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**Diversity as a challenge for work communities**

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**Abstract** – Organisations have faced increased internationality and multiculturalism in the labour market and in their business environments. As a part of this trend, immigrants are becoming a more significant work force resource for organisations. In this article the question of diversity leadership and counselling for multicultural issues in organisations is discussed in light of the organisational culture and diversity climate, diversity attitude, and power distance related factors in work organisations. The case example from Finland is used to show how organisations and workers experience the multicultural aspects of diversity. Finland is an example of a society with a hitherto homogenous culture, but has faced an increasing level of multiculturalism during the last decade. Based on the study literature, apparent needs and study findings an organisation-wide diversity leadership and counselling agenda is further discussed.

**Keywords:** multiculturalism, immigration, diversity, organisational culture, diversity attitude, power distance, leadership, counselling.

## Introduction

The increased number of cross-cultural connections and ensuing interdependences manifest in organisations in a variety of ways. The globalisation of working life has numerous forms: worldwide information and communication technologies have changed the nature of everyday communication; there is more movement of capital and people; changing positions of local communities; increased cultural friction between ethnic and racial groups and national education and labour policies have undergone transformations. People, ideas and concepts travel globally at an increased speed, allowing for a greater degree of contact between cultures. Coutinho and others (2008) note that the intensity and the degree of connection between and across different cultures have increased dramatically in the last two decades. Immigration is a politically, economically and socially inevitable phenomenon connected to these global trends. From the point of view of working life and work organisations, the increasing internationality of labour markets, the growing number of immigrant recruitments and the heterogeneity of workers inevitably lead to the awareness of diversity, its leadership and supervision. Diversity is an empirical fact in work life and, according to Thomas and Inkson (2004), these trends have led to a growing need for and importance of diversity and multicultural management strategies in organisations. People in organisations and in the wider labour market are organisations' most significant resource. From the point of view of the success of an organisation, a well functioning culture of cooperation and a successful recruitment policy are significant. In response to these needs, many firms have launched diversity management initiatives to increase employee awareness, develop social capital, and redesign organisational policies (Roberson & Stevens, 2006). In the background however, one can perceive a wider concern about how immigrants may integrate into working life and how their know-how can be utilised in a tightening economic situation in a target country. There are likely

to be highly educated people among immigrants so it is important to think about the identification and acceptance of their knowledge and prior learning in organisations.

However, multicultural working life is not as such a new phenomenon. Perhaps in recent years the matter has attracted more attention. At the same time, the significance of growing internationality and cross-cultural interconnections has been realised. It is important to examine more closely the ways in which organisational cultures differ in their relationships with multiculturalism and diversity and how hierarchies and power distances in organisations may influence perceptions of differences. From that point, it becomes possible to increase tolerance and plan actions in diversity issues. Pitkänen and Kouki have stated that when immigrant numbers increase rapidly, like in Finland faster than in any another Western European country, this increase of cultural and ethnic diversity has turned the emotions of the mainstream population into two camps, for and against. (Pitkänen & Kouki, 1999.) This phenomenon is probably common elsewhere in the world in those areas where the growth of immigration is strong and rapid. Therefore it is more important to reach agreement on what is fair and equal, and how to cope with the increasing demands of diversity in leadership and counselling practices in work life and work organisations. In this article we discuss the importance of diversity leadership issues in organisations in general and use a case example from Finland (in one multinational organisation) to show how organisations and workers face the multicultural aspects of diversity.

The concept of diversity refers to the ways people differ from each other. Diversity may occur in several aspects like ethnic differences, nationality, race, sexual orientation, gender, age, religious beliefs and may also exist through a variety of staff and interest groups in an organisation (Pollar & Gonzalez, 1994). As such, the concept of 'diversity' is a very complex one. In this article, the examination will focus on multicultural diversity in work organisations. The different views and valuations concerning diversity adopt the alternatives of

traditional liberalism or pluralism: people either adapt by becoming members of dominating ethnic and national groups (traditional liberalism) or a diverse community is born based on mutual respect, appreciation and tolerance (pluralism). Diversity problems manifest in many kinds of inefficiencies, dissatisfactions and conflicts which are often a consequence of ethnic discrimination, racism, nationalism and/or exclusion of marginalized people in an organisation. Diversity leadership and supervision, in their meaningful forms, could be based on a pluralist idea of equality and of mutual respect and could be seen as a resource and tool of successful leadership and counselling practices in an organisation.

