The cultural diversity phenomenon in organisations and different approaches for effective cultural diversity management: a literary review

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Abstract

Purpose – To make a literary review related to effective management of cultural diversity in organisations and to systematically bring up different views put forward regarding this issue.

Design/methodology/approach – First, the literature which covers the “diversity management” and “cultural diversity management” is reviewed in detail and then tried to explore the contributors’ different views about the effective cultural diversity management approach. In the paper these different perspectives about this matter are classified.

Findings – The answer to the question of how cultural diversity should be managed effectively cannot be given easily. There are various typologies about the organisational and managerial literature. In order to be able to effectively manage cultural diversity in organisations, it is beneficial to develop a “cultural diversity management model” peculiar to the organisation by considering the positive and negative sides of different perspectives located in this study.

Research limitations/implications – Because the main aim is to make only a detailed literary review and bring up different views through a classification, there are no theoretical interpretations nor personal critiques about the writers’ different perspectives in the paper.

Practical implications – The researchers of this topic would be able to make empiric and theoretical evaluations in the frame of perspectives explored in the paper.

Originality/value – This paper will provide a contribution to cultural diversity in organisations related to its management as an anthology and will be a systematic knowledge base for researchers.

Keywords Manpower planning, Equal opportunities, Culture techniques

Paper type Literature review

Introduction

Research oriented to the unified cooperation between managers and other workers in organisations, the people coming from different cultures and the struggles to understand the similarities and differences between one another have rapidly increased (Iles, 1995; Spector et al., 2001; Smith et al., 2002; Chang, 2002:2/9). On the basis of this development, the fact that most countries now have a multicultural makeup in terms of demographical structure (Loo, 1999), the fact that the world market is integrating through globalisation and the fact that multinational corporations are becoming commonplace (Bhadury et al., 2000) are some of the underlying reasons. Attempts to standardise cross border implementations of these businesses (McGuire et al., 2002), the gradual increase of more and more businesses coming face to face with a multicultural workforce structure by departing from national boundaries and their requirements to challenge cultural obstacles in order to obtain competitive advantage are other fundamental reasons (Canen and Canen, 1999). As the world is shrinking through globalisation, more and more people live and work in foreign countries and
thus they continually come into contact with the people coming from very diversified cultural origins, involving language, norms, lifestyle, etc. (Zakaria, 2000; Montaglioni and Giacalone, 1998:1/9). Improvement and management of the people on a global scale inevitably requires dealing with cultural diversity and the problems regarding this – matters of motivation, leadership, productivity, authority, etc. (Higgs, 1996; Selmer, 2002:1/16). On this point, it can be said that the fact of cultural diversity in all organisations, ignoring national boundaries in aspect of the field of activity, possesses greater significance and meaning in comparison with domestic organisations. On the other hand, it is seen that a lot of research has been conducted, particularly in recent years, related to the dimensions of values involving business and the need to know how cultural variety in the organisational concept should be managed. However, the research brings in the different perspectives apart from each other and hence a lack of implicit agreement.

As is seen, various elements have been focused on in the texts and the fact of cultural diversity emerging from the multinational business workforce structure, particularly with globalisation, gets organisations to come across with positive and/or negative conclusions brought on by this diversity. The answer to the question of how this diversity should be managed cannot be given easily. In the relevant literature, there has been extensive discussion about managing the approaches determined by employment policies. Observing the presentation of a variety of workforce in the organisation with respect to cultural diversity as a significant richness criterion inversely approaches what adapts to single-cultural structure or different combinations. Each organisation should find ways to be able to manage cultural diversity by casting management and organisation structure and the peculiar conditions which affect and determine this structure. Firstly, it should not be ignored that the fact of cultural diversity in organisations is both an inevitable fact and great in comparison with the drawbacks of the yield. What is important is to improve the best appropriate policies decreasing the negative sides of this fact and bringing the advantageous sides in the foreground by examining them one by one.

The fact of cultural diversity in organisations

Before examining the theme of cultural diversity in organisations, it will be beneficial to generally focus on workforce diversity. Among the many environmental trends affecting organisations in recent years is the rapidly changing composition of the workforce, a phenomenon known as workforce diversity (Bhadury et al., 2000). The word “diversity” here can be defined as a mixture of people with different group identities within the same social system (Fleury, 1999). If the workforce profile in an organisation is composed of worker groups which show differences depending on demographic or other characteristics, diversity emerges. The criteria discriminating these groups include race, geographic origin, ethnicity, gender, age, functional or educational background, physical and cognitive capability, language, lifestyles, beliefs, cultural background, economic category, tenure with the organisation and sexual preference (Dessler, 1998; Galagan, 1991:1/9; Bhadury et al., 2000).

