

Diplomarbeit

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Cultural Diversity Management in Organizations:
Psychological Variables – Diversity Trainings

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ABSTRACT

Changing demographic structure of the modern workforce as well as strategies of increasingly globalized businesses are inevitably posing a multitude of questions about cultural diversity management (CDM) in organizations. Empirical research findings provide contradictory outcomes of organizational Diversity and beg the question of its efficient management. The objective of this thesis was to answer the following research questions: (1) Which consequences does Diversity have for organizations and what can organizations acquire through practicing CDM? (2) What are the commonly targeted psychological variables in CDM initiatives? (3) Can CDM practices influence individual-level psychological variables in order to produce organizational outcomes relevant for performance? Theoretical and empirical diversity management literature search and analysis were performed. The overview of the results was provided using the narrative review approach.

It was established that consequences of Diversity on organizational, workgroup and individual levels involve positive as well as negative outcomes, whereby DM is the tool, which enables their effective handling (*Research question 1*). Albeit given limited place in early diversity research, attitudes towards diversity and organizational commitment have been recently identified as important target variables of CDM initiatives because of correlations with performance-related company outcomes (*Research question 2*). Diversity trainings (DT) have been identified as the method to cause individual-level change across attitudinal, cognitive, and behavioural dimensions in order to influence organizational performance (*Research question 3*). Relevant DT inputs and best practices of Diversity management implementation were reviewed, particularly highlighting the importance of psychological variables and organizational context in this process. The thesis provides a topical insight into the so far accumulated research and, based on the status quo of empirical and theoretical research, defines suggestions for future research.

Keywords: diversity management, diversity training, attitudes towards diversity, organizational commitment.

Abstract (Deutsch)

Die sich verändernde demografische Struktur der modernen Arbeitswelt sowie die zunehmend globalisierte Wirtschaft werfen viele Fragen rund um Cultural Diversity Management (CDM) in Organisationen auf. Empirische Forschungsergebnisse liefern widersprüchliche Ergebnisse und es gilt zu eruieren, wie nun effizient mit Diversity und Diversity Management (DM) umgegangen werden kann. Das Ziel dieser Diplomarbeit war es auf Basis einer Literaturanalyse folgende Fragestellungen zu beantworten: (1) Was sind die Konsequenzen von Diversity und CDM in Organisationen? (2) Was sind momentan die psychologischen Variablen in Cultural Diversity Initiativen? (3) Wie können die Variablen auf individueller Ebene durch DM-Initiativen beeinflusst werden, sodass es auch Konsequenzen auf organisationeller Ebene gibt? Eine Recherche der vorhandenen theoretischen und empirischen Forschungsliteratur wurde durchgeführt und die Ergebnisse in Form eines narrativen Review-Ansatzes überblicksmäßig bereitgestellt.

Die Forschungsliteratur verdeutlicht, dass Diversität auf Ebene von der Organisation, der Gruppe und des Individuums sowohl positive als auch negative Konsequenzen hat, wobei DM die Mittel für einen effektiven Umgang damit bereitstellt (*Fragestellung 1*). Es zeigt sich insbesondere bei den individuellen Variablen von Einstellungen gegenüber Diversität (attitudes towards diversity), sowie der Verbindlichkeit (commitment) des Individuums gegenüber der Organisation, dass sie in älteren Studien weniger Eingang gefunden haben. In jüngeren Studien wurden sie gerade in Bezug auf Konsequenzen auf organisationeller Ebene als wichtige Zielvariablen für DM-Initiativen identifiziert (*Fragestellung 2*). Mithilfe von Diversity Trainings können auf individueller Ebene einstellungsmäßige, kognitive und verhaltensmäßige Effekte erzielt werden, welche die gesamte Leistungsfähigkeit einer Organisation beeinflussen (*Fragestellung 3*). Relevante Daten bezüglich praktischer Diversity Trainings bzw. bester Praktiken bei der Realisierung von Diversity Management wurden skizziert und zusammengefasst, insbesondere wieder hinsichtlich der psychologischen Variablen und dem organisationalen Kontext. Die Arbeit bietet einen gezielten Einblick in den soweit bestehenden Forschungsstand und beinhaltet Anregungen für weiterführende Studien.

