racial intolerance in Sweden – an analytical knowledge*. "Living History Forum", https://www.levandehistoria.se/sites/default/files/material_file/historical_research_into_racism_and_racial_intolerance_in_sweden.pdf (accessed 10.03.2020).

Eriksson, S., Hägg, C. (2016), *Cultural Diversity: How to Manage a Cross-Cultural Workforce in a Global Organization – A study between India and Sweden*, http://www.diva-portal.org/smash/get/diva2:954206/FULLTEXT01.pdf (accessed 20.02.2020).

Ferdman, B., *Inclusion and diversity in the age of Trump*. "Emerald publishing", https://www.emeraldgrouppublishing.com/archived/realworldresearch/world_events/inclusion-and-diversity-in-the-age-of-trump.htm (accessed 06.05.2020).

Ferdman, B. (2018), *In Trump's shadow: Questioning and testing the boundaries of inclusion*. "Equality, Diversity and Inclusion: An International Journal", vol. 37, https://doi.org/10.1108/EDI-09-2017-0177 (accessed 06.05.2020).

Gate, D. F. (2014), *Groundbreaking Diversity Series and Research Released by Dr. John Fitzgerald Gates, the Nation's #1 Thought Leader in Strategic Diversity*. "Send2Press News Wire", https://www.send2press.com/wire/groundbreaking-diversity-series-research-released-by-dr-john-fitzgerald-gates-nations-1-thought-leader-strategic-diversity_2014-05-0529-002/ (accessed 03.05.2020).

Gate, D. F. (2013), *Strategy: The Evolution of Diversity and Inclusion Thought and Practice* (Trailer), https://www.youtube.com/watch?v=oiGr975Y5gA (accessed 02.05.2020).

Gundling, E. (2003), *Working Globe Smart: 12 People Skills for Doing Business across Boarders*, Davies-Black Publishing, Palo Alto, https://gsom.spbu.ru/files/en/upload/master_program/materials/2009-2010/cross-cultural_management_and_corporate_social_responsibility_in_the_information_age/ipshenichnikova_gsom_mitim_ccm_expatriationho.pdf (accessed 05.02.2020).

Hall, E. T. (1976), *Beyond Culture*, https://www.spps.org/cms/lib/MN01910242/Centricity/Domain/125/iceberg_model_3.pdf (accessed 02.02.2020).

Hall, E. T., Hall, M. R. (1990), *Understanding Cultural Diversity*, Intercultural Press Inc., London, http://teaching.up.edu/bus511/xculture/Hall%20and%20Hall%201990,%20ch1.pdf (accessed 20.02.2020).

Hayes, E. (1999), *Winning at Diversity*, Executive Excellence, Sage, New Delhi.

Hofstede, G. (1980), *Culture's consequences: International differences in work-related values*. Sage Publications, Beverly Hills, London.

Holden, N. (2002), *Cross-cultural management: A knowledge management perspective*. Pearson Education, London.

House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., Gupta, V. *(*2004*), Culture*, *Leadership and Organizations: The GLOBE Study of 62 Societies*, Sage Publications.

Jonsen, K., Özbilgin, M. (2014), Models of Diversity Management. In: B. M. Ferdman, B. R. Deane, (eds), Diversity at work: the practice of Inclusion*, Wiley, online library*, https://doi.org/10.1002/9781118764282.ch12 (accessed 02.03.2020).

Kundu, S. (2014), *Managing Cross-cultural Diversity: a Challenge for Present and Future Organizations*. "Delhi Business Review", vol. 2, No. 2, https://www.researchgate.net/publication/262312251_Managing_cross-cultural_diversity_a_challenge_for_present_and_future_organizations (accessed 20.04.2020).

Lewis, R. D. (1996), *When Cultures Collide: Leading Across Cultures*, Nicholas, Brealey International, Boston.

Livermore, D., Dyne, L.V. (2015), *Cultural Intelligence: The Essential Intelligence for the 21st Century.* "HRM Foundation Effective Practice Guidelines Series", SHRM Foundation, USA, https://www.shrm.org/foundation/ourwork/initiatives/building-an-inclusive-culture/Documents/Cultural%20Intelligence.pdf (accessed 04.05.2020).

Llopis, G. (2011), *Diversity Management Is the Key to Growth: Make It Authentic,* Forbs, https://www.forbes.com/sites/glennllopis/2011/06/13/diversity-management-is-the-key-to-growth-make-it-authentic/#680129d666f3 (accessed 12.04.2020).

Luthans, F. (1995), *Organizational Behaviour*, McGraw-Hill, New York.

National Multi-Cultural Institute. *Diversity & Inclusion: An Overview1Contributor,* https://www.diversitybestpractices.com/sites/diversitybestpractices.com/files/import/embedded/anchors/files/diversity_primer_chapter_01.pdf (accessed 06.05.2020).

National Prevention Information Network (NPIN). *Cultural Competence*, Health Communications, Center for Decease control and prevention, https://npin.cdc.gov/pages/cultural-competence#5 (accessed 04.05.2020).

Nishii, L. H., Khattab, J., Shemla, M., Paluch, B. (2017), *A Multi-Level Process Model for Understanding Diversity Practice Effectiveness*. "Academy of Management", vol. 12, No. 1, https://journals.aom.org/doi/abs/10.5465/annals.2016.0044 (accessed 10.10.2020).

O'Grady, S., Alegretti, C., Graham, S. (2014), *Insights: The Business Case for Diversity and Inclusion,* (interview), October 03, https://www.youtube.com/watch?v=w1D7-cn3v-s (accessed 05.06.2020).

Özbilgin, M., Tatli, A. (2008), *Global Diversity Management: An Evidence-Based Approach*, Palgrave, Basingstke, UK, https://books.google.lk/books?id=8Zk3AgAAQBAJ&pg=PA365&lpg=PA365&dq=%C3%96zbilgin+%26+Tatli,+2008&source=bl&ots=MlOA_wVMmP&sig=ACfU3U3e5fBKux4U8Ptu_LCsTdkpkvE_VA&hl=en&sa=X&ved=2ahUKEwjawqyI6pDpAhVQeH0KHZDKCJkQ6AEwEHoECAgQAQ#v=onepage&q=%C3%96zbilgin%20%26%20Tatli%2C%202008&f=false (accessed 01.01.2020).

Rosado, C. (2006), *What do we mean by Managing diversity?* [in:] S. Reddy (ed.), *Workforce diversity, Concepts and cases*, ICAFAI University: Andhara Pradesh, India, vol. 3, http://www.edchange.org/multicultural/papers/rosado_managing_diversity.pdf (accessed 31.01.2020).

Singh, D. (2014), *Managing Cross-cultural Diversity: Issues and Challenges in Global Organizations*. "Journal of Mechanical and Civil Engineering", p.43-50, http://www.iosrjournals.org/iosr-jmce/papers/ICRTEM/ME/Volume-3/IOSRMG002.pdf?id=7622 (accessed 25.02.2020).

Torres, C., Bruxelles, M. (1992), *Capitalizing on Global Diversity*. "HR Magazine", December, pp. 30–33.
Toutet, C., L'Escaille, E. G. D., Eisenring, M., Ranz, R. (2007), *Cultural Diversity*, p. 06, https://bildung-diversity.ch/fileadmin/dokumente/Cultural_Diversity.pdf (accessed 05.06.2020).
Trompenaars, F., Hampden-Turner, C. (1993), *The Seven Cultures of Capitalism*, Piatkus, London.
Vonsild, S. (2007), *Globalisation and multicultural management*, Interlink, https://slideplayer.com/slide/9208162/ (accessed 31.02.2020).
Ward, C., Wilson, J., Fischer, R. (2011), *Assessing the predictive validity of cultural intelligence over time, Personality and individual differences*, vol. 51, No. 2, p. 138-142. https://isiarticles.com/bundles/Article/pre/pdf/77666.pdf (accessed 02.05.2020).

Key Terms and Definitions

Cross-cultural diversity – This refers to differences in race, ethnicity, language, nationality or religion27 and to a variety or multiformity of human social structures, belief systems, and strategies for adapting to situations in different parts of the world.
Diversity – Diversity means understanding that each individual is unique, and recognizing individual differences, along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies
Diversity Management – This is an intrinsic approach to business ethics and human interrelations (Rosad 2006), and it facilitates diverse workforce to demonstrate its full potentials without discriminating any advantages or disadvantages in any particular groups over others (Torres and Bruxelles 1992).
Multiculturalism – It is the manner in which a given society deals with cultural diversity by recognizing and acknowledging a "plural society", while accepting the existence of many other cultures in addition to the dominant culture

Autobiographical Note

Udaya Mohan Devadas, PhD, senior lecturer (grade 1) at the department of human resource management, University of Kelaniya, Sri Lanka, and consultant in HRM and HRD. He earned his PhD in human resource development from the Universiti Putra Malaysia in 2013 and his Master of Business Administration degree from the Post Graduate Institute of Management (PIM) of the University of Sri Jayawardenepura, Sri Lanka, in 2005. His research interests include national human resource development, corporate HRD and HRM, women in leadership, qualitative research

27 https://ww.dot-connect.com/styled-4/ (accessed 10.02.2020).

methods, and grounded theory research. He has published international book chapters with Springer links and Pearson's publishers, and articles in indexed and international academic journals. He is currently the editor-in-chief in the Kelaniya Journal of Human Resource Management, and the coordinator of the Faculty's staff development. He was a visiting researcher in 2017 and 2018 at the University of Lodz, Poland and has been the former head of the department of HRM, University of Kelaniya, Sri Lanka while holding many administrative positions, including chair and co-chair in international and national conferences.
ORCID ID: https://orcid.org/0000-0002-4617-1409

Chapter 4

Replaced by Machines? The Intelligent (Ro)Bots as the Disruptive Innovation for Human Workforce in Cross Cultural Perspective

Artur Modliński, PhD
Department of Management, Faculty of Management, University of Lodz, Poland
Marcin Bartosiak, PhD
Department of Economics and Management, University of Pavia, Italy
https://doi.org/10.18778/8220-533-6.05

Abstract

The rise of artificial intelligence (AI) and its growing capacity in sensing, cognizing, and performing, is directly exposing the human workforce to the competition with more and more intelligent machines. The potential replacement of the human workforce by AI has become the starting point for a scientific discussion not only for human resources management, but also for organizational anthropology and cross-cultural management. Managers should know the nature of machines replacing humans, and develop strategies to deal with the phenomenon. This chapter presents examples of professions that can be replaced by technology. It also shows a case where such a replacement has already happened. It tries to answer the question if the human workforce can be universally (globally) "disrupted" by autonomous technologies, and it lies the foundation for future research regarding the acceptance of technology in various cultures.

Keywords: artificial intelligence, bots, cobots, human resources, autonomous technologies, disruptive innovation.

Introduction

In the digital revolution, the number of innovations is growing exponentially. According to Moore's law, the processing power of computers doubles every two years

(Schaller 1997). Thus, the technologies that were innovative yesterday can quickly lose their position today, even if current research suggests this pace is slowing down (Waldrop 2016). Moreover, the new findings in IT, physics, or medicine can create new markets, throwing overboard current market tycoons (Christensen et al. 2015). The example of markets that used to experience disruptive innovations were, for instance, telegraphy (replaced by telephone), chemical photography (replaced by digital photography), typewriter (replaced by software word processing) or VHS tape (replaced by CD, which were replaced by pendrives) (Verganti 2008).

With the development of new technologies, also people are being systematically replaced by robots and software at the workplace (Daugherty and Wilson 2018). Since the Industrial Revolution, professions traditionally performed by human workers have been disappearing (milkmen or switchboard operators are just two of many examples). The rise of AI and its growing capacity in sensing, cognizing, and performing, is directly exposing workers to the problem of looking for professional fields where they can compete with more and more intelligent machines (Akerkar 2019).

The replacement of the human workforce by intelligent machines has become the starting point for the scientific discussion for human resources management, as well as for organizational anthropology and cross-cultural management, with questions regarding the place of intelligent technology in organizational culture and relationship building. The fact that people are being successively replaced with machines is boteworthy in this discussion. It happens regardless of an individual's cultural characteristics proposed by Geert Hofstede (2003), Erin Meyer (2014) or Richard Gesteland (2012). In other words, no matter whether a worker is more individual or collective, long- or short-term-oriented, or how much they avoid uncertainty. The machine, programmed to simulate the behavior requested by managers, has the upper hand. Furthermore, they have such competitive advantages as the speed and the cost compared to people from any culture.

Cross-cultural managers should know the nature and scope of the human replacement by machine for several reasons. First of all, in countries such as Japan, the acceptance for human replacement is higher than in e.g. USA or United Kingdom (Nomura et al. 2015). Hence, the Japanese working in the virtual environment and with artificial agents more willingly than Americans or British do. To replace some workers with the machine in one culture can provoke higher resistance and objections than in another. Hence, a cross-cultural manager should know not only what professions or functions can be potentially replaced by machines, but also what the reaction of particular stakeholders to such replacement will be.

This chapter presents mainly examples of professions that can be easily replaced by technology and a case where such a replacement has happened with artificial intelligence. It tries to answer the question whether the human workforce can be universally (globally) "disrupted" by autonomous technologies, and it lies the foundation for future research regarding the acceptance of such technologies in particular cultures.

Professions endangered by Artificial Intelligence and Robotics

Fast technological changes are affecting the shape of the global labor market. Innovations changing the form and scope of activities performed by humans in every culture are appearing every year. In order to identify professions threatened by technological innovations in the second decade of the 21st century, reports on global, commercial companies, governmental reports, and postulates of trade unions were analyzed. The most frequently mentioned professions from the global perspective included: postmen, seamstresses, translators, farmers, customer service employees, drivers, and cashiers. The following subsections indicate how intelligent technologies are influencing the displacement of those workers around the world as well as answer the question what the dynamics of this process and factors affecting its shape are.

Mail Carriers

The number of mail carriers has been steadily decreasing since the emergence of innovations in the form of electronic mail. A report on the postal market by the British Telegraph shows that while in 2008, an average resident of Great Britain received 18 letters a year, this number dropped to 13 in 2013 (Goldhil 2013), and the trend continues. Postcards sent by traditional mail on such occasions as Christmas and holidays are exceptions – they constitute a material proof of social respect and fulfill the role of a gift, which is why they have not been replaced by less tangible e-mails. According to current forecasts, the number of letters sent by traditional post in the UK will fall from 13.8 billion in 2018 to 8.3 billion in 2023 (Davis 2014). Similar trends persist in other European Union countries, where citizens' access to the Internet is growing. With the lower number of letters sent, the demand for traditional mail carriers is dropping too. In a report for the World Economic Forum, the postman's profession was listed as the most endangered profession. According to the upward trend, the demand for their services by 2022 will have decreased by 28% (Myers 2015).

The reason for the increase in the popularity of e-mail is its speed and low cost. Before the Internet, people had to wait for mail disproportionately longer than today (even a few weeks in comparison to a few seconds now), the correspondence was occasionally lost, and people had to pay for the parcel. At the moment, due to digitization, less paper is used, which is especially important for those who are sensitive to environmental issues. In the postal market, the machine competes effectively with humans due to finding a completely new environment in which the service is offered. The speed of action and reaction becomes a distinctive feature of modern economic and social life. Due to the fact that a person in the postal market is not able to compete with the speed of data transmission in a virtual environment, they gives way to machines and software.

In addition to e-mail, mail carriers are also replaced by smart drones. For several years, subsequent attempts have been made to use these machines to deliver

traditional mail. In 2016, a pilot mail delivery program with the use of the so-called hexacopter drone was launched in the French Provence. The machine is able to transfer 6.6 pounds of material over 9.3 miles (Fingas 2016). Zipline, which provides medicines and medical assistance to distant places in Africa, where neither traditional mail nor courier would fulfill their role due to the need for a quick response and unavailability of the location, is another example. The client's task is to place an order which the company is able to send immediately via the drone. The machine will reach speeds of up to 100 kilometers per hour. According to current statistics, Zipline makes about 500 deliveries a day, up to 1.8 kilograms per package, regardless of weather conditions, the average delivery time is 30 minutes. The company provides its services around the clock. Similar practices are inspiring further enterprises and public organizations around the world that are looking for ways to create new, attractive services for their clients.

Sewing Machine Operators

The invention of the sewing machine by Isaac Singer transformed the structure and methods of tailoring at the end of the 19th century. Local tailors saw them as hazards to their workshops – the processing capacity of machines outdid them in terms of speed and the quantity of performed pieces, which made tailors' work cheaper and cheaper. Along with the popularization of sewing machines, manufacturers employing sewists, whose wages constituted the minimum necessary level for the survival and maintenance of the family, started to grow stronger. With the development of globalization, garment factories moved from developed to developing countries (mainly to Asia), in order to reduce costs and increase profits.

Despite the decline in the attractiveness of the profession, tailoring is an important employment sector for modern employees as far as the demand for clothes is also increasing with the growing world population. While in 2017 a person sewing clothes in the United States had a guaranteed minimum salary of 1864 $, this amount in Asian countries was even ten times lower (China – 270 $, India – 255 $, Bangladesh – 197 $), and some factories used to pay their employees even less (Lu 2018). Due to these differences in production costs, the textile market in Asia is developing much more dynamically than in Europe and America. A report prepared by the International Labor Organization shows that the number of sewing workers in India in 2013 reached 16.5 million (an increase of 3.5 million compared to 2010), in China – 6.7 million (an increase of 2 million compared to 2010), and 5 million in Bangladesh (an increase of 3 million compared to 2005) (*Wages and productivity* ... 2014).

The main advantage of Asian employees over the rest of the world was cost competitiveness. With the development of artificial intelligence and its use in tailoring, machines have become even cheaper than workers in clothing factories in China, India or Bangladesh. A pioneering intelligent sewing machine that was created in the first decade of the 21st century did not require a human operator to manufacture a product (Evans 2013). Its task was to execute a command programmed in

the algorithm, thanks to which it was creating items desired by the client. In 2015 SoftWear Automation created an intelligent robot, Lowry, which has the ability to change threads and stitches according to the design thanks to the development of various algorithms . Lowry is able to replace a production line consisting of 10 people and produce 1142 T-shirts within eight hours (almost 100% more than people): per hour, Lowry manufactures the same number of shirts as 17 regular human workers (Bain 2017).

There are several advantages of intelligent sewing machines over human workers. First of all, companies pay just for one algorithm instead of allocating funds for human training. Secondly, machines are faster and more efficient. Thirdly, they make fewer mistakes. For these reasons, there is a growing interest among American and European companies in returning to their home markets and setting up smart sewing factories. In addition to lower production costs, the company does not have to pay for the shipment of clothes from distant Asian countries, which a significant advantage.

A report of the International Labor Organization shows that if the clothing companies currently in Asia were to exit the market to open smart factories in their home countries, more than 60% of people employed in this sector may lose their jobs (even 88% in Cambodia) (Bain 2017). An intelligent sewing machine can, therefore, have a significant impact not only on the economy of the 21st century, but also on social and political conditions in remote parts of the world.

Professional Translators

In a globalized world, understanding languages is crucial in business and establishing special relationships between people. Until the first decade of the 20th century, professional translators were responsible for the communication process between people speaking different languages. According to the data provided by Common Sense Advisory, the value of global translational services in 2012 reached 33.5 billion dollars (Kelly and DePalma 2013).

In most countries around the world, work with official documents and interviews requires a diploma in linguistics and the certification of a sworn translator. Such constraints are associated with the need for comprehensive knowledge possessed by certified translators. In addition to linguistic skills, an expert must have intercultural competencies that, so far, have not been programmed in the form of an algorithm known to humans. The requirements for having official documents certified by a sworn translator are connected with trust that is more characteristic of human-human than human-machine relations. Low trust in machines limits the possibility of their use in public space and provides an opportunity for a relatively stable level of employment among sworn translators.

Despite the emergence of software that allows automatic translation without human aid, it has numerous imperfections. This fact, in consequence, limits the scope of its use to informal rather than formal situations. However, software based on artificial intelligence is being used more and more frequently during informal

business meetings, an area in which sworn translators used to work regularly in the past. Software using natural language processing can translate full sequences of statements in real-time. An example of such an innovation can be Dash Pro earbuds that are equipped with iTranslation. With the help of devices placed in the ear, the conversation participants simultaneously hear the translation in their language. The device can translate in forty languages using general as well as professional vocabulary, such as legal, medical and business.

Although newer and newer algorithms based on deep learning methods are appearing on the market, the results of their work are still not entirely satisfactory. During an experiment conducted at Sejong University in Seoul, up to 90% of translations from Korean to English and from English to Korean did not meet the standards set for sworn translators (Ben 2017). Despite initial failures, the quality of automatic machine translations is improving year by year. On the one hand, their use allows for a reduction of costs. On the other, a seemingly small error can result in an unfavorable commercial contract. Whether machines will completely replace human translators will be decided not just by the cost of their services, but rather by the amount of credibility and trust that they will be able to inspire in the eyes of business partners and public officials.

Farmers

For centuries, agriculture has been an area of human activity characterized by a strong dependence on nature. Problems with predicting the weather and the size of the harvest resulted in famine, as well as social and political revolutions. People sought to increase their domination over agriculture to ensure sufficient food supply and social stability. With the invention of agricultural machinery, the number of people working on farms in developed countries started to decrease systematically. New solutions in the field of artificial intelligence are deepening this trend even more – the demand for farms and plantations for manual workers and technicians is decreasing each year.

New algorithms are looking for a chance to minimize the resources used (money, fertilizer, water, space) while maximizing the results (harvest size). Kumba Sennaar (2018) points out three main areas of artificial intelligence applications that limit the need for human work:

- creating autonomous robots that prepare seeds and control their growth faster than human-workers;
- developing a system for monitoring the condition of soil and seeds which suggests when irrigation or fertilization should be carried out;
- constructing systems forecasting the state of harvest based on environmental and weather conditions.

There are already several practical examples of artificial intelligence used in the areas mentioned above. The robot See&Spray identifies weed and destroys it

mechanically or chemically thanks to the use of drones (Stoltzfus 2018), Harvest CROO uses GPS and modern algorithms to replace human workers collecting fruits with machines, the Platix application allows automatic recognition of plant disease and suggests solving the problem without a human expert (Sennaar 2018), aWhere monitors weather and crop conditions, thanks to which farmers can hire contract agents for a shorter time (Tiller 2018).

According to the data provided by the American Bureau of Labor Statistics, the number of jobs for people currently employed on farms will decrease by 4% in 2016-2026 (Bureau of Labor Statistics 2018). It is expected that with new algorithms and technologies, this trend will be deepening. Artificial intelligence displaces workers from the agricultural sector because it can act faster, identify the problem more precisely, and it is cheaper. Although its impact on the labor market still seems insignificant, the current forecasts include only known solutions in the field of artificial intelligence. Further areas of its application in agriculture can reduce employment among people even more effectively while maximizing harvesting and providing healthier food at a lower price.

Helpline Workers

The number of vacancies for helpline workers (call center staff) has been decreasing since natural-language processing has been implemented in bots. Bots are programs that can imitate people. A chatbot is a type of bot that allows a conversation (Maliszewski 2018). That is an innovation that responds to the decreasing demand for people responsible for communication with organizations' environment. Bots are replacing workers on the helpline, receiving complaints, answering customer questions, suggesting a particular offer. The collected information is selected according to the assumption of the algorithm, creating reports for managers.

Stephen Mann (2018) indicates that the use of bots in interactions with the environment provides three basic values. First of all, their presence streamlines the customer service process, allows the interaction of one bot with a virtually unlimited number of recipients, and the conversation is possible 24 hours a day. Secondly, the use of bots is cheaper than the employment of human workers. In the case of process automation, there is just a one-off cost of creating the algorithm, its implementation on the website, and possible maintenance. Thirdly, emotional neutrality, and the effectiveness of bots translate into higher customer satisfaction with the service.

A report created for Gartner summits (2011) suggests that due to the proliferation of bots, by 2020, 85% of consumer interactions with enterprises will be based on artificial intelligence and automation. This will have a decisive impact on the decline in employment among people working in customer service centers around the world. In Great Britain alone, in 2018, there were 6,200 customer service centers, employing 1.3 million people. According to the ContactBabel analyses, by 2021, it will have released over 45,000 employees and replaced them with intelligent systems, including chatbots (Wood 2018).

Call center enterprises are the most exposed to the reduction of jobs in this area. In the United States, they employed 2.2 million employees in 2015, while in India, at the same time, the figure was 3.1 million (White 2015). The large-scale use of bots responsible for contact with customers can reduce the number of vacancies dedicated to human workers not only in both developed and developing countries. In the case of the latter, their retraining may not be possible, thus putting some of them at risk of social exclusion.

An attempt to use chatbots for contact with a company's environment is also observed in public organizations. The Swedish National Tax Board introduced a chatbot named Erik, which answers citizens on questions about tax settlements, already in 2004 (Erik 2018). The British National Health Service (NHS) is working on an application that would be an alternative to the traditional line 111, used for reporting accidents (Donnelly 2017). The City of London is introducing the TravelBot app, which allows visitors to contact virtual programs that help tourists visiting the city. While chatbots are replacing employees in enterprises, they seem to play a different role in public organizations. They started to support clerks in terms of the most routine work. Thus, a customer itself can choose what kind of contact (virtual or real) is more appropriate for them.

The advantage of bots over human workers in their interaction with customers is the low cost of their maintenance, the lack of negative emotions resulting from fatigue or irritation, as well as the immediacy of reaction. On the other hand, it is observed that consumers prefer direct contact with other people than interaction with a machine. Automation can be perceived as ignorance, which, ultimately, reduces satisfaction. Although the use of bots in the helpline sector affects the decline in jobs, the total displacement of human workers from this industry is still not a foregone conclusion.

Drivers

One of the most dynamically developing areas of the application of AI is autonomous vehicles. The sensing and cognizing systems allow programming a car in such a way as to meet all safety standards and deliver passengers to their chosen destination. Although this technology is still in the testing phase, it has already begun to affect the level of employment among professional drivers.

In 2013, Milan transportation service launched an autonomous metro line covering the distance of 4.1 kilometers (7 stations). In the following years, its range was regularly increased. One train is 48 meters long and can accommodate 536 passengers, offering 72 seats. All autonomous trains are controlled from the headquarters in Bignami (Chiandoni 2013). The comprehensive Automatic Train Control (ATC) program supervises the speed of the train, its technical condition, and passenger safety. No major problems in adapting the system convinced the carrier to expand its range and encouraged more cities to introduce similar innovations. In 2020, autonomous metro lines are operating in Copenhagen, Honolulu, Rome, Taipei, Milan, and Thessaloniki. With the introduction of the aforementioned innovations, the

demand for queue drivers is being systematically reduced. On the other hand, there is a growing demand for experts in the control and maintenance of systems whose task is to prevent any problems arising from the functioning of autonomous machines.

However, the metro is not the only area where autonomous vehicles can be used. From the beginning of the 21st century, there have been several international projects to create autonomous passenger cars. The area is dominated by two companies: Waymo (a project initiated by Google) and Tesla (manufacturer of electric cars). Tesla is working on a program that analyzes the surroundings of the vehicle, and bypasses the obstacles as well as adjusts the speed to the driving conditions. One of the company's initiatives is to involve professional drivers in the training program. Their decisions on the road are analyzed by learning programs which are then implemented in autonomous cars and tested in natural conditions (Daugherty and Wilson 2018). In 2018, Waymo started a similar program in American Phoenix aimed at the promotion of autonomous taxis. According to the creators' idea, a taxi will be ordered via a mobile application. After entering the vehicle the passenger will receive information about the travel time and price, remaining in constant voice contact with the service provider (Koroces 20180.

There is a high interest in popularizing this technology in many cities around the world. The British company Addison Lee announced the introduction of an autonomous taxi in London by the end of 2021, assessing the investment value at £ 28 billion (Khan 2018). By 2020, similar services are expected to start operating in Tokyo where trials in the real environment were successfully carried out already in 2018 (McCurry 2018). The introduction of the autonomous taxi will have an impact on the decline of employment among professional drivers around the world. Their physical presence in the car will not be needed, but their professional skills can be used for training programs, map updates, and parameter creation. It is worth noting that research on the willingness of consumers to use autonomous vehicles alone has still not been conducted. Their price competitiveness may not be enough to repress people from the transport market if potential consumers do not see them as safe and trustworthy solutions.

Cashiers and Storekeepers

Since 2010s, people employed in the trade have been gradually removed from the labor market. On the one hand, transfer of commerce to the Internet can be seen. On the other, there is the widespread use of AI in both small stores and supermarkets. Especially in the latter, the growing influence of modern technologies on the gradual but progressive reduction of employment can be identified. Three main trends are worth mentioning: beacons, self-checkout, and entire autonomous stores.

Beacons are devices that are based on Bluetooth technology whose task is to send a signal that can be identified by other devices located nearby (Lalik 2015). Beacons found their application, inter alia, in hypermarkets. Their main goal is to guide customers to the goods that are on their shopping lists. One of the pioneers in this area is Carrefour, which installed in its Romanian stores more than 600

devices of this type in 2015. They allow customers to find the sought-for goods without the help of the store's service (Supeala 2015). Visitors to the supermarket are encouraged to install the application where they can enter their shopping list. The application learns and suggests that customers buy goods that best suit their current profile, updating after every purchase (Samuely 2015). A traditional shop clerk was not able to remember all customers and evaluate what product would be best for them. In the long run, the use of beacons is linked with the reduction of customer advisors in stores and better matching between a particular offer and consumer's requirements.

Self-checkouts also have an impact on the reduction of supermarket staff. With their aid, the customer scans the prices of his/her own purchases without staff assistance. Self-checkouts were used for the first time in 2003. Since that time, their popularity has been constantly growing. Recently, they are also used in restaurants and

The case of Fukoku Mutual Life Insurance

While single professions can be potentially replaced by AI, some firms started introducing artificial intelligence in their processes at the cost of human workers. Fukoku Mutual Life Insurance was established in 1923 by a famous Japanese businessman and philanthropist, Kaichiro Nezu (https://www.fukoku-life.co.jp/). By the end of the 20th century, Fukoku became one of the major players on the Japanese insurance market, holding shares in various companies like airlines, banks, railway companies or manufactures, both in Japan and abroad (Carr 2012) with around 2% of the Japanese insurance market shares and JPY 749,706 million of total revenue. While not the biggest or the most influential company of its kind in Japan, in early 2017, Fukoku caught the attention of the world, appearing in the headlines of almost all mainstream media of the globe – the company decided to replace part of its workers with AI.

Fukoku Mutual Life Insurance, as many similar companies, had a vast portfolio of financial and insurance products, varying from saving funds to life insurances (https://www.fukoku-life.co.jp/). One of its product types was a whole range of medical insurance plans. An activity, which is the most time and resource consuming when medical insurance is considered, is the calculation of payouts (Figure 1). Traditionally, after a client fills in a claim, employees of the insurance company read and analyze all the attached documentation. After their assessment, a separate team of workers verifies and signs off the assessment, giving the green light to deliver a decision about the amount of payout to the client (IBM Watson Explorer Insurance Use Case). In some cases, where handwritten memos and documents could be challenging to understand (and analyze), this system faces a bottleneck, and the workload, as well as the time needed for the decision by the client, could become noticeably extensive. What is more, in such cases also an inaccurate assessment could cause a financial loss to the company.