Daft (2003) examines diversity as both basic dimensions and secondary dimensions by putting it through a dual differentiation. To the writer, the basic dimensions are the ones – race, ethnicity, gender, physical or cognitive capability – which depict differences which are inborn or have influence on individuals during their life span; these are also the core elements shaping perspectives or self-images of individuals. Secondary dimensions are the characteristics which individuals have possessed...
throughout their lives; in other words, the qualities acquired later on and usually changeable. These appear less effective compared with basic dimensions and have influence on individuals’ self-identity and approach while at the same time presenting how these individuals are perceived by others. Some specifications such as individuals’ beliefs, marital status, languages, social-economic status, education level, and business experience add new dimensions both to identify themselves and to be identified by others.

During the 21st century, one of the most important trends affecting the workforce is be that of increasing diversity (Lavaty and Kleiner, 2001). Higgs (1996) also stated that one of the hot topics for the latter part of the 1990s would seem to be a diversity and in a global context, the management and development of people inevitably leads to considerations of diversity and related challenges. As in the world population, it is seen that diversity also gradually increases in workforce structure, too.

There are a number of examples which reflect workforce diversity. For instance, it is foreseen that in the USA ethnic minorities will comprise 28 per cent of the population in 2005; by 2050 this ratio will have reached 50 per cent. It is cited that this country’s workforce gradually becomes much more diversified particularly with respect to race, ethnic origin, age, gender, and physical and cognitive capability (Boone and Kurtz, 1999; Wright and Noe, 1996; Fleury, 1999). Canada is a diverse country with a number of ethnic groups. Visible minorities account for 10 per cent of the Canadian population (1995) and this figure is expected to double by 2015 (Demers, 2002:2/4). Atiyyah (1996) in his work, concentrates on workforce diversity which is composed of Americans, Europeans, mainly Asian countries such as India, Pakistan, Sri Lanka, Bangladesh, Iran and Persian Gulf countries. Yet, there are studies which claim that Latin America countries are not homogeneous and culturally distinct, implying different managerial values and behaviour (Lenartowicz and Johnson, 2002). With the collapse of the Soviet Union (1991), Russia started exporting its economy, becoming the focus of foreign entrepreneurs. The country culturally presented a totally distinct quality for Western countries when the workforce structure is considered (Michailova, 2000:2/17). Camiah and Hollinshead (2003) addresses the critical issue of relationship building between young Russian managers and their expatriate counterparts from Western countries.

Examples given above about workforce diversity in organisations can be increased. However, what is important at this point is that cultural diversity paralleling workforce diversity in organisations stands in the forefront. Relying on this, the workforce composition which is formed by workers of various cultural groups in scope of workforce diversity in organisations indicates cultural diversity. Cultural diversity in organisations goes into the inclusion of the secondary diversity size described earlier and has equally significant impacts on attitudes, manners and perceptions of the individuals. As distinctive qualities of group and individuals resulting from cultural diversity in organisations affect the workers’ sense of identity and their way of their perceiving each other; also the differences in the management style, organisational attitude patterns, behavioural characteristics and communication styles can mostly be traced back to cultural effects (Frey-Ridgway, 1997; Karoc-Kakabadse and Kouzmin, 2001; Mwaura et al., 1998).

On the other hand, Shenkar (2001:1/25), in his article, deals with the concept of cultural distance, and he clarifies presumably measuring the extent to which cultures are similar or different. This construct has been applied to most business administration disciplines, i.e. management, marketing, finance and accounting.
Cultural distance has been used as a key variable in strategy, management, organisational behaviour and human resource management.

Before the comprehensive analysis of the phenomenon of cultural diversity, the concept of culture can superficially be focused on in terms of terminology. In a Turkish dictionary (TDK-Türk Dil Kurumu, 1988), crop and yield are defined as all the material and moral values generated in the process of cultural, historical and social development, additionally all the tools used to make these and to transmit them to the next generation. In the law dictionary (Yılmaz, 1982), culture is defined as the whole of assets composed of total moral features of society, emotions and thread of mind, of all sorts of life, thought and art in the state of tradition. To some authors – closer to the previous perspective – culture is “Our routine of sleeping, bathing, dressing, eating and getting to work. It is our household chores and actions we perform on the job, the way we buy goods and services. It is the way we greet friends or address a stranger and even to a large extent what we consider right or wrong” (Lavaty and Kleiner 2001).

Some theorists have conceptualised culture as a common meaning which its members place on objects, facts and people. This definition contains “the collective programming of the mind which distinguishes the members of one group or category of people from another” according to the much-cited phrase of Hofstede. Others assert that culture entails not just shared interpretations of behaviours but also actual differences in attitudes (Smith et al., 2002).

The dimensions of the culture concept also present variety. This variety can be traced back to the differences of the concept in the usage between sociologists and anthropologists. Dependently, the three dimensions of culture can be mentioned: First, central to the concept of culture is the notion of system. The second dimension of the concept is undertaken as the integrated type of custom. The third is the distinction between materialistic or objective culture and ideational or subjective (nonmaterial) culture. While materialistic culture mentioned here indicates artefacts and material products of society such as technology, science, art, literature, ideational culture is one group’s traditions and, related to those traditions; it is the total of the values exposing how they perceive the environment, beliefs, morality, ideas, rules and conventions about behaviour (Dadfar and Gustavsson, 1992; Zakaria, 2000; Kozan, 1997:3/34). However; culture is not a static concept; it can be expressed as widely shared beliefs and values in a specific society at a particular point in time in the light of descriptions stressing the evolutionary and dynamic structure of the culture (McGuire et al., 2002).