Schlüsselwörter: Diversity Management, Diversity Training, Einstellungen gegenüber Diversity, Commitment in Organisationen

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1. INTRODUCTION

Diversity represents the “multitude of individual differences and similarities that exist between people” (Treven & Treven, 2007, p.29). It came into play as an organizational concept three decades ago, in the 1980s in the US as an initiative to create a more positive business perspective and provide equal employment opportunities for various minority groups. The initiative that started as a mere political correctness and legal compliance issue later on evolved into a complex business-orientated strategy in the area of human resource management and development, organizational culture and leadership, named by Gilbert, Stead, and Ivancevich (1999) *the new organizational paradigm*.

Changing demographics and recent societal changes like extensive immigration and consequent increase in international workforce alongside with current economic metatrends such as internationalisation and globalisation¹ are causing more exposure to Diversity², both in daily and in business life. Managing Diversity is becoming a strategic focus area of management in organizations and a resource, which enables companies gain competitive advantage on the modern market through company’s most important asset – its people (Richard, 2000). Literature reviews (Cox & Blake, 1991) and numerous surveys (e.g. The Second European Diversity Survey, 2004; Survey on Diversity in Corporate Annual Reports of Stoxx 50 Companies, 2009) show that the topic of Diversity and, eminently, the issues of cultural diversity and ethnicity are currently gaining prominence amongst human resource (HR) professionals. Consequently, cultural diversity trainings (CDTs) are becoming salient, e.g. researchers report (Sweeney, 2002 as cited in Jackson, Joshi & Erhardt, 2003) that 67% of employers carry out ethnicity-related *diversity trainings* (DT). However, scholars (King, Dawson, Kravitz, & Gulick, 2010, p.1) point out that “prevalence of DT has not been matched by empirical research on its effectiveness”. The trend toward diversity trainings in organizations poses the question of their efficiency (Pendry, Driscoll, & Field, 2007; Roberson, Kulik, & Pepper, 2001), which can be operationalized as organizational business and individual-level outcomes, i.e. in form of psychological variables, relevant in that regard for both parties – employees and organizations.

On the structural level of organizations Diversity is viewed as an organizational human resource development tool *Diversity Management* (DM³). This tool enables acknowledging the differences between employees and helps to use diversity’s positive contributions for strategic purposes of the company. Diversity management focuses primarily on organizational practices of recruitment,

¹ *Globalisation* – “economic interdependence among countries that develops through cross-national flows of goods and services, capital, know-how, and people” (Gelfand, Erez, & Aycan, 2007, p.481).

² In organizational contexts the term Diversity is often spelled with a capital *D*.

³ For reader’s convenience the frequently used abbreviations can be found in the LIST OF ABBREVIATIONS.

training and promoting underrepresented groups and is broadly defined by Cox and Blake (1991, p.45): “Managing diversity refers to a variety of management issues and activities related to hiring and effective utilization of personnel from different cultural backgrounds”. Based on the so-called *business case for diversity* human resource management (HRM) models generally assume that there’s a certain alignment between organizational human resource strategies, organizational performance and competitiveness. Despite of somewhat contradictory results of empirical studies of diversity in teams and workgroups (Williams & O’Reilly, 1998), the general stand is that managed the right way diversity brings benefits and improvements such as attracting the best minority personnel, enhancing decision-making, increasing team cooperation and problem solving (Egan, 2005; Elsass & Graves, 1997), reducing opportunity costs by cutting down turnover, absenteeism rates, increasing job satisfaction, improved commitment and organizational flexibility (Cox & Blake, 1991).