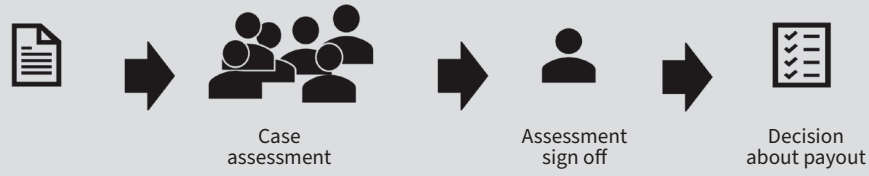


Figure 1. Scheme of the traditional payouts calculation process

cafes. While in 2018 there were 200,000 self-checkout machines in use around the world, it is estimated that by 2020 their number will reach 330,000 (Griffith-Greene 2018). An increasing number of consumers are deciding to use a self-checkout to save time or reduce contact with staff. There is an increase in acceptance for this type of solution. Initially, only 30% of all customers used self-checkout. In 2018 this number reached, depending on the country and the store, even 70% (Jamieson 2018). According to current statistics, further dissemination of self-checkout systems may lead to the liquidation of about 30,000 jobs in the United States by 2026 (Jamieson 2018). European countries observe similar trends.

An even more significant reduction of personnel is linked with fully automated stores. The first facility of this type, Amazon Go, was launched in 2018 in Seattle. Its idea is the lack of cash registers, monitoring the store using cameras, using artificial intelligence to help customers. Shopping at Amazon Go involves scanning

Fukoku had a separate department dedicated to the payouts. Its employees were responsible for calculating the payouts, based on the analysis of plenty of documents delivered by the clients, such as medical bills or hospital invoices. All in all, thousands of documents were analyzed every day. While the workers of Fukoku were well trained in doing their job, the process had the same pitfalls as in any other of Fukoku's competitors. In order to seek efficiency and accuracy, the company decided to incorporate an innovative solution. The board of Fukoku decided that by March 2017, it would replace 34 of employees– one-third of the payouts department – with an AI alternative, IBM Watson Explore platform (McCurry 2017).

IBM Watson Explorer is a machine learning and natural language processing-based platform, developed based on IBM Watson – a 'question-answering' supercomputer system demonstrated in the late '00s. IBM Watson Explorer could analyze company documents to perform cognitive exploration of patterns on the data, similarly as a human would, but better and far faster. The platform was named after Thomas J. Watson, the first CEO of IBM. As IBM described, Watson Explorer could "analyze structured, unstructured, internal, external and public content to uncover trends and patterns that improve decision-making, customer service, and ROI". The platform replaced the human workers in the case assessment phase, but the result of the assessment was still signed off by a qualified human employee (Figure 2).

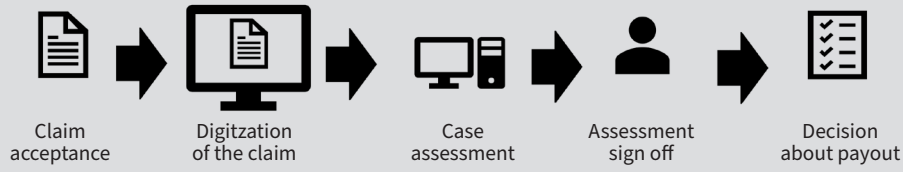


Figure 2. Scheme of the payouts calculation process with artificial intelligence

According to IBM estimations, the system could decrease mistakenly paid claims by 20% and workloads of an insurance company by 30% (IBM Watson Explorer Insurance Use Case). The initial implementation cost was estimated as the equivalent of 196 million yens and would cost 14 million yens to maintain. However, even with such high implementation costs, Fukoku estimated that AI would help to save about 140 million yen per year (Griffin 2017).

the application after entering the store, selecting and packing the goods. The bill is calculated automatically after leaving the store thanks to Just Walk Out system (Forrest 2018). Several companies have announce their plans to introduce automated stores. Sainsbury, for instance, is working on a "scan, pay and go" program, which they intend to introduce in their stores in London (Page 2018). According to the Bureau of Labor Statistics in the United States alone, 3.5 million people are employed as cashiers (Forrest 2018). The creation of automated stores will effectively reduce the demand for their services and it will change the shape of the labor market not only in the US, but also around the world.

Is the Case of Fukoku the Future or an Exception? – A Role of Cultural Factors in Automation

While being so open about reducing employment in order to implement AI solutions might be an exception, the use of algorithm systems to perform "human tasks" is not. Its competitors followed the move of Fukoku. Dai-Chi Insurance and Japan Post Insurance have both introduced AI in their processes. However, they did not fire their employees (McCurry 2017). Also worldwide insurance companies are implementing AI. The practice of Fukoku is getting more and more common, but most companies do not openly admit it (Ng 2017). Nowadays implementing AI might be a challenge for the Public Relations departments, since replacing workers with a computer is ethically ambiguous. In the future AI might be a solution to many societal problems. However, in various cultures, the approaches towards AI and automation of labour may differ from each other and determine the deployment of AI solutions.

In countries like Japan, decreasing and aging population is a widely studied challenge (Figure 3). With the increased ratio of the elderly population and decreased

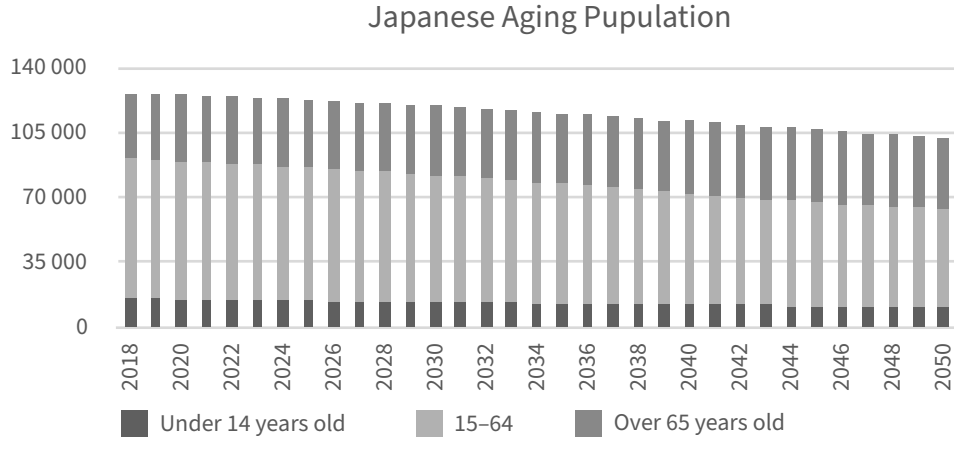


Figure 3. Forecast of Japanese population number by age
Source: Statistics Bureau of Japan 2019.

number of the active labor force, Japan is facing a severe threat of labor force deficit in the future. This is the main reason why the Japanese government is working on the strategy that is meant to introduce the concept of Society 5.0 whose essence is the common adoption of robots into society that may balance the negative effect of aging society (Gladden 2019). Similar forecasts are made for many other countries too. The deficit of labor may be solved by the introduction of AI and robots in many industries. In the case of Japan, it is estimated that by 2035, 49% of jobs in Japan could be performed by robots or artificial intelligence. Similar (yet lower) numbers are estimated for UK (35%) and US (47%). Nowadays, Japan is the leader of the introduction of artificial intelligence solutions in many areas of life (Jozuka 2015). One of the reasons why the Japanese society accepts artificial agents is the presence of such entities in the Japanese culture. There have been plenty of examples of technologies being popularized in Japanese movies and press for decades which turned out to be the main component of the national brand (Iwabuchi 2015). It seems that people have got used to such solutions and perceive them as an answer to the demographic challenges they are already facing.

Yet there are many aspects of how business cultures vary in terms of human relationships, communication, cooperation (Meyer 2014; Gesteland 2012; Hofstede 2003). These cultural factors also affect the human resources management and manager's strategic thinking (Graham 2009). While, to our knowledge, there is no empirical evidence of such differences in the context of AI, a decision about applying AI solutions to a company's everyday tasks is of strategic nature. Thus, as any other decision, it might be profoundly affected by the managerial and national culture. What might seem the right solution in a Japanese firm may be considered too risky or unethical in other parts of the world, or even in a firm of the same origin but with different organizational cultures (Lau and Ngo 1996).

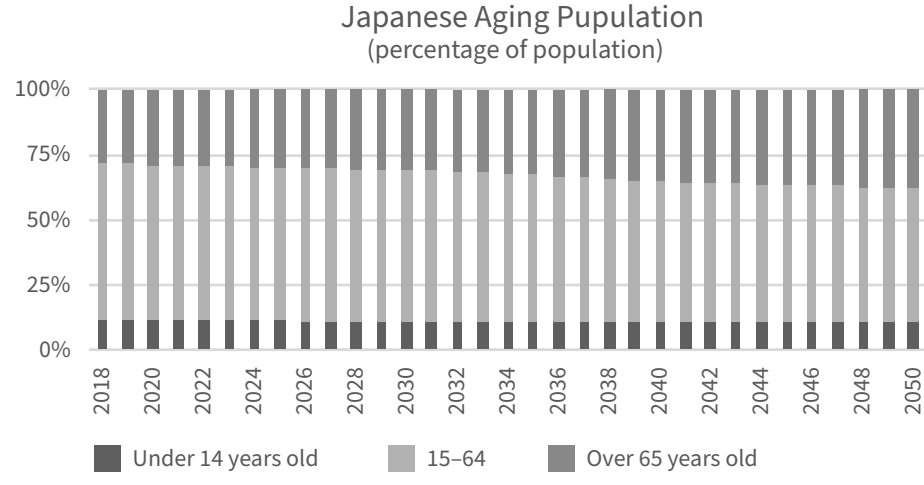


Figure 4. Forecast of age percentage of the Japanese population
Source: Statistics Bureau of Japan 2019.

An example of such a cooperation between human and artificial agents is cobots, already introduced by many companies. While we have shown one of many cases where AI replaces human workers in Japan, the European approach seems to be different. Companies such as online vendors like the UK-based Ocado (Harris 2017), Swiss and Italian hotels (Bonaretti et al. 2020), as well as German carmakers Mercedes-Benz and BMW (Hollinger 2016) have decided to introduce automatic processes that cooperate with human employees and create mixed human-machine teams. For instance, cobots are autonomous devices that are designed to work with humans and not instead of them. They are defined as "robotic devices which manipulate the object in collaboration with a human operator" (Colgate, Wannasuphoprasit and Peshkin 1996) and, in contrary to industrial autonomous robots, do not have to be separated from human workers (Peshkin and Colgate 1999). Cobots are intended for direct interaction with a human, sharing their work and increasing their efficiency. Such solutions are already implemented in manufacturing (Akella et al. 1999), facilities maintenance (Veloso et al. 2012), education (Timms 2016) service personalization (Bonaretti et al. 2020) and other areas. Semi-automatic devices reduce costs by increasing productivity. Thus, they fulfill the needs of employers who think of applying autonomous devices. However, they are not to replace human workers – they enhance their productivity. Cultures that are based on individualism, are long-term and profit-oriented may be more apt to accept full automation than relationship-oriented collectivists which prefer the cobotic approach. This hypothesis, however, has not been investigated yet and constitutes a substantial lacuna for further studies. In order to maximize the benefits of any form of automation, the technology running should be individually designed to each culture (Chien et al. 2018; Sheridan et al. 1983). Moreover, it seems that various professions are perceived differently across cultures. Being a clerk in China may be more prestigious than working in the same profession in Greece or Turkey. On the same principle, human sellers may be more appreciated in the middle eastern cultures, where there is a cultural tradition to bargain before purchase, than in other parts of the world (Salacuse 1998). Such differences in collective images and traditions across cultures may stand behind various acceptance rates for full/partial automation.

Conclusions

There is little doubt that AI, bots, and robots are going to change the future of work. The fears about AI replacing humans are natural, particularly considering the examples presented in this chapter. However, the real power of artificial intelligence will be demonstrated when it starts enhancing human productivity, rather than replace human workers. Thus, the introduction of autonomous devices and software should not be considered as a threat to humanity, but as a chance to push it towards new achievements that can actually help future employees. We have presented scenarios

and examples of technology replacing human workers, in which machines seem to be an alternative to humans in the workplace characterized by repetitiveness, routine, and low emotional context. However, our intention is not to draw a pessimistic view of the future of work. The proliferation of artificial intelligence in various areas of labor does not necessarily mean that human workers will become useless. The main reason why machines are taking over the jobs of individuals in all of the professions mentioned above is their superiority in three areas: speed, accuracy, and cost. Intelligent (ro)bots are faster than humans, capable of completing more actions than humans at the same time, and their reactions to orders are instantaneous. What was also noticed is that the effects of their work are more precise and standard. Above all, however, intelligent (ro)bots are perceived as cheaper. All in all, these three elements increase performance and reduce the costs of labor. Although the entrepreneur must pay for creating an algorithm or a machine, in the long run, it is still less than paying monthly salaries for the whole line of human workers.

So why are we not ready for full automatization? There are several reasons. One is the current state of artificial intelligence. Today, it is still far from the natural, human intelligence – machines cannot fully replace human workers yet. While AI can perform specific tasks far faster and more accurately than humans, we have "only" achieved narrow AI (Bostrom 2017), limited to performing a very specfic task, although it can perform this particular activity better than a human would (Kaplan and Haenlein 2019). Yet, we are still far from the general AI – a level in which a machine can be applied to several areas and can autonomously solve problems in various tasks or areas of work – similarly as a human would do. Now, unless programmed for dealing with or learning from specific exceptions, AI cannot compare with humans in terms of the application of knowledge to new, unknown situations. Thus, in general (not in the domain of a particular activity), it will perform worse than humans.

Another possible reason can also be the sophistication of machines used for the automation of work. While, in general, machines increase performance, overuse, or over-complexity of automated solutions can cause the opposite effect (Wilson and Daugherty 2018b). The real-life example of this problem comes from the Tesla car manufacturer. According to the initial plans, the production of Tesla Model 3 was intended to be fully automated, like in a science-fiction reality (Randall 2018).[1] However, the extent of sophistication was too elevated. The number of production reached 2000 units per week, instead of the planned 5000 – less than a half. In 2018, Elon Musk, the CEO of Tesla, decided to reduce the automation of production and said that humans are "underrated" as workers (Musk 2018).

Furthermore, as we have demonstrated, cultural factors and perception of AI may play a role in how automation is implemented in various firms. To study to what extent those approaches, different between countries, are affected by managerial cultures would be an interesting topic for future inquiries.

1 Elon Musk even called it an "Alien Dreadnaught" (Randall 2018).

Given the above examples, we can conclude that the future of technology should be about technology enhancing human powers, the same way as the plow transformed food production. Not about replacing them. The companies which try to replace their workers entirely with AI will miss the full potential that AI brings (Wilson and Daugherty 2018a) or may even run into problems, as Tesla did. Thus, the big challenge of future research should not be about finding ways to deal with the replacement of humans by technology, but how intelligent and autonomous technology can be applied to human work tasks in order to improve human performance (Rodriguez et al. 2019). Moreover, we should think of the ways to adjust the work tasks and to allow a close collaboration of individuals with the machine (McKendrick 2018). This can require changes on both the technology and the human side. However, such solutions could lead to a collaborative intelligence – a situation where human collaborates with machines and the joint power of both natural and artificial intelligence work to increase the performance (Wilson and Daugherty 2018a).

References

Akella, P., Peshkin, M., Colgate, E., Wannasuphoprasit, W., Nagesh, N., Wells, J., … Peacock, B. (1999), *Cobots for the automobile assembly line*. In *Proceedings 1999 IEEE International Conference on Robotics and Automation* (Cat. No.99CH36288C) (vol. 1, pp. 728–733). https://doi.org/10.1109/ROBOT.1999.770061

Akerkar, R. (2019), *Artificial Intelligence for Business*, Springer.

Automatic Train Control, Retrieved from http://www.railway-technical.com/signalling/automatic-train-control.html (accessed 15.03.2021).

Bonaretti, D., Bartosiak, M., Lui, T. W., Piccoli, G., and Marchesani, D. (2020), "*What can I (S) do for you?": How technology enables service providers to elicit customers' preferences and deliver personalized service*. "Information & Management", 57(6), https://doi.org/10.1016/j.im.2020.103346

Bostrom, N. (2017), *Superintelligence*. Dunod.

Bureau of Labor Statistics, U.S. Department of Labor (2018), *Occupational Outlook Handbook, Agricultural Workers*. Retrieved from https://www.bls.gov/ooh/farming-fishing-and-forestry/agricultural-workers.htm (accessed 7.02.2021).

Chien, S.-Y., Lewis, M., Sycara, K., Liu, J.-S., and Kumru, A. (2018), *The Effect of Culture on Trust in Automation: Reliability and Workload.* ACM Trans. Interact. Intell. Syst., 8(4), 29:1–29:31. https://doi.org/10.1145/3230736

Chiandoni, M. (2013), *Milan opens first driverless metro line.* Retrieved from https://www.railjournal.com/passenger/metros/milan-opens-first-driverless-metro-line/ (accessed 15.03.2021).

Christensen, C. M., Raynor, R., and McDonald, R. (2015), *What is Disruptive Innovation*. Harvard Business Review.

Colgate, J. E., Wannasuphoprasit, W., and Peshkin, M. A. (1996), *Cobots: robots for collaboration with human operators* (vol. 58, pp. 433–439). Presented at the American Society of Mechanical Engineers, Dynamic Systems and Control Division (Publication) DSC.

Daugherty, P., and Wilson, H. J. (2018), *Human+Machine. Reimagining Work in the Age of AI*. Harvard Business Review Press, Boston.

Davis, B. (2014), *2030: have email and social destroyed the art of letter writing?*. Retrived from https://econsultancy.com/2030-have-email-and-social-destroyed-the-art-of-letter-writing/ (accessed 15.03.2021).

Donnelly, L. (2017), *NHS trials artificial intelligence app as alternative to 111 helpline*. Retrieved from https://www.telegraph.co.uk/technology/2017/01/05/nhs-trials-artificial-intelligence-app-place-111-helpline/ (accessed 21.11.2020).

Erik (2018), Retrieved from https://www.aimlmarketplace.com/chatbots/bot/erik (accessed 15.03.2021).

Evans, B. (2013), *Attack of the Intelligent Sewing Machines!*. Retrieved from https://www.forbes.com/sites/oracle/2013/02/08/attack-of-the-intelligent-sewing-machines/#b0146ca47b80 (accessed 15.03.2021).

Fingas, J. (2016), *France is the first to use drones for its national mail service.* Retrieved from https://www.engadget.com/2016/12/21/france-drone-mail-delivery/?guccounter=1 (accessed 15.03.2021).

Forrest, C. (2018), *Amazon Go launches: The automated retail revolution begins*. Retrieved from https://www.techrepublic.com/article/amazon-go-launches-the-automated-retail-revolution-begins/ (accessed 20.11.2020).

Gartner Summit (2011), *Gartner Customer 360, Summit 2011.* Retrieved from https://www.gartner.com/imagesrv/summits/docs/na/customer-360/C360_2011_brochure_FINAL.pdf (accessed 15.03.2021).

Gesteland, R. (2012), *Cross-cultural Business Behavior: A Guide for Global Management 5th (fifth)*, Denmark: Copenhagen Business School Press.

Gladden, M. (2019), *Who Will Be the Members of Society 5.0? Towards an Anthropology of Technologically Posthumanized Future Societies*, "Social Sciences", vol. 8. https://doi.org/10.3390/socsci8050148

Graham, J. L. (2009), *Culture and Human Resources Management. The Oxford Handbook of International Business*. https://doi.org/10.1093/oxfordhb/9780199234257.003.0018.

Goldhil, O. (2013), *Slow death of the letter.* Retrieved from: https://www.telegraph.co.uk/news/uknews/royal-mail/10223878/Slow-death-of-the-letter.html (accessed 15.03.2021).

Hannes, B. (2017), *Why AI gets the language of games but sucks at translating languages*. Retrieved from https://venturebeat.com/2017/05/24/why-ai-trumps-us-at-chess-but-not-at-language-translations/ (accessed 15.03.2021).

Harris, J. (2017, November 25), *Meet your new cobot: is a machine coming for your job?* The Guardian. Retrieved from https://www.theguardian.com/money/2017/nov/25/cobot-machine-coming-job-robots-amazon-ocado (accessed 21.11.2020).

Hofstede, G. (2003), *Cultures Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*, England: Sage.

Hollinger, P. (2016, May 5*), Meet the cobots: humans and robots together on the factory floor.* Retrieved March 13, 2019, from https://www.ft.com/content/6d5d609e-02e2-11e6-af1d-c47326021344 (accessed 15.03.2021).

Iwabuchi, K. (2015), Pop-*culture diplomacy in Japan: soft power, nation branding and the question of 'international cultural exchange*'. "International Journal of Cultural Policy", vol. 21, Iss. 4.

Jamieson, D. (2018), *You're Going To Use That Self-Checkout Machine Whether You Like It Or Not*. Retrieved from https://www.huffingtonpost.com/entry/youre-going-to-use-that-self-checkout-machine-whether-you-like-it-or-not_us_5b05ada4e4b05f0fc84428a5 (accessed 15.03.2021).

Kaplan, A., and Haenlein, M. (2019), *Siri, Siri, in my hand: Who's the fairest in the land? On the interpretations, illustrations, and implications of artificial intelligence*. "Business Horizons", *62*(1), 15–25. https://doi.org/10.1016/j.bushor.2018.08.004

Kelly, N., and DePalma, D. (2014), *Common sense advisory.* Retrieved from http://www.commonsenseadvisory.com/Portals/0/downloads/120531_QT_Top_100_LSPs.pdf (accessed 08.01.2019).

Khan, S. (2018), *Self-driving taxis to be launched in London by 2021, Addison Lee says.* Retrieved from https://www.independent.co.uk/news/uk/home-news/self-driving-taxis-london-addison-lee-ride-sharing-technology-a8595381.html (accessed 15.03.2021).

Korosec, K. (2018), *Waymo launches self-driving car service Waymo One.* Retrieved from https://techcrunch.com/2018/12/05/waymo-launches-self-driving-car-service-waymo-one/ (accessed 15.03.2021).

Lalik, E. (2015), *O co chodzi z tymi Beaconami? To kolejna rewolucja technologiczna czy następny niewypał?* Retrieved from https://www.spidersweb.pl/2014/01/beacon.html (accessed 15.03.2021).

Lau, C.-M., and Ngo, H.-Y. (1996), *One country many cultures: Organizational cultures of firms of different country origins*. "International Business Review", 5(5), 469–486. https://doi.org/10.1016/0969-5931(96)00022-4

Lu, S. (2017), *Wage Level for Garment Workers in the World.* Retrieved from https://shenglufashion.com/2018/03/04/wage-level-for-garment-workers-in-the-world-updated-in-2017/ (accessed 21.11.2020).

Maliszewski, M. (2018), *Raport. Polskie chatboty 2018.* Retrieved from https://www.k2bots.ai/blog/polskie-chatboty-2018-raport (accessed 21.11.2020).

Making our first chat bot. (2018), Retrieved from https://www.london.gov.uk/city-hall-blog/making-our-first-chat-bot (accessed 21.11.2020).

Mann, S. (2018), *10 Automation and AI Tips for Working Smarter on the IT Service Desk*. Retrieved from https://itsm.tools/2018/05/01/10-automation-ai-tips-for-working-smarter-on-the-it-service-desk (accessed 15.03.2021).

Marc, B. (2017), *A new t-shirt sewing robot can make as many shirts per hour as 17 factory workers.* Retrieved from https://qz.com/1064679/a-new-t-shirt-sewing-robot-can-make-as-many-shirts-per-hour-as-17-factory-workers/ (accessed 21.11.2020).

McCurry, J. (2018), *Driverless taxi debuts in Tokyo in 'world first' trial ahead of Olympics*. Retrieved from https://www.theguardian.com/technology/2018/aug/28/driverless-taxi-debuts-in-tokyo-in-world-first-trial-ahead-of-olympics (accessed 21.11.2020).

McKendrick, J. (2018), *Artificial Intelligence Will Replace Tasks, Not Jobs*. Retrieved January 30, 2019, from https://www.forbes.com/sites/joemckendrick/2018/08/14/artificial-intelligence-will-replace-tasks-not-jobs/ (accessed 21.11.2020).

Meyer, E. (2014), *The Culture Map: Breaking Through the Invisible Boundaries of Global Business* (1 edition). New York: PublicAffairs.

Moravec, H. (1990), *Mind Children: The Future of Robot and Human Intelligence,* Harvard.

Musk, E. (2018), *Yes, excessive automation at Tesla was a mistake. To be precise, my mistake. Humans are underrated.* [Tweet]. Retrieved January 30, 2019, from https://twitter.com/elonmusk/status/984882630947753984?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E984882630947753984&ref_url=https%3A%2F%2Fwww.livescience.com%2F62331-elon-musk-humans-underrated.html (accessed 15.03.2021).

Myers, J. (2015), *These are the most endangered jobs in 2015.* Retrieved from https://www.weforum.org/agenda/2015/10/these-are-the-most-endangered-jobs-in-2015/ (accessed 15.03.2021).

Nomura, T., Syrdal, D.S., Dautenhahn, K. (2015), *Differences on Social Acceptance of Humanoid Robots between Japan and the UK*, retrieved from: https://pdfs.semanticscholar.org/01b9/fbcc234b1872fe28cfbd6f30d71fb34f7170.pdf (accessed 15.03.2021).

Norman, D. (2014), *Things That Make Us Smart: Defending Human Attributes in the Age of the Machine*, New York: William Patrick Book.

Page, C. (2018), *Sainsbury's mimics Amazon with launch of 'first' checkout-free store in London.* Retrieved from https://www.theinquirer.net/inquirer/news/3061056/sainsburys-mimics-amazon-with-launch-of-first-checkout-free-store-in-london (accessed 15.03.2021).

Peshkin, M., and Colgate, J. E. (1999), *Cobots.* "Industrial Robot: The International Journal of Robotics Research and Application", vol. 26, No. 5, pp. 335–341. https://doi.org/10.1108/01439919910283722

Randall, T. (2018, June 9), *Elon Musk's Alien Dreadnought: An insider's view of Tesla's Model 3 factory.* "Business Standard India". Retrieved from https://www.business-standard.com/article/international/elon-musk-s-alien-dreadnought-an-insider-s-view-of-tesla-s-model-3-factory-118060900902_1.html (accessed 21.11.2020).

Rodriguez, J., Piccoli, G., and Bartosiak, M. (2019, January), *Nudging the Classroom: Designing a Socio-Technical Artifact to Reduce Academic Procrastination.* In Proceedings of the 52nd Hawaii International Conference on System Sciences.

Salacuse, J. W. (1998), *Ten Ways that Culture Affects Negotiating Style: Some Survey Results*. "Negotiation Journal", vol. 14.

Samuely, A. (2015), *Carrefour undertakes first large-scale beacon deployment in Romanian hypermarkets.* Retrieved from https://www.retaildive.com/ex/mobilecommercedaily/carrefour-undertakes-first-large-scale-beacon-deployment-in-romanian-hypermarkets (accessed 21.11.2020).

Schaller, R. R. (1997), *Moore's law: past, present and future.* "IEEE Spectrum", vol. 34, pp. 52–59.

Sennaar, K. (2018), *AI in Agriculture – Present Applications and Impact*. Retrieved from https://emerj.com/ai-sector-overviews/ai-agriculture-present-applications-impact/ (accessed 15.03.2021).

Sheridan, T. B., Vámos, T., and Aida, S. (1983), *Adapting automation to man, culture and society.* "Automatica", vol. 19, pp. 605–612. https://doi.org/10.1016/0005-1098(83)90024-9

Stoltzfus, J. (2020), *The 6 Most Amazing AI Advances in Agriculture*. Retrieved from https://www.techopedia.com/the-6-most-amazing-ai-advances-in-agriculture/2/33177 (accessed 20.11.2020).

Supeala, D. (2015), *World premiere: Carrefour Hypermarkets have installed large networks of iBeacons to guide and inform in-store customers.* Retrieved from https://www.onyxbeacon.com/world-premiere-carrefour-hypermarkets-have-installed-large-networks-of-ibeacons-to-guide-and-inform-in-store-customers/ (accessed 20.11.2020).

Tiller, E. (2018), *3 ways AI is working to improve agriculture*. Retrieved from https://sustainableamerica.org/blog/3-ways-ai-is-working-to-improve-agriculture/ (accessed 15.03.2021).

Timms, M. J. (2016), *Letting Artificial Intelligence in Education Out of the Box: Educational Cobots and Smart Classrooms*. "International Journal of Artificial Intelligence in Education", 26(2), 701–712, https://doi.org/10.1007/s40593-016-0095-y

Veloso, M., Biswas, J., Coltin, B., Rosenthal, S., Kollar, T., Mericli, C., … Ventura, R. (2012), *CoBots: Collaborative robots servicing multi-floor buildings*. In: 2012 IEEE/RSJ International Conference on Intelligent Robots and Systems (pp. 5446–5447), https://doi.org/10.1109/IROS.2012.6386300

Verganti, R. (2008), *Design, Meanings, and Radical Innovation: A Metamodel and a Research Agenda.* "The Journal of Product Innovation Management", vol. 25, pp. 436–456.

Wages and productivity in the garment sector in Asia and the Pacific and the Arab States (2014), Retrieved from https://www.ilo.org/asia/publications/WCMS_534289/lang--en/index.htm (accessed 30.09.2021).

Waldrop, M. M. (2016), *More than Moore*. "Nature", 530 (7589), p. 144.

White, K. (2015), *How Big is the U.S. Call Center Industry Compared to India and The Philippines?*. Retrieved from https://info.siteselectiongroup.com/blog/how-big-is-the-us-call-center-industry-compared-to-india-and-philippines (accessed 15.03.2021).

Wilson, H. J., and Daugherty, P. R. (2018a), Collaborative Intelligence: *Humans and AI Are Joining Forces*. "Harvard Business Review".

Wilson, H. J., and Daugherty, P. R. (2018b, August 8), *Why Even AI-Powered Factories Will Have Jobs for Humans*. "Harvard Business Review". Retrieved from https://hbr.org/2018/08/why-even-ai-powered-factories-will-have-jobs-for-humans (accessed 15.03.2021).

Wood, Z. (2018), *Rise of robots threatens to terminate the UK call-centre workforce.* Retrieved from https://www.theguardian.com/business/2018/may/12/robot-technology-threat-terminist-uk-call-centre-workforce (accessed 15.03.2021).

Key Terms and Definitions

Artificial Intelligence (AI) – a system's ability to correctly interpret external data, to learn from such data, and to use this information to achieve narrowly defined (with the current state of technology) goals and tasks through flexible adaptation.

Autonomous technology – a type of technology based on Artificial Intelligence that is able to make decisions and perform tasks without human assistance.

(Ro)bot – a software agent or a device capable of carrying out a complex series of actions automatically. Robots act in the physical world, while bots act in the digital sphere.

Cobot – an autonomous device designed for direct interaction with a human and intended to work with humans, sharing their work and increasing their efficiency.

Disruptive innovation – a type of innovation that creates a new market or/and eliminates from the market companies or products that are perceived as its direct predecessors.