In brief, culture – as the descriptions reveal – is a mixture including knowledge, belief, art, law, morality and conventions shared by nearly all of the members of a specific society and separating one group member from another; other skills and habits; also common attitudes and responsibilities learned subsequently, such as original lifestyles, emotions etc. (Miroshnik, 2002; Danışman, 2000; Zel, 2000; Mutlu, 1999). Barriers and norms get their source from cultural merits (Develioglu, 2001).

Members belonging to a particular culture’s perception and their ideas about the world, human beings and their attitudes are very different from each other (Danışman, 2000; Özkalp and Kirel, 2000, Spector et al., 2001). In other words, individuals express their cultures and their normative qualities through the values that they hold about all aspects of human life and the world around them. These values in turn have influence on their attitudes about the form of behaviour considered most appropriate and effective in any given situation (Miroshnik, 2002; Parkhe, 2001:1/5). The reason is that
culture is a way of life and a form of communication for resolution for people. Culture is communication and communication is culture (Zakaria, 2000).

Tayeb (1997) stresses that national culture as a set of values, attitudes and behaviours includes everything related to work and organisation. To the author, these are brought into organisations as workers’ cultural baggage, and culture as a social phenomenon directly affect the relations among people in organisations. Mellahi (2001) discloses in one of his research works about the candidate master graduates coming from five different cultures and becoming managers, that the individuals understanding of the job, their expectations related to their demands as to how they should behave to others and how they should be treated in the working environment differs tied to the national culture.

These explanations reveal that most authors agree that culture is a very complex term and difficult to define in words. Groeschl and Doherty (2000) imply that culture consists of numerous elements of which some are implicit and others are explicit.

In this section, the general description of culture and cultural diversity’s meaning and importance in organisations have been discussed. In the following section, researchers regarding how much cultural diversity is effective in organisations will be handled. Yet, before all these researches, an overall evaluation of culture’s course in business and organisation literature is carried out.

Different approaches to effectively management of cultural diversity in organisations
Social scientists have been inquiring into the relations between culture and behaviour for nearly a century. Still, culture is more and more complex, diffuse, fluid or multiplicity in modern terminology. Culture in this perspective is no longer related to basic social correlations, let alone be able to function as a set of basic guiding principles for institutional arrangements in society (Vinken, 2002). Management in organisations can be assessed in this category as one of the most significant social institution.

In general, culture seems a difficult concept to capture and understand in business research and most researchers to date have focused on addressing problems of definition and measurement of this concept (Perks and Sanderson, 2000; Groeschl and Doherty, 2000; DeLong and Fahey, 2000:4/16). Human resource management and cross-culture researchers (e.g. Hofstede, Laurent and Schneider) have attempted both to put forward the importance and the effects of culture in view of human resource practices and to define culture. While research exists on the role of culture in the areas of human resource management such as recruitment, organisational socialisation and in-service training, it is widely acknowledged that there is a critical lack of theoretical rigour and research to the impact of cultural issues in that field (McGuire et al., 2002).

The perspectives taken from early researchers such as Pettigrew, Pacanowsky and O’Donnell-Trujillo who received growing attention in organisational behaviour as a cultural phenomenon in view of the progress in culture’s business literature are extremely crucial. The majority of past organisational culture studies followed an interpretative and ethnographic tradition inclined to define the organisational sagas, myths, codes and symbols. In contrast, researchers such as Cooke and Rousseau, Hofstede, Nevijen, Ohavy and Sanders, O’Reilly, Chatman and Caldwell and Sheridan undertook more systematic investigations by quantitatively analysing contents of culture and their relationship to organisational outcomes, such as organisational norms, beliefs and values (Suzuki, 1997:1/29).
Management of cultural diversity has been suggested as the human resource strategy enabling the effective management of the workforce diversity created by demographical changes generally in the late 1980s and the early 1990s. Fleury (1999) explains cultural diversity management as an organisational answer or reaction to the need for competitiveness and to the increasing variety of the workforce. In the same resource, it has been stated that management of cultural diversity implies a holistic focus in order to create an organisational environment that allows all the employees to reach their full potential in pursuing the organisational goals. The essence of this concept is a whole, comprised of members of organisations possessing distinctive characteristics from each other, and these distinctions, as emphasised earlier, can contain plenty of visible or invisible factors (Groeschl and Doherty, 2000). Cultural diversity management, besides not being direct, has presented an improvement parallel with the increasing importance of multinational or global business. The reason for this, particularly cultural diversity, is that it gains a deeper meaning and dimension in this type of business and that it can affect all the elements of multicultural organisations. Cultural differences have become central to cross-national management research (Sparrow and Wu, 1998; Frey-Ridgway, 1997).