Based on various literature reviews (Jackson et al., 2003; Shore, Chung-Herrera, Dean, Ehrhart, Jung, Randel, & Singh, 2009), three main structural levels can be differentiated within Diversity research in organizations: *organizational*, *group* and *individual* (see 2.4. *Diversity Outcomes*). Focus of *group diversity research* clearly lies in the area of *group performance* (e.g. Chatman & O’Reilly, 2004; Watson, Kumar, Michaelson, 1993). Quantitatively less attention has been devoted to *individual-level* psychological variables, such as employee *attitudes* (Montei, Adams & Eggers, 1996; Nakui, Paulus, Van der Zee, 2008) and, in particular, *attitudes towards diversity* (Van Oudenhoven-Van der Zee, Paulus, Vos, & Parthasarathy, 2009). Research of organizational Diversity lies in the area of *economic company performance* (Hollowell, 2007), whereas again the impact of company’s Diversity management strategy influencing individual-level psychological variables, such as *employee affective organizational commitment* (Magoshi & Chang, 2009) has been far less researched. Therefore, a research gap seems to be particularly apparent within the area of psychological outcome variables of cultural diversity in organizations, with central variables being *affective commitment*⁴ and *attitudes towards diversity*⁵ (*ATD*). This fact is somewhat paradoxical in the twenty-first century’s age of *knowledge work*, where concepts like *commitment HR strategy* are key and where “learning organizations” target at “mobilizing worker commitment and sustainable competitiveness” (Bratton & Gold, 2007, p.59).

As literature research shows group diversity research has been mostly focused on the performance aspect of workgroup diversity (Chatman & O’Reilly, 2004). Far less researched, but nonetheless

⁴ *Affective commitment* refers to an employee’s “emotional attachment to, identification with, and involvement in the organization” (Meyer & Allen, 1997, p.11)

⁵ *Attitudes towards diversity* are “generalized lasting evaluations of diversity in groups” (van Oudenhoven-van der Zee et al., 2009, p.259)

not less important, are employee's affective reactions (e.g. commitment) and attitudes towards diversity (Van Oudenhoven-Van der Zee et al., 2009). Existing studies (Chang, 2006; Huselid, 1995) examine the effects of HR commitment practices and, using the logic of the *commitment management approach*, prove (Magoshi & Chang, 2009) that attitudes towards diversity change as a consequence of company's exercising of Diversity Management and have far-reaching consequences on employee's affective commitment (AC). In other words: HR commitment practices have a positive effect on employees' organizational commitment. With *change of attitudes* being a common goal of diversity trainings, another research line has taken up the study of attitudinal changes as a result of employee participation in DTs. Speaking of the outcomes, many researchers (van Knippenberg & Haslam, 2003; Van Oudenhoven, Van der Zee, Paulus, Vos & Parthasarathy, 2009) have suggested that positive attitudes towards diversity in workgroups affect feelings and general work attitudes of participants in a positive way. Thus, research has suggested a strong link between the attitudes and organizational commitment.

Multiple associations of *commitment* with such variables as performance, productivity, retention, citizenship behaviour have been documented in the literature (Meyer & Allen, 1990, 1991, 1997) and have left no doubt about the concept's importance. Based on empirical research of commitment practices (Bae & Lawler, 2000; Huselid, 1995), it has been suggested that *Diversity Management Practices* (DMP) can be seen as a reflection of commitment management philosophy. According to Magoshi and Chang (2009) *commitment management approach* foregrounds the reciprocity between the company and the employees (Kossek & Block, 2000), views the relationship between them as exchanges of commitment (March & Simon, 1958), and inherently implies devotion of the company practicing DM to the employees and their needs. In line with the abovementioned theory, company's adherence to Diversity Management Practices (e.g. in form of carrying out HR development initiatives like *cultural diversity trainings*) triggers positive effects on employees' organizational commitment and should, therefore, be treated as an important outcome, which implicates positive consequences for overall organizational performance. Research on both: commitment (Magoshi & Chang, 2009) and attitudes towards diversity (Riordan, 2000; Strauss, 2007) indicates that the abovementioned effects vary for groups with different ethnic composition as well as for people with majority and minority backgrounds. This fact offers interesting basis for scientific debate and will be further on discussed in this thesis.