Autobiographical Note

Artur Modliński is an assistant professor in the Department of Management at the University of Łódź, Head of Center for Artificial Intelligence and Cyber-communication Research. He is an expert in IRIS-ALKONA Institute (Latvia) and Researcher in CITAD Research Center (Portugal). Artur is interested in autonomous technologies, algorithmic management, posthuman management, and human-computer interactions.
ORCID ID: https://orcid.org/0000-0002-5734-7975
Marcin Bartosiak is an assistant professor in the Department of Economics and Management at the University of Pavia. He holds a PhD in Economics and Management of Technology. Marcin is a member of Digital Data Streams Lab, digITA-4Good Lab, and the Center for Artificial Intelligence and Cyber-communication Research. He was a visiting scholar at Sauder School of Business at the University of British Columbia. Marcin is interested in the design of persuasive technology, digital nudging, and artificial intelligence. He is also interested in studying these topics in the context of management and sustainable development.
ORCID ID: https://orcid.org/0000-0002-5229-4288

Chapter 5
Cultural Differences in Understanding Social Capital – Wasta and Social Capital

Omar Shaheen
University of Lodz, Poland
PhD candidate
https://doi.org/10.18778/8220-533-6.06

Abstract

Wasta (in the Arabic literature wasta) means "intercession" or "mediation". This concept covers a wide range of social activities. In the West it is known as clientelism, due to the existence of an informal relationship between the client (requestor of Wasta-demanding interest) and the possessor. The purpose of this paper is to analyze Wasta in an Arabic country through the three dimensions of the social capital (structural, cognitive, relational). To achieve this aim a theoretical research method was used to analyze Wasta. As a social mechanism in an Arabic country, Wasta can be considered an example of social capital, due to the fact that it contains the structural, cognitive and relational dimensions of the social capital mentioned in the literature.

Keywords: social capital, Wasta, client, possessor, structural dimension, cognitive dimension, relational dimension

Introduction

The concept of social capital has been at the forefront of social sciences in the past century. Researchers of political sciences (Putnam 1995, 2000), sociology (Granovetter 1973, Coleman 1998, Portes 1998), ethics (e.g. Ayios 2014), human resources management, business (Woolcock 1998, Fernandez 2000) and economy, have used social capital as a core concept in analyzing how an actor's social network effects (their) access to different resources and ability to achieve aspirations and goals (Burt 2005). The main assumption in the literature on social capital is that social

networks contain value that can be acquired by the individuals of such a network (Putnam 2000). This value is attained by providing essential resources and assets to individuals who tend to improve the productivity of both groups and individuals in similar ways to other forms of capital such as human and physical capital (Putnam 2000). The added value of a social network is a point of agreement connecting social capital researchers.

Wasta relates to situations when relationships between individuals are used to achieve goals and interests through linking people who share mutual favors, benefits, background, interests and/or characteristics. In the Arab Middle East countries the practice of using a social network to get access to resources or to achieve goals is known as Wasta, sometimes defined as favoritism based on family and tribal affiliation (Cunningham and Sarayrah 1993). Wasta is argued to be a common practice that has a substantial effect on the social, business and political interactions in the Arab Middle East (Berger et al. 2014). Today Wasta is practiced for different reasons, including political aims (such as to win parliamentary elections) (Branine and Analoui 2007), social (arranging meetings and solving social issues), economic (securing promotion, getting a job), or cutting through the red tape in government interactions (Loewe et al. 2007).

Social Capital

In the past, the evolution of human capital attracted attention to issues of how an individual's background, skills and education are required to be effective and productive in the highly competitive labor market. Sociologists such as James Coleman, Mark Granovetter and Ron Burt argue that analyzing and explaining variations in individual accomplishments and social position only through personal characteristics is not enough. This school of thought claims that "even in recent institutional economics we can observe a failure to recognize and identify the value of networks of relations and concrete individual (personal) relationships and …in establishing expectations, in generating trust, and in creating and enforcing norms" (Coleman 1988).

Addressing these issues in the classic economic theory and studies, the concept of social capital, the "web of social relationships that effect individual attitude and behavior and by that affects economic success" was reviewed and developed (Pennar 1997). The concept of social capital has become noticeably popular in a wide range of social science studies. A growing number of political scientists, economists, and sociologists are using it to find answers to a range of questions and issues in their own disciplines (Adler and Kwon 2002).

In the recent years, there has been an increase in the use of the social capital theory, even though it has been around for quite some time and is highly popular in a wide range of social studies. Thanks to Putman, Coleman and Bourdieu's work, the

social capital theory has become a widely known and accepted concept in different social disciplines (Hoi, Wu and Zhang 2018). It is deeply rooted in theorists including Alexis de Tocqueville, James Madison amongst others in American political studies (Garson 1978). In the literature it is hard to find one single social capital theory; in fact, there are a few contradicting theories which try to establish a clear understating of what social capital actually is (Jackman and Miller 1998). In spite of the great interest among researchers it is difficult to find a clear explanation of this concept (Frukuyama 1995). Putman introduces social capital as "the connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them" (Putnam 2000).

Social capital is a mechanism which provides individuals with an access to resources embedded in different social relationships empowering individuals to facilitate action via organizing these hidden resources (Luoma-Aho 2018). It has provided fundamental formative principles for a number of studies including education and schooling, economic development, and community life (Adler and Kwon 2002). Putnam's explanation of social capital is that it incorporates elements such as network structures, norms, trust, which boost cooperation between individuals in a community, offering mutual benefits. Coleman argues that appropriability validates a conceptual strategy by enveloping social exchange, trust, resources and support, cultural[1].

The structural dimension concerns individuals building networks with others, since it is fundamental in the establishing of social capital (Hoi, Wu and Zhang 2018). The structural dimension of the social capital includes relationships connecting individuals (actors) within networks (Adler and Kwon 2002). Such network connections amongst individuals are established as an outcome of interpersonal relationships via informal social meetings (Inkpen and Tsang 2005). The term "network" illustrates the collaboration process between actors within a specific organization and, therefore, is used differently than in public administration research. Research has revealed how the network configuration, the networks ties and the high levels of social interactions between actors enhance and foster the process of flexibility and knowledge exchange within an organization (Granovetter 1973). Personal interaction between the individuals within a network can have a positive effect called "timing effects", due to the fact that network enhances both the access to information and knowledge, and also causes that individuals are informed quickly and directly.

The cognitive dimensions of the social capital relate to the shared understanding and the meaning between the network actors and include two main facets that are shared in the culture and goals (Nahapiet and Ghoshal 1998). Shared culture specifies the level to which norms of behavior manage relationships, when shared goals affect the degree to which network actors allocate approach to the achievement, mutual understanding and outcomes (Gulati, Nohria and Zaheer 2000). The process of sharing mutual goals between actors is carried out either through codes, language

1 R. Dore, British Journal of Sociology 34(4), pp. 459-482.

and narratives, or sometimes combination of both. Language is a fundamental factor/tool for exchange in social interaction and relation among individuals. Codes enhance the process of building a mutual language that supports the interaction and communication process, and the capacity for individuals to create a mutual understanding (Hoi and Zhang 2018). Therefore, shared language and codes might create a mutual conceptual apparatus for evaluating the benefits of individual social exchange (Nahapiet and Ghoshal 1998). Also, shared narratives such as metaphors, stories and myths create powerful ways for building, protecting, and exchanging rich sets of meanings (Nahapiet and Ghoshal 1998).

The relational is the concept used to illustrate the type of personal relationships individuals build with each other through mutual interaction (Granovetter 1992, Hollenbeck and Jamieson 2015). The relational dimension of social capital describes the individuals interaction including friendship and respect effecting their behavior of achieving social motives such as approval, prestige, and sociability (Hollenbeck and Jamieson 2015). It points out matters related to values and shared norms, expectations, trust, obligation and identification that are essential in building the social capital among individuals. Francis Fukuyama in his book entitled *Trust*, argues that trust is the expectation that takes place within a community of cooperative, regular behavior and honesty, based on mutual norms on the part of the other actors of that community. (...) Social capital is the potential that appears from the prevalence of trust between individuals in the community or certain part of it (Fukuyama 2000). Trust can be embodied both in smallest social groups, such as families, as well as in the largest of all groups: the society. The social capital varies from other forms of human capital because it is commonly built and transferred through cultural mechanisms like religion, historical habit or tradition (Fukuyama 2000). For example, two individuals may occupy equivalent positions in the same network configurations, but if their emotional and personal attachments to actors of other networks vary, their actions are also likely to vary in crucial respects (Allameh 2018).

Wasta through the eyes of social capital construct

Wasta means "intercession" or "mediation" (in the Arabic language literature) (Abdalla, Maghrabi and Raggad 1998). The Wasta concept is related to favoritism: tribalism based on tribal and family relations (Caputo 2018). Wasta can be also referred to as *ma'arifa* (who you know) or as *piston* (pulling strings) (Yahiaoui and Zoubir 2006). Wasta relates to situations when relationships between individuals are used to achieve goals and interests through linking individuals who share mutual favors, benefits, background, interests and/or characteristics. Similarly, the "pulling string" term is common in the UK and it regards gaining interest through networks connections, which may be either short-term relationships, such as acquaintances, or long terms connections, such as family (Alwerthan, Swanson and Rogge 2018).

It lways involves a middle individual who possesses, and at the same time is able to share a particular benefit or interest for a certain party. The Wasta concept consists of three main stages: 1) the client (requestor of Wasta-demanding interest), i.e. the one who makes claims, 2) the possessors of Wasta, 3) the resources (granted interest) (Mohamed and Hamdy 2008). From this context Wasta has the structural dimension of social capital where Wasta includes relationships, connecting individuals (client-possessors) within the networks, network's ties – an essential aspect of Wasta creating opportunities for transactions of interests (Alwerthan, Swanson and Rogge 2018).

The structural dimension of Wasta as a network is seen as a mechanism that helps individuals get access to resources in the possession of other individuals in the network. From the structural aspect, Wasta aspect refers to a set of practices which an individual is expected to use to extend interests to family, friends and other individuals from their tribe. Wasta includes nepotism (favours to own family), cronyism (favours to close friends) and favoritism (individuals in own social network) (Abdalla, Maghrabi and Raggad 1998). The concept covers a wide range of social activities and is therefore difficult to translate into Western conceptual categories. The closest is clientelism, because it assumes the existence of an informal relationship between the patron and the client, and it relates to both economic and political sphere. Clientelism, however, relates only to an intercessory type of Wasta. Wasta is a broader concept than nepotism. Favors within it usually concern one's own group – a tribe, clan, family, religious group. However, this relationship can also include unrelated people – for example, a politician and a potential voter who offers his vote in exchange for benefits (Weir, Sultan and Van De Bunt 2016).

The example cited above indicates the corruption-generating nature of Wasta, but it is not synonymous with corruption (Weir, Sultan and Van De Bunt 2016). If the Wasta relationship does not occur at the expense of a third party (state, nation, other person), it is not corruption. For this reason, a distinction is made between "good" and "bad" Wasta (Loewe 2007: 55) – a Wasta that benefits and Wasta that negatively impacts the social system (benefiting the individual). A good Wasta is, for example, particular dedication of an employee to the company and to the supervisor because of their relationship; bad – if it is a state-owned company, and the hiring decision was determined by family ties rather than by professional qualifications. A good Wasta can be a mediation between two individuals to resolve a conflict in a way that is beneficial and fair to both parties; bad – if someone uses individual connections in a conflict, and the mediator pushes a solution which is only beneficial for one party.

Analyzing Wasta through the Cognitive dimensions of the social capital relates to shared understanding and meaning between Wasta exchange: the actor providing the favour and the individual (the client – the beneficiary) looking for the favour and includes the shared culture and the goals between those two parties (Alwerthan, Swanson and Rogge 2018). Shared culture and goals between the client and the possessors of Wasta, when the client believes that the received favor is their right. Norms in a Wasta relationship create and manage behaviors where there is a mindset

of the client and the possessor, and is based on that shared cultural relationships are built and managed (Alwerthan, Swanson and Rogge 2018). The shared language in Wasta can be noticed since Wasta refers to a situation where relationships and connections between individuals are used to achieve goals through connecting people with the same mindset and shared benefits, favors, background, interests (Caputo 2018). Wasta is a social context which generates the language and codes for the individuals that participate in this social mechanism. Wasta is a process in which individuals achieve goals through using the link the key person, using the client and the possessor language, codes and shared culture. This happens when the individuals of power intervenes on behalf of the client to help them resolve a personal issue or to create an opportunity or to deliver a favour.

In the organizational context, Wasta means to get a promotion, employment or other preferential treatment from members or relatives of the extended tribe. Wasta in the Arabic world may seem similar to nepotism in the Western world, however, it is more all-encompassing and far-reaching. The client and the possessor share language and codes that the Wasta mechanism provides to create a mutual conceptual apparatus for evaluating the favours of actors' social exchange, using the Wasta mechanism. The shared narratives and stories both between the client and the possessor create a rich set of meanings illustrated in the inequality of power of the beneficiary aspect of Wasta mechanism. Therefore, Wasta as a social mechanism contains the cognitive dimension of social capital represented with the shared understanding and meaning. The Wasta practice in the Arabic world provides the client and possessor through a well-established set of mutual understandings and meanings which build the shared culture and goals between them. This mutual understanding between the client and the possessor illustrated in the context of the benefit can be mutual or a returned favor.

Shared culture specifies the level to which norms of behavior manage relationships when shared goals affect the degree to which network actors allocate approach to the achievement, mutual understanding and outcomes (Gulati, Nohria and Zaheer 2000). The process of sharing mutual goals between actors carried out either through codes, language and narratives, or sometimes a combination of both. Language is a fundamental process for exchange in social interactions and relations among individuals. Codes enhance the process of building a mutual language that supports the interaction and communication process and the capacity for individuals to create a mutual understanding. Therefore, shared language and codes might create a mutual conceptual apparatus for evaluating the benefits of individuals social exchange (Nahapiet and Ghoshal 1998). Also, shared narratives such as metaphors, stories and myths create the powerful means in community for building, protecting, and exchanging rich sets of meanings between the client and the possessor (Weir, Sultan and Van De Bunt 2016).

The relational aspect of Wasta can be seen through the personal relationships the client and the possessor build through interactions. Wasta has a place between the client and the possessor when their relationship is based on friendship and mutual

respect, which effect the behavior of the possessor to achieve social motives for the client such as creating an opportunity or supporting them to get a favour (Alwerthan, Swanson and Rogge 2016). Wasta assumes the expectations that the client has towards the possessor that they will deliver or solve his problem. Traditionally, Wasta was used as a mechanism of solving disputes between families through respected and well-known individual (the head of the family). This individual's job was to negotiate and reconcile any problems between the conflicted groups. However, today Wasta relates to the trust that the client has towards the possessor, in order to provide a personal benefit. Wasta emerged in the Arabic world because of the inequality in the financial system. Individuals believed that using Wasta can reduce the transaction cost needed to possess a resource (Brandstaetter, Bamber and Weir 2016). Wasta takes the form of an administrative service that handles procedures and documents (Hooker 2018). In this context Wasta is a tool that contributes to personal trust between the client and the possessor, and enhances the chance of having a successful cooperation. As result, individuals may seek out to Wasta as a resource, as they trust that it can influence the decision making in a way that will benefit them in the short and long term (Alreshoodi 2018).

Conclusion

Many individuals in the Arab societies argue that Wasta is benevolent. Wasta is considered as poor people's weapon used to achieve goals or to receive equal treatment when they are not able to build connections with authorities efficiently. As a result, the Wasta mechanism is still in practice, due to the fact that this mechanism is embedded in the society's social culture, because of the corrupted political and weak economic condition (Adi 2014). Individuals generally started giving and using Wasta because it is viewed as an obligation and an expectation, a source of psychological satisfaction from using the possessor power, and a tool for creating and maintaining one's own network of connection for the purpose of securing present and future interests. In the business context Arab managers of SMEs use Wasta to secure markets contracts, create opportunities and increase their chance of success.

Considering the characteristics of the relationship between the client and possessor Wasta is an example of a social construct (social capital) because it fulfills all its features (Sztompka 2020). It assumes the existence of a multitude of interactions that are multi-thematic. They can be specialized (e.g. obtaining a driving license by a client) or can relate to various spheres of life (e.g. activities aimed at raising the standard of living of the client – from facilitating access to basic goods or services to providing work). Wasta is a lasting relationship, which is known for its specific characteristics and the expectations of the client and the possessor towards each other. Its feature is also the normative regulation; it is regulated by certain patterns (Roniger 2004). They are not formalized, but they set the framework for mutual

expectations and rights. The client has the right to expect his patron (possessor) to find him employment in the office – if they have agreed to do so. In turn, the possessor has the right to expect the client's loyalty. Finally, the relationships arising from Wasta are imposed on the partners (client-possessor) of the relationship because of their social positions (Roniger 2004). For individuals the access that Wasta gives them is its positive social capital and for individuals whom are excluded or do not have an access do Wasta it is considered as negative social capital. Wasta has become a key concept, explaining the failure of Arab countries in the economic and political reforms. However, the Wasta concept definitely goes beyond the negative practice that is associated with it – nepotism, cronyism and corruption. The practice of Wasta is not limited to the Arab culture, although the Wasta terminology changes across countries and regions; Gunaxi in China, pulling strings in the UK, Blat in Russia. Wasta also means mediation, lobbying and social solidarity (Feghali 2014). Finally, in both good and bad forms of Wasta, as well as in a whole range and variety, practices referred to as Wasta have existed in other cultures.

References

Abdalla, H., Maghrabi, A., Raggad, B. (1998), *Assessing the Perceptions of Human Resource Managers toward Nepotism. A Cross-Cultural Study*. "International Journal of Manpower", vol. 19, No. 8, pp. 554–557.

Adler, P. S., Kwon, S. W. (2002), *Social capital: Prospects for a new concept*. "Academy of Management Review", vol. 27, No. 1, pp. 17.

Allameh, S. M. (2018), *Antecedents and consequences of intellectual capital: The role of social capital, knowledge sharing and innovation*. "Journal of Intellectual Capital", vol. 19, No. 5, pp. 858–874.

Alreshoodi, S. A. (2018), *Public Service Motivation, Wasta and Employee Outcomes in the Saudi Public Sector*. "Arabian J Bus Manag Review", vol. 8, No. 354, pp. 2–4.

Alwerthan, T. A., Swanson, D. P., Rogge, R. D. (2018), *It's better to give than to receive: Psychological need satisfaction mediating links between wasta (favouritism) and individuals' psychological distress*. "International Journal of Psychology", vol. 53, No. 51, pp. 11–20.

Berger, R., Silbiger, A., Herstein, R., Barnes, B. (2014), *Analyzing business-to-business relationships in an Arab context*. "Journal of World Business", vol. 53, No. S1, pp. 1–11.

Brandstaetter, T., Bamber, D., Weir, D. (2016), *Wasta: Triadic Trust in Jordanian Business. In The political economy of Wasta: use and abuse of social capital networking.* Springer, Cham. pp. 5–6.

Branine, M., Analoui, F. (2006), *Human resource management in Jordan*. In: P. S. Budhwar, K. Mellahi, *Managing Human Resources in the Middle East*. Abingdon: Routledge, pp. 145–160.

Burt, R. S. (2005), *Brokerage and Closure*: *An Introduction to Social Capital*, Oxford: Oxford University Press.

Coleman, J. S. (1994), *Foundations of social theory*. Harvard University Press.

Cunningham, R. B. (1993), Sarayrah, Y. K., Wasta: *The Hidden Force in Middle Eastern Society*. Praegar: Westport, Connecticut, pp. 1.

Dore, R. (1983), *Goodwill and the spirit of market capitalism*. "British Journal of Sociology", vol. 34, No. 4, pp. 459–482.
Feghali, R. (2014), *Wasta: connections or corruption in the Arab World?* "Global investigator", vol. 28, pp. 1–3.
Fernandez, R. M., Castilla, E. J., Moore, P. (2000), *Social Capital at Work: Networks and Employment at a Phone Center.* "American journal of sociology", vol. 105, No. 5, pp. 1288–1356.
Fukuyama, F. (2000), *Social Capital and Civil Society*. "IMF Working Paper", vol. 1, pp. 1–19, Available at SSRN: https://ssrn.com/abstract=879582
Fukuyama, F. (1995), *Trust: The Social Virtues and The Creation of Prosperity*, Free Press Paperbacks.
Garson, G. D. (1978), *Group theories of politics*. Beverly Hills, CA: Sage.
Granovetter, M. S. (1973), *The strength of weak ties*. "American journal of sociology", vol. 78, No. 6, pp. 1360–1380.
Granovetter, M. (1992), *Problems of explanation in economic sociology*. In N. Nohria, R. Eccles (eds), *Networks and Organizations: Structure, Form and Action*. Harvard Business School Press, Boston, MA, pp. 25–56.
Granovetter, M. (1995), *The economic sociology of firms and entrepreneurs*. In A. Portes (ed.), *The Economic Sociology of Immigration*, New York: Russell Sage Foundation, pp. 128–165.
Gulati, R., Nohria, N., Zaheer. A. (2000), *Strategic networks.* "Strategic management journal", vol. 21, No. 3, pp. 203–215.
Hoi, C. K., Wu, Q., Zhang, H. (2018), *Community social capital and corporate social responsibility*. "Journal of Business Ethics", vol. 152, No. 3, pp. 647–665.
Hollenbeck, J. R., Jamieson, B. B. (2015), *Human capital, social capital, and social network analysis: Implications for strategic human resource management*. "Academy of Management Perspectives", vol. 29, No. 3, pp. 370–385.
Hooker, J., *Corruption from a cross-cultural perspective.* (Working Paper). Carnegie-Mellon University. Retrieved March 11, 2018, pp. 14–18.
Inkpen, C., Tsang, E. W. (2005), *Social Capital, Networks, and Knowledge Transfer*. "Academy of management review", vol. 30, No. 1, pp. 146–165.
Jackman, R. W., Miller, R. A. (1998), *Social capital and politics*. "Annual Review of Political Science", vol. 1, No. 1, pp. 47–73.
Loewe, M., Blume, J., Schönleber, V., Seibert, S., Speer, J., Voss, C. (2007), *The Impact of Favouritism on the Business Climate: A Study on Wata in Jordan.* "Studies", vol. 30, No. 30, pp. 1–211.
Mohamed, A. A., Hamdy, H. (2008), *The Stigma of Wasta. The Effect of Wasta on Perceived Competence and Morality*. "Working Paper", No. 5, German University in Cairo, pp. 1–3.
Paniccia, I. (1998), *One, a hundred, thousands of industrial districts. Organizational variety in local networks of small and medium-sized enterprises.* "Organization Studies", vol. 19, No. 4, pp. 667–699.
Pennar, K., Mueller, T. (1997), *The ties that lead to prosperity.* "Business Week", vol. 15, No. 1, pp. 153–154.
Putnam, R. (2000), *Bowling alone*. New York: Simon and Schuster, pp. 18–19.
Ramady, M. (2015), *The Political Economy of Wasta: Use and Abuse of Social Capital Networking*. Springer, pp. 23–27.
Roniger, L. (2004), *Political Clientelism, Democracy and Market Economy*. "Comparative Politics", vol. 36, No. 3, pp. 353–355.

Sztompka, P. (2002), *Socjologia Analiza społeczeństwa*. Kraków: Znak, pp. 89–90.
Yahiaoui, D., Zoubir, Y.H. (2006), *Human resource management in Tunisia*, Routledge.

Key Terms and Definitions

Social capital – refers to the social capital as the connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. Social capital is what provides access to resources embedded in social relationships enabling people to facilitate action via mobilising these hidden assets.

Wasta – relates to situations when relationships between individuals are used to achieve goals and interests through linking individuals who share mutual favors, benefits, background, interests and/or characteristics.

Structural dimension – this dimension of social capital includes relationships connecting individuals (actors) within the networks, where the network's ties – an essential aspect of social capital are connected to the elements building opportunities for social capital transactions

Cognitive dimension – this dimension of the social capital relates to shared understanding and meaning between network actors and include two main facets that are shared culture and goals.

Relational dimension – is the concept used to illustrate the type of personal relationships individuals build with each other through mutual interaction.

Autobiographical Note

Omar H. A. Shaheen PhD student in the Faculty of Management University of Lodz, Poland. His research interests are social capital and community of practice. On a daily basis employed in multinational outsourcing company.
ORCID ID https://orcid.org/0000-0001-8021-1833

Part 2
Human Resources and Organizational Behavior Perspectives on Cross-Cultural Diversity

Chapter 6

Migration of Employees from Ukraine – Cultural Proximity and Human Resources Management Practices as a Chance to Keep them in Poland

Katarzyna Gadomska-Lila
University of Szczecin, Poland
Viktoriia Moskalenko
National University of Food Technologies, Ukraine
https://doi.org/10.18778/8220-533-6.07

Abstract

The purpose of this chapter is to identify the reasons for the emigration of Ukrainian employees and to explain the importance of cultural proximity and human resources practices whose aim is to keep them in Polish organisations. The considerations are based on a desk research analysis of migrations of Ukrainians, and on the results of quantitative empirical research conducted by the Authors regarding national cultures, values related to work and managing human resources. The research results allowed to determine problems faced by Ukrainian workers employed in Poland, as well as human resource management practices to help overcome them. The study shows that cultural proximity, linguistic similarity or common history favour the choice of Poland as the direction of migration for Ukrainians, and human resources management practices of Polish employers favour quick implementation to work in Poland.

Keywords: migration, culture, practices of human resources management, Ukrainian employees

Introduction

Today, international labour migration occurs under new geographical, demographic, legal and other terms caused by reforms and changes in the political, social and economic environment worldwide. International labour migration is necessary and constitutes an objective condition of the economic development of a country.

The scale of the migration processes in modern societies and the importance of the economic, political and sociocultural changes they bring to countries and people all over the world require a comprehensive study. At the global level, the question concerns the research of migration as one of leading megatrends of the modern globalized world.

As a result, the range of migration problems has to be examined both as a specific phenomenon, and as a universal element that exerts an ongoing influence on modern transformations of the international environment.

Some consequences of international labour migration trends include (Myronchuk 2018):

- distribution of migration processes of workforce practically all around the world;
- the main direction of workforce migration from developing countries and transitional economies to developed countries;
- activation of migration processes from one developed country to another;
- revival of commutation migration between countries with transitional economies;
- migration of scientific and technical personnel as a new form of migration;
- strengthening of the tendency for intellect migration from countries with transitional economies and from developing countries into developed countries;
- increase in "young migration";
- expansion of illegal migration.

The existing migration streams in the world economy can be classified into separate groups, based on the level of the socio-economic development of involved countries. Migration of workforce helps to balance the unevenness of worldwide profit allocation, since this is very important for the world economy.

It should be highlighted that the cooperation between Ukraine and the EU in the field of migration began long before the signing of the Association Agreement (2014). The examination of migration legislation, support in terms of personnel training, information exchange, technical and material help of the EU were all important factors in the perceptible improvement of border and immigration control, considerable reduction in the illegal migration stream, conditions of granting refuge, and development of all control systems in terms of migration processes. The 2017 visa dialogue between Ukraine and the EU, which ended with Ukrainian citizens being free to travel to the EU, was central to migration management (Sichko 2016). The issues of legislation as well as the complexity and duration of procedures connected

with obtaining employment and residence permits in a given country constitute important factors for Ukrainian employees. Moreover, the cultural proximity may offer a compelling argument for Ukrainians to choose Poland as their destination for work and life. Common history, existing Polish and Ukrainian relations and similar lifestyles, languages or attitudes to work may prove really helpful in the process of adaptation and establishing relations.

The purpose of this chapter is to identify the reasons for the emigration of Ukrainian employees and to explain the importance of cultural proximity and human resources practices whose aim is to keep them in Polish organisations. The considerations are based on a desk research analysis of the migrations of Ukrainians and the results of quantitative empirical research conducted by the Authors regarding national cultures, values related to work, and managing human resources.

Main Focus of the Chapter

Nowadays, researchers are expected to find the essence of the phenomenon of migration and its elements in order to describe it at the modern stage of development. The results of such inquiries constitute considerable volumes of academic developments by specialists in political, historical, economic, and legal sciences, whose complex analyses allow us to form an integral vision of the problem, distinguish information necessary for the subjects of this research and do draw conclusions (Malynovska 2013, Glinka, Jelonek 2020, Lassalle et al. 2020).

Labour migration is a popular research topic among Ukrainian scholars, especially the theoretical basis of the phenomenon of external migration. Authors also examine the theoretical and practical problems of labour migration, state statistics, and migration-related labour in the context of general socio-demographic and economic situation. The scientists confirmed the increase in the importance of economic factors (Table 1).

The results of the cited research enrich the knowledge on the migration of Ukrainians, especially in terms of the impact of migration on the identity of migrants, the process of their adaptation in the new environment and the consequences of migration, as these topics have been poorly researched so far.The main reasons behind migration of Ukrainians were: seeking profitable employment (28%) and escaping from armed conflict (27%). Economic problems in the country (19%) and domestic circumstances (18%) were other significant factors. The lack of conditionsfor self-realization (9%) and political instability (7%) were the least popular reasons. Almost one third of Ukrainians (29%) declared that no circumstances would compel them to leave their motherland forever (Malynovska 2018). Ukrainians who work abroad indicate the search for better conditions of life as the principal reason of their migration. Thanks to higher wages abroad they are also able to financially support their families back home (International Migration Report 2017).

Table 1. The results of the research of migration of Ukrainian employees

	Author	Subject	Methods of research	Objects	Result
1	Libanova Ye. (2018)	• theoretical basis of the phenomenon of external migration; • external labour migrations in Ukraine (socio-economic aspect); • problems of labour migration in Ukraine and the decision of migrants; • theoretical and practical problems of labour migration; • state statistics and special selective research of migrant labour in the context of general socio-demographic and economic situation.	qualitative, quantitative, interviews, international migrant surveys	Ukrainians	Due to the traditionally high mobility of Ukrainians, the idea of stopping external migration solely by increasing wages is unreasonable. The possibilities of the state influencing the migration behaviour of the population are outlined and constitute the most effective actions.
2	Bilan Y. (2017)	• theoretical aspects of material and non-material factors of external labour migration; • factors of external labour migration from Ukraine; • systemic analysis of external labour migration of the Ukrainian population; • labour migration of population from four • macroregions of Ukraine	qualitative, quantitative (semi-structured interviews),	experts and representatives of authority 80 in-depth interviews – 20 in each district with specific migration situations	Different aspects of the external migration phenomenon. External migration in today's world occurs in unprecedented volumes, and new forms of it are emerging all the time.
3	Lendiel M. (2016)	• features of migration of Ukrainians to Central European countries in the context of Postmaidan internal and international crisis (geographical, cultural and mental closeness, lower transaction costs for shuttle visits from and to Ukraine); • migration policy and migration processes in the countries of European Union;	statistical data from public institutions of Ukraine, questionnaires, data from International Migration Organization (IMO), European Statute State Migration Service of Ukraine	Ukrainians (emmigrants and expats)	Migration policy of Ukraine and V4 countries

	Author	Subject	Methods of research	Objects	Result
4.	Kasianova M. (2018)	• migration of Ukrainian citizens to Belorussia, Moldova and Russia in the conditions of post-bipolar transformation of the international system; • international acts in relation to migrants and the system of international agreements with respect to/in the context of labour migration	Qualitative. The interview format. Quantitative.	representatives of characteristics of Ukrainian migrants, estimation of indicators of external labour flows of Ukraine in the regional dimension	Characteristic of Ukrainian migration in regard to geographical and geopolitical specifics that caused the activation of Eastern direction of migration flows.
5.	Rovenchak O. (2012)	• the sociological conceptualization of modern international migration as a sociocultural phenomenon of the globalization epoch; • the models of immigrants' adaptation that emphasize the sociocultural aspects of adaptation and its bilaterality; theoretical models applied to the investigation of Ukrainian immigration in Poland; • correlation of Poland immigrants' integration policy and Ukrainian immigrants' adaptation models;	semi-structured interviews	female migrants in Poland, Greece and come back to Ukraine	Confirmation of the growing importance of non-economic factors as the causes for migration. The key models of female Ukrainians' adaptation in Greece were based on diaspora groups and voluntary segregation, while in Poland the assimilation trend is more obvious.
6.	Oppeld L. (2013) Svyatyaschuk I., Stadniy E. (2015)	• question of migration of highly educated intellectual persons; • the reasons and consequences of the intellectual migration in terms of European integration; • academic migration (reasons, problems, recommendations)	quantitative	Ukrainian emigrants with a scientific degree	Identifying directions of migration policy

	Author	Subject	Methods of research	Objects	Result
7.	Malynovska O. (2018)	• the specificity of some types of migration processes found the reflection in the separate group of scientific researches; external labour migrations of Ukrainians; • the current state and prospects of development of migration policy of Ukraine: • international standards, foreign experience and Ukrainian realities on social assistance of migrant workers:	quantitative	Distribution of work permits issued to Ukrainian citizens	Probabilistic changes in the migration are analysed behaviour of Ukrainians as a result of deepening of European integration processes
8.	Zubyk A. (2014)	• modern labour migration of Ukrainians to Poland (cultural and historical aspects, legal migration); • impact on the country's economic development.	quantitative	migration flows to Ukraine and from Ukraine; distribution of work permits issued to Ukrainian citizens.	indicators of emigration and immigration, analysis of labour indicators migration in Poland, characteristics of competitive the advantages of Ukrainian labour migrants.