Therefore, cultural diversity in organisations should be taken into consideration and effectively managed. Diversity management, as a new perspective about differences in the workplace, emerged in the USA and became very influential in the UK in the 1990s. What gives great impetus to the managing diversity model has been the increasing assertion that valuing differences makes business sense (Iles, 1995). On the other hand, some resources claim that most of the organisations are inefficient in managing the gradually growing workforce diversity. Some views put forward the idea that many multinational firms are unsuccessful in international charging and cultural disunity problems, such as the disharmony between social values and beliefs, and the work style and traditions of organisation play a great role in this failure (Simeon and Fuiju, 2000; Joiner, 2001; Selmer, 1999; Yavaş, 2001; Montagliani and Giacalone, 1998:1/9; Iverson, 2000; Moore, 2002).

In the literary study done related to this topic, it is seen that there is not a consensus on how cultural diversity can be managed, and the topic is handled from very different approaches. Views related to effective management of, generally, workforce diversity and of, specifically, cultural diversity are mostly scattered, and it is difficult to find unanimity among the authors (Dadfar and Gustavsson, 1992). The main reason for this difference can be explained with the evaluation of the fact of cultural diversity by the authors primarily in view of the workforce. For instance, whereas there are some who consider cultural diversity as an advantage and a source of power, there are also some who evaluate it as a problem and a difficult issue to manage. This and other kinds of evaluations certainly affect both the methodologies offered to be used and the perspective to cultural diversity management.

In this section, how the management of cultural diversity in the relevant literature is investigated and it is attempted here to make a systematic base for the ongoing arguments displaying the results with the help of a partly genuine classification.

Views favouring the support of a cultural diversified or multicultural organisation

In one stream, there are writers (e.g. Cox and Blake; Mandrell and Kohler-Gray) arguing that a culturally mixed workforce holds a potential competitive advantage for organisations. According to the defenders of this view, cultural diversity and a multicultural structure are the facts that are definitely to be backed up for the
organisations of our day which target high performance (Dadfar and Gustavsson, 1992). Many surveys reveal that teams and a general workforce composed of individuals coming from different cultures can present more effective resolutions for the business problems. They show excellent performance in the long term and carry out their duties efficiently when compared to homogeneous employee groups. It can be said that this difference partially derives from the perspectives, views and experiences increasing creativity and novelty in multicultural teams. For instance, Iles and Hayers (1997) signify that many organisations believe they can increase their flexibility and responsiveness in globally competitive market environments through deployment of transnational project teams. They use such teams to address problems, integrate processes and learn new methods. It is claimed that these teams play a great role in realising novelties and changes and constituting strategic cooperation globally.

Additionally, companies gradually serve the various customer groups possessing different characteristics due to the dynamism of our day; therefore, diversity in the workforce helps organisations develop their skills to understand clients’ needs and to have relations with them (Wright and Noe, 1996). For example, Maybelline has achieved taking over 41 per cent of the ethnic cosmetic market by employing Afro-American, Spanish and Asian workers in order to improve strategies for products and marketing towards the new market line (Boone and Kurtz, 1999).

In multinational or global businesses, the most crucial causes of the directors’ need to be aware of cultural diversity and to manage it effectively can be summed up as follows: providing for richness, perspective and a spectrum of alternative ways of thinking, creativity and innovation; settling organisational flexibility; enriching the potential of human resource; recognising the needs of different markets better; stimulating job satisfaction; stimulating learning through doing; providing the basis for specialisation which is imperative in today’s complex business scenarios and diminishing costs by reducing workforce turnover rate (Ozkalp and Kurel, 2000; Harung and Harung, 1995).

To Daft (2003), the main objective of the organisations trying to provide and enhance cultural diversity is to dominate pluralism for single-culture and ethno-relativity for ethno-centralism. Pluralism is embracing various sub-cultures of an organisation; however, ethno-relativity is accepting the fact that members of subcultures and the dominant culture are equal. As a consequence of these two perspectives, the ones who feel themselves ignored and excluded because they come from different cultures in organisations are able to be involved into the organisation thoroughly. According to the defenders of this view, cultural diversity is received as a necessary, useful, natural and cheery fact enabling an organisation to feel really happy about pluralism and utilising different human resource superiorities. Herbig and Genestre (1997:6/8) concentrate on a cultural-oriented business strategy, taking advantage of diverse workforce social and cultural values to implement them as organisational culture. They state that setting up a long-term corporate competitive advantage founded on cultural synergies among the workers is the best way.

*Views supporting the idea that superiorities and drawbacks of cultural diversity should be taken into account separately*

Another view partially different from the one above argues that there are both advantages and disadvantages of cultural diversity in terms of organisations, and each of the facts on both poles should be taken into consideration separately (e.g.
Cultural diversity phenomenon

Peppas, 2001). According to this view, management of cultural diversity is the whole of the action which elevates organisational systems and applications and potential fruits of cultural diversity to the zenith, while minimising its drawbacks (Dessler, 1998).