1.1. Aim of the Study and Research Questions

The objective of the current thesis is to analyze theoretical as well as empirical research literature in the area of cultural diversity management in organizations with a specific focus on cultural diversity trainings. Based on the literature research it is planned to provide an overview of the main theoretical frameworks of diversity management, the most essential empirical findings within that research field and to highlight the main outcomes of cultural diversity, cultural diversity trainings in organizations as well as psychological variables relevant in this connection. Furthermore, goals and methods of diversity trainings will be reviewed and components of successful diversity programs will be discussed in order to provide orientation for HR practitioners and to enable successful introduction of diversity management initiatives in organizations.

The thesis consists of three theoretical chapters, each varying in degree of specification correspondingly to the prominence of certain variables in the current research as well as their significance in the relevant scientific literature. Infused by the critical researcher's voices (e.g. Curtis & Dreachslin, 2008) regarding diversity management that claim limited empirically-grounded, theory-guided, and methodologically correct guidance for HR practitioners in the area of cultural diversity management. The current thesis aims to answer three topical questions, which should, utilizing the state-of-the-art research available in psychological, sociological, and educational journals and databanks, provide scientifically founded answers that are hard on the target of the modern organizational world.

Research Question 1

CHAPTER "MANAGEMENT OF CULTURAL DIVERSITY IN ORGANIZATIONS" provides an introduction into the field of cultural diversity management in organizations. Selective relevant empirical and theoretical research is overviewed in order to answer the *Research Question 1: Which consequences does Diversity have for organizations? What can organizations acquire as a result of practicing cultural diversity management?*

Research Question 2

CHAPTER "PSYCHOLOGICAL MECHANISMS AND OUTCOMES OF DIVERSITY INITIATIVES" starts out by providing the theoretical basis to the consequences of Diversity addressed in CHAPTER "MANAGEMENT OF CULTURAL DIVERSITY IN ORGANIZATIONS" in order to underpin them with *psychological mechanisms* described by established theories and supported by empirical research. The chapter offers an overview of publications, relevant for answering the *Research Question 2: Which psychological variables are commonly targeted in cultural diversity initiatives?* Special

attention is given to *attitudes towards diversity* as one of the most commonly aimed at outcome variables within the framework of cultural diversity management; as well as to *organizational commitment* - the outcome variable exhibiting a broad range of correlations with performance-related variables (employee retention, in-role performance, etc.), thus, yielding competitive edge for organizations in which employee commitment is existent.

Research Question 3

CHAPTER “CULTURAL DIVERSITY INITIATIVES AND TRAININGS” details the composition and content of cultural diversity trainings and shows how the added value for organizations in form of employee commitment, satisfaction, organizational citizenship behaviour, etc. is accomplished through the change in work attitudes and attitudes towards diversity as a result of cultural diversity trainings. Thereby pertinent research findings and theoretical constructs are delivered in order to approach the *Research Question 3: Can diversity management practices such as cultural diversity trainings have consequences for employee’s individual-level psychological variables in a way that they produce outcomes, relevant for organizational performance?*

1.2. Methodology

The literature research was performed among published papers and textbooks using the search within *scientific databases* (e.g. Education Resource Information Center (ERIC), PsycINFO, ProQuest) and *e-journals access* of the University of Vienna (among management, psychological, educational, and sociological journals) with keywords including terms relevant regarding the topic of cultural diversity management in organizations, e.g. ‘diversity’, ‘cultural diversity’, ‘management’, ‘training’, ‘organizations’, ‘culture’, ‘race’, ‘ethnicity’, ‘majority’, ‘minority’, ‘stereotype’, ‘attitude’, ‘prejudice’, etc. Certain materials (e.g. executive summaries, corporate reports, press materials, etc.) have been retrieved from the Internet and are correspondingly linked to respective websites in the list of references.