A meaningful integration of immigrants into working life has been a question on which many opinions have been experienced. How do immigrants find their place in working life and are they able to utilise their real potential and know-how? How tolerant are different groups of the unequal distribution of power in organisations and what is the power distance in general that exists in a majority culture? How does the co-existence between individuals and groups and the affirmative intercourse manifest in multicultural work situations? What could be successful leadership and counselling practices which take into account diversity in work places? These are the central questions which are elaborated on and discussed in this article from an organisation wide perspective.

### Organisational culture and diversity climate in organisations

Organisational culture and its diversity climate could be seen as important context for diversity initiatives and issues among workers and in organisation-wide practices. Organisational culture is a concept which is central to the study of leadership and counselling values, ideals

and conceptions (cf. Lahti-Kotilainen, 1996). According to Edgar H. Schein (1992; 1999) a proper understanding of organisational culture is crucially important for any initiative of development, training, or guidance programmes. Schein (*ibid.*) describes organisational culture as a framework of basic assumptions discovered or developed by a certain group in learning how to deal with its problems of external adaptation or internal unification. From this perspective, organisational culture is a learned result of group experiences, and it requires a common experience base and history.

Schein (1992) divided culture in to three different levels. The first and most visible of these three levels consists of *artifacts*, meaning actual physical objects and the surrounding social environment. In accordance to the social environment, both visible and audible behaviours are part of the level. *Artifacts* may well be in full view of everyone (such as dress codes) but that does not mean they are not complex and hard to decipher. Members of a community aren't always aware of their common practices (Schein, 1992, p. 32). *Artifacts* that are connected to power distance are things that are related to the hierarchy and attitudes towards hierarchy in an organisation.

*Espoused values* form the next level of culture. Cultural learning reflects the values that people have adopted in their culture, such as conscious strategies, goals and philosophies. Nonetheless, values tell more about how things should be, not how they are. If a system's values are proven to be efficient, they become beliefs and finally assumptions. People can be conscious of the shared values in an organisation because they form a moral code and underlie norms that are being followed. A value code can function as a guideline in doubtful, difficult situations (Schein, 1992, p. 33-34).

The final level of culture consists of the already formed *basic assumptions and values*. It is how culture is represented by the basic underlying assumptions and values, which are difficult to discern because they exist at a largely unconscious level. In order to interpret structures and predict behaviours accurately, one has to understand

the nature of this third level. Beliefs and assumptions are axiomatic to such a degree that within a single cultural environment there is little variation. Beliefs are thus hardly ever questioned or even thought about. Consequently, adjusting one's views in the area of beliefs is hard. When people have different kinds of assumptions, they also encounter intercultural misunderstandings (Schein, 1992, p. 35–37).

Geert Hofstede (1994; 2001; see also Korhonen in this volume) broadly defines culture as a collective programming of the mind. According to him, culture determines a group's identity in the same way as personality determines an individual's. The surface level of culture is represented by the symbols employed by each group. At a deeper level, culture manifests in the people's or group's heroes, or in their rituals. Hofstede agrees with Schein that the deepest level in culture is represented by values. These different levels, surface and deep, may have different manifestations for workplace diversity and diversity initiatives in organisations. According to Martin and Meyerson (1988) organisations are purposeful and the manifestations of ideas in practices are important. Diversity in practice may differ from diversity in ideas expressed. Comparing ideas expressed and actual practices as perceived by others can provide valuable information about the world view of organisational members and the degree to which it overlaps with reality as perceived or experienced by others.

The diversity climate in an organisation tells something about its members' basic assumptions and values with regard to diversity and cross- and multicultural issues. Framed within organisational culture (Schein, 1992; 1999; Hofstede, 1994), it tells about the basic underlying assumptions and deep structure regarding diversity and multicultural ambiguity. Diversity climate research mainly focuses on group differences inasmuch as it manifests as reactions towards workplace diversity and diversity initiatives in organisations. One example of a diversity climate study was made by Roberson and Stevens (2006) who analysed natural language accounts of diversity incidents from 712 workers in one department of a large organisation in the United

States. Their study focused on how people categorise various work experiences as they relate to diversity and attempted to construct a typology of the conditions, events, and situations that people viewed as being related to diversity. Six diversity incident types emerged in the qualitative analysis of incidents: *discrimination*, *representation*, *treatment by management*, *work relationships*, *respect between groups*, and *diversity climates*. Each describes the aspects and situations where diversity issues in workplaces may emerge.