Source: Own elaboration based on Libanova (2018), Bilan (2017), Lendiel (2017), Kasianova (2018), Rovenchak (2012), Oppeld (2013), Svyatyaschuk, Stadniy (2015), Malynovska (2018), Zubyk (2014).

Analysing the age structure of Ukrainian migrants, it can be concluded that long-term migration is chosen by people of working age (18-44 years), while short-term migration is chosen by people over 45 years of age. People with higher education constitute the largest group among Ukrainian migrants (37%), which means that education and experience correspond to the needs of the labour market of Ukraine or the country of settlement. Analysts point out that a large number of well-educated and talented people (engineers, doctors, information technology specialists) migrate to work abroad, which constitutes a kind of "brain drain", with them doing jobs below their qualifications (Lyashenko 2016). Nevertheless, 48% of Ukrainians over the age of thirty are ready to leave (Solodko 2018). The main reason is the pursuit of an interesting and well-paid job, which is not surprising since in practically every country in Europe the salary is higher than in Ukraine. The second important reason is the armed conflict in Ukraine, which in some way has affected most citizens, and those who managed to escape the consequences of the war would probably prefer to place their families and themselves away from danger. The economic situation is the third reason for moving. Respondents indicated that they wanted to leave Ukraine to improve overall quality of their life (Sokolovich, Lishchynskyy 2018). In addition to these three key reasons, Ukrainians also mention family circumstances. The largest number of Ukrainian migrants live in Russia, Canada, Poland, the USA and Brazil. In 2017, more than 8 million Ukrainians lived abroad. While living and working abroad, they transfer a significant part of their financial resources to the country. "In the first quarter of 2017, migrants working in Poland (90% of them are Ukrainians) sent more than 4.3 billion zlotys home using the online service TransferGo, which is almost two-thirds more than last year.… This is a record, which practically exceeds by 2 billion zlotys the amount of money transferred to Poland" (Adronik 2018).

The most crucial positive factor of external labour migration lies in the fact that a considerable part of the earned funds of Ukrainians is transferred or brought back to Ukraine.Transfers from labour migrants help to combat poverty, allow relatives to finance current consumption, children's education, medical services, purchase or construction of accommodation, opening own businesses, etc. The National Bank of Ukraine explains that in 2016 the volumes of private money transfer amounted to $ 5.5 billion (5.8% GDP), 20% of which was transferred via informal channels, and for three quarters of 2017 it was $ 5.2 billion. Acquisition of new skills, increase in the labour market mobility, acceleration of technology exchange, more opportunities and business technologies, increase in export capacities for Ukrainian producers are among other positive aspects of emigration. Moreover, immigrants abroad generate demand for Ukrainian goods in the country they live in (Piontkivska 2018).

It is estimated that labour migration from Ukraine will continue to grow for about two-three years, and then begin to go down in the medium-term prospect (Solodko 2018). Poland will thus face an important challenge in terms of keeping this group of employees. It mostly stems from the growing competitive edge of Germany, the Czech Republic or Hungary, which are opening their markets for

economic immigrants from outside the European Union. It may be expected that it will not only be economic reasons that determine migration, but also social and cultural differences.

Solutions and Recommendations

Cultural differences may constitute an important criterion in choosing the destination for migrant employees. They also often determine the length of stay. Even though migrants may exert a positive effect on the operation of organisations, as their presence is conducive to creativity, they activate innovativeness and become a source of cultural synergy, they can also be a source of conflicts, misunderstandings, communication problems or culture shock (Brett, Behfar, Kern 2010, Marx 2000, Klimas 2019, Rakowska 2019). There is a high risk of prejudice and stereotypes, as well as artificial divisions among employees within an organization. It undoubtedly affects the atmosphere at work and interpersonal relations, which translates into work performance. It brings about further consequences in the form of the fundamental question whether to stay in a given country, look for a more culturally similar one, or to return to the home country. Therefore, the cultural aspect may constitute the decisive factor for Ukrainian employees.

Poland granted approximately 2.5 million visas to Ukrainian citizens from 2016 to 2017. Thus, the number of long-term national visas grows along with work permit. In 2015, in Poland, employers submitted 763,000 statements to district labour departments regarding employing Ukrainians, in 2016 this number almost doubled, as there were 1.3 million statements, and in 2017 the number grew to 1.8 million. Moreover, by the end of 2019, approximately 143,000 Ukrainians were granted the right of temporary or permanent stay in Poland. Consequently, a estimations show that approximately 2 million Ukrainians are now in Poland, and their number is growing. However, the number of Ukrainian employees who work in Poland legally and pay social insurance currently amounts to 665,600 (Błaszczak 2020). Ukrainians work for almost every other large Polish business, in every fifth average-size business and in every tenth small business, as calculated by Polish agencies of employment of personnel service. Young Ukrainians go to Poland to study, whereas adult Ukrainians – to make money in Polish enterprises and open their own businesses (Sytnyk 2018). The main reasons which determine powerful migration streams to Poland are: higher standards of living, historical connections, familiar language, large Ukrainian diaspore. The similarity of cultures is also significant. Certain dimensions of national cultures, such as a high level of avoiding uncertainties, restrictions and restraint in operations as well as adopting a time perspective which is too long are attributes of both Ukrainian and Polish cultures (Gadomska-Lila, Moskalenko 2019, Glinkowska, Chebotarova 2018, Illiashenkoand et al. 2016). Additionally, both cultures respect organisational hierarchy, although the consent for unequal organizational statuses

is much stronger in Ukraine than in Poland. This cultural proximity may prove to be extremely important in establishing close relations in organizations which employ Ukrainian employees (International… 2017). It is confirmed by the research conducted by the Authors among Ukrainian employees.

Cultures, values and human resources management practices were subject of the research project dedicated to Ukrainian employees, conducted by the Authors from February to December 2018. It consists of two parts: quantitative research conducted in Ukraine among people who have worked in Poland, and qualitative research conducted in Poland among employers and other entities involved in actions pertaining to employment of Ukrainians, e.g. employment agencies, labour offices, trade unions, such as the Association of Ukrainians in Poland.

The main aim of the quantitative research was to identify human resources management practices used in Poland by employers employing Ukrainians. The main areas of human resources management analysed in order to identify key practices were: recruitment and selection, adaptation at work, work design, compensation and rewards, performance appraisal, training and development. They used a questionnaire devised by the Authors, using items devoted to human resources practices assessed by respondents in five Likert's scale.

Out of 441 respondents who correctly filled the questionnaire, the majority were male (222), aged 25-34 years old (181), with a Master's degree education (151), married (304), with one child (186). Most (280) had worked in Poland for the period of one-two years, typically in construction, agriculture, gastronomy.

Generally, Ukrainians are satisfied with working in Poland (77%). The results show that positive attitudes and behaviours are connected with cultural proximity and applying certain actions and practices, especially when creating appropriate working conditions, remuneration and assistance in adapting to work in Poland and in a given organisation. The data in Table 2 show that Ukrainian employees do not find the issues of language and manner of communication, accommodation, working hours, working ethos, legal and administrative issues to be barriers hampering their adaptation to working in Poland (fewer than a third of the respondents stated that they constituted problems).

In terms of cultural adaptation, human resources practices applied in organisations employing Ukrainians were found to be helpful. Their key role was to familiarise Ukrainian employees with characteristic features of the Polish culture and corporate culture, Polish standards regarding days off work, national holidays, assistance at the beginning of work provided in an enterprise by supervisors or colleagues, or even induction programmes (Table 3).

Special human resources management in organisations employing foreigners is crucial, as it requires more sensitivity in order to apply all the criteria, e.g. in the recruitment process, task allocation, performance assessment or rewarding results, so that they are clear and transparent and do not favour anyone.

Moreover, organisations which hire foreigners need an HRM system to make decisions from a global perspective, international managers, and ideas contributed by

Table 2. Problems at work in Poland

Survey question	Average	Standard deviation	No	Rather Not	Hard To Decide	Rather Yes	Yes
Difficulties with communication and language barrier posed major problems for me.	2.38	1.693	50%	15%	7%	0%	27%
Legal and administrative issues posed major problems for me.	2.39	1.663	44%	28%	0%	1%	27%
Difficulty with finding accommodation or its high costs posed major problems for me.	2.42	1.625	39%	34%	0%	0%	27%
Psychological difficulties, e.g. different work ethos, working hours, holidays, posed major problems for me.	2.34	1.592	44%	25%	5%	3%	23%

Source: Own elaboration.

Table 3. Assessing human resources management practices by Ukrainian employees working in Poland

Survey question	Average	Standard deviation	No	Rather Not	Hard To Decide	Rather Yes	Yes
I was instructed in employment rules and regulations observed in Poland (e.g. holidays, work hours) and in a given enterprise.	3.93	1.221	10%	5%	0%	49%	35%
At the beginning of my work I could rely on support from my superiors, co-workers, etc.	4.14	1.269	6%	8%	12%	12%	61%
I participated in an induction program to learn my duties.	2.77	1.860	46%	11%	1%	5%	38%
Favoritism was not evident in any of the recruitment decisions.	3.19	1.470	25%	4%	20%	30%	21%

Source: Own elaboration.

people from a variety of cultures. Decisions that are the outcome of a transnational HRM system balance uniformity (for fairness) with flexibility (to account for cultural and legal differences). This balance and the variety of perspectives should work together to improve the quality of decision making. The participants from various countries and cultures contribute ideas from a position of equality, rather than the home country's dominating culture. Such cultural characteristics influence the behavior of employees within an organization, as well as their attitudes toward various HRM practices.

Conclusion

The specific national features of labour migration in Ukraine are explained not only by internal economic factors, but also by domestic policy, by both positive (signing of Agreement about the association from EU) and negative processes caused by the annexation of Crimea, military events in eastern Ukraine that simultaneously stimulate population's migration to other countries. There are many benefits of migration –higher salary, improvement of standards of living (both of emigrants and their and families), getting new work experience and qualifications, improved language and communication skills, broadened horizons, increased awareness and understanding of the real terms of market economy, and acquisition of skills to live in a democratic society.

Cultural proximity and assimilation of differences may constitute an important factor in making decisions regarding the direction of migration. Common history, existing relations between Ukraine and Poland, awareness of conditions of living in Poland and significant similarity of national cultures as well as lifestyles, language, attitude to work highly, all facilitate assimilation and help to establish common relations. They constitute important factors which encourage to work in Poland on a longterm basis or even stay permanently. Therefore, it is necessary to take institutional measures aimed at extending the duration of stay in Poland, helping to bring families back home or creating incentives for legal work. This implies the need to develop policies at central level which take into account social aspects, health care and education. Actions taken by employers who hire Ukrainians are equally important, in order to allow for adaptation and integration or professional and personal development of employees, which is reflected in many HR practices. It will increase the competitive edge of Poland in terms of Ukrainian employees.

References

Adronik, W. (2018), *Emigrate from Ukraine: Why citizens from Ukraine want to leave the country*. https://www.5.ua/suspilstvo/v-ukraini-istotno-zris-riven-bezrobittia-derzhstat-161590.html (accessed 18.10.2019).

Bilan, Y. (2017), *Migration of the Ukrainian Population: Economic, Institutional and Socio-cultural Factors*. London: Ubiquity Press, pp. 141–224. DOI: https://doi.org/10.5334/bbg License: CC-BY 4.0

Błaszczak, A. (2020), *Trudno zastąpić Ukraińców*. "Rzeczpospolita", 08.01, https://www.rp.pl/Rynek-pracy/301089888-Trudno-zastapic-Ukraincow.html (accessed 10.01.2020).

Brett, J., Behfar, K., Kern, M. C. (2010), *Zarządzanie zespołami wielokulturowymi*. "Harvard Business Review Polska", Luty.

Gadomska-Lila K, Moskalenko, V. (2019), *Wpływ kultury ukraińskiej oraz systemu wartości Ukraińców na dobór praktyk ZZL w organizacjach ich zatrudniających*. "Zarządzanie Zasobami Ludzkimi", vol. 127, No. 2, pp.117–130.

Glinka, B., Jelonek, A. W. (eds), (2020), *Immigrant Entrepreneurship: Cases from contemporary Poland*. New York: Routledge, https://doi.org/10.4324/9780367425531

Glinkowska, B., Chebotarov, V. A. (2018), *A Comparative Cross Cultural Analysis of the Profile of A Modern Ukrainian Manager: the Imperatives of the Future in the Context of Internationalization*. "Comparative Economic Research", vol. 21, No. 3, pp. 63–74.

Illiashenko, S., Ovcharenko, M., Ovcharenko, S. (2016), *Factor analysis of processes of corporate culture formation at industrial enterprises of Ukraine*. "Economic Processes Management, International Scientific E-Journal", No 2, http://epm.fem.sumdu.edu.ua/download/2016_2/2016_2_11.pdf (accessed 01.12.2018).

International Migration Report 2017. https://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2017_Highlights.pdf (accessed 01.12.2018).

Kasianova, M. (2018), *Migration of Ukrainian Citizens to Belorussia, Moldova and Russia in the Conditions of Post-Bipolar Transformation of the International System*. http://shron1.chtyvo.org.ua/Kasianova_Maryna/Mihratsiia_hromadian_Ukrainy_do_Bilorusi_Moldovy_ta_Rosii_v_umovakh_postbipoliarnoi_transformatsii_m.pdf (accessed 01.12.2018).

Klimas, P. (2019), *Organizational culture models of coopetitors*. In A.-S. Fernandez, P. Chiambaretto, F. Le Roy and W. Czakon (eds), *The Routledge companion to coopetition strategies* (pp. 117–127). Abingdon: Routledge. https://doi.org/10.4324/9781315185644-11

Lassalle, P., Johanson, M., Nicholson, J. D. and Ratajczak-Mrozek, M. (2020), *Migrant entrepreneurship and markets: The dynamic role of embeddedness in networks in the creation of opportunities*. "Industrial Marketing Management", vol. 91, pp. 523–536. https://doi.org/10.1016/j.indmarman.2020.04.009

Lendel, M. (2016), *Migration of Ukrainians to Central European countries in the context of the Postmaidan internal and international crisis*. "Viešoji Politika Ir Administravimas Public Policy And Administration", vol.15, No. 4, pp. 549–563. https://www.mruni.eu/upload/iblock/f83/03_VPA_2016–15-4_LENDEL-Migration.pdf (accessed 27.01.2020).

Liashenko, O., Shampaniuk, Yu. (2016), *Features of labour migration of Ukraine*. "Young scientist", No 4, pp. P. 121–125. http://www.irbis-nbuv.gov.ua/cgi-bin/irbis_nbuv/cgiirbis_64.exe?I21DBN=LINK&P21DBN=UJRN&Z21ID=&S21REF=10&S21CNR=20&S21STN=1&S21FMT=ASP_meta&C21COM=S&2_S21P03=FILA=&2_S21STR=molv_2016_4_32 (accessed 22.09.2019).

Lybanova, Ye. (2018), *Outward labour migration of Ukrainians: Scale, causes, consequences*. "Demography and social economy", vol. 33, No. 2, pp. 10–26. https://dse.org.ua/arhcive/33/1.pdf (accessed 01.11.2019).

Malynovska, O. (2017), *An analytical message of the National Institute of strategic researches is external migration of citizens of Ukraine in the conditions of Eurointegration processes: challenges and ways of reacting*. https://niss.gov.ua/sites/default/files/2017–08/bezviz-6eaa1.pdf (accessed 01.02.2019).

Myronchuk, O. (2018), *"Brain-escape" as a factor of competitiveness in globalization world*. http://dspace.nbuv.gov.ua/bitstream/handle/123456789/25218/15-Mironchuk.pdf?sequence=1 (accessed 10.03.2019).

Oppeld, L. (2014), *Contemporary trends in intellectual international migration under Euro-integration*. http://www.economy.nayka.com.ua/?op=1&z=1871 (accessed 27.01.2020).

Piontkivska, I. (2018), Economic migration of Ukrainians: the positive is there too. https://www.epravda.com.ua/columns/2018/02/28/634533/ (accessed 10.05.2019).

Rakowska, A. (2019), *Diversity Management in Poland*. (in) A. Georgiadou, M. A. Gonzalez-Perez, and M. R. Olivas-Lujan (eds), *Diversity within Diversity Management: Country-based Perspective*, Emerald Publishing Limited, pp. 197–216. https://doi.org/10.1108/S1877-636120190000021011

Rovenchak, O. (2012), *The place of Ukrainian migration to Poland and Greece in migration classification system,* "Visnyk Lvivskoho Universytetu. Seriia Sotsiolohichna" No. 6. https://scholar.google.com.ua/citations?user=ksWh3ZYAAAAJ&hl=en#d=gs_md_cita-d&u=%2Fcitations%3Fview_op%3Dview_citation%26hl%3Den%26user%3DksWh3ZYAAAAJ%26cstart%3D20%26pagesize%3D80%26citation_for_view%3DksWh3ZYAAAAJ%3AMXK_kJrjxJIC%26tzom%3D-120 (accessed 02.01.2020).

Sichko, S. (2018), *International labour migration as a form of international economic relations*. http://global-national.in.ua/archive/10–2016/24.pdf (accessed 15.05 2019).

Sokołowicz, M. E., Lishchynskyy, I. (2018), *Are Poland and Ukraine Gravity Centres for Each Other? Study on the Labour Migration Patterns*. "Comparative Economic Research", vol. 21, No. 1, pp. 45–65.

Solodko, A. (2018), *Emigration: Where Ukrainians go and with what purpose*. https://hromadske.ua/posts/trudovi-mihranti-ukrainci (accessed 25.10.2019).

Svitiashchuk, I., Stadnyi, Ye. (2013), *Academic migration*. https://cedos.org.ua/system/attachments/files/000/000/050/original/AcademicMigration_CSR.pdf?1404815631 (accessed 01.12.2019).

Sytnik, M. (2018), *The life of migrants in Poland. Ukrainians open businesses and "win" the favour of Poles*. https://ru.tsn.ua/svit/zhizn-migrantov-v-polshe-ukraincy-otkryvayut-biznes-i-zavoevyvayut-priverzhennost-polyakov-1042310.html (accessed 01.02.2019).

Zubyk, A. (2014), *Contemporary economic emigration of the Ukrainian population to Poland*. https://www.academia.edu/23803420/%D0%A1%D0%A3%D0%A7%D0%90%D0%A1%D0%9D%D0%90_%D0%A2%D0%A0%D0%A3%D0%94%D0%9E%D0%92%D0%90_%D0%9C%D0%86%D0%93%D0%A0%D0%90%D0%A6%D0%86%D0%AF_%D0%A3%D0%9A%D0%A0%D0%90%D0%87%D0%9D%D0%A1%D0%AC%D0%9A%D0%9E%D0%93%D0%9E_%D0%9D%D0%90%D0%A1%D0%95%D0%9B%D0%95%D0%9D%D0%9D%D0%AF_%D0%92_%D0%9F%D0%9E%D0%9B%D0%AC%D0%A9%D0%A3 (accessed 01.12.2019).

Key Terms and Definitions

Human resources management practices – formal and informal ways and methods of human resources management related to activities carried out within the basic stages of this process: selection, evaluation, motivation and development.

Labour migration – movement of persons from one place (e.g. country) to another for the purpose of employment.

Migration – movement of people to change their place of residence.

National culture – a set of values, norms, behaviours and beliefs shared by the population of one nation.

Autobiographical Note

Katarzyna Gadomska-Lila – Associate professor at the Department of Organization and Management, Faculty of Economics, Finance and Management, University of Szczecin, Poland. Author of publications and research in the field of organizational alignment, organizational culture, human resources management and organizational behaviour.
ORCID: 0000-0001-9793-2450

Viktoriia Moskalenko – Assistant Professor at the Department of Labour Economics and Management, National University of Food Technology in Kiev, Ukraine. Author of publications and research in the field of human resources management, leadership, organizational behaviour and modern management.
ORCID: 0000-0002-2178-2000

Chapter 7
Management in a Multicultural Environment[1]

Katarzyna Januszkiewicz
Institute of Social Sciences, SWPS University of Social Sciences and Humanities
Warsaw, Poland
Justyna Wiktorowicz
Department of Economic and Social Statistics
University of Lodz, Lodz, Poland
https://doi.org/10.18778/8220-533-6.08

Abstract

Diversity management is indicated as one of the most important challenges faced by contemporary organizations (Roberson 2019; Cletus, Mahmood, Umar and Ibrahim 2018; Januszkiewicz, Bednarska-Wnuk 2017). The ability to take advantage of diversity in the development of the communication process (Okoro, Washington 2012; Evans, Suklun 2017), interpersonal relations (Mamman, Kamoche, Bakuwa 2012), and finally cooperation, is the key factor in building organizational commitment (Luu, Rowley, Vo 2019; Ghasempour, Rahimnia, Ahanchian and Syed 2020) and a competitive advantage based on social capital (Herriot, Pemberton 1995; Han, Han, Brass 2014; Walczak 2011; Aghazadeh 2004).

The aim of this chapter is to analyse the methods and tools of multicultural management in organizations including issues such as culture and multiculturalism and their impact on human behaviours in organizations, and intercultural sensitivity (Bennet, Bennet 1993; Sizoo, Plank, Iskat, Serrie 2005; Bhawuk 2009; Paige, Jacobs-Cassuto, Yershova, DeJaeghere 2003). Based on desk research, we also indicate recommendations for managers in multicultural environments.

Keywords: multicultural diversity, multicultural management, organizational behaviour, culture in organization

1 The chapter was created as a part of the Erasmus+ Project: Innovative & Enhanced CPD for Newly Qualified VET Teachers Working with Migrant Students (project No 2018-1-PL01-KA202-050618).

Introduction

Globalization is one of the most important megatrends of the world today. We study and work abroad, and have careers in international companies with international, multicultural management. Thus, the workplace is becoming an increasingly multicultural environment. Generally, cultural diversity broadens horizons. "The power is in the diversity." In this chapter we want to focus on the positive aspects of cultural diversity. Nonetheless, we realize that not everyone can get used to such a culturally diverse work or study environment. Therefore, in this chapter we will also try to show how to deal with problematic situations, which are the source of cultural diversity.

The aim of this chapter is to analyse descriptively the methods and tools of multicultural management in organizations, including such issues as culture and multiculturalism and their impact on human behaviours and intercultural sensitivity. Based on desk research, we also offer recommendations for managers in multicultural environments. Finally, we propose a tool for measuring skills in multicultural management.

Culture, Cultures, and Multiculturalism in Organizations

One of the basic features characterising a multicultural organization is the diversity of relationships between all its members (Kossek, Lobel, Brown 2006). This complexity arises from the nature of culture itself, which manifests itself to employees in a certain system of values (Marques 2007). This system describes what is important, which ideals should be pursued, what the symbols of values are. Moreover, it describes the accepted standards which define what is normal or abnormal, healthy or sick, beautiful or ugly, and the meaning of such notions as a good workers, punctuality, diligence and integrated behaviour models which indicate when, where and how to behave.

It should be noted that employees carry the culture of their country somewhat "within." They grew up in a defined set of norms and values. Therefore, in a new situation, new country, new place, they are not always aware that their behaviour is different from the standard of this organization.

Such a situation is a challenge for everyone, but especially for the manager. Management in a multicultural environment means working with a group in a culturally diverse environment, the aim of which is to ensure the effective functioning and development of all its members (Jacob 2003; Rozkwitalska 2009; Kozminski 1999). Management in a multicultural environment is directly related to managing intercultural sensitivity (awareness of differences between cultures) and the use of methods and techniques which allow to develop the potential of all group members.

It is the manager who, through the use of appropriate methods and techniques used in an organization, can create conditions in which the inter-cultural relations would fall into the following categories (Adler 1980):

- **Cultural domination** – understood as imposition of the culture of their own country onto representatives of another culture. In this case, differing models and patterns are disregarded and eliminated.
- **Cultural coexistence** – understood as a compromise between the culture of their own country and all the cultures represented by a minority. In practice, however, it is a choice that can be seen as a victory of one side over the other.
- **Intercultural cooperation** – based on an assumption that cultures can merge and complement each other. Such a choice may lead to the development of new values, and cultural diversity becomes a tool for the development of the entire group.

From the point of view of work efficiency and effectiveness in reaching goals, the most optimal action is to build intercultural cooperation since everyone gains something in such an environment (Fig. 1).

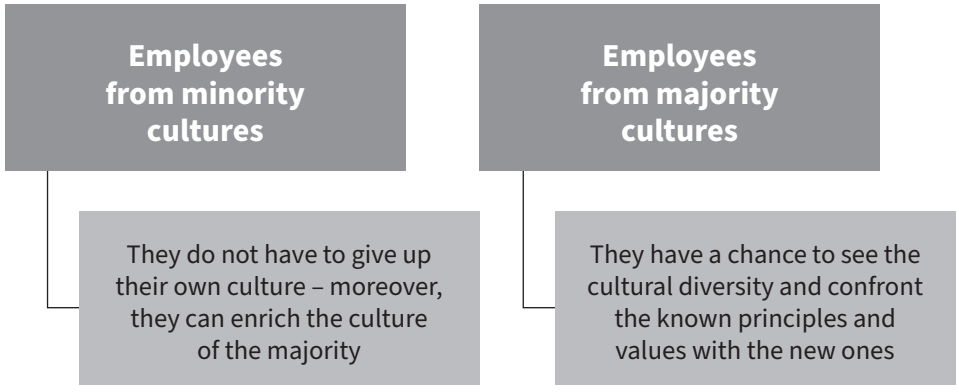


Figure 1. How to build intercultural cooperation
Source: Own elaboration.

In a broader perspective, it is also beneficial for society since patterns of behaviour learned at organization will be reflected in future professional and family life. It has to be noted that the establishment of an intercultural collaboration environment depends primarily on the attitude of the manager and how s/he perceives cultural differences and shapes the work environment so that the differences are an opportunity for development rather than a threat. What is more, in a multicultural environment managers should concern themselves both with minorities (facilitating the acculturation process) and employees belonging to the majority culture, who should not be passive, but rather actively participate in those activities and learn from them.

How Does Culture Affect our Behaviour?

In a foreign country, it is very easy to notice the difference between "our" and "native" behaviour. Sometimes these differences are minimal and do not affect our ability to understand the world around us. Sometimes, however, they are fundamental and may lead to misunderstandings and errors in interpreting the behaviour of others.

There are many concepts that describe the types of cultures and their influence on individual behaviour in the published sources. One of the most well-known is Hofstede's theory, and other theories built upon it. It describes the differences between cultures in five dimensions:(Hofstede, Hofstede 2007):

- individualism/collectivism – describes the ratio between the importance of the welfare of the individual vs the welfare of the group,
- power distance – describes the relations between superiors and subordinates, as well as between a government and a citizen. It also defines the degree of acceptance of social inequalities, the propensity of superiors to consult their subordinates, or the degree of authoritarian power and the expected degree of obedience to parents, superiors and the government,
- masculinity/femininity – indicates the diversity of roles between the sexes,
- avoidance of uncertainty – defined as the level of threat as perceived by members of a given culture in the face of new, unknown or uncertain situations,
- long-term orientation – describes the extent to which actions of individuals affect a short – or long-term perspective.

Study results confirm that the differences resulting from different characteristics of a culture can be seen very clearly in organizational behaviour. Table 1 shows the most typical behaviour patterns of employees from different cultures.

When working in a multicultural environment, managers should remain alert to signals sent out by their employees since sometimes "inappropriate behaviour" may be inadequate only in a given context. The experience of managers working with Asians shows that questions related to their place of residence and parents' names are the most problematic ones. Sometimes even a seemingly simple question, such as "What's your name?", can be confusing.

These problems may be related to the prevailing belief in some Eastern cultures, including in Asian and Arab countries, Caucasus cultures, or collectivist cultures, that it is the surname that speaks volumes about a person. It demonstrates belonging to a group, family, country, or clan. Such affiliation is a greater value than another personal attribute – the name. For example, in the Vietnamese culture in everyday communication (at work, at school and even at home) names are rarely used. In addition, the name almost always has some assigned meaning. It is attributed in relation to, for example, the weather on one's birthday, or it can be given in order to rhyme with the name of an older child. In China and Vietnam, names belong to a private, intimate, personal sphere – they are often used only by mothers. It stems

Table 1. Culture and behaviour

In an individualistic culture, employees:	**In a collectivistic culture, employees:**
• focus on ensuring their own success • focus on independence and competition • appreciate individual achievements and initiatives, • strive for independent decision-making, • believe that recognition and responsibility are individual	• understand duty and loyalty to one's own group • rely on opinions of important people • appreciate participation in group tasks and cross-team cooperation • make decisions collectivistically • believe that responsibility and fault are collective notions
In a culture with a high power distance, employees:	**In a culture with a low power distance, employees:**
• feel obliged to obey the authority • are taught to be obedient and not to ask questions (questions are considered as an attack on the authority of the managers and rules) • do not have any influence on in-group work conduct • feel bad when they have to make independent decisions alone or when they are asked for an opinion • treat their manager as a decision maker, whose authority is not to be questioned	• are not accustomed to unconditional obedience • react to commands with a natural query "why?" • are rewarded for showing initiative and asking questions • are willing to make independent decisions • expect the right to co-decide on the in-group work conduct
In a culture with a low tolerance for uncertainty, employees:	**In a culture with a high tolerance for uncertainty, employees:**
• have a need for clearly defined rules and principles • consider deviation from the rules, their lack whatsoever, a source of potential danger • build relations with others following predictable patterns • prefer imitation	• do not expect rigid compliance with established standards and principles • appreciate unconventional and unusual behaviour • are open to innovation
In a caring culture, employees:	**In an achievement culture, employees:**
• are oriented towards maintaining relationships • evaluate success through the process (how it was achieved) • do not see a strict division of tasks into male and female	• are achievement-oriented • evaluate success through the goal (what was achieved) • show high awareness of the roles and tasks assigned to genders
In a short-term culture, employees:	**In a long-term culture, employees:**
• are oriented towards seeking balance • respect tradition, which sets the framework for everyday life • appreciate and cherish rituals in relationships with others	• appreciate persistence in pursuing goals • shape relationships according to status • try to plan ahead and anticipate problems

Source: Own elaboration based on: Adler, Rosenfeld, Proctor, Skoczylas (2014), *Relacje interpersonalne: proces porozumiewania się*. Dom Wydawniczy REBIS, Poznań.

from, among others, the collective values of Asian cultures where the group is more important than the individual (Białek 2015).