Bhadury et al. (2000) also acknowledges diversity can have both positive and negative impacts on organisations, but the nature of the impact depends, to a large extent, on the type of diversity climate that exists rather than the fact of diversity itself. Similarly, Dadfar and Gustavsson (1992) suggest that there seems to be a general agreement that if cultural diversity is managed well, it can be an asset to performance, and if it is overlooked or mismanaged, it may diminish the performance. Particularly, in the case of being unsuccessful about constituting an effective cultural communication, individuals may feel themselves excluded and arouse the feelings of suspicion, lack of confidence and even hostility. Communication impediments can pervade every facet of life for expatriates and their families, producing unhappiness in their current surroundings and hindering adjustment to the host country and its culture. As a result, expatriates can become inefficient in the workplace, resulting in diminished career progress, psychological stress, and ultimately failure (Montagliani and Giacalone, 1998:1/9). Chevrier (2003) focuses on how diversity increases the ambiguity, complexity and confusion in group processes, and thus becomes potentially devastating for the effectiveness of the team.

Harung and Harung (1995) argue that the co-existence of two diametrically opposite qualities – diversity and unity – should be kept together for a strong individual and a strong organisation. The authors depict that the acquired tendencies of members with cultural diversity is freely expressed, on the other hand, the need for integration increases as diversity increases. At this point, the findings of the studies done in respect of the contingency approach existing in the theory of organisation and management can be utilised. According to this theory, there are two basic concepts used in the internal functioning of large organisations: differentiation and integration. The term differentiation as used here includes the behavioural attributes of members of organisational subsystems; integration is defined as the process of achieving unity of effort among the various subsystems in the accomplishment of the organisation's work. These two terms are essentially antagonistic. As the requirements for differentiation increase, the requirements for integration to achieve a unified effort are at least as great as ever (Lawrence and Lorsch, 1967).

Appelbaum et al. (1998) draw attention to the fact that with the globalisation of trade and the advancement of technology, diverse task groups will become more common. These changes create normative conflict considering the impact of the diversity of the group members as the working population emerges and emigrates from different places. The attempt to resolve the resulting conflicts by using conventional methods such as compromising, forcing, persuading, problem-solving, etc. will not be adequate. Here it is cited that management should make use of the advantages of cultural diversity rather than see it is a negative impediment.

Cultural diversity has an important place in the communicational problems in multinational or global business. Informing incompletely about cultural structure and properties of an employee group causes wrong estimations in the period of performance evaluation, measurement and, in general, the decision making of management (Akova, 2000; Deniz, 2000); in most multinational or global businesses difficulties are encountered in the performance evaluations of employees because of cultural needs of showing diversity. For instance, Americans prefer the announcement of their performance results directly to themselves, whereas Asians generally prefer
indirect ways. Thus, development of a standard performance evaluation system applicable in all departments of most multinational or global businesses would not be realistic (Arslan, 2001).

Karoc-Kakabadse and Kouzmin (2001) state that the major reasons for difficulties encountered in cross-cultural communication stem from the fact that actors from different cultures have different understanding regarding the interaction process and different styles of dialogue. According to the writers, difficulties that arise in cross-cultural face-to-face encounters may be addressed with a better understanding of communication styles utilised by different cultures. A study has revealed that when organisations which display activity in the accommodation sector and the convention of working with an especially homogeneous workforce is widespread, it is converted into a multicultural structure, managers and assistants or the peers experience communication difficulties stemming from cultural diversity. When inexperience or unwillingness towards understanding of different cultures occurs, managerial tools or methods used to award, motivate and direct those people are not effective, and the satisfaction of employees becomes a considerably complicated and unsolvable matter (Lee and Chon, 2000; Jackson and Bak, 1998; D’iribarne, 2002; Uysal, 1994).

Cultural diversity is seen as an important competition superiority in the frame of the first approach and has been supported methodically. Here, the basic distinction is that the problems of cultural diversity should be given as much attention to as the advantages – even sometimes preceding them. For instance, Higgs (1996) alleges that all too often multinational organisations see cultural diversity within their organisations as an area of difficulty rather than as an opportunity to build a competitive advantage. Fleury’s study (1999) makes the understanding of this distinction easy. According to him, entirely diversified cultural structure in Brazilian business already exists and no sooner does the management of cultural diversity come to order or gain importance than cultural diversity becomes a problem. Giving first preference to this matter due to its gaining urgency has resulted more from understanding that competitive superiority will be obtained by developing different skills.