Roberson and Stevens' findings (2006) suggest that incidents pertaining to the diversity aspects or situations mentioned above are salient and represent issues influencing how employees make sense of diversity experiences. It can be said that clarification of facts surrounding recruitment or promotion decisions that are viewed as discriminatory seem important for maintaining or enhancing intergroup relations. Their findings also highlight the role of justice and equality in the effective management and counselling of diversity. By emphasising the fair distribution of resources and outcomes, enactment of procedures (e.g. opportunities for diverse employees or employee groups to participate in decision-making), and interpersonal treatment within organisations may be able to influence diversity experiences positively. They (*ibid.*) further argue that language might also play a crucial role in diversity-related attitudes. Therefore, greater consideration of the language used to communicate diversity events and interactions may help overcome socioemotional boundaries and improve the success of diversity initiatives. These findings generally serve to expose the core questions, like equality and justice in organisational life, which may be the most important areas of development in diversity leadership.

The concept of multicultural work environment is giving rise to a variety of questions in organisations and challenges the basic assumptions and values in organisational culture. Challenges may come from many issues; from cultural collision, sub-group boundaries, co-operation and others. Values and establishing practices may vary remarkably between different ethnic and cultural sub-groups. This

is naturally a big challenge for all organisational and personnel development. Differences in values may have an effect on many things like work motivation, evaluation, reward systems and career paths in professional settings (Sparrow, 2004). In addition, ethnicity manifests in new ways when encounters between diverse ethnic groups become dense. It can be said that people define themselves continuously in relation to others and diversity issues.

### The need for diversity leadership and counselling in light of diversity attitudes among workers

When the diversity and equity type of initiatives are considered in organisations it is worth defining who will be the target group in these initiatives, and what might be the attitudes in the dominant group thinking towards ethnic minorities. Attitudes similar to those that people have towards diversity and diverse groups, such as ethnic minorities, can be found in cross-cultural interactional situations in working life and multicultural work communities. Based on European-wide survey findings, four main categories of attitudes towards ethnic minorities could be named: actively tolerant, passively tolerant, intolerant and ambivalent (Thalhammer et al., 2001; Launikari & Puukari, 2005). These categories describe the respondents' general acceptance of ethnic minorities, which seems to be quite constant from one situation to another, affecting the general climate of the communities in which people live and work. The category *actively tolerant* accounts for 21% of respondents. People in this group are not disturbed by the presence of minority groups, like immigrants, and believe that minority groups only enrich society. Respondents who are actively tolerant do not expect minorities to become assimilated and to give up their own culture. Accordingly, people in this category are opposed to the repatriation of immigrants and show the



strongest support for anti-racism policies. The category of *passively tolerant* accounts for 39% of respondents and the largest percentage of respondents. This group has generally positive attitudes towards minorities, whom they believe to enrich the host society. However, this group does not support policies that favour minorities. Negative attitudes towards minorities are represented in the group classified as *intolerant*, which accounts for up 14% of those polled. The remainder of the respondents (26%) belong to the group who are classified as *ambivalent*, who may support the idea of assimilation of minorities. Although these respondents believe that minorities do not enrich the host society, they are not normally disturbed by their presence either. However, they do not support policies to combat racism, and are the group with the most potential if political decisions are taken towards racism and xenophobia (*ibid.*).

It is worth noting that there are many country-, district- and community-specific variations in such attitudes. At the same time, these wide cross-sections of people's opinions do not tell whether respondents have their own experiences of multicultural situations, and, if they do have, how these experiences affect their personal attitudes and opinions towards co-existence. Nevertheless, these research findings raise many thoughts based on the idea that a majority's attitude to ethnic minorities in the workplace may easily give rise to problematic situations; from passively tolerant, to intolerant. In such a case, actively tolerant members may remain only a minority group. Questions related to equal and democratic treatment of all surprisingly often lead to emotionally biased prejudices and attitudes among the advocates of a dominant population. A skilled leadership culture and robust counselling practices (like mentoring programmes) can influence cultural ambiguity and make it fruitful, while halting or preventing emerging problems. However, multiculturalism also simultaneously imposes demands to the whole work community. It is apparently important that the whole organisation and separate

occupational and personnel groups in it support the chosen diversity management strategy (see: Lahti-Kotilainen, 1996; Smith, 2004).

In addition to diversity attitudes, attention should be paid to the multicultural competences of the personnel. In cross-cultural encounters between individuals and groups, multicultural competence is generally needed (cf. Stuart, 2004). Multicultural competence empowers personal agency in cross-cultural settings. This competence is not restricted to working life in organisations, to the managers only or the counselling professionals (HRD people, personnel developers, work supervisors, early career trainers, etc.) but is widely applicable to those working in different tasks on different levels. Several kinds of knowledge and know-how about cultures can be included in multicultural competence, but one core concept seems to be cultural intelligence (Thomas & Inkson, 2004; Earley, 2003), which means the capacity to engage in dialogue with people from foreign cultures and overcome socio-cultural obstacles and boundaries. There are, of course, well-known related concepts such as social intelligence, emotional intelligence and intercultural sensitivity. Nevertheless, they provide important insights for understanding interpersonal interactions from a socio-emotional perspective. Cultural intelligence makes it possible for us to observe and become aware of cultural differences and take cognisance of others (Earley, 2003). It produces in us the capacity to act meaningfully with people from different cultures. A manager who has cultural intelligence acts in a way that is appropriate to the situations at hand and can motivate multicultural teams to operate in a meaningful manner. In a global market, too, where international teams, initiatives, and joint ventures are increasingly common, it is extremely important for members in a cooperating community to act in a culturally sensitive way. Earley (2003) states that too often cultural differences lead to misunderstandings, difficulties and conflicts. Entirely new interpretations and behaviours may be needed to overcome critical moments in collaborative work.