Employees' behaviour in an organization and the results they achieved in the evaluation process are not, therefore, simply the result of their ability. Some features of the new culture may be a source of discomfort for people and significantly restrict presentation of their own potential. For example, some employees find it problematic to cooperate, or even stay in the same room, with representatives of the opposite sex. In the context of the manager's work, it is worth considering not only the sources of the differences, but also the consequences of seeing oneself in a certain way.

Groups and Culture

Belonging to a particular cultural group allows people to identify with it. Sociologists use the notion of "own groups" in relation to groups which we identify with, and "other groups" in relation to those which we perceive as foreign, different. Employees' perception of their own and other people's cultures is an important issue influencing work conduct of managers.

Sometimes minor differences do not seem to have much meaning. However, the division into "us" and "them" results in a specific behaviour: favouritism, glorification of one's own group and diminishing, depreciation, and even discrimination of other groups (Doliński, Strelau 2015). In a series of experiments carried out in the Netherlands, the subjects were randomly divided into two groups, blue and green: they were given either blue or green pens, and wrote on a blue or green paper. The experimenter referred to the respondents by the name of the colour of their group. While the colour categories had no psychological meaning in themselves, and group membership was arbitrary, the test subjects evaluated their own group higher that the other group. Moreover, such a biased attitude towards their own group occurred before members began to work on the experimental task (Gerrig, Zimbardo 2009). Since an individual has far more information about their group, he/she sees it as more diverse, interesting and active, whereas knowledge of the other group is poorer, most often based on stereotypes.

A stereotype is an excessive generalisation or belief about the characteristics of a group. It results in the attribution of the same, identical characteristics to all group members, regardless of actual differences between them. The emergence of representatives of different cultures in an organization means the appearance of such specific, generalised ideas about their representatives. From the point of view of managing, it may result in a situation in which stereotypes become grounds for prejudice and, eventually, discrimination. Motivated by those wrong impressions, not only may employees avoid contact with representatives of other groups, but also act to their disadvantage. It is only natural, then, that conflicts emerge. In such

a situation, the primary challenge for the manager is to create an environment in which employees perceive their individuality, reaching beyond stereotypes.

It requires the use of specific management methods and techniques. Study results have shown that it is not enough for representatives of different groups to meet, since it will reduce neither prejudice nor hostility. In summer 1954, Muzafer Sherif and his colleagues arranged a summer camp for two groups in Robbers Cave State Park. The groups called themselves "The Eagles" and "The Rattlers." Each group developed camp bonds, e.g., boys swam, wandered, and prepared meals together for about a week, unaware of the existence of the other group. The process of getting familiar between the two groups was based on several competitive activities, e.g., football matches, tug of war, and more. Fierce competition between the groups developed right from the start; they burned each other's flags and looted houses. There was even a riot-like fight for better food during a reception (Sherif 2015; Sherif 1988; Gerrig, Zimbard 2009). The experiment debunked the idea that contact alone is enough to reduce prejudice between different groups (*contact hypothesis*). The boys participating in the camp did not like members of the other group more only because they spent time together (Sherif 1988). Managers' actions aimed at combating prejudice and increasing work effectiveness in a multicultural organization have to focus on developing personal interactions in the pursuit of common goals. They should support employees in developing their sensitivity to other groups, including those composed of employees from different cultures. A study by Elliot Aronson and his colleagues is an example of a method of a teaching practice in a multicultural environment. Fifth-grade pupils of primary school were set in conditions that required them to rely on each other instead of competing in order to learn the assigned material. The method was called "jigsaw" since each of the students received only a portion of the material constituting the whole. The task required each student to master their part to the extent that they were able to pass it on to others. The final results were evaluated on the basis of the collective outcome. In that case, the contribution of each student was indispensable and valuable. Such an arrangement makes the entire group interested in all the knowledge acquired by its members. Therefore, they become engaged in the activity and encouraged others to work harder (Aronson et al. 1978).

Intercultural Sensitivity

Milton Bennett created a Developmental Model of Intercultural Sensitivity (DMIS) which describes the increasing growth of competence in intercultural relations while the experience of cultural difference by the people becomes increasingly complex (Bennett 2004).

In his model, Bennett presented six stages of increasing sensitivity to cultural differences. Each stage is a subsequent step in the development of individual

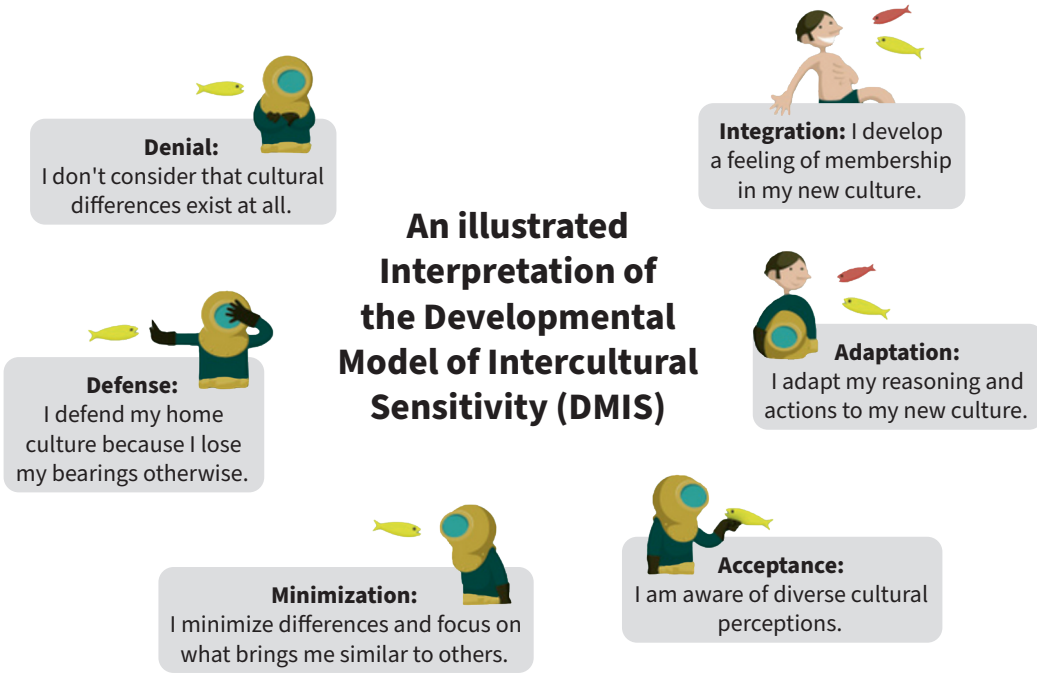


Figure 2. Sensitivity building
Source: https://www.cursor.tue.nl/opinie/vincent-merk/dmis-and-tue/#top.

sensitivity, and developing intuition in intercultural contacts. Passing through the successive phases of the model (ethnocentrism to ethnorelativism), the employees learn the kind of sensitivity that allows them not only to function in a new culture, but also enrich it (Fig. 2).

It is worth following this model in relation to what minority employees feel and how they behave in the process of entering into a new cultural environment. The first three phases of the model are characterised by **ethnocentrism**, i.e. the belief that cultural standards known by the employees are somewhat at the centre of reality and are better than those of other groups. Such attitudes as superiority, hostility, violence, discrimination and aggression are characteristic for ethnocentrism (see Sarata) (Fig. 3).

However, extraction of points of contact in the minimisation phase is not the end of the process of developing cultural competence. For this to happen, it is necessary to go through three stages of the ethnorelativistic phase, in which the differences between cultures are not perceived as threatening by the employee. Instead, they are seen as a challenge and opportunity for development in a new environment. It should be noted, however, that the aim of the process is not to change norms or values, but rather to match behaviour to the rules prevailing in the group.

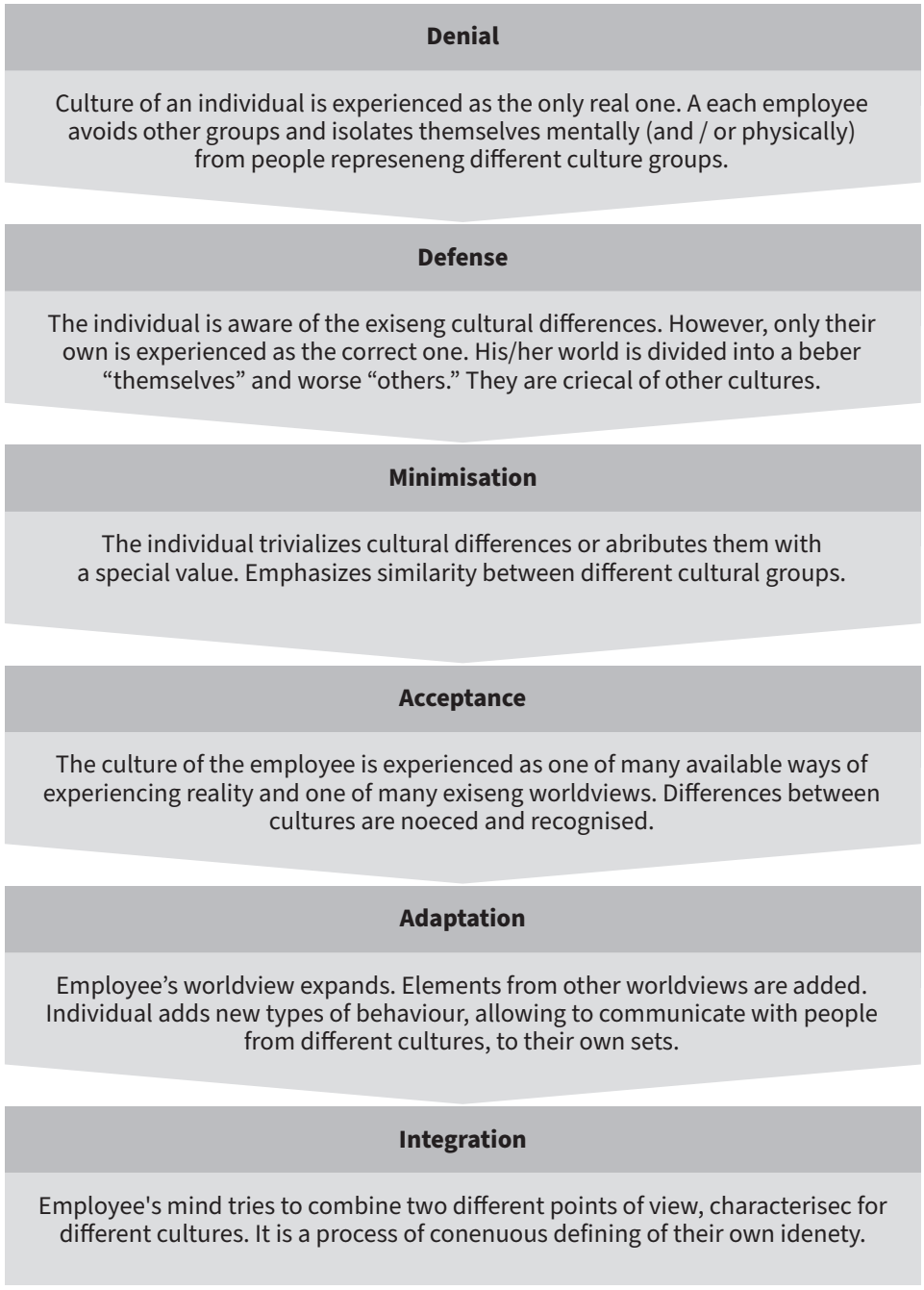


Figure 3. Developmental Model of Intercultural Sensitivity

Source: Own elaboration based on: Bennett (2017), *Developmental Model of Intercultural Sensitivity*, [in:] Kim, McKay-Semmler (eds), *The International Encyclopedia of Intercultural Communication*, JohnWiley & Sons, Inc., Wiley Online Library, pp. 1–10.

Recommendation – How to Manage/Create International Cooperation

People brought up in a different culture should have the opportunity to learn about a new culture and, at the same time, to cultivate their own. It is achieved through numerous activities that support acculturation, e.g., teaching foreigners such skills as collective methods of work and behaviour valued in "native organization", such as volunteering, public questioning, arguing own opinion, etc. The first point is a good evaluation of own skills – awareness of strengths and weaknesses will allow us to better understand ourselves and will show directions for self-improvement. A diagnostic tool for self-evaluating skills in multicultural management may be helpful in this respect (it can be found in the appendix to the chapter). The second step is "the action". By taking specific actions, the manager should pay attention to the current relationship of the employee towards their own and foreign culture. Examples of recommendations which address the process of entering a new culture are listed below (Table 2).

Regardless of supportive activities aimed at employees from minority cultures, the manager should also implement managing methods which activate the entire group and encourage learning about each other outside the cultural context (Figure 4).

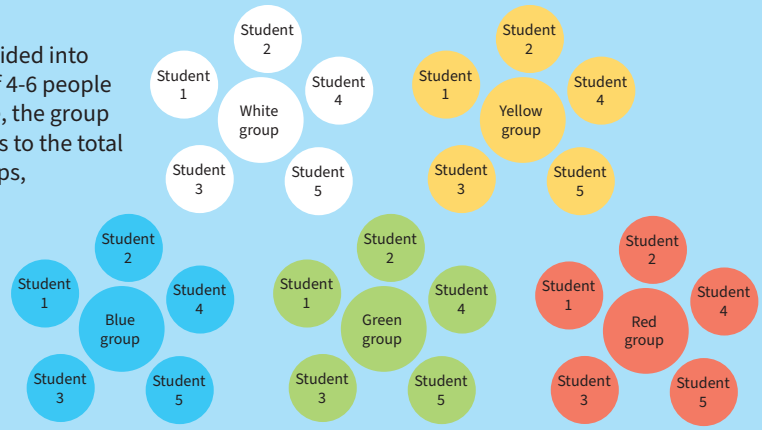
Table 2. New culture entering phases – recommendations for managers

Phase:	Characteristics of employee behaviour	The manager should:
Honeymoon	• The employee has a positive attitude. He/she is interested in otherness, • He/she is delighted, intrigued and enthusiastic about novelty, • He/she indicates a great need to ensure their safety.	• acquaint the employee with the organization's reality, and explain rules to be observed, • prepare the group for a new member, • engage co-workers in the adaptation process, provide them with the knowledge needed to understand the behaviour and reactions of a new colleague, • use available literature to increase cultural knowledge and understanding of the functioning of the organization in general, • take advantage of a cultural assistant (if employed in organization) or request the management to employ such a person, • provide translations of room names in the premises, e.g., secretary's office, employees' room, toilet, into employees' native languages.

Phase:	Characteristics of employee behaviour	The manager should:
Bewilder-ment	Surprise, irritation, feeling that known behaviour patterns, e.g., towards managers, are no longer adequate. Possibility of depressed mood and withdrawal.	• provide a sense of security. For example, he/she may appoint another employee to act as a guide for the new employee and help them to move around the organization and city. It can be someone with a similar experience. Such actions may be the first step to build relationships with co-workers, which help people to better adapt to the conditions in the organization, • engage co-workers in various forms of assistance and encourage them to spend free time together, • create opportunities to achieve success in school; appreciate employee's interests; appreciate and reinforce their strengths, • be sympathetic and tolerant, avoid criticism and harsh tone, • use the support of the organization, or an intercultural psychologist (if possible).
Exhaustion, anger with the "new"	Frustration, resignation, and aggression towards the surroundings	• allow such emotions to pass, even by a low margin, • provide positive support and appreciate even minor successes, • notice efforts and doing one's best.
Initial stabilisation	The employee already knows how "native culture" works, recovers and regains control, He/she distances him-/herself from own and foreign culture, His/her willingness to establish and maintain social contacts returns, Psychophysical condition, concentration and cognitive performance improve.	• appreciate employee's efforts, • gradually increase the level of requirements regarding learning, • support the recovery of well-being, • emphasise social and intercultural competences, • support further bonding with co-workers.
Integration	An employee is able to function effectively in organization, observe rules and retain cultural values of his/her homeland.	• engage employees in school life (including activities outside the organization), • treat employees as colleagues, gradually reducing cultural support.

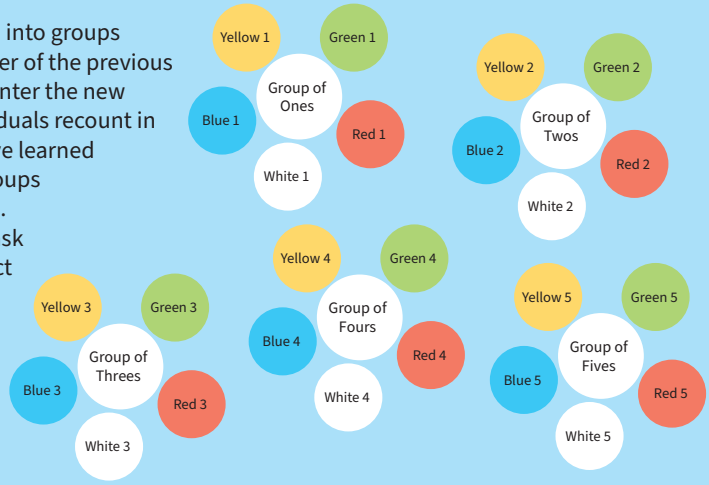
Source: Own elaboration based on: Białek (2015), *Międzykulturowość w szkole. Poradnik dla nauczycieli i specjalistów*, Ośrodek Rozwoju Edukacji, Warszawa.

Step 1
The group is divided into micro-groups of 4-6 people (in an ideal case, the group size corresponds to the total number of groups, i.e. 5 groups of 5 people).



Step 2
Employees work in the so-called expert groups. Each group receives a different part (or aspect) of the subject, or problem to be solved. Groups are supposed to discuss and cover their own part of the subject. Each person in the group has to understand the issue well enough to be able to explain it to another group.

Step 3
The second division into groups requires one member of the previous (expert) groups to enter the new group. Those individuals recount in turns what they have learned in their previous groups (the previous stage). It is a good idea to ask each group to collect all the information.



Step 4
Experts return to their groups and confront acquired comprehensive knowledge. They check whether everyone has learned everything. This system necessitates cooperation. In order to get a positive result, each employee must use the help (knowledge) of another employee. They have to help other as well.

Figure 4. Scenario for The Jigsaw Classroom
Source: Hedeen (2003), *The reverse jigsaw: A process of cooperative learning and discussion*, "Teaching Sociology", 31(3), pp. 325–332.

In the jigsaw classroom the "required" interdependence among people (workers, students and others) encourages them to take an active part in learning. Each participant plays the role of both a student and a teacher, which becomes a valuable resource for the others. Learning from each other gradually diminishes the need to try to out-perform them because all participants' learning enhances the performance of the others instead of inhibiting it, as is usually the case in most competitive, teacher-oriented methods (https://www.jigsaw.org). In the school environment, as well as in managing in the workplace, the manager or teacher learns to be a facilitating resource person, and contributes to learning within this cooperative paradigm. From the multicultural management's point of view such an approach plays a key role and is especially useful.

Conclusions

Management in multicultural environments is an integral part of diversity management. As Gross-Gołacka (2018) writes, this issue will appear in the scientific and business discourse as an indicator of changing human resources. As the new management paradigm emphasizes teamwork and continuous learning, the role of diversity management, also in the context of the cultural differences analyzed in this paper, is growing. Better communication, integration, and interpersonal cooperation are key areas for building the engagement of employees, but also members of other communities (e.g. scholars). Therefore, understanding these processes as well as identifying your strengths and weaknesses in this area is necessary for the proper functioning of multicultural communities.

Thus, an important role of a leader – whether in the workplace or in other multicultural environments – is to prevent situations where cultural differences could cause problems related to multiculturalism. This requires, firstly, recognition of the right to individuality (MacLeod, Brady 2011). The key element is the self-awareness of managers in a multicultural environment. The manager/leader should care for the development of co-workers, should constantly participate in the process of organizational learning by delegating tasks, supporting, providing feedback and giving some degree of independence, which allows subordinates to support their process of taking responsibility and building self-confidence. This allows to build intercultural sensitivity without which it is difficult to achieve the expected level of commitment of members of the organization.

Examples of tools given in this paper can be effectively applied in practice to activities of especially smaller, culturally diverse teams – both in the workplace and in other communities. Obviously the chapter does not exhaust this very extensive subject and requires further in-depth research. However, it can be a good starting point for those at the beginning of their journey in management in a multicultural environment.

References

Adler, N. J. (1980), *Cultural synergy: The management of cross-cultural organizations*, McGill University, Faculty of Management.

Adler, R. B., Rosenfeld, L. B., Proctor, R. F., Skoczylas, G. (2014), *Relacje interpersonalne: proces porozumiewania się*, Dom Wydawniczy REBIS, Poznań.

Aghazadeh, S. M. (2004), *Managing workforce diversity as an essential resource for improving organizational performance*. "International Journal of Productivity and Performance Management".

Aronson, E., Blaney, N., Stephin, C., Sikes, J., Snapp, M. (1978), *The Jigsaw Classroom*, Sage Publishing Company, Beverly Hills, CA.

Bennett, J. M., Bennett, M. J. (2004), *Developing intercultural sensitivity: An integrative approach is global. And domestic diversity*, [in:] D. Landis, J. M. Bennett, J. M. Bennett (eds), *Handbook of intercultural training (3rd edition)*, Sage Publishing Company, Thousand Oaks, pp. 147–165.

Bennett, M. J. (2004), *Becoming interculturally competent.* "Toward multiculturalism: A reader in multicultural education", 2, pp. 62–77.

Bennett, M. J. (2017), *Developmental Model of Intercultural Sensitivity*, [in:] Y. Y. Kim, K. L. McKay-Semmler (eds), *The International Encyclopedia of Intercultural Communication*, JohnWiley & Sons, Inc., Wiley Online Library. Retrived from: https://www.researchgate.net/publication/318430742_Developmental_Model_of_Intercultural_Sensitivity (accessed 08.09.2021).

Bennett, M. J., and Bennett, M. J. (1993), *Intercultural sensitivity.* "Principles of training and development. Portland, OR: Portland State University", 25(21), pp. 185–206.

Bhawuk, D. P. (2009), *Intercultural training for the global workplace: Review, synthesis, and theoretical explorations.* "Handbook of culture, organization, and work", pp. 462–488.

Białek, K. (2015), *Międzykulturowość w szkole. Poradnik dla nauczycieli i specjalistów*, Ośrodek Rozwoju Edukacji, Warszawa.

Christian, J., Porter, L. W., and Moffitt, G. (2006), *Workplace diversity and group relations: An overview.* "Group Processes & Intergroup Relations", 9(4), pp. 459–466.

Cletus, H. E., Mahmood, N. A., Umar, A., and Ibrahim, A. D. (2018), *Prospects and challenges of workplace diversity in modern day organizations: A critical review.* "HOLISTICA–Journal of Business and Public Administration", 9(2), pp. 35–52.

Evans, A., and Suklun, H. (2017), *Workplace diversity and intercultural communication: A phenomenological study.* "Cogent Business & Management", 4(1), 1408943.

Gerrig, R. J., Zimbardo, P. G. (2009), *Psychologia i życie*, Wydawnictwo Naukowe PWN, Warszawa.

Ghasempour Ganji, S. F., Rahimnia, F., Ahanchian, M. R., and Syed, J. (2020), *Analyzing the impact of diversity management on innovative behaviors through employee engagement and affective commitment.* "Iranian Journal of Management Studies", vol. 14(3), pp. 649–667.

Gross-Gołacka, E. (2018), *Zarządzanie różnorodnością. W kierunku zróżnicowanych zasobów ludzkich w organizacji*, Difin, Warszawa.

Hammer, M. R., Bennett, M. J., Wiseman, R. (2003), *Measuring intercultural sensitivity: The intercultural development inventory*. "International Journal of Intercultural Relations", 27(4), pp. 421–443.

Han, J., Han, J., and Brass, D. J. (2014), *Human capital diversity in the creation of social capital for team creativity*. "Journal of Organizational Behavior", 35(1), pp. 54–71.
Harvard ManageMentor (2014), *Manage the Business: Diversity*, Harvard Business School Publishing, Cambridge.
Hedeen, T. (2003), *The reverse jigsaw: A process of cooperative learning and discussion*. "Teaching Sociology", vol. 31, No. 3, pp. 325–332.
Herriot, P., and Pemberton, C. (1995), *Competitive advantage through diversity: Organizational learning from difference*. Sage Publications, Inc.
Hofstede, G., Hofstede, G. J. (2007), *Kultury i organizacje*, Polskie Wydawnictwo Ekonomiczne, Warszawa.
International Bureau of Education (2016), *Reaching Out to all learners: a Resource Pack for Supporting Inclusive Education,* IBE-UNESCO, Geneva.
Jacob, N. (2003), *Intercultural Management*, Kogan Page, London.
Januszkiewicz, K., and Bednarska-Wnuk, I. (2017), *Antinomian Diversity of Organizational Behavior-Selected Aspects of Primary Identity in Empirical Researches*. "Education of Economists & Managers/Edukacja Ekonomistow i Menedzerow", No. 4 (46) pp. 69–85.
Joshi, A., and Jackson, S. E. (2003), *Managing workforce diversity to enhance cooperation in organizations*. "International handbook of organizational teamwork and cooperative working", vol. 12, pp. 277–296.
Kossek, E. E., Lobel, S. A., and Brown, J. (2006), *Human resource strategies to manage workforce diversity*. "Handbook of workplace diversity", pp. 53–74.
Koźmiński, A. (1999), *Zarządzanie międzynarodowe. Konkurencja w klasie światowej*, Polskie Wydawnictwo Ekonomiczne, Warszawa.
Luu, T. T., Rowley, C., and Vo, T. T. (2019), *Addressing employee diversity to foster their work engagement*. "Journal of Business Research", 95, pp. 303–315.
MacLeod, D., Brady Ch. (2011), *The Extra Mile: How to engage your people to win*, Prentice Hall Financial Times, London.
Mamman, A., Kamoche, K., and Bakuwa, R. (2012), *Diversity, organizational commitment and organizational citizenship behavior: An organizing framework*. "Human Resource Management Review", vol. 22, pp. 285–302.
Marques, J. F. (2007), *Implementing workplace diversity and values: What it means, what it brings*. "Performance Improvement", vol. 46, pp. 5–7.
Mihnevici, L., Popa, C., Coman, M. M., Mustăţea, N. M. (2016), *Inclusive School, Inclusive Community training course*, Vaslui County School Inspectorate & Vaslui Teachers' House, Vaslui.
Myers, V. (2013), *What If I Say the Wrong Thing? 25 Habits for Culturally Effective People*, American Bar Association, Chicago.
Okoro, E. A., and Washington, M. C. (2012), *Workforce diversity and organizational communication: Analysis of human capital performance and productivity*. "Journal of Diversity Management (JDM)", vol. 7, No. 1, pp. 57–62.
Paige, R. M., Jacobs-Cassuto, M., Yershova, Y. A., and DeJaeghere, J. (2003), *Assessing intercultural sensitivity: An empirical analysis of the Hammer and Bennett Intercultural Development Inventory*. "International journal of intercultural relations", vol. 27, No. 4, pp. 467–486.

Rabbie, J. M. (1981), *The effects of intergroup competition and cooperation on intra – and intergrouprelationships*, [in:] J. Grzelak, V. Derlega (eds), *Living with other people: Theory and research on cooperation and helping*, Academic Press, New York.
Roberson, Q. M. (2019), *Diversity in the workplace: A review, synthesis, and future research agenda*. "Annual Review of Organizational Psychology and Organizational Behavior", vol. 6, pp. 69–88.
Rozkwitalska, M. (2009), *Problemy zarządzania międzykulturowego w przedsiębiorstwach z kapitałem zagranicznym*. "Problemy zarządzania", vol.7, No. 3, pp. 126–148.
Sarata, N. (2015), *Wrażliwość międzykulturowa*, https://rownosc.info/ (accessed 08.09.2021).
Sherif, M. (1988), *The robbers cave experiment: Intergroup conflict and cooperation.[Orig. pub. as Intergroup conflict and group relations]*. Wesleyan University Press, Middletown, CT.
Sherif, M. (1988), *The robbers cave experiment: Intergroup conflict and cooperation. [Orig. pub. as Intergroup conflict and group relations]*. Wesleyan University Press.
Sherif, M. (2015), *Group conflict and co-operation: Their social psychology*. Psychology Press.
Sizoo, S., Plank, R., Iskat, W., and Serrie, H. (2005), *The effect of intercultural sensitivity on employee performance in cross-cultural service encounters*. "Journal of Services Marketing".
Strelau, J., Doliński, D. (2011), *Psychologia akademicka*. GWP, Gdańsk.
Walczak, W. (2011), *Zarządzanie różnorodnością jako podstawa budowania potencjału kapitału ludzkiego organizacji*. "E-mentor", No. 3 (40), SGH, Warszawa.

https://www.cursor.tue.nl/opinie/vincent-merk/dmis-and-tue/#top (accessed 08.09.2021).
https://www.jigsaw.org (accessed 08.09.2021).

Key Terms and Definitions

Developmental Model of Intercultural Sensitivity (DMIS) – a model describing the increasing growth of competence in intercultural relations while the experience of cultural difference becomes increasingly complex. In his model, Bennett presents six stages of increasing sensitivity to cultural differences.
Hofstede's theory – theory describing cultural differences in five dimensions: individualism/collectivism, power distance, masculinity/femininity, avoidance of uncertainty and long-term orientation.
Management in a multicultural environment – working with a group in a culturally diverse environment, the aim of which is to ensure the effective functioning and development of all its members; it is directly related to managing intercultural sensitivity (awareness of the differences existing between cultures) and the use of methods and techniques which allow to develop the potential of all members of a group.

Autobiographical Notes

Katarzyna Januszkiewicz – M.A. in Psychology (2003), PhD, D.Litt. in economics in management sciences (2018). Professor at the SWPS University of Social Sciences and Humanities, head of the Department of Management. She specializes in organizational

behavior, professional employees development and methodology of scientific research. Author of over 50 publications on social aspects of management. She has managaed research teams in national projects (such as Multidimensional Analysis of Organizational Behaviors. Methodology and measurement tool sponsored by National Center for Science) as well as international (e.g. Erasmus+ Programme of the European Union, HELPcare – Health and socialcare workers: Employability Learning and Professionalisation). Twice appointed by Barbara Kudrycka, the Minister of Science and Higher Education, as member of the Council of Young Scientists of the Minister of Science and Higher Education (Council of Young Scientists of the 2nd and 3rd term).
ORCID ID: https://orcid.org/0000-0003-3000-0370

Justyna Wiktorowicz – associate professor of economic sciences in economics. Professor at the Department of Economic and Social Statistics at the Faculty of Economics and Sociology at the University of Lodz. Her scientific interests focus on the situation of older persons on the labour market, lifelong learning, competences and knowledge management, as well as the application of statistical methods in social and economic research. Author, co-author or co-editor of about 160 publications, such as *Multigenerational transfer of knowledge and extending working life* (2016), *Generations. What is changing? Compendium of multigenerational management* (2016). Coordinator, expert, researcher in approx. 50 national and international projects, including issues related to the situation of people aged 50+ on the labour market, age management, generations, knowledge.
ORCID ID: https://orcid.org/0000-0001-9246-9225

Appendix

Diagnostic Tool for Self-Assessment of Multicultural Management Skills

Author: **Katarzyna Januszkiewicz**

Answer the following questions and find out your level of intercultural sensitivity.