Views stressing the necessity of blending cultural diversity with a dominant organisation culture

Some authors see cultural diversity management as an attempt to create a common culture in which individuals from different nations and different cultures in an organisation can comfortably work together and where differences are not felt (Düren, 1999). Kidger (2002) indicates that one of the targets of organisations displaying particularly multinational or supernational activity is to create the feeling of a common cultural identity and goal, involving the whole institution and its corresponding departments. Similarly, Kutal and Buckley (1996) signify that many multinational businesses have been trying to generate a “powerful organisation culture” so as to attain a competitive advantage since the 1980s. According to this view, organisation culture in such large organisations integrated globally should present a mechanism giving the feeling of unity at a sufficient level to the people in different countries and provide corporational dependence. The cultural spirit, cultural behaviour, cultural character or cultural image of organisations are all led by organisational culture the core being the commonly shared values. This will help as a common platform for the understanding of their diversified employees (Ng et al., 2003).
In light of this can be mentioned the concept of “cultural control”. For example, it is claimed that in Japanese multinational organisations, cultural control is more common and bound institutions are controlled by means of organisational culture. It has been suggested that culture is clan-like and identifies three social elements that stem from it: trust, subtleness and intimacy. According to this, when all organisation members are acculturated and socialised towards a common set of societal values, control can also be handled more implicitly and informally. Similar to this view, resources showing the adoption of holistic philosophy can be encountered as one of the basic organisational control resources (Kranias, 2000; Kutal and Büyükuslu, 1996).

These explanations give the idea of the “creation of a common organisational culture” and emphasise the approach of trying to be integrated by blending the cultural diversity of an organisation into this cultural texture. Similarities among the members of organisations help to develop cohesion and unity which, in turn, is related to the success of the organisation (Dadfar and Gustavsson, 1992).

Organisational culture is a group of ruling ideas that include: ways of reasoning, ways of acting, common shared values, codes of behaviour and ethical standards, which are formed and developed over a long period with the active consensus of their leaders and influenced by the social environment as the background (Ng et al., 2003). More pragmatic definitions have been also made about organisational culture and its determinants. According to this, the concept of organisational culture was seen as embracing the attitudes, values and norms which underpin commercial activities and help to shape the behaviour of organisations in a given country (Randlesome, 2002). As a natural consequence of forming a group, members coming from different sub-cultures found a unique belief and value system which is different from other organisations but relative and common to them (Seymen and Bolat, 2002). Similarly, the crossvergence theorists assert that the integration of cultural and economic ideological influences will result in a unique value system different from any of the original cultures (Tan, 2002). As organisational culture acculturates employees around common values, it enables them to move in an acceptable behaviour model and constitutes transferable knowledge accumulation.

Palthe (2004) also demonstrates that the socialisation of expatriates can be viewed as the process by which their values and norms become closely aligned with the organisational culture. He argues that the expatriates need to develop a dual understanding of the values, expected behaviours and social knowledge that are essential for assuming an organisational role and for participating as an organisational member in the host organisation.

One of the most known examples related to successfully managing cultural diversity via the organisational culture is theory Z. Theory Z improved upon Quichi is accepted as a synthesis of different approaches of Japanese and American businesses. It emerges that Japanese businesses displaying activity in the USA, even if their cultural texture shows great differences, became successful by means of a third type of managerial approach, neither Japanese nor American. What makes Z-type businesses different is that a common philosophy in which harmony, unity and cooperation from common values adapted by everybody is created notwithstanding their having employees from two different cultures (Düren, 1999).

Organisational culture is very different from national culture since the former is only temporary in the process of being an organisation member and the latter is permanent due to its being a member of a nation. Employees’ values cannot be changed due to this; however, since organisational cultures are composed of practices rather
than some values acquired in the organisation, they are somewhat manageable by changing the practices (Mwaura et al., 1998). For example, it is asserted that it is possible for the individuals to keep up with the collective culture of the organisation by selecting candidates appropriate to the organisation’s values and beliefs in the process of providing and selecting a workforce, along with the education to be applied, effective leadership and communication (Kutal and Büyüksulu, 1996).

The first three different approaches related to the management of cultural diversity mentioned so far can be summed up by Adler’s comparative analysis in Table I.

As it will be understood from the Table I, in this analysis the “parochial” approach and the “ethnocentric” approach are the ones ignoring or trying to minimise cultural diversity and instead focus on the dominant culture. Cultural diversity in the “synergistic” approach is seen as superior and termination of its probable problems is emphasised.

Views defending the adaptation of universal cultural values in organisations
Instead of constituting a cultural unity or single/common/dominant culture in multinational/global business, the views of the authors defending the adoption of universal cultural values in organisations can be focused on as well. For example, some are opposed to the “culture-free thesis” that defends those system standards, and economic activities in organisations are dominant over cultural diversity (Canen and Canen, 1999).

On this point, one of the cultural dimensions of Trompenaars’ “universalism” can be focused on. Universalism means that people believe that certain rules and truths can be precisely identified and should then be applied everywhere. Universalism in the business world is known as complete appropriateness to the legal perspective via formal treaties and contacts, reminiscent of managerial practices in which standards are dominant (Luthans et al., 1995:6/11).