The formation of professional and cultural identities at workplaces has also been described with the help of the 'space' concept (see: Edwards & Usher, 2000; Matinheikki-Kokko, 2007) which describes generally how attitudes (and culture) in an organisation might work for or against immigrant groups. Metaphorically, the space concept refers to what kind of space the every-day working environment creates for the interpretations of identity. Matinheikki-Kokko (2007, p. 71) describes how immigrants interpret and negotiate who they are in new working environments, what their professional status and skills are (including their value), and what the membership terms are. This is a newcomer's ongoing process of identification and socialization within professional and collegial norms and practices. Matinheikki-Kokko (*ibid.*) further describes how work organisations might offer a narrower or wider space for identity negotiations. Funnel communities are communities which make use of a very wide space when recruiting immigrants, but later offer only a narrow space when negotiating on professional, social and functional meanings. Nevertheless, the negotiation process already starts in the recruitment phase where it is decided who can get the job/membership in the organisation and who cannot. According to the immigrants' own experiences, they are often labelled (assigned constrained identities) over which that they cannot have much influence. The real space where immigrants can interactively construct their identity and positioning is thus limited to family or their own ethnic sub-group. They can only properly define themselves outside the working community.

Discrimination, including racism and xenophobia, manifests when work organisations fail to take care of diversity attitude issues. Drawing on survey data and in-depth interviews, Herbert and her colleagues (2006) examined the experiences of Ghanaians living and working in London, and their experiences with multiculturalism and diversity management in the United Kingdom. In particular, the study concentrates on this group's experiences in the workplace, highlighting their widespread and persistent feelings of exclusion and racism in the

U.K.'s low-paid labour market, and how they manage to cope with them. According to the findings, they note that there is a real need to tackle the problems of racism and material inequalities that affect less established, and in particular, low paid immigrant groups. Based on their research findings, Evans & Chun (2007) argue in a parallel way that discrimination is a strong stressor and is linked to adverse physical, psychological and socio-cultural effects, through the effects of cumulative, recurring and often contradictory incidents. At the individual level, stress that results from the impact of subtle forms of exclusion and discrimination at work community level can give rise to increased illness, loss of productivity and escalating health costs. Thus the negative causes, after failing to take care of diversity issues and tolerance, are significant for individuals and organisations and prove that diversity leadership and counselling are crucial for the well-being and success to the whole work community and its members.

## The question of culture and power distance

In recent years, because of increasing internationality and multiculturalism, managers have come to realize the importance of diversity and the different aspects related to diversity leadership as discussed earlier. However, there are differences in how managers handle diversity within a single organisation. A good leadership of culture leads to good results; it affects the functionality of the organisation and thus it impacts the results the organisation makes. Nancy Adler (2002) states that many managers believe that organisational culture undermines the effect of national culture; even overrides it. The managers believe that the employees working in the same organisation, even if their cultural background is different, act more similarly than differently. They tend to think that the cultural differences become important only when

dealing with foreign clients, not when working with colleagues from different cultural backgrounds inside the organisation (Adler, 2002, p. 67). In other words the management believes that the values of the organisation are assimilated despite national culture.

Different kinds of “pecking orders” are an inherent part of any culture. In some cultures the hierarchical structure is certainly more pronounced than in others. If power is a part of national culture, it is also a part of the organisational culture and plays a role in the functionality of the organisation. The more layered the hierarchical structure in an organisation, the greater the power distance (see Hofstede, 2001). Members of different cultures see this power game differently and, if not properly acknowledged, it can be one major cause of conflict.

Culture is often divided into different segments or layers, like Schein (1992; 1999) divides organisational culture into the three levels presented earlier, where some of them are more visible than others. There are different internally found solutions to diversity problems encountered in the organisation. For example, in the case of power distance, the employees most likely have very persistent conceptions of how things should be, what is expected of them and what their role is in the organisation. This may regulate how much initiative they think they are allowed to take and how forward they can be with their superiors. Furthermore, these beliefs are very persistent in time. Schein suggests that in conflicting situations either education on cultural differences or the arrival of a third party may be helpful and make it easier for the employees to articulate their beliefs. However, it is good to remember that even in such cases these beliefs and assumptions will not disappear (Schein, 1992, p. 38).