1. Employees who are less active during team work (they say little, do not ask additional questions), are less involved in working than those who are more active.
   a) definitely yes
   b) yes
   c) hard to say
   d) no
   e) definitely no

2. There are no conflicts in a well-managed group.
   a) I definitely agree
   b) I agree
   c) hard to say
   d) I do not agree
   e) I definitely disagree

3. Workshops in a group should be organized in order to ensure culturally homogenous groups.
   a) definitely yes
   b) yes
   c) hard to say
   d) no
   e) definitely no

4. Employees from other cultures should adjust their values and rules regarding work to those of the country where they work.
   a) definitely yes
   b) yes
   c) hard to say
   d) no
   e) definitely no

5. Cultural differences always have an impact on employees' behavior, regardless of the situation (teamwork, game, eating meals, e.g.).
   a) I definitely agree
   b) I agree
   c) hard to say
   d) I do not agree
   e) I definitely disagree

6. Work performance depends only on the employee's ability.
   a) definitely yes
   b) yes
   c) hard to say
   d) no
   e) definitely no

7. When an employee is able to repeat the manager's order verbatim, it means they have understood everything and will perform it correctly.
   a) I definitely agree
   b) I agree
   c) hard to say
   d) I do not agree
   e) I definitely disagree

8. Working conditions in an organization are equally comfortable for all employees (distance to others, diversity of the group).
   a) definitely yes
   b) yes
   c) hard to say
   d) no
   e) definitely no

9. Writing tasks on a board (sending e-mail) is a waste of time.
   a) definitely yes
   b) yes
   c) hard to say
   d) no
   e) definitely no

10. Frequent questions and objections to the binding rules is a disrespectful behavior to the manager.
    a) definitely yes
    b) yes
    c) hard to say
    d) no
    e) definitely no

11. Having too many rules and regulations limits employees; all employees would work better if there were no rules.
    a) I definitely disagree
    b) I do not agree
    c) hard to say
    d) I agree
    e) I definitely agree

12. Cultural diversity of the group should not affect the way managers work (how work is organized, the division of tasks, working time, etc.).
    a) I definitely agree
    b) I agree
    c) hard to say
    d) I do not agree
    e) I definitely disagree

13. If someone does not express their thoughts and feelings directly, it might mean they want to hide something.
    a) definitely yes
    b) yes
    c) hard to say
    d) no
    e) definitely no

14. In a well-managed group, everyone is unanimous.
    a) I definitely agree
    b) I agree
    c) hard to say
    d) I do not agree
    e) I definitely disagree

15. In a multicultural group, results are a reliable source of information about the employee's predispositions and abilities.
    a) definitely yes
    b) yes
    c) hard to say
    d) no
    e) definitely no

16. Employee's work should be evaluated only in the context of current conditions, ignoring previous experience.
    a) definitely yes
    b) yes
    c) hard to say
    d) no
    e) definitely no

17. Only individual work should be assessed.
    a) definitely yes
    b) yes
    c) hard to say
    d) no
    e) definitely no

18. Adaptation to changes and new environments is equally difficult for everybody.
    a) I definitely disagree
    b) I do not agree
    c) hard to say
    d) I agree
    e) I definitely agree

19. In a multicultural class, all employees can learn from one another.
    a) I definitely agree
    b) I agree
    c) hard to say
    d) I do not agree
    e) I definitely disagree

20. Organization is not a place to express one's own individuality and cultural diversity.
    a) I definitely agree
    b) I agree
    c) hard to say
    d) I do not agree
    e) I definitely disagree

21. In a multicultural group, employees' work should be planned in order to eliminate any differences between tasks performed by them.
    a) I definitely agree
    b) I agree
    c) hard to say
    d) I do not agree
    e) I definitely disagree

22. The manager should ignore the differences resulting from the cultural diversity of their employees.
    a) I definitely agree
    b) I agree
    c) hard to say
    d) I do not agree
    e) I definitely disagree

23. The work schedule should be clearly defined at the beginning of the year and should not be changed without a significant reason.
    a) definitely yes
    b) yes
    c) hard to say
    d) no
    e) definitely no

24. In a conflict situation, the manager should intervene only when the employees are no longer able to deal with the problem themselves.
    a) definitely yes
    b) yes
    c) hard to say
    d) no
    e) definitely no

25. The group can influence individual, but individual cannot influence the group.
    a) definitely yes
    b) yes
    c) hard to say
    d) no
    e) definitely no

Calculation results – instruction

The table below presents the scores for each of the options for answering questions 1–25. Transfer the points obtained to the table below, and then sum them up. Please refer your result to the threshold values given below and read the feedback.

No	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
points																									
a	1	1	1	1	1	1	1	1	1	1	5	1	1	1	1	1	1	5	5	1	1	1	1	1	1
b	2	2	2	2	2	2	2	2	2	2	4	2	2	2	2	2	2	4	4	2	2	2	2	2	2
c	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
d	4	4	4	4	4	4	4	4	4	4	2	4	4	4	4	4	4	2	2	4	4	4	4	4	4
e	5	5	5	5	5	5	5	5	5	5	1	5	5	5	5	5	5	1	1	5	5	5	5	5	5

No	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	Total
Scores																										

Interpretation

Quantitative interpretation – the sum of results is interpreted in relation to the level of competence:

- **109 – 125 points:** Management in a multicultural environment, the basis of the manager's work is the assumption that cultures can interpenetrate and complete one another. As a consequence, beneficial values may be created, and cultural diversity becomes a tool for the development of both students and the teacher.
- **90 – 110 points:** A high level of competence in a given area, a very good basis for further development towards conscious management in a multicultural environment.
- **70 – 89 points:** Competences in a given area are at an average level, however, conscious use of opportunities and avoiding threats resulting from working in an multicultural environment requires further development.
- **55 – 69 points:** Low level of competence in a given area, the undertaken activities are of a random nature, low work efficiency in a multicultural environment.
- **Below 55 points**: Ignoring the differences and needs in the management of a multicultural environment expressed by imposing the same, own norms and principles on representatives of other cultures. Different patterns and models are not taken into consideration.

Chapter 8
Diversity and Inclusion Practices among Different Cultures

Marta Borkowska
Management Faculty, University of Lodz, Poland
PhD Candidate
https://doi.org/10.18778/8220-533-6.09

Abstract

The aim of this chapter is to analyse diversity and inclusion (D&I) practices from the perspective of different cultures and verify if approaches towards those concepts are common or contain disparities. According to a literature analysis, approaches towards D&I vary significantly depending on the culture, mostly due to a country's location (Western vs. Eastern), and history and values by which a nation is driven. Research conducted in an international IT company, on the contrary, shows no differences in D&I practices among cultures. Lack of diversification may be a result of the necessity to adapt to a constantly changing business world and requirements imposed on all units of an organisation to follow one coherent strategy in terms of D&I. Research limitations as well as the need for a further analysis in order to fully investigate the subject are also discussed.

Keywords: diversity, inclusion, diversity management, culture, cultural differences

Introduction

Quoting Hu Jintao, "Diversity in the world is a basic characteristic of human society, and also the key condition for a lively and dynamic world as we see today".[1] This approach may also be applied in modern organizations. As the pace of changes taking place inside and outside of companies is continuing to increase exponentially, diversity issues are gaining importance (Martin 2014). New challenges which companies are currently facing in that area are related to increased employee mobility, demographic changes (ageing population and declining birth rate), as well as economic growth

1 https://www.brainyquote.com/quotes/hu_jintao_178666 (accessed 27.02.2020).

and higher number of women entering into the workforce (Brimm, Arora 2001). According to forecasts, 21st century's workforce will be characterized by an even growing minorities (Langdon, McMenamin, Krolik 2002; Klarsfeld et al. 2014). Minority refers to a group of people who may be treated in a disadvantageous way compared to members of the dominant social group (Healey, O'Brien 2014). Groups are divided into majority and minority most frequently based on visible characteristics: ethnicity, gender, age, race and disability (Leśniowska, Andrejczuk 2016; Kandola, Fullerton 1998), as well those less obvious, such as sexual orientation, religion or beliefs. Members of minorities are often prone to unequal treatment and discrimination, which in a professional environment may concern inappropriate, private comments, denying individual's high qualifications, objectively unjustified refusal to promote (Mor Barak 2015) or offering lower salaries to employees for the same job. Taking above reports into consideration, more and more organizations are treating actions aiming at respecting and improving human rights (with special emphasis on actions which are designated for individuals who belong to the above-mentioned minorities) as a business imperative (Roberson 2006).

Researchers have pointed out several diversity impact factors, which have been broadly analysed in the literature: organization culture, HRM practices, institutional environments, organizational outcomes related to managing employee diversity (Patrick, Kumar 2012). One variable which requires more attention is culture. According to Cooke and Saini (2012: 28) "an awareness of the host country's institutional context and cultural traditions is essential to understanding diversity management issues and likely solutions". As Hofstede (2001: 9) states "most nations display a common mental programming of a majority of their inhabitants' containing shared values, rituals and symbols" that provide a national identity. It seems almost impossible that such an impactful factor as culture does not have any influence on D&I practices in organizations.

As a result of the above reflections, the main objective of this chapter is to verify whether cultural differences in the practices of implementation in the D&I area exist. Cultural differences are understood here as differences arising from being a citizen of a certain country, being raised with respect for a certain cultural heritage and in the business context, operating as a company in a certain country, obeying its laws and being influenced by the nearest environment. This is supplemented by a literature review and an analysis of a practical approach towards challenges related to diversity of one of multinational IT companies.

Diversity, Inclusion and Diversity Management – Definitions, Advantages and Disadvantages

Diversity has been interpreted in many different ways. It may be understood as "acknowledging, understanding, accepting, and valuing differences among people with respect to age, class, race, ethnicity, gender, disabilities, etc." (Esty et al. 1995).

In a business context it is a term used to describe "the changing mix of the workforce which is becoming more heterogeneous" (Brimm, Arora 2001: 108). Since also practice provides a confusing compilation of idiosyncratic and unorganized diversity practices in organizations, it is crucial to ensure a higher level of coherency and complementarity (Vassilopoulou et al. 2013). This may be achieved by recognizing initiatives under the umbrella of diversity management, which is defined as "a set of organizational policies and practices aimed at recruiting, retaining, and managing employees of diverse backgrounds and identities and creating a culture in which everybody is equally enabled to perform and achieve organizational objectives and personal development" (Syed, Tariq 2017: 1). Diversity management can also be understood as "a process intended to create and maintain a positive work environment where the similarities and differences of individuals are valued" (Patrick, Kumar 2012: 1). The main aim of diversity management is to raise employees' awareness of the subject and using differences to the company's advantage (Wziątek-Staśko 2012). The concept of diversity management was originally developed as a potential solution to the problem of social exclusion and discrimination of individuals due to stereotypes and prejudice, but over time it has started to be perceived as an important factor for an organization's functioning (ibidem). The second crucial concept related to diversity is inclusion (Roberson 2006). Inclusive actions ensure a full participation of all people working for an organization in its daily functioning (Wziątek-Staśko 2012). "The concept of inclusion-exclusion in the workplace refers to the individual's sense of being a part of the organizational system in both the formal processes, such as access to information and decision-making channels, and the informal processes" (Mor Barak 2014; as cited in: Mor Barak 2015: 85). As confirmed by researchers, an inclusive diversity culture is crucial for organizations to benefit from diversity (Nakagawa 2015).

According to companies' representatives there are several motivations behind promoting diversity in the workplace. One is the belief that they are crucial for furthering successful functioning of an organization (Wziątek-Staśko 2012). Changes occurring in a company environment bring re-evaluation of hitherto declared values among employees and society, which has a great impact on responsible business strategies. For example, British Telecom uses the United Nations United Declaration of Human Rights as a determinant for all their business activities with the focus on building relationships with employees, clients, suppliers and local communities.[2] The second reason is related to advantages of ensuring diversity among employees (ibidem). Studies show that it boosts productivity and retention of highly talented staff (Basset-Jones 2005, Hanappi-Egger et al. 2007), resulting in more committed, satisfied, better performing employees (Patrick, Kumar 2012), as well as improved creativity and customer focus (Raatikainen 2002), including reduced absenteeism (Aigner 2014), better organizational adaptability and more innovative approaches

2 https://rownosc.info/media/uploads/roznorodnosc_w_firmach.pdf (accessed 01.03.2020).

(Wziątek-Staśko 2012). Finally, there is the question of law and obligations set on organizations by national governments, which will be discussed further in the chapter.

Most research and literature reviews focus on benefits of diversity in the workplace, nevertheless, in order to meet the aim of full objectivity and provide a deep analysis of the discussed topic, it is important to include disadvantages of diversity in the workplace. According to Aigner (2014: 111) "diversity management has often been criticized as a *double-edged sword*". Researchers indicate the fostering of negative phenomena such as inequality and discrimination (Lorbiecki, Jack 2000; Wrench 2007), a higher number of misunderstanding (Schmid 2010; as cited in Aigner 2014), conflicts in work groups (Martin 2014), hindered communication, absenteeism and loss of competitiveness, especially within ethnicity minorities (Brock, Sanchez 1996; Pitts et al. 2010; Ingram 2011). Nonetheless, those issues should not be treated as obstacles, but as challenges necessary to be taken into consideration while striving for an effective diversity management.

Cultural and D&I Implementation Practices – Literature Review

The issue of cultural differences towards D&I implementation practices may be analysed from various angles. First, there is the business context – the approach towards and initiatives undertaken in the D&I area by every organization operating in a particular country and its culture. The second area is related to national law and government policy in general, i.e. the broadly understood social context. According to Mor Barak (2014, as cited in Mor Barak 2015: 84) "in recent decades, many countries around the world, (…) have made significant progress through legislation and public policies toward creating a more equitable work environment". Those changes have been reflected in Constitution Acts, Codes e.g. Labour Code, other national law acts, as well as acts issued by unions and all organizations of which particular country is a member of e.g. the European Union.

In order to meet those objectives the author:

1. focuses on seven typically discussed characteristics: age, disability, ethnicity, gender, sexual orientation, race, religion or belief in the literature review,
2. presents D&I initiatives undertaken by governments and companies operating in the analysed country,
3. presents cultures of five countries (China, Japan, Malaysia, Poland, the United Kingdom), which were the subject of own research and one additional country (the US) as "concept of diversity management initially evolved and developed" (Vassilopoulou et al. 2013: 1) (Table 1),
4. adds a brief historical/social context to country's description whenever necessary for understanding phenomena taking place in the D&I area in a particular nation.

The cultures of the analysed countries are described based on 6 Hofstede cultural dimensions. According to Hofstede's concept every country can be located between extremes of each presented dimension (Hofstede 2001). Dimensions represent "independent preferences for one state of affairs over another that distinguish countries from each other": [3]

- individualistic/collectivistic – "the degree of interdependence a society maintains among its members",[4]
- masculine/feminine – masculine societies are driven by success, while for feminine societies dominant values are caring for other and quality of life,
- uncertainty avoidance – "the extent to which the members of a culture feel threatened by uncertain or unknown situations" (Hofstede 2001: 15),
- power distance – "the extent to which the less powerful members of institutions within a country expect and accept that power is distributed unequally" (ibidem: 13),
- time perspective – "it describes how every society has to maintain some links with its own past while dealing with the challenges of the present and future",[5]
- indulgence restraint – "the extent to which people try to control their desires and impulse".[6]

Table 1. Presentation of reviewed countries in terms of Hofstede cultural dimensions

Country	Cultural dimension according to Hofstede					
	Individualistic / collectivistic	**Masculine / Feminine**	**Uncertainty avoidance**	**Power distance**	**Time perspective**	**Indulgence restraint**
China	Collectivistic	Masculine	Low	High	Long-term	Restraint
Japan	Collectivistic	Masculine	High	High	Long-term	Restraint
Malaysia	Collectivistic	Masculine / Feminine	Low	High	Short-term	Indulgent
Poland	Individualistic	Masculine	High	High	Short-term	Restraint
UK	Individualistic	Masculine	Low	Low	Long-term	Indulgent
US	Individualistic	Masculine	Low	Low	Short-term	Indulgent

Source: Own elaboration based on Hofstede (2001); https://www.hofstede-insights.com/country-comparison/ (accessed 01.03.2020).

3 https://hi.hofstede-insights.com/national-culture (accessed 05.03.2020).
4 https://www.hofstede-insights.com/country-comparison/the-usa/ (accessed 05.03.2020).
5 Ibidem.
6 Ibidem.

China

Diversity and inclusion are not popular words in Chinese, thus society's interpretation of those expressions differs from the one presented by Western countries. The Chinese rather use terms such as "social integration" or "social adaptation", which aim at integrating minorities into society and assimilating differences, instead of recognizing and valuing them as it happens within inclusive actions.[7] Even though understanding what diversity exactly means varies, the Chinese seem to be aware that it is one of the most important concepts in today's world. As President Xi Jinping states: "We should reject arrogance and prejudice, be respectful of and inclusive toward others, and embrace the diversity of our world".[8] Unfortunately, Hays's[9] research shows that support for diversity exists only in the declarative sphere: 44% of the respondents believed they did not receive a job due to age, and 25% said that they were not successful in the recruitment process due to gender. The same opinion is shared by Cooke and Saini (2012), who underline that Chinese firms do not perceive diversity management as valuable, but rather as a way to avoid conflicts. Another problematic area within D&I is related to "low level of countervailing power possessed by the disadvantageous groups" (Cooke 2011b; as cited in ibidem: 17).

According to a report developed by Constellations International[10] the following initiatives for diversity management undertaken by companies operating in China are worth mentioning: diversity workshops for managers and management trainees in L'Oreal, a mentoring programme in Sodexo, a welfare plan for same-sex couples in IBM, as well as employment and job-seeking training for disabled individuals by Xiaolongbao (a design agency).

Japan

According to literature, the Japanese culture is highly homogenous, with a tendency to set strong barriers in terms of behavior, ways of thinking, and consequences of not obeying the unwritten law (Wziątek-Staśko 2012). This is coherent with observations made by two other researchers: Japan's citizens tend to be less tolerant towards ambiguity[11] hence they prefer their environment to be structured and "maintain harmony in society and the universe" (De Mente 1993: 1). Similarly to Chinese, in Japanese

7 http://www.constellations-international.com/wp-content/uploads/2016/07/Diversity-and-Inclusion-in-Chinese-Workplace.pdf (accessed 07.03.2020).
8 http://www.xinhuanet.com/english/2018-11/17/c_137613904.htm (accessed 10.03.2020)
9 https://www.hays.com.my/DIreport/index.htm (accessed 10.03.2020).
10 http://www.constellations-international.com/wp-content/uploads/2016/07/Diversity-and-Inclusion-in-Chinese-Workplace.pdf (accessed 11.03.2020).
11 http://www.lib.tezuka-gu.ac.jp/kiyo/nTEZUKAYAMAGAKUIN-UNI/n6PDF/n6Berglund.pdf (accessed 07.03.2020).

there is no single word for "diversity"; in fact, there are at least three different words: 多様性 – tayōsei ("diversity", but with a "variety" connotation), 異質性 – ishitsusei ("diversity", but with associations with "differences"), and ダイバーシティ – daibāshiti, which as a non-Japanese origin word is the least popular (McDonald 2008: 3).

Japan is a No 1 country struggling with labour shortage (Ganelli, Miake 2015). Therefore it is surprising that most decision-makers in Japanese companies still believe that women should quit work in order to raise their children and due to that rarely promote them as well as sap their career motivations (Nakagawa 2015). Hence, only 0.9% of board members in the country are women, which is the second lowest ratio among the studied countries.[12] The government has actively addressed the issue of labour shortage by encouraging older employees to stay in the workforce (for example by introducing General Principles Concerning Measures for the Aged Society,[13] and increased the pension eligibility age from 62 to 65) (Kashiwase, Nozaki, Tokuoka 2012), yet there are still few initiatives aimed at combating ageism (Grünschloss 2011). An analysis of the Japanese culture and actions undertaken in the D&I area bring a perplexing conclusion. It seems that the country perceives diversity as a solution to the demographic problems, rather than a concept which leads to a broad range of social, cultural, and business benefits. Nevertheless, even if the process of replacing outdated but deeply rooted traditional habits is a great challenge (Vaszkun 2013), companies have to undergo an organizational transformation – mostly due to the pressure from foreign competition (Nakagawa 2015).

Malaysia

While analyzing the concept of D&I in the Malaysian society it is worth mentioning those focused on counteracting discrimination towards Bumiputera, who are the indigenous inhabitants of the country. In the 1970s, the government introduced policies which aimed at favouring Bumiputera in order to create opportunities and defuse interethnic tensions (Khoo 1997). Unfortunately, although at first it seemed like an action supporting members of the disadvantaged group,[14] it proved to be the beginning of discrimination towards non-Malay citizens. Consequently, in 2018 the country did not ratify the United Nations convention, International Convention on the Elimination of All Forms of Racial Discrimination.[15] Another important fact is related to potential actions supporting the LGBT community, which are strictly prohibited since homosexuality is illegal in Malaysia. This leads to the conclusion

12 https://images.forbes.com/forbesinsights/StudyPDFs/global_diversity_rankings_2012.pdf (accessed 09.03.2020).

13 https://www.mofa.go.jp/j_info/japan/socsec/aging.html (accessed 09.03.2020).

14 https://plato.stanford.edu/entries/affirmative-action/ (accessed 06.03.2020).

15 https://www.nst.com.my/news/nation/2018/11/434078/why-malaysia-backpedalled-icerd-ratification (accessed 06.03.2020).

that the country is not open towards diversity, which is confirmed by Hays's report,[16] according to which 48% of respondents believed that challenging cultural norms would have a disadvantageous impact on their career development.

With all the social and legal struggles notwithstanding, corporations operating in the country are making strong efforts to promote the D&I area in their internal environment. PwC declares to put emphasis on employees' competencies in every day work, instead of any personal characteristics such as religion, gender, race, age or disability.[17] The company tries to achieve this by, for example, organizing awareness sessions, Living Library meetings (experience sharing) and "Blind Lunches" to let individuals understand the challenges of visually impaired. Shell has introduced three programmes for women aimed at career development and organizes assignments in different countries and roles for minorities.[18]

Poland

In Poland the first efforts in the D&I area were made in 1980 along with ratifying the Convention on the Elimination of All Forms of Discrimination against Women issued by the United Nations. The document obliged the Polish government to ensure human rights equality regardless of gender by taking necessary steps (including legal) in areas such as education, employment, and healthcare (Wziątek-Staśko 2012). In order to support religious freedom, the country laid down provisions under the new bill in 1989. It states that no one may be discriminated or privileged due to their religion (article 6, paragraph 1).[19] One good example of another legal regulation is a country-specific recommendation related to women's participation in the labour market which was given by the EU to eight member states, including Poland, related to increasing participation of women in the labour market, lowering the high gender pay gap, ensuring the availability of formal childcare, as well as "reducing tax-benefit disincentives for second earners".[20] Hence, it can be said that in terms of legislation Poland secures the rights of minorities and social groups, which may be discriminated.

In Poland most activities aimed at promoting the D&I area are related to gender, age and disability, with rather few initiatives within ethnicity, religion and sexual

16 https://www.hays.com.my/DIreport/HAYS_1995946 (accessed 10.03.2020).
17 https://www.pwc.com/my/en/aboutus/diversity-index.html (accessed 10.03.2020).
18 https://www.shell.com.my/careers/shell-commitment-to-diversity-inclusion/shell-malaysia-a-diverse-and-inclusive-culture.html (accessed 10.03.2020).
19 http://odpowiedzialnybiznes.pl/wp-content/uploads/2019/03/R%C3%B3wne-traktowanie-ze-wzgl%C4%99du-na-wyznanie-w-zatrudnieniu.pdf (accessed 07.03.2020).
20 http://odpowiedzialnybiznes.pl/wp-content/uploads/2019/03/annual_report_ge_2019_en.pdf (accessed 28.02.2020).

orientation.[21] Probably the lack of actions promoting the mentioned minorities is a result of a strong belief in stereotypes among Poles, and (using a term developed by Hofstede) their specific mental programming. Many business people state that Poland is not yet ready for introducing initiatives in those areas – it should be definitely perceived as one of the main challenges to be faced by organizations operating in Poland. Literature review results are reflected in practice. Companies provide employees with opportunities for developing their competencies regardless of their personal characteristic (Leśniowska, Andrejczuk 2016), organize training sessions on how to cooperate with the disabled (Morawska-Wilkowska, Krajnik, Remisko 2009), implement mentoring programmes thanks to which young individuals are able to easily gain knowledge from more experienced colleagues, and assign new tasks to older employees in order to let them acquire new skills (Lisowska, Sznajder 2013). What is more, companies verify the gender balance ratio, paying attention to providing equal professional opportunities to men and women[22] and striving to minimize gender pay gap (Klonowska 2014).

United Kingdom

The British society is characterized by a vibrant diversity mostly due to the country's colonial past and current demographic changes, such as ageing population or feminization of the labour market (Roper, Tatli 2014: 266). Being aware of the importance of D&I, the government ensured the presence of regulations protecting minorities on the ground of age, sexual orientation disability, gender, race, ethnicity, religion and belief (Equality Act 2010[23]). Legislation is a crucial issue in the UK; studies show that initiatives undertaken by organizations (operating in both public and private sector) are driven by legal compliance (Tatli 2010).

One of the first companies promoting the D&I area in the UK was Hewlett-Packard, which formed employee networks promoting gender diversity (e.g. women's lunch-time speaker series) in early 1980s, and introduced a diversity management training in 1992. With time, such initiatives started to become more creative; for example, a Bristol company hired a team of professional actors to produce a film about diversity management in a "light-hearted vein" (Brimm, Arora 2001: 116). Nowadays, British companies make even stronger efforts to promote D&I area, both in their local and global entities. In 2017 Tesco launched a broad campaign called "Everyone's welcome", which supported diversity among their clients and

21 https://ngoteka.pl/bitstream/handle/item/54/Zarzadzanie_roznorodnoscia_w_Polsce_FOB.pdf?sequence=1 (accessed 09.03.2020).

22 https://ngoteka.pl/bitstream/handle/item/54/Zarzadzanie_roznorodnoscia_w_Polsce_FOB.pdf?sequence=1 (accessed 28.02.2020).

23 http://www.legislation.gov.uk/ukpga/2010/15/contents (accessed 10.03.2020).

raising awareness of their employees.[24] Internally, the company organized a set of training sessions during which individuals discussed ways of enhancing diversity, shared information on minorities, and created diversity action plans for each shop. Additionally, employees with different religion/belief can use flexible work time in order to celebrate religious events (Wziątek-Staśko 2012). More and more companies are deciding to implement internal diversity management policies, which not only shows the values important for those organizations, but serves as a guideline for employees. For example, in BP's Code of Conduct[25] one may find statements underlining the importance of drawing strength from diversity, respecting all people regardless of their personal characteristics, ensuring fair treatment and providing equal opportunities.

United States

The first discussions on diversity management in US, which occurred in the 1950s, were related to concerns regarding how to effectively manage multinational teams with the use of contemporary communication technologies (McKeena, Beech 2002). Since then, the country has gone a ling way, becoming one of the most advanced in successful counteracting against discrimination and deriving benefits from diversity. The role of legislation and policies in those efforts should be stressed, such as Equal Pay Act of 1963, Age Discrimination in Employment Act of 1967, Americans with Disabilities Act of 1990, and federal Equal Employment Opportunity and Affirmative Action standards, according to which each organization's non-compliancy should result in severe financial sanctions (Vassilopoulou et al. 2013).

Despite strong legal support for diversity by the government, US companies quite often introduce their own codes of conduct aiming at showing values by which they are driven in the D&I area (Johnson & Johnson *Our Credo*[26]). Those values are as well presented by organizations with a higher coherency with modern, digitalized world e.g. by creating diversity promoting videos (Apple).[27] When it comes to internal initiatives aiming at reinforcing D&I, US companies regularly verify their percentage ratios of minorities, undertake activities to minimize pay gap around the globe, partner with e.g. minority-serving institutions, offer student camps to ethnic minorities (Bohlander, Snell 2004), and advocate on behalf of the LGBTQ+ community. The most popular US trend in enhancing diversity is to leverage diversity

24 https://www.thedrum.com/news/2018/11/06/tesco-reprises-everyone-s-welcome-campaign-it-worked-us-last-year (accessed 04.03.2020).

25 https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/who-we-are/our-values-and-code-of-conduct/bp-code-of-conduct-english.pdf (accessed 04.03.2020).

26 https://www.jnj.com/credo/ (accessed 04.03.2020).

27 https://www.apple.com/diversity/ (accessed 04.03.2020).

management to acquire a competitive advantage inter alia by reducing risks of discrimination lawsuits and improving general corporate image (Kossek et al. 2006).

Research

The aim to the study was to analyse a major IT company – 7th largest IT service provider in the world, employing over 140,000 people (391 different nationalities) in over 77 locations – in terms of diversity and inclusion practices. The company was set up in Japan, which means that its roots are placed in a culture which is characterized by little openness. One of the organization's main strategic goals is to promote respect and equal opportunities to all employees regardless of their personal characteristics. It states that diversity is a source and driver of innovation. Initiatives undertaken in the D&I area have been analysed in 9 of the company's locations: China, Costa Rica, India, Japan, Malaysia, Poland, Portugal, Russia, the United Kingdom. Although the mentioned practices were mostly embedded in the professional environment, occasionally they concerned the organization's close environment, such as local communities. The list of specific actions undertaken by the company in different countries and different D&I areas is presented in Table 2.