According to this approach, in multinational and global businesses composed of employees from different cultures, the emphasis on the values beyond the cultures can be required. For instance, the business preferring this method gathers its managers systematically or makes them wander from culture to culture by means of a rotation method, thus as organisational culture becomes stronger with the help of adaptation, the function of managers obtaining some characteristics which are beyond the cultures, problems stemming from differences in organisations can be diminished to a minimum (Düren, 1999).

Most of the organisational behaviour models have been developed in the USA, and they tackle with members independently from their national culture. This perspective means that organisational behaviour models are adapted properly to the principle of universalism, in other words it assumes that models developed in one country are, in the same way, valid in other countries. Bodur and Kabasakal (2002) cite in their work that there are a few researchers opposed to the universalism principle and they maintain that organisational theories that are generally valid in one country may not fit other countries in many ways.

Views dealing with management of cultural diversity extensively as a human resource programme or strategy
In the relevant literature, there are suggestions and examples of programmes with the aim of providing effective management of cultural diversity in organisations. The most important property of this kind of programme is its charging significant
responsibilities to human resource departments and its intensely utilising modern management techniques. There are studies (e.g. Foxman and Polsky) which emphasise the necessity of getting a multicultural workforce by providing in-service training programmes. With the help of these programmes, how people from different cultures view work, how or by what they are motivated, what their attitudes are, what they value, etc. can be learned (Peppas, 2001). Studies show that motivation and pre-departure preparation programmes have a positive influence on cultural harmony in

Table I.

<table>
<thead>
<tr>
<th>Types of organisations</th>
<th>Perceived impact of cultural diversity in organisations</th>
<th>Strategy for managing the impact of cultural diversity</th>
<th>Most likely outcome of strategy</th>
<th>Frequency of perception and strategy</th>
</tr>
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<tbody>
<tr>
<td>Parochial:</td>
<td>No impact:</td>
<td>Ignorance differences: Ignore the impact of cultural diversity on the organisation. Problems: Problems will occur but they will not be attributed to culture.</td>
<td>Very common</td>
<td></td>
</tr>
<tr>
<td>Our way is the only way.</td>
<td>Cultural diversity has no recognised impact on the organisation.</td>
<td>Minimising differences: Minimise the sources and the impact of cultural diversity on the organisation. If possible, select a mono-cultural workforce.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethnocentric:</td>
<td>Negative effect:</td>
<td>Minimising differences: Some problems and a few advantages: Problems will be reduced as diversity is decreased while the possibility of creating advantages will be ignored or eliminated; problems will be attributed to culture.</td>
<td>Common</td>
<td></td>
</tr>
<tr>
<td>Our way is the best way.</td>
<td>Cultural diversity will cause problems for the organisation.</td>
<td>Minimise the sources and the impact of cultural diversity on the organisation. If possible, select a mono-cultural workforce.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Synergistic:</td>
<td>Potentially positive and negative effects:</td>
<td>Manage differences: Some problems and many advantages:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The combination of our way and their way may be the best way.</td>
<td>Cultural diversity can simultaneously lead to problems and advantages for the organisation.</td>
<td>Train organisational members to recognise cultural differences and use them to create advantages for the organisation.</td>
<td>Advantages Very uncommon</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: Higgs (1996, p. 39)
expatriations (Simeon and Fujii, 2000). In some studies (e.g. Marchese, 2001:1/3), it is proposed that two management practices that are related to human resource functions, empowering and continuous improvement, may be particularly sensitive to a practice-culture fit and these programmes give significant amounts of autonomy regarding their work. The success of these programmes is possible by performing human resource applications which are appropriate to the perspectives and needs of members belonging to different cultures (Krishnan, 2001:1/3).

If it is necessary to give a concrete example regarding this matter, the fact that the application of the cultural diversity programme of Unilever’s that includes 500 businesses and producing and marketing in very widespread product range worldwide can be handled as an example. Unilever opened a college in order to educate managers as to the firm’s expectations and politics so that they can work anywhere in the world at any time. The ones educated at this college are separated in groups containing 25-30 people from different cultures, giving them the opportunity to work with people owning various cultural accumulations (Kececioglu, 1998). In large and multinational businesses such as IBM and Hewlett-Packard, the programmes resembling the management of cultural diversity are designed to involve the management in the teaching of current employees to respect ethnic, racial and sexual differences, along with their employment, training and employing practices (Daft, 2003).

The increase of cultural diversity necessitates managers to possess the information and understanding about how to manage people who are very different from each other in order to reach their common goals. Managers working with a workforce that has cultural diversity have to use variable management and organisational behaviour techniques which harmonise different workforce needs and values (Wright and Noe, 1996). Allen (1991:1/5) indicates that organisations are learning how to manage a culturally diverse workforce in hopes of improving human resource practices such as recruiting and retaining workers. According to the author, making a transition to a multicultural organisation requires time, commitment and, frequently, expert advice. It is very important for employees to be trained anti-culturally regarding business. The main activity fields forming one of the abovementioned programmes can be demonstrated using Figure 1 as an example.