According to Hofstede (1994), there are five dimensions of national culture. They usually exist together but are not dependent on each other. Different cultures can be quantitatively measured and compared in these five dimensions. The five dimensions are the previously

mentioned power distance, individualism, masculinity, the avoidance of uncertainty and long- versus short-term orientation.

Stuart Hall (1988, p. 69) argues that culture should always be understood in relation to power. It is not just a matter of assimilation because ultimately culture is not a universally applicable system of values. The order of dominance and stratification is very much a culturally defined thing. Some societies have very clearly controlled structures of dominance while others try to hide theirs. The relation to power is first established in other, earlier relationships involving power in different institutions; more specifically in the family between parent and a child and in school between teacher and pupil. In an organisation *power distance* is dependent on the value systems of both the subordinates and the leaders (Hofstede, 2001, p. 79-82). In other words, power distance indicates the level to which the employees accept inequality in a society's institutions and organisations and expect it. With the help of Hofstede's power distance index, it is possible to measure this inequality in an organisation (Hofstede, 1994).

The second dimension has been labelled *uncertainty avoidance*. Uncertainty about the future is part of being a human. We try to avoid it through legislation, religion and technology to name a few. In organisations the avoidance usually happens through technology, rules and rituals. Ways of coping with uncertainty are handed on to new generations and are reinforced in different institutions, such as family, school and state. Cultures with low scores on Hofstede's uncertainty index are more willing to accept the inherent uncertainty of life, they are less anxious, show less emotion, are open to change and curious about difference and new things. Also, young people are respected and risk taking is more common. They are more comfortable with chaos and they believe in an individual's own ability to influence his/her life and the lives of others. Societies with high scores on the uncertainty avoidance index tend to be more stressed, more open about showing their emotions, and feel more powerless. Older people are respected and feared and risks are worth

taking only if they are known. These cultures are also very respectful of law and order (Hofstede, 2001, p. 145, p. 161.)

Hofstede's third dimension is called *individualism*. It is an illustration of the relationship between the individual and the collectivity in which they live. For example, it is usually apparent in the living arrangements favoured in the society, whether the preference is for nuclear family, extended family or tribe. Our cognition, emotions and motivation are all guided by our level of individualism. It is part of our mental programming and thus effects our institutions as well. This implies that the level of individualism shapes the way the organisation functions. In more individualistic societies the ties between the employees and the organisation are not very strong, as opposed to a more collectivist culture, where the organisation has a certain level of responsibility towards the individual (Hofstede, 2001, pp. 209-214).

The fourth of Hofstede's dimensions differentiating culture is called *masculinity*. In this dimension Hofstede refers to the kind of behaviour that is appropriate to the members of one gender rather than the other. Although not all women are nurturing and not all men assertive, these are the dominant gender roles assigned respectively to women and men. Values associated with more feminine cultures or cultures with low scores on the masculinity index usually show a preference to relationships over ego, modesty, tenderness (in the behaviour of both women and men), minimum of social and emotional variation between women and men, work in order to live and so on. Societies with high scores on the masculinity index on the other hand acknowledge money and material things, ego, work orientation, social and emotional differentiation between genders. Men should always be assertive, women may be as well, but it is not expected of them (Hofstede, 2001, p. 284, p. 299).

The last dimension found somewhat later is called *long- versus short-term orientation*. This was found later because the original IBM questionnaire, where Hofstede identified all the other dimensions

was constructed by western people and the fifth dimension was suggested in a Chinese value survey. Long-term oriented societies have higher regard for such things as perseverance, patience and respect for social status. Resources are put into investments and traditions are assimilated as part of the modern world instead of cherishing them as they are. They also emphasise commitment and encourage entrepreneurship. Short-term oriented societies appreciate personal stability and permanence. Traditions are valued as well as fast results, and saving one's face, i.e. avoiding humiliation, is important. This last dimension relates the differences between the traditionally Western and Eastern societies, and naturally, the organisations in those societies (Hofstede, 1994).

These five dimensions can be used when comparing cultural differences in organisations between societies and they can help managers to lead the organisation toward better results and a more efficient environment. It is good to acknowledge the impact of culture in the organisation and not just in situations of dealing with foreign clients and partners. It is essential also to remember the impact of culture in everyday work situations especially in multinational organisations where even colleagues may belong to different national cultures. It is probable that members of different cultures react and handle arising problems differently; accordingly it is good to acknowledge this fact in order to create a well-functioning organisation with as little conflict as possible.