Table 2. Initiatives for promoting the D&I area in different countries

China	
• Posters raising employees' awareness of disability	Disability
• Mixed gender outdoor sports	Gender
• Campaign informing about human rights especially from the perspective of minorities	Sexual orientation
Costa Rica	
• Gender equality workshops • Workshops for female employees on how to develop their careers • March against violence against women and girls	Gender
• Employees participation in a pride parade in order to show support for the LGBT community • Celebrating the International Day Against Homophobia, Transphobia and Biphobia by sharing a newsletter raising awareness	Sexual orientation
India	
• Awareness quiz about disability to help employees understand basic terminology in this area • Disability sensitization workshops in order to break stigmas and teach managers how to manage employees with disabilities • Sign language workshops in order to help employees understand how the deaf communicate	Disability

Japan	
• Pamphlet on the company's stance on the employment of people with impairments: presentation of jobs available, explanation how the company provides an affirming and individually-oriented workplace for all, details about special training programs, workplace-oriented consultations.	Disability
• Meetings for employees to engage in a discussions with LGBT individuals	Sexual orientation
• Training on human rights, distributing leaflets, hosting lectures aimed towards managers, and sending messages through the intranet	All areas
Malaysia	
• Visit to house of kids with disabilities in order to increase employees' awareness	Disability
• Gender equality survey to verify the level of women empowerment • Coding workshops for women to increase their interest in tech subjects	Gender
Poland	
• Special policies for disabled employees in terms of business trips and health and safety • Neurodiversity sessions • Human library: disabled employees sharing their stories with other employees	Disability
• Regular participation in Women in Tech summit • Workshops for girls at schools in order to increase their interest in tech subjects	Gender
• Cooperation with an NGO supporting the LGBT community in organizing lectures, marches, etc.	Sexual orientation
• Survey among employees with actions should be additionally undertaken by the company in order to promote diversity in the workplace	All areas
Portugal	
• Meeting with the representatives of NGO working with disabilities to raise employees' awareness	Disability
• Employees participation in pride parade in order to show support for the LGBT community	Sexual orientation
Russia	
• Workshop for employees to raise their awareness about disability	Disability
• Participation in Women in Tech Programme in order to bring women into technical roles • Sharing stories of female employees with regards to their daily professional challenges	Gender

United Kingdom	
• Sessions to discuss issues which the staff face with regards to disability, and how they would like to see them tackled	Disability
• Girls' Day: Inviting employees' daughters and granddaughters to take part in tech workshops in order to increase their interest in tech subjects • Actions aiming at reducing gender pay gap • Verification of female empowerment level via annual employee satisfaction and comparing year to year results • Organization of conference Women in Technology • Organization of webcasts on topics such as AI delivered by internal female experts in order to celebrate International Women's in Engineering Day	Gender
• Mentoring programme in which senior leaders are mentors for employees who are different from them in terms of personal characteristics, such as age	All areas
All above countries	
• Celebrating international day for people with disabilities by: • inviting employees to wear purple to show solidarity • broadcasting a global webcast on building a disability-friendly workplace • sharing positive stories about employees with disabilities	Disability
• Training sessions on unconscious bias and creation of inclusive job adverts in order to ensure gender balance in external and internal recruitment • Female leadership development programme, which aims at cultivating female employees personnel for future leadership and managerial positions • Informing employees on the advantages of gender diversity in the workplace: e.g. 1.4 times more revenue generation	Gender
• Celebrating World Kindness Day by encouraging all employees to champion acts of kindness to other, especially those from minorities • Video interviews with top management representatives in order to share their support for D&I practices in the company • FAQs available for employees in order to raise their awareness on disability and LGBT issues	All areas

Source: Own elaboration on the basis of data collected from company's representatives.

Most of those initiatives focus on gender and disability. Despite the fact that the company's top management declares strong support for sexual orientation diversity, it is not reflected in the number and differentiation of actions undertaken in all locations. This aspect does not concern Malaysia, in which homosexuality is illegal; only internal processes against discrimination based on sexual orientation applies in this location. There is a lack of initiatives aiming at the inclusion of minorities due to age, race and religion, and those undertaken in the area of ethnicity are not structured and subject to a proactive approach of each location's management team. In most cases each entity supports foreign employees through providing explanations

as to the country's specific rules/regulations, HR procedures, visa acquisition procedures (if necessary), information about the country's culture. The initiatives do not vary significantly across different cultures, which may result from the fact that the organization adjusted its strategy and undertaken initiatives to requirements of the fast-changing global world (promoting diversity), rather than to the culture of their country of origin. Most certainly only this kind of approach provides the possibility to draw clients' attention, to cooperate with stakeholders from all over the world, and to successfully build competitive advantage as a result.

Conclusions

According to the literature review, approaches (including practices) towards D&I vary significantly across cultures. The first area in which differences may be observed is language. Western countries show a certain level of coherency in their understanding of "diversity", whereas in Eastern countries either different expressions are used (e.g. China), or words which seem to have the same meaning in fact inspire different connotations (e.g. Japan). Disparities across cultures also occur in legal regulations, mostly in terms of minorities, which is related to a particular country's history and values. As presented above e.g. the Malaysian LGBT community is not supported by the government, while in the US, 21 states, the District of Columbia and two territories (Guam and Puerto Rico) have laws which prohibit discrimination based on sexual orientation and gender identity.[28] What is more, the differences arise from the cultural "profile" of a nation. While analysing countries' cultures through Hofstede's dimensions it is clear that collectivistic cultures and those with high power distance (China, Malaysia, Japan) create a less enhancing environment for minorities than those which are perceived as individualistic and has low power distance (the UK, the US). Finally, there is the question of demographics: the more homogenous, the less open to diversity. Such societies tend to perceive differences among people as a threat rather than source of potential advantages. Chinese "social integration" is a good example of a response to diversity, which unfortunately does not aim at deriving benefits, whereas the heterogeneous and multicultural US nation is oriented towards taking advantage of this state (e.g. by elevating company's performance and consequently revenue). All countries' representatives as well as companies' representatives declare the importance of diversity and inclusive actions in today's world, although this is not always reflected in the practice.

On the contrary, the present research shows that approaches towards and practices undertaken in the D&I area within the analyzed company's entities do not vary significantly. This is in line with the literature review only to some extent.

28 https://eu.usatoday.com/story/news/nation/2019/10/08/lgbt-employment-discrimination-half-of-states-offer-no-protections/3837244002/ (accessed 08.03.2020).

Organizations presented in this chapter may be classified as international corporations. The strategies of the "big players", such as BT, Apple, BP, mirror the necessity of promoting the D&I area and each company's entity is obliged to keep a certain level of coherency and reflect the provisions of strategies in daily actions. Most often top management makes the decision to appoint a Diversity Manager, Diversity Lead or even the steering committee, who are supposed to harmonize practices implemented in the D&I area in all locations. Even if differences are not visible in the business context, they definitely exist in the social one.

Those reflections lead us to research limitations. In order to provide a deeper exploration of the subject, additional research in companies operating locally should be made. Apparently, the lack of global regulations applied in particular organization may be a sine qua non for noticing cultural differences in a practical approach towards the D&I area in the business context. The question arises: what will impact those companies more – business requirements of the modern world or firmly rooted culture? Research into a comparison of D&I practices in different local companies may bring interesting conclusions.

References

Aigner, P. (2014), *Ethnic Diversity Management in Theory and Practice*. "Journal of Diversity Management", vol. 9, No. 2, pp. 111–120.

Bassett-Jones, N. (2005), *The Paradox of Diversity Management*. "Creativity and Innovation Management", vol. 14, No. 2, pp. 169–175.

Bohlander, G. W., Snell, S. (2004), *Managing Human Resources.* Mason: Thomson / South–Western College Publishing.

Brimm, L., Arora, M. (2001), *Case: Diversity Management at Hewlett-Packard, Europe*. In: M. H. Albrecht (ed.), (2001), *International HRM. Managing Diversity in the Workplace.* Malden: Blackwell Publishers Inc.

Brock, P., Sanchez, J. L. (1996), *Outcomes of Perceived Discrimination among Hispanic Employees: Is Diversity Management a Luxury or a Necessity?* "Academy of Management Journal", vol. 39, No. 3, pp. 704–719.

Cooke, F. L., Saini, D. S. (2012), *Managing diversity in Chinese and Indian organizations: a qualitative study*. "Journal of Chinese Human Resource Management", vol. 3, No. 1, pp. 16–32.

De Mente, B. L. (1993), *Behind the Japanese bow: An in-depth guide to understanding and predicting Japanese behavior.* Chicago: Passport Books.

Esty, K., Griffin, R., Schorr-Hirsh, M. (1995), *Workplace diversity. A manager's guide to solving problems and turning diversity into a competitive advantage.* Avon: Adams Media Corporation.

Ganelli, G., Miake, N. (2015), *Foreign Help Wanted: Easing Japan's Labor Shortages*. "International Monetary Fund Working Paper", No. 15/181.

Grünschloss, C. (2011), *The business case of diversity: A Japanese-German comparison*. "Intercultural Communication Research Review", 23, pp. 189–214.

Hanappi-Egger, E., Köllen, T., Mensi-Klarbach, H. (2007), *Diversity Management: Economically Reasonable or "Only" Ethically Mandatory?* "International Journal of Diversity in Organisations, Communities and Nations", vol. 7, No.3, pp. 159–167.

Healey, J. F., O'Brien, E. (2014), *Race, ethnicity, gender & class: The sociology of group conflict and change.* Thousand Oaks: SAGE Publications.

Hofstede, G. (2001), *Differences and Danger: Cultural Profiles of Nations and Limits to Tolerance*. In: M. H. Albrecht (ed.), *International HRM. Managing Diversity in the Workplace.* Malden: Blackwell Publishers Inc.

Ingram, D. (2011), *Advantages and Disadvantages of Diversity in Workplace.* Houston: Houston Chronicle.

Kandola, R., Fullerton, J. (1998), *Diversity in action: Managing the mosaic*. London: CIPD Publishing.

Kashiwase, K., Nozaki, M., Tokuoka, K. (2012), *Pension reforms in Japan*. "International Monetary Fund Working Paper", vol. 2012 (285).

Khoo, B. T. (1997), *Democracy & Authoritarianism in Malaysia since 1957: Class, Ethnicity & Changing Capitalism*. In: A. Laothamatas (ed.), *Democratization in Southeast and East* Asia. Singapore: Institute of Southeast Asian Studies.

Klonowska, M. (2014), *Zarządzanie różnorodnością – prawo i praktyka*. "Analiza Tematyczna", No. 1, Forum Odpowiedzialnego Biznesu.

Kossek, E. E., Lobel, S. A., Brown, J. (2006), *Human Resource Strategies to Manage Workforce Diversity: Examining "The Business Case"*. In: A. M. Konrad, P. Prasad, J. K. Pringle (eds), *Handbook of Workplaced Diversity.* Thousand Oaks: Sage Publications.

Langdon, D. S., McMenamin, T. M., Krolik, T. J. (2002), U*.S. labor market in 2001: Economy enters a recession*. "Monthly Labor Review", vol. 125, pp. 3–33.

Leśniowska, E., Andrejczuk, M. (2016), *Łączy nas różnorodność. Przewodnik po Karcie Różnorodności*, Forum Odpowiedzialnego Biznesu Warszawa, https://odpowiedzialnybiznes.pl/ (accessed 27.02.2020).

Lisowska, E., Sznajder, A. (2013), *Zarządzanie różnorodnością w miejscu pracy, Raport z I edycji Barometru Różnorodności*, http://www.diversityindex.pl/ (accessed 10.04.2017).

Lorbiecki, A., Jack, G. (2000), *Critical Turns in the Evolution of Diversity Management*. "British Journal of Management", vol. 11, pp. 17–31.

Martin, G. (2014), *The Effects of Cultural Diversity in the Workplace*. "Journal of Diversity Management", vol. 9, No. 2, pp. 89 – 92.

McDonald, D. M. (2008), *Understanding Diversity Management in Companies in Japan: Preliminary Approaches in Applying Grounded Theory. Institute of Business Research, Daito Bunka University*. "Research Papers", E-46, pp. 1 – 32.

McKeena, R., Beech, N. (2002), *Human Resources Management*. Edinburgh: Pearson Education Limited.

Mor Barak, M. E. (2015), *Inclusion is the Key to Diversity Management, but what is Inclusion?* "Human Service Organizations: Management, Leadership & Governance", vol. 39, pp. 83–88.

Morawska-Wilkowska, A., Krajnik, A., Remisko, B. R. (2009), *Firma – różnorodność, zrozumienie, poszanowanie, zarządzanie*, Forum Odpowiedzialnego Biznesu, http://www.sob.edu.pl/wp-content/downloads/broszura_roznorodnosc.pdf (accessed 10.04.2017).

Nakagawa, Y. (2015), *The Gender Diversity – Firm Performance Relationship by Industry Type, Working Hours, and Inclusiveness: An Empirical Study of Japanese Firms*. "Journal of Diversity Management", vol. 10, No. 1, pp. 61–78.

Patrick, H. A., Kumar, V. R. (2012), *Managing Workplace Diversity: Issues and Challenges*. "SAGE Open, April–June", pp. 1–15.
Pitts, D., Hicklin, A., Hawes, D., Melton, E. (2010), *What Drives the Implementation of Diversity Management Programs? Evidence from Public Organisations*. "Journal of Public Administration Research and Theory", vol. 20, No. 4, pp. 867–886.
Raatikainen, P. (2002), *Contributions of multiculturalism to the competitive advantage of an organisation*. "Singapore Management Review", vol. 24, pp. 81–88.
Roberson, Q. R. (2006), *Disentangling the Meanings of Diversity and Inclusion in Organizations*. "Group & Organization Management", vol. 31, pp. 212–236.
Roper, I., Tatli, A. (2014), *Recent developments in the equality and diversity agenda in the UK: the "big society" under austerity*, [in:] A. Klarsfeld (ed.), *International Handbook on Diversity Management at Work. Country Perspectives on Diversity and Equal Treatment*. Cheltenham: Edward Elgar Publishing Limited.
Syed, J., Tariq, M. (2017), *Global Diversity Management* https://www.researchgate.net/publication/323004237_Global_Diversity_Management (accessed 01.03.2020).
Tatli, A. (2010), *Discourses and practices of diversity management in the UK*. In: A. Klarsfeld (ed.), *International Handbook on Diversity Management at Work: Country Perspectives on Diversity and Equal Treatment*. Cheltenham: Edward Elgar Publishing.
Vassilopoulou, J., Da Rocha, P., Seierstad, C., April, K., Özbilgin, M. (2013), *International diversity management: Examples from the USA, South Africa and Norway*. In: B. Christiansen, E. Turkina, N. L. Williams, *Cultural and Technological Influences on Global Business*. Hershey: IGI Global.
Vaszkun, B. (2013), *Managers can also resist changes — Can we deal with this? An exploratory study from Japan*. "Journal of Enterprising Culture", vol. 21, No. 4, pp. 447–493.
Wrench, J. (2007), *Diversity Management and Discrimination: Immigrants and Ethnic Minorities in the EU*. London: Ashgate Publishers.
Wziątek-Staśko, A. (2012), *Diversity management. Narzędzie skutecznego motywowania pracowników*. Warszawa: Difin SA.

Key Terms and Definitions

Culture – set of core values applicable in a given community which shape the way that a group behaves and communicates.
Cultural differences – differences between one set of values and others which may have inter alia a geographical, religious, national and historical background. They can lead to an unintentional conflict through misunderstanding and misinterpretation of intentions.
Diversity – presence of different human features among people who belong to one community.
Diversity management – shaping within a community a respectful culture towards others in which members can cooperate successfully beyond differences at every level (political, national, religious, geographical, etc.).
Inclusion – set of activities which aim at ensuring that all people, especially minorities, have equal rights and opportunities.

Autobiographical Note

Marta Borkowska – Fourth year PhD student at the Faculty of Management, University of Lodz. M.A. in Psychology (2014). Her doctoral research focuses the HR processes maturity and overall HR effectiveness. She works as an HR Business Partner for a multinational IT company.
ORCID ID: https://orcid.org/0000-0002-6399-2882

Chapter 9
Culture and Performance Appraisal Processes and Practices: Critical Insights from the South African Public Sector

Tyanai Masiya[1]
University of Pretoria, South Africa
Herbert Kanengoni[2]
University of Pretoria, South Africa
https://doi.org/10.18778/8220-533-6.10

Abstract

This chapter provides an insight into culture and performance appraisal practices and processes in the South African public sector. Performance appraisal is an element of performance management – a relatively new phenomenon in many African countries, which depends on western-oriented reform initiatives and is becoming increasingly more popular. Literary discussions about cultural influences on performance appraisals in South Africa and some African countries are limited. Performance appraisal is a complex process whose outcomes are used for decision-making in an organisation – to improve employee performance. This chapter concludes that many African practices, attitudes and customs affect the effective use of performance appraisals in improving employee performance in the public sector. The chapter contributes to findings regarding cultural influences on performance appraisal in the South African public sector and the African public sector in general.

Keywords: culture, performance appraisal, public sector

1 Faculty of Economic and Management Sciences, School of Public Management & Administration, Email: tyanai.masiya@up.ac.za.
2 University of Pretoria, Faculty of Economic and Management Sciences, Department of Human Resource Management, Email: Herbert.kanengoni@up.ac.za.

Introduction

Performance appraisals represent one of the most important human resource (HR) processes, which can either boost or reduce the effective functioning of an organisation at large. Despite the intense awareness of the difficulties associated with performance appraisal processes and practices, it is interesting that most companies and public-sector organisations have some kind of a formal appraisal system. Managers argue that, in the absence of a carefully structured system of appraisal, individuals judge the work performance of others (including that of employees) naturally, informally and arbitrarily, which leads to inconsistencies. According to Chen (2011: 32), without a reliable performance appraisal system, the HR system falls apart, resulting in a total waste of valuable human assets an organisation has.

Performance appraisal is one of the important components of the public-sector HR function. Organisations have used various terms to describe performance appraisal, including performance review, annual appraisal, performance evaluation, employee evaluation, and merit evaluation (Swanepoel, Botha and Mangonyane 2014). According to Erasmus et al. (2005: 268), performance appraisal refers to a formal and systematic process where job-relevant strengths and weaknesses of employees are identified, observed, measured, recorded and developed. It is thus regarded as "a formal structured system of measuring and evaluating an employee's job-related behaviours and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively for the benefit of the society" (Kline and Sulsky 2009: 389).

This definition indicates that performance appraisal is a key element of HR management, and it encourages organisational effectiveness and employee retention and growth. The definition also outlines the key participants of a performance appraisal process: the managers who are responsible for evaluating (rater and appraiser) and the employees who are evaluated (ratee or appraise). It may be expected that the attitude of the judge and the one being judged differs towards the appraisal process, which explains why some individuals have negative sentiments towards performance appraisals. Individuals' perceptions of performance appraisals in the public sector regarding utility, fairness, ethics, motivation, accuracy, validity and developmental aspects have been a controversial issue (Walsh 2003:29).

Research has shown that the use of individual-based merit performance appraisal practices has a positive impact on organisational outcomes (Crawley, Swailes and Walsh 2013: 188). The information obtained through individual-based merit performance appraisal practices supports recruiting and selecting new staff, and training and developing existing staff as well as encouraging employees to keep high quality of work by properly rewarding good performance (Chen 2011: 32). The two primary purposes of performance appraisals, therefore, are evaluation and development (Lee 2020:1).

Despite such sound benefits of performance appraisal, its implementation in the South African public sector has been fraught with challenges. A study conducted by the University of Stellenbosch Business School presented a bleak picture of the way employee performance is managed and rewarded (Swanepoel, Botha and Mangonyane 2014). This necessitates further investigation into factors affecting the system and how it can be improved given its centrality to improving service delivery in the public sector.

Furthermore, research and experience have received some criticism concerning public-sector performance appraisals. The administration of the appraisal system originated from and is controlled by a single central source, implying that individual departments cannot deviate from the rules set out in the public-service staff code. Researchers have also indicated that public-sector performance appraisals are influenced by culture (Karyeija 2012). Therefore, in order for performance appraisals to be successfully introduced, culture needs to be taken into consideration. This is because institutions or systems imposed from the centre or abroad (even democratic ones) do not take root by themselves – they need fertile soil, and cultural values and norms compatible with performance appraisals may be that soil (Baldersheim, Jamil and Aminuzzaman 2001: 52). However, in the South African context, research on culture and performance appraisals is generally limited and more studies are required to understand them.

In light of the above, this chapter provides insights into culture and performance appraisal processes and practices adopted by the South African public sector. The chapter explores how the dimensions of culture, as described by Hofstede (2001), can explain performance appraisal practices in the public sector.

This chapter is based on a qualitative research methodology, a case study, and document analysis. The strength of the qualitative approach is that it provides depth and detail: it looks deeper than analysing ranks and counts by recording attitudes, feelings and behaviours (Miles and Huberman 1994: 6). A case study design was adopted in order to provide an intensive investigation of the South African public service. It allows the collection of a lot of detail which would not normally be easily via other research designs (Baxter and Jack 2008). Additionally, document analysis was used to draw information from a broad variety of rich sources and in the process, saving on the resource and time constraints of primary data collection techniques (Doolan and Froelicher 2009: 13). Documents, such as institutional reports, surveys, public records and books, were reviewed and analysed to interpret, derive meaning from, and obtain knowledge about culture and performance appraisal processes and practices in the South African public sector.

The second section explains the background and context of performance appraisal processes and practices in the South African public sector, the third analyses the related contemporary performance appraisal issues, as well as the influence of culture on performance appraisal processes and practices. The final section provides a conclusion and recommendations.

Background

The public sector is important in African countries as it determines the performance and development of the economy (Lekorwe 2010: 3). As a result, the performance of the public sector is one of the key topics in African public administration research today (Pollit and Bouckaert 2004:2). Twenty-first century Africa has been characterised by deliberate changes in political, economic, bureaucratic and other spheres of government to achieve their development goals more effectively and efficiently (Little 2014: 1).

It is in this context that in the last two decades, following the fall of apartheid, South Africa has needed to modernise the public service, which had become outdated due to international isolation (Cameron 2015: 135). It is still in a constant state of change and experimenting with numerous public-sector reforms. In the last two decades, public-sector reforms have become an important aspect for the government.

As a part of public-sector reforms, public management labelled "New Public Management" (NPM) has been emphasised. According to Msiska (2015), NPM recognises that public-sector HR management is vital to governance as it ensures that the sector can achieve success through its people. Therefore, systematic attention to public sector HR management is central to successful public administration in African countries. It is a critical element in the government's efforts to deliver services ethically and successfully.

The South African public service framework of HR management is enshrined in the national Constitution and the Public Service Act. These provide the institutional arrangements and regulations for the administration and management of the public service, as well as the values and principles adopted to manage employees (Public Service Commission 2010: 2). The Public Service Commission is charged with the responsibility of HR management. It is responsible for ensuring that the merit principle is observed in public appointments and promotions, and that the public service is protected from patronage and unsuitable or unlawful political interferences and appointments (Msiska 2015).

One area that has been of prominent concern for the NPM is improving practices and techniques of the HR management system of the civil service. According to Tamirisa and Duenwald (2018: 29), these changes were introduced to reduce overstaffing, improve employee performance, reduce the wage bill, as well as introduce productive HR practices, such as HR development strategies and better HR planning strategies, to strengthen the professionalism of the overall public-sector practices. According to Olufemi (2014: 88), an "organisation's success depends on how people are viewed and treated and how they, in turn, view the organisation and behave towards it". Manu (2004) argues that under current ongoing reforms in the public sector, where government agencies are required to be results-focused (as opposed to process-driven) and customer-service-oriented, effective HR management within the public sector becomes a very important governance tool. One of the most prominent practices and techniques of an HR management system introduced is the performance appraisal system.

Contemporary Performance Appraisal Issues in the South African Public Sector

For many years, the purpose of performance appraisal – a dimension of the broader performance management process – involved assessing training needs, improving current performance, assessing future potential, making career-planning decisions, setting performance objectives and assessing salary increases. The focus shifted and, currently, performance appraisal in the public sector is aimed at building a good relationship between the organisation and its employees. In South Africa, a recurring theme of current government initiatives is the need to demonstrate that performance is managed, measured and improved. The public-service culture places the client at the centre of service delivery. Increasingly, the public sector needs to demonstrate that public money and other resources are spent according to legal mandates and that high-quality services are rendered to clients and communities. The government needs to strengthen its focus on performance improvement and monitoring and evaluation from both a strategic and operational perspective. Performance management builds on a foundation of insight and knowledge about how the government works and what common barriers to improvement it confronts.

South Africa is still in a constant state of change. The legacy of apartheid remains a problem in some parts of the government, and the country is struggling to shake it off. Managing performance and appraisal within the public sector must therefore be seen within the broader context of building the credibility and legitimacy of the new South African state. Thus, the need to find more effective ways of coping and serving the public has been acknowledged throughout the public sector and government, and is captured in policy documents such as the Batho Pele White Paper prepared by the Department of Public Service and Administration (DPSA) (Republic of South Africa 1997b). The White Paper contains a vision for managing performance within the broader public sector. The constitution, as well as good governance principles, also lay the foundation for the basis of performance appraisal. When addressing the issue of performance appraisal in the public sector, it is important to understand what the government must do and what is expected of public servants. This can be answered by analysing the Constitution of the Republic of South Africa, Act 108 of 1996 (Republic of South Africa 1996) which stipulates that public administration should adhere to several principles:

- A high standard of professional ethics must be promoted and maintained;
- Services must be provided impartially, fairly, equitably and without bias;
- Resources must be used efficiently, economically and effectively;
- Peoples' needs must be responded to;
- The public must be encouraged to participate in policymaking; and
- The government must be accountable, transparent and development-oriented.

Using the above principles, the foundation of what is expected from the public sector is laid. Department managers use these principles as indicators to measure public performance.

Performance appraisal for the public sector is framed based on good governance (Gonzi 2019). The framework indicates that communities believe that the government should:

- Provide value for money for taxes paid;
- Curb expenditure, maladministration and extravagance;
- Be sensitive to their needs, and be civil and polite;
- Provide uninterrupted essential services;
- Expose corruption, theft and fraud; and
- Provide maximum output, or the most goods and services, at the minimum cost or least input.

Based on the above principles, the community expects that the government would encourage a way of life that promotes public interest. The public-sector performance appraisal is based on the constitution and principles of good governance.

The South African public sector adds a Performance Management and Development System (PMDS) to performance appraisal. The Republic of South Africa Public Service Commission (2018a: 1) describes the PMDS as a framework which contains the broad bounds within which departments are expected to act. The Commission further notes that the PMDS is based on assessing performance, during and at the end of a year, against a performance agreement entered into at the beginning of a performance cycle (which starts on 1st April every year). Key result areas, outputs, and standards against which employees are assessed, are agreed upon by the employee and supervisor. A list of generic management competencies – known as the Core Management Criteria – is included to assess the level of competence of employees in managerial positions.

The major purposes of performance appraisals are: first, to ensure that public servants perform their assigned roles efficiently and effectively; second, to assess the overall performance and effectiveness of development and delivery strategies adopted by different departments; and third, to ensure that scarce resources are used efficiently (O'Driscoll 1993; Umihanic and Cebic 2012).

The public sector primarily designs and implements policies and programs that aim to fulfil the government's broad social and economic development objectives. An adequate performance management system, through performance appraisal, can provide an early warning system for departments in difficulty. This enables leaders to deal with issues before they escalate. Most public-sector institutions require that a formal performance appraisal system play a leading role in the areas of development, implementation, and maintenance (Van Dijk and Schodl 2015: 716). The existence of a good performance appraisal system, including particular appraisal process in any department, can be of great value to service delivery, as well as individual growth.

Though there are guiding frameworks and specified purposes in the performance system of South African departments, the Republic of South Africa Public Service Commission (2018b: vi) identifies two key challenges within the system. The first one is the lack of regular time-specific appraisals – managers initiate appraisals of employees whenever they feel like it. The second one is that the standard policies that target the performance appraisal process are not well established among the majority of local government departments. The two challenges result in poorly administered appraisal processes which may lead to low morale and low productivity among employees. This may also result in legal ramifications caused by inconsistent performance appraisal procedures. Van der Waldt (2006) and Chen (2011: 14) highlight that the major challenges of performance appraisals in the public sector:

- The lack of a culture of productivity and quality;
- Insufficient line management support;
- Employee mistrust of the real goals of a performance review;
- Performance management systems becoming mechanistic and control-oriented;
- Dwindling enthusiasm due to long implementation periods; and
- Difficulties in linking different systems, such as the reward system and the performance management system.

The challenges in performance appraisal typically stem from technical issues in the system itself, which may include the choice of format and administrative procedure. Some of the challenges may be attributed to human issues relating to interactions between supervisor and subordinate, which is highly influenced by culture. Other general challenges include the shortage of follow-up performance appraisals. Most departments overemphasise the appraisal aspect at the expense of development. There is inadequate performance information, and inadequately maintained objectivity still exists in the majority of the departments.

Public-sector Performance Appraisal and Processes

Lussier and Hendon (2012: 265) state that performance appraisal is a continuous process by which employee performance is evaluated. Thus, performance appraisals in the South African public sector provide a means to measure employees' effectiveness and are useful in identifying potential areas where employees need development in order to meet job requirements through enhancing performance (Chen 2011: 31).

Two primary purposes of public-sector performance appraisals can, therefore, be deduced. The first one is evaluation, which is done by measuring and rating employees based on their performance. As a result, individuals can be rewarded for commendable performance or, when necessary, punished. The second one is

development, which helps managers to identify necessary skills training or professional development needs of employees. According to Chen (2011: 32):

> The information obtained through performance appraisal is providing foundations for recruiting and selecting, training and development of existing staff, and also for motivating employees by properly rewarding the performance in order to maintain good quality of work. Without a reliable performance appraisal system, the HR system falls apart, and resulting in the total waste of the valuable human assets an organisation has.

Van der Westhuizen and Wessels (2013) posit that performance appraisal in the South African public sector links up with other key HR activities, such as HR planning, probation and promotion, merit pay increases, employee training and development, and dismissals. In this regard, performance appraisals play a critical role in organisational performance.

The South African public-sector appraisal framework is embodied in several pieces of legislation. First, Section 195 of the Constitution of the Republic of South Africa, Act No. 108 of 1996 (Republic of South Africa 1996) supports good HR management and career development practices in order to maximise human potential. The constitution also makes provision for the management of performance (Hendricks and Matsiliza 2015: 125). In general, the constitution can be viewed as a guiding legal document that indicates a clear path to performance appraisal and how public-sector employees are should be appraised (Chen 2011: 62).

Second, Section 3(5)(c) of the Public Service Act, Act No. 103 of 1994 (Republic of South Africa 1994), states that performance appraisal should be provided in the public sector.

Third, the Public Service Regulations, 2001 (Republic of South Africa 2001) provides for the establishment of three performance appraisal systems in the public service to cater for, namely heads of departments, senior managers and other staff.

Fourth, the White Paper on Human Resource Management in the Public Service (Republic of South Africa 1997a) provides various principles around performance appraisals. In terms of these principles, the performance of employees should be assessed based on a work plan covering a specific period, explaining an employee's responsibilities and objectives to be achieved. Training and development options are also made available to employees. The performance appraisal is also oriented towards rewarding outstanding performance and managing poor performance. Every employee is given a copy of the assessment to promote openness and fairness.

Fifth, Chapter 13 of the White Paper on Transforming Public Service Delivery (Batho Pele White Paper) (Republic of South Africa 1997b) stipulates that HR development must put an effective appraisal system in place that emphasises staff training, the use of incentives to reward individual and team performance, and employees' promotion and career advancement based on performance. According to Mlambo (2010: 63), government departments are also encouraged to manage performance in a consultative, supportive and non-discriminatory manner.

Sixth, the Public Service Coordinating Bargaining Council Resolution No. 13 of 1998 (Republic of South Africa 1998) prescribes the items that should be included in a performance appraisal discussion:

- Key duties and responsibilities;
- Output targets for the performance agreement period;
- Dates for the performance review;
- A dispute resolution mechanism; and
- A date on which salary increments will come into effect and mechanisms for the managing/awarding of salary increases.

Finally, the Public Service Coordinating Bargaining Council Resolution No. 9 of 2000 provides the structuring of remuneration packages to be translated into a more transparent total cost-to-employer and inclusive flexible remuneration package system (Republic of South Africa 2000).

The DPSA, therefore, provides practical guidelines for the efficient and effective development and implementation of performance appraisal in order to manage employees' performance in the public sector. Public-sector managers have a responsibility to ensure that they always outline what is expected of employees, as specified in the job description. Further, managers have to appraise performance and discuss it in an appraisal interview at the end of the review period. Subsequently, employees are rewarded for good performance characterised by effective and meaningful contribution towards public-service delivery.

The success of performance appraisal is underpinned by consistent application and the constant interaction of employees with their supervisors in employment relationships. If inconsistently applied, both by managers and employees, the performance appraisal system is bound to fail.