The literature search can be conceptually divided into two steps: 1) the preliminary research; 2) the final research. *The preliminary research* concentrated on conceptual literature (e.g. review and theory papers, book chapters) in order to get an overview of the main research questions in the field of cultural diversity management and cultural trainings in organizations, reveal the controversies of that research area and get acquainted with the prevailing theoretical explanations of phenomena typical within that field. On the basis of classifications from specialized and conceptual literature areas of further research could be defined more precisely and research questions could be formulated. *The final research* was performed in a focused manner and concentrated more on empirical research articles. Based on the research questions formulated

during the preliminary search; the final search topically concentrated on providing empirical evidence relevant for answering the research questions and bridging the earlier identified practice/theory gaps with the help of latest practical and theoretical scientific research inputs.

By and large, the current thesis follows a narrative review approach (as exemplified in Bezrukova, Jehn, & Spell, 2010; Posthuma, Morgeson, & Campion, 2002), which implies appropriately detailed descriptions and critique of the reviewed studies, usually including the used methodology, research settings and, if necessary, specific predictors.

2. MANAGEMENT OF CULTURAL DIVERSITY IN ORGANIZATIONS

This chapter provides an introduction into the field of Diversity research and cultural diversity management (CDM) in organizations. Both conceptual and applied literature on this topic is overviewed, giving a general idea of main DM trends and dimensions, overviewing the most relevant findings within that research area and highlighting the *business case for diversity* in order to explain, which consequences Diversity has for organizations and what benefits organizations could possibly acquire as a result of practicing cultural diversity management.

2.1. Definitions and Theory: Cultural Diversity Management in the Workplace

Multiple definitions address the core of the phenomenon of Diversity, which is individuality and variety. On the most general level Diversity represents the “multitude of individual differences and similarities that exist between people” (Treven & Treven, 2007, p.29). A tool to manage Diversity is called *diversity management* (DM). Cox and Blake (1991, p.45) give Diversity Management a fairly general definition, whereby it refers “to a variety of management issues and activities related to hiring and effective utilization of personnel from different cultural backgrounds”. DM focuses primarily on organizational practices of recruitment, training and promoting underrepresented groups and “maximizing the unique skills and abilities of each employee in an organization” (Hollowell, 2007, p.51).

2.1.1. Concept of Organizational Diversity

The concept of *Diversity* in organizational context came into play for the first time three decades ago, back in the 1980s. It began in the US as an initiative to create a more positive business perspective and provide equal employment opportunities for various minority groups⁶. The initiative later on evolved into a complex business-orientated strategy in the area of human resource (HR) management and development⁷, organizational culture and leadership. Since then the idea of DM has been gradually gaining recognition and by the mid-90s found application in Europe, at first mainly in form of the so-called “equal opportunity programmes”. It was not until the Amsterdam Treaty signing on the 2nd of October 1997 that a common pan-European diversity policy was created. Amsterdam Treaty alongside with respective EU directives of 2000, 2002 and

⁶ *Minority group* - “a group of people who, because of their physical or cultural characteristics, are singled out from the others in the society in which they live for differential and unequal treatment and who therefore regard themselves as objects of collective discrimination” (Marshall, 1998, retrieved from <http://www.encyclopedia.com/doc/1O88-minoritygroup.html>).

⁷ *Human resource development (HRD)* - term used to indicate training and development as an organization’s investment in the learning of its people as part of an HRM approach (Bratton, 2007, p.582).

2004 were called upon to act against discrimination on grounds of age, gender, disability, ethnicity, religion or sexual orientation (Stuber, 2007a, 2007b).