### **Are organisations prepared for diversity? An examination of one multinational organisation in Finland**

In the spring of 2008, the one of the authors conducted a survey measuring the level of preparation and attitudes towards multiculturalism



in one multinational organisation in Finland. A questionnaire was distributed to a subsidiary of a multinational financial services group operating in Scandinavia and Europe. The survey examines the five dimensions of cultural differences established by Geert Hofstede with the help of Hofstede's Values Survey Module 1994. It also includes a part that examines multiculturalism in general and how well the organisation is prepared for it. Employees from different organisational levels answered the questionnaire and the vast majority of the respondents were of Finnish ethnicity. The sample size was 63 respondents and they represent 70% of the personnel working in the domestic unit where the data was collected. Conceptions of multiculturalism in organisation was measured in the questionnaire with a sum variable composed of seven distinct questions. The questions elicited respondents' opinions of whether the organisation had changed in a more multicultural direction and the effect of such change on strategy, demands and guidelines. The scale measuring multiculturalism is from 1 to 5 (1=not at all, 2=fairly little, 3=somewhat, 4=quite a lot, 5= very much). The overall reliability of the sum variable was good (Cronbach's Alpha between 7 items was 0,84).

First the results for conceptions of multiculturalism were divided according to different distinctive groups. When the data were analysed using gender as a defining factor, the most usual answer for both women and men was that there had been some change in multiculturalism, the second most popular answer being fairly little. The gender of the employees did not seem to affect the views on multiculturalism.

|     |          | Multiculturalism |       |       |       |        |
|-----|----------|------------------|-------|-------|-------|--------|
|     |          | 2                | 3     | 4     | Total |        |
| Age | under 39 | Count            | 6     | 8     | 2     | 16     |
|     |          | % within age     | 37,5% | 50,0% | 12,5% | 100,0% |
|     | 40-49    | Count            | 8     | 15    | 2     | 25     |
|     |          | % within age     | 32,0% | 60,0% | 8,0%  | 100,0% |
|     | over 50  | Count            | 14    | 11    | 10    | 35     |
|     |          | % within age     | 40,0% | 31,4% | 28,6% | 100,0% |
|     | Total    | Count            | 28    | 34    | 14    | 76     |
|     |          | % within age     | 36,8% | 44,7% | 18,4% | 100,0% |

Next it was looked for differences in the opinions of different age groups. As seen in Table 1, the first and the second age groups thought that there had been some change in the organisation's attitude towards multiculturalism (3) but in the third (oldest) group most employees were of the opinion that there had been fairly little change in attitudes concerning multiculturalism. Interestingly enough, almost the same number of employees in the same age group were of the opinion that there had been quite a lot of change towards a more multicultural environment. The third group, being the oldest, has most probably seen many stages in the growth of the organisation and it is likely that they have more experience in the field. Thus it is interesting that this group in particular shows more contradictions in its thinking. The two other groups chose the answer quite a lot of change (4) the least of all the options. There is a difference in the opinions between the employees under and employees over 50. This difference is also statistically significant ( $X^2(2) = 6.061, p < .05$ ).

The data were also divided by level of education to indicate if this had anything to do with attitude to and views on multiculturalism. It is reasonable to assume, according to the findings, that the employees with less education work more often in customer service than the representatives of the two other groups with more education. This may explain why this group with less education seemed to think that there has been fairly little change towards multiculturalism. The employees with the highest, academic education were of the opinion that there had been some change towards a more multicultural setting, as were the employees in managerial positions. These groups may be more aware of the changes in strategy than the first, less educated group, who most probably work with customers in everyday situations. It may also be an indicator of a lack of communication between higher and lower level employees regarding the new strategic guidelines.

Next come the examination of the cultural differences and diversity in the organization by utilising the Hofstede's questionnaire. Table 2 shows where a Finnish organisation is situated on the continuum of

cultural differences. The power distance index in target organisation was 3.26 towards a high power distance. In Hofstede's earlier studies Finland has been situated towards a low power distance (Hofstede, 1994). According to the individualism index in this study, Finnish organisations are quite individualistic, similar to cultural features in Hofstede's earlier work (*ibid.*). However, other Scandinavian countries have scored even higher on the individualism index (*ibid.*). On the masculinity – femininity scale, the organisation in question scored towards the masculine end of the continuum (*ibid.*). Earlier results have indicated more feminine values (*ibid.*). The level of uncertainty avoidance is about the same as in earlier studies (*ibid.*). In Hofstede's study, there is no precedent in the long- versus short-term orientation in Finland, since this dimension was only found later. Hofstede's results were gathered in the 1970's, but were still considered valid since national cultures and consequently organisational cultures seem to be changing slowly, although there are also exceptions in this.