Culture and Performance Appraisal

Despite several efforts to reform public service organisations in developing countries, tangible improvements are few and far between (Duke II and Edet 2012). In this regard, the influence and usefulness of cultural variables in the performance appraisal system such as informal norms and values cannot be underestimated. Organisational culture is one of the factors that affect the success and failure of performance appraisal (Cameron and Quinn 2006; Fekete and Bocskei 2011). An organisation's culture is thought to be a key factor affecting organisational efficiency and effectiveness (Sawner 2000). Organisational culture in this sense is defined as

> a pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has

> worked well enough to be considered valid. This has to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein 1992:12).

This description highlights that organisational culture consists of created assumptions, which are the accepted way of doing things and are passed on to new members of an organisation.

Performance appraisal in the South African public sector is affected by several dimensions. Most of these are similar to the cultural dimensions identified by Hofstede (2001), i.e. power distance, individualism/collectivism, uncertainty avoidance, masculinity/femininity and long-term versus short-term orientation. Below is an explanation of how these cultural dimensions relate to performance appraisal.

Power Distance and Performance Appraisal

The first cultural dimension identified by Hofstede (2001) that relates to the South African public-sector performance appraisal is the power distance. Power distance refers to the degree to which less powerful members of a culture will accept unequal distribution of power. In high power-distance cultures, which slightly resemble South Africa, hierarchy is rigidly adhered to. The public sector is characterised by hierarchical styles of management, and hierarchy is a major component of large power distance. Individuals in higher positions expect employees to express deep loyalty, and this has implications for the performance appraisal system (Deb 2008). In high power-distance cultures, "the ultimate grading in the performance appraisal system measures not what the individual staff member has done for the organisation but what the member has done for the manager; therefore, the appraisal becomes redundant and useless" (Karyeija 2012: 164).

Although South Africa is a moderate power-distance culture, the performance appraisal in the public sector represents characteristics of high power-distance cultures. Evidence indicates that in some departments supervisors impose goals upon their staff rather than allowing the employees to formulate their own (Gruman and Saks 2011: 127–128). This process deprives employees of owning their goals and is an unfair practice. If a performance appraisal system is to be implemented as prescribed in the guidelines, then it ought to be fair, transparent, objective and participatory.

The problem with high power-distance means that the South African public sector is less likely to use effective appraisal methods such as the 360-degree performance appraisal process, which has a positive effect on innovation and productivity but rates lower power-distance societies (Peretz, Fried and Levi 2016). In a culture with high power distance, adherence to these principles would disturb and undermine the existing power structure, interpersonal relations and the hierarchy and, therefore, render the whole process ineffective. Power distance partly arises from certain people being awarded a culturally superior status, for example, elders, men, bosses and anyone in authority.

In the South African public sector, inequality results in a questionable performance appraisal system as it relies on supervisors and employees negotiating

the subordinate's annual objectives (Karyeija 2012: 164). The difficulty extends to gender and generational differences, e.g. tension arises when a supervisor is female and she must negotiate objectives with male employees, especially when they are older than she is (Gruman and Saks 2011: 127–128). In such cases, it is common to find that the rater's decisions are not based on facts, but opinion. Young senior bosses tend to negotiate objectives with their older employees. Due to the cultural constraint that elders must be respected, the possibility of having the appraisal favour elders and other culturally superior persons is high and, eventually, this undermines the appraisal system in the public sector (Karyeija 2012: 164)

Individualism/Collectivism and Performance Appraisal

The second dimension is individualism and collectivism. Hofstede (2001) states that in an individualistic society, ties between individuals are loose and people are expected to look after themselves. In a collectivist society, people integrate into strong, cohesive groups and tend to do what is best for the group.

The South African public sector is characterised by a collectivism culture. In collectivist societies, organisations that adopt performance systems with a greater focus on individual outcomes have higher levels of absenteeism and turnover, and lower levels of innovation compared to organisations whose performance systems do not emphasise individual outcomes (Hofstede Insights 2020). The public sector's characteristics represent a collectivist culture, sincee it is more likely to use 360-degree performance appraisal processes; however, the evaluations may be too positive due to group cohesiveness (Merkin 2018). Hofstede (2001) noted that collectivistic societies emphasise interdependence among group members. In the public sector, the values of *Ubuntu* focus on group goals which are valued over individual goals, whereas in individualistic societies, the focus is on personal goals and autonomy – the group only exists to fulfil the needs of the individual (Sorensen, Reber and Chen 2009).

Individuals in a highly developed collectivist culture emphasise maintaining relationships, belonging and fitting in, engaging in proper action, and being indirect in communication (Peretz, Fried and Levi 2016). During a performance appraisal, collectivist individuals tend to think of themselves and others as intertwined rather than as separate entities; hence, they focus on maintaining harmony rather than giving honest feedback. Managers in a highly developed collectivist culture are more interested in 'saving face' and maintaining group harmony – which is the case with most public-sector head of departments in general (Sorensen et al. 2009). They may be reluctant to provide accurate and unfavourable feedback to their team members, as they may believe that it could damage working relationships and affect the team's social climate (Drexler, Beehr and Stetz 2001).

Therefore, in the public sector, performance managers provide positive evaluations to their teams. When applying 360-degree appraisal, public sector members avoid the social consequences of negative feedback by providing positive feedback. Thus, there is a positive effect on overall performance ratings in the public sector. Individualistic cultures, on the other hand, focus more on giving honest feedback

than on employees' performance. The idea is to help team members improve by providing accurate feedback (Ng 2013). This may result in an increased overall performance of the workgroup and profitability of the organisation as a whole. If the public sector provides accurate ratings and feedback to employees, this may improve subordinates' performance, which in turn may result in increased efficiency in the public sector.

Uncertainty Avoidance and Performance Appraisal

The third cultural dimension is uncertainty avoidance. This refers to the degree to which members of a culture fear the unknown or feel stressed by change and ambiguity. Organisations high in uncertainty avoidance are more likely to develop strict rules and norms – the modern work environment is characterised by general uncertainty. In cultures where there is high uncertainty avoidance, there is a strong need for precision. Unfortunately, in the South African public sector, it is very difficult to quantify the work that individuals do; thus, uncertainty avoidance is difficult to achieve. For example, in the Department of Justice and Correctional Services (South Africa), it is difficult to do a joint appraisal based on agreed indicators as the standing orders give supervisors control over a subordinate's schedule – employees must do all other tasks assigned by superiors. This leads to the possibility that employees are required to do work outside their job description, it then becomes practically impossible to appraise the person on such tasks. The appraisal system as a whole can, therefore, be considered inconsistent due to the administrative culture. It is also difficult to apply the appraisal process in an organisation where work is performed ad hoc. Unless this mismatch is managed, the performance appraisal cannot take root.

Uncertainty avoidance cultures eliminate ambiguity which, in the performance appraisal, thwarts innovation – the main purpose of the appraisal exercise. As much as guidelines and workshops measure qualitative work quantitatively, high uncertainty contexts like the public sector require high levels of specificity. Along with the problem of ambiguity, there is the problem of innovation. In high uncertainty avoidance cultures innovation is not encouraged as much; innovators within the public sector feel constrained by the rules. Radical ideas are discouraged in favour of maintaining the status quo, rendering the appraisal system less effective. This is apparent when the performance appraisal process requires a supervisor to assess a subordinate's core job competencies, and there is no provision for evaluating the level of creativity and innovativeness of the subordinate. If the performance appraisal is designed to improve efficiency and effectiveness in the public sector, it should accommodate the assessment of employee innovation, yet it focuses only on technical and behavioural competencies. In addition, high uncertainty avoidance implies an unwillingness to take risks and accept the changes the performance appraisal system would bring about if fully implemented. It seems that managers set minimal targets or easy milestones, which slows down progress and reduces the possibility for the performance appraisal to function well.

Masculinity and Femininity and Performance Appraisal

The fourth cultural dimension is masculinity and femininity. In masculine societies, such as South Africa, the for men norm is to be assertive and focused on the material. Women are expected to be tender, modest and concerned with the quality of life. In feminine societies, gender roles overlap. In masculine cultures, the expectation is that work should not only offer security and compensation but should also be interesting to the employee. Managers are expected to be decisive, firm, assertive, competitive and just. Successful managers are seen as folk heroes with solely male characteristics. Men are expected to be more competitive than women in attaining career goals, thus the appraisal system is more likely to favour men. The compensation gap is wider between the genders and fewer women hold management positions. This highlights unjust issues related to the appraisal system. Managers prefer larger companies and higher pay instead of leisure time, and they have ambitious career aspirations. Little attention is given to the development of employees. In feminine cultures, work is seen not as the focus of life but as a way to support the more important things in life. The focus of work-life is on relationships and working conditions. Managers are expected to be intuitive and sensitive to the needs and counsel of others. Successful managers are seen as employees who are just doing their jobs and who possess both male and female characteristics. Neither men nor women are expected to be competitive in attaining career goals. The performance appraisal in the feminine culture seems to be fairer when compared to the masculine one. The compensation gap between the genders narrows and more women are in management.

Long-term versus Short-term Orientation and Performance Appraisal

The fifth dimension is long-term versus short-term orientation – which is concerned with whether people focus on the future or the present. Cultures with a short-term orientation value having respect for tradition, "saving face" and fulfilling social responsibilities. This is typical of South Africa's public sector environment. In the work environment, cultures that are low in long-term orientation tend to focus on short-term results such as the immediate impact on the bottom line, which is characteristic of the private sector. They tend to keep family and business spheres separate and condone mothers of young children working. Additionally, the level a person attains both socially and economically reflects ability.

Cultures high in long-term orientation focus on building business relationships, and increasing market share and future rewards. There is vertical and horizontal coordination of work and family life, with many relationships sharing both realms. Culture plays a critical role in the performance appraisal in South African public sector; some of the cultural influence positively or negatively influence the appraisal system.

Solutions and Recommendations

Improving Performance Appraisals in the Public Sector

Assessing from the perspective of performance, currently the main difference between the public and private sectors in South Africa is that, in the public sector, time is of no consequence and money is unlimited; thus, the public sector is less efficient and less effective. The performance management system must include indicators and targets which should promote a culture or ethos of performance among its political role-players and stakeholders, including political office bearers and councillors. A comprehensive performance management system should also ensure that the public sector is administered and managed in an economical, effective, efficient and accountable manner.

One of the challenges is the rigidity of the centralised system which has resulted in a significant deterioration in morale and capacity within all elements of the public sector. Future performance appraisals should adopt a legal framework that is implementable at departmental levels, but flexible enough for departments to adjust. Thus, if the appraisal system is governed by a legal framework, then that framework should match employees' work environment and individuals' work status, and could guide employees' work assessment to meet assigned targets. Rather than using the generic system of the country or national level, the performance appraisal process should start with specific performance objectives that should be reliable and achievable in terms of departmental goals and strategies. These objectives should be designed under a comprehensive legal framework and must be goal-oriented, based on the best practiced policies and regulations for all the departments.

In the future, performance appraisal should also specify which objectives should be addressed by the different departments. This means that the assigned objectives should be subdivided into different levels and individual employees responsible for those objectives should be informed and take responsibility for these objectives. The objectives should be attainable, fair and challenging. It is important to periodically conduct process-related performance appraisals indicating how individuals fit into the picture and what contributions – according to departments' and organisations' objectives – are expected from employees. Most of the criticism around public-sector performance appraisal can be attributed to the reward system. Future performance appraisal processes should concentrate on this evaluation step, which is based on an employee's work achievement at the required time and the rewards associated with that achievement. That would increase morale for high performers as well as encourage low performers to work hard.

The Future of Performance Appraisal and Processes

The available literature indicates that several traditional performance appraisal processes have failed to meet employees' most basic needs such as receiving feedback, coaching and recognition (Society for Human Resource Management 2017: 9). In some cases, the performance appraisal process is dreaded and feared by many as

a painful paper-based annual task that is put away and revisited the following year (Adler 2016). The outdated method of conducting performance appraisals has to be put to rest. Leaders who are committed to improving business results should review their performance management process (Dominique 2016).

Future performance appraisals need to answer two important questions: Does the system support the manager-employee relationship? Does it give employees context about their work and its impact? If the public sector is to succeed, a culture of ongoing performance management that involves transforming performance management from an annual administrative task to an ongoing, collaborative strategic priority and delivering meaningful business results needs to be created.

Effective performance management is not just about appraisals, but should include ongoing coaching and feedback that drives high performance year-round. A recent study established that among organisations that properly invest in ongoing performance management reap the benefits – 70% saw revenue increase after investing in ongoing performance management, 72% reported improved retention and 54% reported a boost in customer satisfaction scores (Dominique 2016). The public sector needs to shift its approach to performance appraisal by creating a culture where regular performance feedback discussions are the norm. This would cater for the traditional performance appraisal process which is often unrelated to business outcomes and does little to build a strong manager-employee relationship. A strong relationship between the two is the key driver of employee engagement and high performance.

Instead of waiting for the annual review, it is vital to have regular, future-oriented conversations on performance with employees. Ongoing conversations and feedback assist employees in redirecting their focus from what is not working to what will work. It engages employees and empowers them to take action while at the same time empowering managers to be more effective coaches (Gallup 2008). This will help both employees and managers to grow, and constant growth guarantees performance.

There is a need to embed an ongoing performance management process alongside daily workflow. To achieve this, organisations need to drive a shift in culture; this sets new expectations around what performance management means. As indicated above, regular one-on-one meetings between managers and employees are an important step; however, it is crucial to give context to what those one-on-one conversations should look like. Leaders need work with their employees to set the agenda for discussion, which should include: tracking and collaborating on goals and projects, exchanging meaningful feedback, providing coaching, and discussing career development opportunities or important issues.

Dominique (2016) provides managers with five best practices of managing performance appraisal in future:

- *Keep a performance journal*. Managers and employees should note (when the details are fresh in their minds and as they occur) milestones, accomplishments, successes and challenges.

- *Monitor progress of goals*. Due to the modern rapid business environment, managers and employees should regularly review goals to ensure they are still relevant and to ensure there is progress towards achieving them.
- *Provide ongoing coaching and development activities*. Instead of addressing employee development annually, a better way to ensure continuous growth and improvement is to provide ongoing feedback and coaching and to assign development activities as needs arise.
- *Communicate the value of ongoing performance management to keep it at the front of one's mind*. It is vital to continually remind employees to make notes on their performance and to update the status of their goals and development activities, and to remind managers to give feedback regularly, to monitor progress towards goals and to support development.
- *Support managers with the right tools*. Regular leadership training should be provided; this will give managers the capacity and tools to provide ongoing coaching and feedback, which is critical. The future is technology; therefore, a centralised performance management system can assist managers by automating key steps such as tracking feedback, goal progress and development activities at regular intervals.

Conclusion

This chapter provided critical insights into the culture and performance appraisal practices and processes in the South African public sector. Performance appraisal is an important component of the public-sector HR function. It is a formal and systematic process used to identify job-relevant strengths and weaknesses of employees with a view to developing employees. Performance appraisal in the South African public sector is affected by several dimensions, namely power distance, individualism/collectivism, uncertainty avoidance, masculinity/femininity and long-term versus short-term orientation. In order to mitigate these challenges, the performance management system must include indicators and targets, which should promote a culture or ethos of performance among its political role-players and stakeholders, including political office bearers and councillors. A comprehensive performance management system should also ensure that the public sector is administered and managed in an economical, effective, efficient and accountable manner.

References

Adler, S., Campion, M., Colquitt, A., Grubb, A., Murphy, K., Krane-Ollander, R., and Pulakos, D. S. (2016), *Getting rid of performance ratings: Genius or folly? A debate*. "Industrial and Organizational Psychology: Perspectives on Science and Practice", vol. 9, No.1, pp. 219–252.

Baldersheim, H., Jamil, I. and Aminuzzaman, S. (2001), *Electoral Participation in Bangladesh: Explaining Regional Variations*. "Commonwealth and Comparative Politics", vol. 39, No. 2, pp. 51–72.

Baxter, P., and Jack, S. (2008), *Qualitative case study methodology: study design and implementation for novice researchers*. "The Qualitative Report', vol. 13, No. 4, pp. 544–559.

Cameron, K. S., and Quinn, R. E. (2006), *Diagnosing and Changing Organisational Culture: Based on the Competing Values Framework* (rev. ed.). Jossey-Bass, San Francisco, CA.

Cameron, R. (2015), *Public Service Reform in South Africa: From Apartheid to New Public Management*. In: Massey and Johnston (2015), *The International Handbook of Public Administration and Governance*. Edward Elgar: Cheltenham, pp. 135–157.

Chen, X. (2011), *An Assessment of the Performance Appraisal Process in the Public Sector: A Comparative Study of Local Government in the City of Cape Town (South Africa) and Hangzhou City (China)*. Master's Thesis (Unpublished), University of the Western Cape, Cape Town.

Crawley, E., Swailes, S., and Walsh, D. (2013), *Introduction to International Human Resource Management.* Oxford University Press: Oxford.

Deb, T. (2008), *Performance Appraisal and Management Concepts, Antecedents and Implication*. Excel Printers, New Delhi.

Dominique, J. (2016), *The Future of Performance Management Beyond Appraisals*. "Strategic HR Review", vol. 15, No. 2, pp. 100–102.

Doolan, D. M., and Froelicher, E. S. (2009), *Using an existing data set to answer new research questions: a methodological review*. "Research and Theory for Nursing Practice: An International Journal", vol. 23, No. 3, pp. 203–215.

Drexler Jr, J. A., Beehr, T. A., and Stetz, T. A. (2001), *Peer Appraisals: Differentiation of Individual Performance on Group Tasks*. "Human Resource Management", vol. 40, No. 4, pp. 333–345.

Duke II, J., and Edet, G. H. (2012), *Organisational Culture as a Determinant of Non-Governmental Organisation Performance: Primer Evidence from Nigeria*. "International Business and Management", vol. 4, No. 1, pp. 66–67.

Erasmus, B., Swanepoel, B., Schenk, H., Van der Westhuizen, E. J., and Wessels, J. S. (2005), *South African Human Resource Management for the Public Sector*, Lansdowne, Cape Town.

Fekete, H., and Bocskei, E. (2011), *Cultural Waves In Company Performance*. "Research Journal of Economics, Business and ICT", 3.

Gallup, G. (2008), *Empowering Engagement – Organizational Best Practices That Support Employee Engagement Initiatives*. Gallup Press: Washington, DC.

Gonzi, R. D. (2019), *Change and Continuity Management in the Public Sector – The DALI Model for Effective Decision Making*. Emerald Publishing: Bingley.

Gruman, J. A., and Saks, A. M. (2011), *Performance Management and Employee Engagement*. "Human Resource Management Review", vol. 21, No. 2, pp. 123–136.

Hendricks, C. C., and Matsiliza, N. S. (2015), *Management of Employee Performance in the South African Public Service: The Case of the National Department of Rural Development and Land Reform in the Western Cape*. "Problems and Perspectives in Management", vol. 13, No. 3, pp. 125–131.

Hofstede, G. (2001), *Culture's consequences: Comparing Values, Behaviours, Institutions and Organisations across Nations*. Sage Publications, Thousand Oaks, CA.

Hofstede Insights (2020), *What about South Africa*, https://www.hofstede-insights.com/country/south-africa/ (accessed 20.05.2020).

Karyeija, G. (2012), *The Impact of Culture on Performance Appraisal Reforms in Africa: The Case of Uganda's Civil Service*. "Asian Social Science". 8. 10.5539/ass.v8n4p159.

Kline, T. J., and Sulsky, L. M. (2009), *Measurement and assessment issues in performance appraisal*. "Canadian Psychology/Psychologie canadienne", vol. 50, No. 3, pp. 161.

Lee, L. W. (2020), *Performance Appraisal*. "Encyclopedia of Business and Finance" (2nd ed.), Macmillan Reference: New York.

Lekorwe, M. H. (2010), *The Contribution of CESPAM in Public Administration in the SADC Region*. "The Innovation Journal: The Public Sector Innovation Journal", vol. 15, No. 1, pp. 1–17.

Little, P. D. (2014), *Economic and Political Reform in Africa: Anthropological Perspectives*. Bloomington: Indiana University Press.

Lussier, R. N., and Hendon, J. R. (2012), *Human Resource management: Functions, applications, skill development*. Thousand Oaks, CA: Sage Publications.

Manu, C. (2004), *Human Resource Management and Public Sector Reforms*. https://www.modernghana.com/news/115926/human-resource-management-and-public-sector-reforms.html (accessed 12.02.2019).

Makamu, N. I. (2016), *Assessment of performance management and development system in selected South African national government departments*. PhD Thesis (Unpublished), North-West University.

McCourt, W., and Foon, L. M. (2007), *Malaysia as Model: Policy Transferability in an Asian Country*. "Public Management Review", vol. 9, No. 2, pp. 211–229.

Merkin, R. (2018), *Saving Face in Business: Managing Cross-Cultural Interactions*. Palgrave: New York.

Miles, M. B. and Huberman, A.M. (1994), *An Expanded Sourcebook, Qualitative Data Analysis,* 2nd ed., Sage Publication, London.

Mlambo, Z. L. (2010), *A performance management system in the office of the Premier of the Limpopo Provincial Government: a critical analysis.* Master's Thesis (Unpublished), North-West University.

Msiska, R. (2015), *Challenges of Human Resource Management in the African Public Service*. http://africapolicyreview.com/challenges-of-human-resource-management-in-the-african-public-service/ (accessed 10.02.2019).

Ng, R. (2013), *Cultural Intelligence*. "The Encyclopaedia of Cross-Cultural Psychology", pp. 310–313.

Olufemi, F. J. (2014), *Performance Management Systems and Productivity in the Public Sector: Wither African Public Administration*. "Africa's Public Service Delivery and Performance Review", vol. 2, No. 3, pp. 77–105.

Peretz, H., Fried, Y., & Levi, A. (2016), *Cultural Congruence and Organisational Outcomes: The Role of HR Fit and Social Tightness*. "Academy of Management Proceedings", vol. 2016, No. 1, pp. 136–137.

Pollitt, C., and Bouckaert, G. (2004), *Public Management Reform: A Comparative Analysis,* Oxford University Press, Oxford.
Republic of South Africa (1994), Public Service Act, Act No. 103 of 1994. Government Printers: Pretoria.
Republic of South Africa (1996), Constitution of the Republic of South Africa, Act No. 108 of 1996. Government Printers: Pretoria.
Republic of South Africa (1997a), White Paper on Human Resource Management in the Public Service. Government Printers: Pretoria.
Republic of South Africa (1997b), White Paper on Transforming Public Service Delivery (Batho Pele White Paper). Government Printers: Pretoria.
Republic of South Africa (1998), Public Service Coordinating Bargaining Council Resolution No. 13 of 1998. Government Printers: Pretoria.
Republic of South Africa (2000), Public Service Coordinating Bargaining Council Resolution No. 9 of 2000. Government Printers: Pretoria.
Republic of South Africa (2001), Public Service Regulations, 2001. Government Printers: Pretoria.
Republic of South Africa (2010), Assessment of the State of Human Resource Management in the Public Service. Public Service Commission: Pretoria.
Republic of South Africa (2018a), Role of Performance Management. Developmental State Conference Papers. Public Service Commission: Pretoria.
Republic of South Africa (2018b), Evaluation of the effectiveness of the performance management and development system for the public service. Public Service Commission: Pretoria.
Schein, E. G. (1992), *Organizational Culture and Leadership*. San Francisco: Jossey-Bass Publisher.
Society for Human Resource Management (2017), *Performance management that makes a difference: An evidence-based approach*. SHRM: Alexandria.
Sole, F. (2009), *A Management Model and Factors Driving Performance in Public Organisations*. "Measuring Business Excellence", vol. 13, No. 4, pp. 3–11.
Sorensen, N., Reber, R., and Chen, S. X. (2009), *Connecting and Separating Mind-Sets: Culture as Situated Cognition*. "Journal of Personality and Social Psychology", vol. 97, No. 2, pp. 217.
Swanepoel, S., Botha, P. A., and Mangonyane, N. B. (2014), *Politicisation of Performance Appraisals*. "SA Journal of Human Resource Management", vol. 12, No. 1, pp. 1–9.
Tamirisa, N. T., and Duenwald, C. (2018), *Public Wage Bills in the Middle East and Central Asia.* International Monetary Fund: New York.
Taylor, P., and O'Driscoll. (1993), *Functions and Implementation of Performance Appraisal Systems in New Zealand Organizations*. "Asia Pacific Journal of Human Resources", vol. 31, issue1, p. 20–32, https://doi.org/10.1177/103841119303100103
Umihanic, B., and Cebic, M. (2012), *Functions of the Performance Appraisal System: Analyses and their Impact on Level of Employees' Motivation*. "International Journal of Sustainable Economies Management", vol. 1, No. 1, pp. 1–16.
Van Dijk, D., and Schodl, M.M. (2015), *Performance Appraisal and Evaluation*. In: James D.Wright (editor-in-chief). "International Encyclopedia of the Social & Behavioral Sciences", 2nd edition, vol. 17, Oxford: Elsevier, pp. 716–721.
Van der Westhuizen, E., and Wessels, J. (2013), *South African Human Resources Management for the Public Sector* (2nd ed), Juta and Company, Cape Town.
Walsh, M. B. (2003), *Perceived fairness of and satisfaction with employee performance appraisal*. LSU Doctoral Dissertations. 3380. https://digitalcommons.lsu.edu/gradschool_dissertations/3380 (accessed 10.02.2019).

Key Terms and Definitions

HR [1] – Human resources, the people who make up the workforce of an organisation, industry, business sector, or economy.
HR [2] – Human resources (HR), the department within a business responsible for all things worker-related. That includes recruiting and selection, on boarding, training, promoting, performance appraisal and development of employees and independent contractors
Performance Appraisal – a formal and systematic process used to identify job-relevant strengths and weaknesses of employees with a view to develop the employees
Public Sector – also called the state sector, is the part of the economy composed of both public services and public enterprises controlled by the state

Autobiographical Note

Tyanai Masiya – Dr Tyanai Masiya is a Senior Lecturer at the School of Public Management and Administration, Faculty of Economic and Management Sciences, University of Pretoria. Dr Masiya's areas of interest include public service delivery, municipal management and citizenship and democracy. He has written extensively around issues of public service delivery. Of specific interest to his research work are institutional innovations that enhance public participation for improved service delivery.

Herbert Kanengoni – Associate Professor and Industrial Psychologist at the Department of HRM, Faculty of Economic and Management Sciences, University of Pretoria. He received a PhD degree in Industrial Psychology in 2015, and joined the University of Pretoria as Faculty member in 2015. Programme Manager of Master of Commerce in Industrial Psychology University of Pretoria. His career highlights in research and academic leadership include positions at various universities in South Africa and at Vrije University Amsterdam in the Netherlands as a visiting scholar. His is involved in expert panels dealing with people management matters. His research interests are broadly premised on positive organisational behaviour, mainly how employees use their psychological resources to persevere in stressful work environments and complexities. He is a publisher of numerous primary articles and regularly presents papers at international conferences. ORCID ID: https://orcid.org/0000-0001-8210-9146

Summary

This book collected nine chapters divided into two parts mainly to describe macro perspectives on managing diversity and HR implications of managing diversity. The book opens with a discussion of "identity" that creates the micro unit of the concept "diversity". The first chapter shows some important dimensions of realizing identity delineating the role of environment of shaping and crating identity of the self and others. Identify should be explained as a process rather than a static "being", while explaining how one can modify and shape their own identity. The way people recognise the identity of self and others, especially with the perceptions of outer social groups, leads to how diversity is defined.

The second chapter explains how identity is related to nation-level groups, by comparing behaviours of people in Finland, France, Hungary, Poland, Portugal, and Germany that have developped some European identity. This chapter is an attempt at discussing the collective European identity in the participating countries and in particular subgroups, national collective identities in the participating countries, while describing the respective collective identities and the differences between various collective identities. It then evaluates their potential effects, and the differences in perceptions of people with different cultural backgrounds. This study mainly identifies how the rural and urban factors have created the similarities and differences over behaviours in different national contexts, and has importantly shown the implications of intercultural training programmes for managing the consequences of identity differences.

The third chapter provides a theoretical basis for explaining all diversity-related matters. Definitions, concepts, models, issues of and solutions for managing diversity are presented through a targeted literature review. It is shown that available models focus on cultural diversity rather than meso and macro factors (other than micro factors), which led the researches to divert to focus on diversity management. The evolution of the concept of diversity management is a valuable exploration. The implications of diversity management in the contemporary world where the traditional landscape of viewing diversity and diversity management are changing, should lead studies into diversity and diversity management towards new directions. In this case the author differentiates between managing diversity and managing *in* diversity in a more pragmatic way, highlighting how the diversity management praxis deals with these concepts.

The discussion of how technology can replace many jobs and professions has offered a new set of challenges for HR. What if machines made decisions instead of people? Will this be another wave of tension in managing diversity? Though the authors focus mostly on application and HR-related issues, the question of diversity

including machines will open a new chapter in the story of dealing with diversity and diversity management at work. For example, in HRM, managing organisational culture matters a lot, which is bound to change when people are replaced by machines, highlighting "robot ergonomics".

The fifth chapter deals with the Arabic concept of *Wasta* to explain cultural differences in understanding social capital. The association of this concept with the social capital domain, especially in the Arab cultures, shows that diversity should be more sensitive to non-western definitions of diversity and diversity practices. This chapter offers a more geocentric approach to dealing with diversity rather than ethnocentric, which is based on the Western and European literature.

The sixth chapter elaborates on diversity by discussing how problems faced by Ukrainian workers employed in Poland can be overcome by human resource management practices. With the identification of favourable and unfavourable factors, the authors highlight the importance of developing cultural competencies and facilitations in enabling effective diversity management practices through organisational HR in Polish organisations.

Management in multicultural environments is an integral part of diversity management. The seventh chapter provides some thoughts on how leadership, cultural training, and sensitivity practices can play a role in diversity management.

The eighth chapter discusses diversity and inclusion (D&I) practices with a special reference to Hofstede's cultural dimensions. Integration of such literature in this chapter increases the availability of popular literature in the field of cultural diversity. The classifications of national cultures (countries) based on their cultural attributes make this book a good reference to all those who study diversity and diversity management.

A detailed exemplary account of an HR practice (performance appraisal process) in a different geographical location (South Africa's public secttor) adds a flavour of diversity to this book. This South African view of performance appraisal and how cultural dimensions have been undermined in their performance appraisal processes provides a comparative case for the European experience. The application of Hofstede's cultural variables in identifying cultural diversity issues in the performance appraisal reflects a profile of not only African practices, but also the experience of transitioning societies with HRM and cultural diversity management.

As the final summary of this book, the integration of experiences of authors from Western and Eastern European contexts, as well as African, Arab and Sri Lanka's contexts reflects how we value diversity. In this book, micro to macro, theory to practice, and vague to specific approaches of explaining diversity and diversity-related issues raise a series of questions for future researchers to deal with: do diversity and related literature sufficiently capture the practice of diverse geographical areas? Are there enough knowledge and theoretical directions to explain diversity, issues in diversity, and the solutions for managing them? Are the technological implications in work practices sufficiently considered in diversity management practices and theory related to diversity management? And finally, is it satisfactory to say

that innovative research and investigations are done to explore the phenomena in question in diversity and diversity management?

The editors recommend to investigate those areas while directing the scholars' attentions to studying more diversity-related practices and aspects in the practice not only in big private sector companies, but also in other small – and meso-level organisations while emphasizing the need of more studies at the national and regional levels in different geographical locations.

Udaya Mohan Devadas