Other views
Related to the topic are evaluations other than those summarised views above. Due to their having relatively more limited support in relevant literature, it has been decided that other views should be placed under “other views”.

Some authors (e.g. Burke) studied cultural diversity management compared with domestic management, and then keep this concept separate from domestic management by expressing cultural diversity management as “cross-cultural management” or “global management”. According to this, cross-cultural management describes organisational behaviour with countries and cultures, and compares organisational behaviour across countries and cultures, and seeks to understand and improve the scope of domestic management to encompass the international and multicultural interaction of co-workers from different countries and cultures (Miroshnik, 2002). It can also be considered that cultural diversity management is tackled as a part of global management.

Tan (2002) states that the convergence hypothesis proposes that individuals in industrialised nations, through the imperatives of industrialisation and economic development, will embrace common attitudes and behaviours despite cultural
differences. As nations become industrialised, individuals irrespective of their culture are forced to adopt uniform industrial attitudes such as rationalism, secularism, and mechanical time. According to this view, cultural diversity management is easier because of this homogenous work environment.

Some authors, yet, assert that cultural diversity should be taken into consideration on the basis of individuals. According to this, all the activations carried out and the programmes constituted in order to manage cultural diversity have to involve individual-oriented attempts instead of holistic attempts regarding the employees, and to become interested in individual attitudes and behaviour. Galagan (1991:3/9) states that though their numbers are small, some American companies, especially the ones having trouble keeping talented minority employees, offer programmes specifically to uncover and root out biases and prejudices about people’s differences; but most of these programmes look at personal bias, not organisational culture. He also says that a criticism of such programmes is that they don’t teach skills for working with diverse groups -skills such as negotiating and communicating.

Furthermore expanded and systematic models developed related to cultural diversity management are found in some resources. For instance, the “cultural diversity management module” approved by the “Australian College of Applied Psychology” (2002), can give an idea regarding this. There are explanations of this module in Table II.

This programme developed for a training module can also be used as a guide programme for the business managers.

Finally, some suggestions for managing diversity which have been summarised by Peppas (2002) can be mentioned briefly. Some researchers have suggested that employers need to adjust management techniques within a country to address increasing numbers of minorities in the workplace. Some have advanced that to be effective managers must explore assumptions about group differences.

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**Figure 1.** The content of an example of a cultural diversity management programme
Conclusion
The concept of globalisation increases the importance and role of workforce diversity in organisations in terms of “culture”. The matter of cultural diversity in all organisations serving in an unlimited area in respect of activation fields has gradually composed the content of more studies in recent years. Cultural workforce diversity foreseen to greatly influence the 21st century business world is extensively effective in management styles of organisations, behaviour forms, communication styles and, in general, works relations among individuals. Thus, it is necessary to understand the organisational and managerial dimensions of cultural diversity. It is known that in the relevant literature, there are various typologies and these have been intensely obtained from empiric studies.

Alternatively, it is apparent that cultural diversity in organisations on a worldwide scale should be managed effectively. Perspectives differing from each other about this matter in literature are encountered; they are classified in the article. A group of authors claim that cultural diversity is an important tool for competitive superiority for our era’s organisations and therefore they should be supported. In another perspective relatively different from this, it is claimed that cultural diversity has disadvantageous sides as well as advantageous ones and it should be evaluated as a resource of problems. Authors in support of this topic say that organisational systems and applications should be constructed in order to maximise the potential superiorities of cultural diversity, and to minimise its disadvantages. However, there are the ones who defend the fact that cultural diversity in organisations should be blended into a
common and homogenous cultural texture and are opposed to this, the ones who suggest universalism instead of a multicultural structure. Another approach explains that cultural diversity is seen as a human resource programme, or its strategy and human resource departments are given the responsibility for this. As summed up in the article, the views that are not themselves subtitled in the classification shown and can be supported by relatively limited resources are located under the “other” subtitle. These are respectively: the acceptance of the management of cultural diversity as a part of global management, the emphasis on merely individually based activities. Consequently, that extended and systematic models regarding the management of cultural diversity are proposed is seen in some other sources. It is also stated that in industrialised countries there are fewer cultural differences or value-oriented work in organisations, and it is much easier to manage cultural diversity.

The main aim of this study is to make a literary review related to effective management of cultural diversity in organisations. The researchers of this matter will be able to make empiric and theoretical evaluations in the frame of perspectives claimed above. With this goal in mind, it is hoped that the study provides a contribution to cultural diversity in organisations related to its dimensions and management as an anthology and be a systematic knowledge base for researchers.

In the case of an evaluation carrying quality of consequence, in order to be able to effectively manage cultural diversity in organisations, it is beneficial to develop a “cultural diversity management model” peculiar to the organisation by considering the positive and negative sides of different perspectives located in this study. Internal and external environment elements which should be considered in the case of improving such a model and its extent and levels will be the topic of a different study in the light of information obtained from this and similar kinds of study.

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Cultural diversity phenomenon


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