**Table 2.** Frequencies of Hofstede's five dimensions describing organisational culture (N=63).

|                        | Power distance | Individualism | Masculinity | Uncertainty avoidance | Long- versus short-term orientation |
|------------------------|----------------|---------------|-------------|-----------------------|-------------------------------------|
| Mean                   | 3,26           | 4,17          | 3,50        | 2,65                  | 2,65                                |
| Std. Deviation         | ,444           | ,459          | ,366        | ,489                  | ,489                                |
| Skewness               | -,049          | -,376         | -,251       | -,142                 | -,142                               |
| Std. Error of Skewness | ,302           | ,302          | ,302        | ,302                  | ,302                                |
| Kurtosis               | ,487           | -,525         | -,448       | -,159                 | -,159                               |
| Std. Error of Kurtosis | ,595           | ,595          | ,595        | ,595                  | ,595                                |

It is quite clear that not all employees were aware of the rules and strategies concerning diversity and multiculturalism. This case example gives rise to the question of how unprepared organisations may be for multiculturalism. However, being only a limited empirical sample,

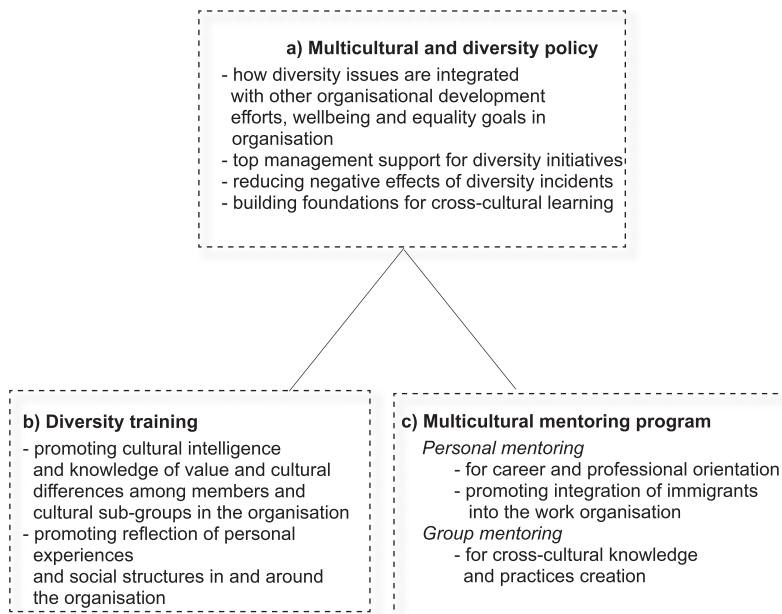
it shows the situation in one multinational organisation. There may be multiple reasons for the lack of preparedness. Perhaps these lower level employees in customer service did not know where to look for such information because there had been no acute need for it. In their everyday work they may face fewer cross-cultural encounters. The employees on the higher levels were more aware of the strategic guidelines in the organisation. In a multinational organisation managers naturally have more cross-cultural collaboration and they have to take diversity and multiculturalism into account. However, the influence of these may be difficult to monitor on the lower levels and in everyday business situations. For the functionality of the organisation, it is essential that diversity and multiculturalism are acknowledged on a more profound level. It may also be beneficial for management to be more aware of the whole personnel's views on the matter. Defining the needs on all levels from a multicultural point of view makes organisational development possible.

## Conclusions and suggestions for diversity leadership and counselling in a multicultural organisation

When the theoretical and empirical observations presented above are collected together, how possibilities for working together, for learning together and for influencing things together in organisation are implemented appears important. To effectively interact with others from different cultural backgrounds a new kind of flexibility for handling diversity and change – cultural adaptability and intelligence among organisation members – are called for. According to Deal and Prince (2007, p. 31) it demands willingness and an ability to recognise and understand cultural differences, and to work effectively across them. These differences affect expectations, approaches to work, views of authority and other issues in organisational life. Among others Schein

(1992) has stated that organisational learning, development and planned change cannot be understood without considering culture as the primary source of resistance to change. Our research example gave some indications that in a Finnish work and organisational culture (and in other Scandinavian countries, too, according to Hofstede) the change has to begin with a working out of the dominant individualistic culture. Strong individualism rapidly erodes opportunities for cross-boundary learning and influencing.

Secondly, in organisations the core issue seems to be how to turn diversity into strength in multicultural work community. This change must touch all the three levels of organisational culture: artifacts, espoused values and basic assumptions and values (Schein, 1992; 1999). Building an agenda for diversity management in organisation assumes the enhancement of both educational (diversity training) and non-educational (e.g. counselling) learning opportunities. In light of the research findings it is also useful to consider differences in age and background education related knowledge and opinions. There is a clear need to develop diversity leadership policy and counselling practices which support a tolerant and integrative atmosphere in organisations, support equality and mutual respect among organisation members, support career orientation and create shared spaces for the negotiation of professional positions and identity. This kind of agenda for diversity management can include several organisation-wide practices like *a) strategy planning and implementation of a multicultural and diversity policy, b) diversity training for organisation members and, c) creation of a multicultural mentoring programme* for strengthening cross-cultural collaboration and learning (see Fig. 2).



**Figure 2.** A recapitulation of organisation-wide diversity leadership and counselling agenda.

*Multicultural and diversity policy* means intentional and well-explicated organisation-wide strategy for how organisation is to face diversity and multicultural challenges. This is not only to reduce the negative effects of diversity incidents, such as discrimination, racism, stress, loss of productivity and others mentioned earlier. It should also look at the positive side of diversity leadership and supervision in the organisation. For instance, what are the possibilities for bringing in extra talent and shared knowledge in work, how to find new perspectives, how to support cross-cultural learning, and how to create opportunities for mutual creativity and innovation? Multicultural and diversity policy is not an issue apart from other aims of organisational development or from the promotion of welfare. However, its significance must be examined from the point of view of the strategic development of the

whole organisation and equality and welfare of all members (or sub-groups) of the organisation.

*Diversity training*, as formal learning, is to make participants aware of their perceptions and assumptions, so as to ensure understanding of value and cultural differences (Smith, 2004). Training for the enhancement of multicultural and diversity capacities might be the most often used and traditional way of coaching key actors in an organisation for multicultural situations. However, training alone loses its significance if it does not have enough connections to real-life phenomena and to the relations of individuals and social structures in the organisation. St. Clair (2008) discusses in light of research findings how diversity training is usually confrontational to the majority group, causing anger and bitterness among minority group members. She argues that proper diversity training involves inward reflection on past experiences of the self in order to understand the experiences of the other. In addition, Smith (2004) argues that characteristics of effective diversity training must be as follows: it is linked to the organisation's objectives, it is implemented organisation-wide (it cannot result in preferential treatment for some sub-groups) and it must have full support from top management.

Mentoring programs usually consist of informal career guidance, professional learning and development practices. Mentoring has traditionally meant an one-on-one relationship between an older more experienced colleague (mentor) and a younger novice colleague (actor or protégé). However, conceptions on mentoring have developed towards dialogue and participation to collaboration between equals when it is more natural to speak about learning partnerships and the creation of collective discursive spaces for mentor and mentee, or for mentor and several mentees (see: Wang & Odell, 2002; Austin, 2005). With a *multicultural mentoring programme* it could be possible to build on the foundation of promoting diversity and cross-cultural learning. *Personal mentoring* is often needed in the initial stages (or some other decisive stages) of the immigrant's career path where a

mentor can give support in many ways in the integration into the work community, in cultural understanding and in professional orientation. With *group mentoring* it is possible to construct 'shared spaces' for cross-boundary knowledge creation and orientation in organisational life. Cross-boundary learning in 'shared spaces' means the creation of mentoring relationships between members of diverse ethnic and professional group. The target and content of the group mentoring programme could be based on addressing the work and organisational challenges by creating knowledge, and by designing solutions and practices that are more appropriate to multicultural issues.

Robert Putnam (2000) highlights the distinction between "bonding" ties and "bridging" ties when examining the possibilities for the favourable development of social capital. This is also noteworthy from the point of view of cross-cultural learning. According to Putnam (*ibid.*) these two different social ties build social capital, and they are the basic forms of cooperation networks between people. He (*ibid.*) claims that some associations both bridge, in the sense that they bring people together from different social and cultural groups, and bond, in the sense that individuals join them on the basis of what they already share with the group. It can be said that both kinds of ties are essential for healthy equal democratic collaboration, but cross-boundary bridging ties are even more significant for supporting multicultural understanding and cross-cultural learning. Estlund (2003) has discussed how successful bridging associations may link individuals to a more democratic co-existence and how workplace bonds strengthen a diversity climate in and around an organisation: bridging associations operate as sites of discourse and deliberation across lines of social difference. Those associations may permit the exchange of diverse experiences and opinions. It can be stated that successful diversity leadership and counselling means consistency among diverse cultural manifestations and the achievement of organisation-wide consensus among cultural sub-group members. This starts from small steps, but to be developed further inevitably needs a favourable diversity climate and agenda setting in organisations.



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