2.1.2. Workplace and Employee Diversity Management

Two somewhat related terms, which further specify Diversity in organizational context, are commonly used: *workplace* and *employee diversity management* (EDM). *Workplace diversity management* is generally defined as a “comprehensive managerial process for developing an environment that works for all employees” (Kreitz, 2008, p.102). The concept of EDM goes somewhat deeper into the strategic employee/organization fit and “focuses on changing an organization’s culture and infrastructure for people to provide the highest productivity possible” (Treven & Treven, 2007, p.32). The same authors (2007, p.29) provide the simplest definition of *employee diversity* (ED): “ED refers to human characteristics making employees mutually different”. It is widely assumed that employees belonging to the same age, gender, professional group often have similar patterns of behaviour and this assumption constitutes the starting point of diversity management. It is easy to imagine that sources of individual variations are different, but for purposes of clearness can yet be grouped into two categories (Greenberg, Baron, 2000 as cited in Treven & Treven, 2007, p.29): 1) those that people have little control over, and 2) those over which people have more control. The first group mainly includes certain stable physical attributes such as race, sex, age, but also the family and society, in which an individual lives. The second group involves changeable characteristics that can be willfully adopted or dropped by conscious choice and effort: political beliefs, education/profession, and marital status. A substantial amount of diversity could result even from this relatively simple dichotomic classification of diversity sources. Therefore, the topic of employee diversity in an organization usually involves a vast scope of issues, starting with types of employee’s personality, e.g. extroversion – introversion, adjustment to organizational life, locus of control⁸, employee’s values and attitudes (see 3.2. *Attitudes and Attitudes towards Diversity*), family issues (work/life balance, parenting), and concluding with demographic trends: growing number of women in organizations (particularly in Western and Northern Europe) and ageing of workforce. Naturally, depending on local issues, diversity trainings also have various priority topics, for example US-only trainings, according to Bendl, Hanappi-Egger and Hofmann (2004), concentrate more on the topics of sexual harassment at work, with European trainings being more gender-oriented. However, regardless of local issues, current worldwide economic metatrends of internationalisation and globalisation, alongside with

⁸ The *locus of control* is one’s belief about the amount of control over one’s life. People who believe to be “masters of their own fate” have *internal locus of control*; people who assess themselves more “as pawns of fate” and are convinced that occurrences in their lives are due to chance or luck have *external locus of control* (Treven & Treven, 2007, pp.30-31).

societal changes like extensive immigration and consequent increase in international workforce, are inevitably causing increased exposure to diversity, making the issue of cultural diversity particularly up-to-date for modern organizations by turning the strategic spotlight on its management and solving of issues connected to diverse cultures and ethnicities of employees.

2.1.3. Cultural Diversity and its Management

As the current thesis concentrates on the notion of cultural diversity management and operates with the terms of culture, race and ethnicity, it seems suitable to clarify these notions in more detail. A broad range of definitions have been given to the term of *culture*: it has been defined as *human-made part of the environment* (Herskovits, 1955), *collective programming of the human mind* that distinguishes the members of one human group from those of another (Hofstede, 1996) and as “patterned ways of thinking” (Kluckhohn, 1954 as cited in Gibson, 1994, p.5) or, more precisely, “characteristic ways of thinking, feeling and behaving shared among member of an identifiable group” (Gibson & Gibbs, 2006 as cited in Shore et al., 2009, p.124). Most definitions emphasize the shared and collective nature of culture, which aids assignment to a particular group and helps find one’s identification. Based on this premise, Cox (1993 as cited in Amaram, 2007, p.1) in general terms defined *cultural diversity* as “the representation, in one social system, of people with distinctly different group affiliations of cultural significance”. Although obviously culture can operate in multiple areas of human activity, the current thesis primarily focuses on cultural diversity and its importance for organizations. Thus, in organizational context, Magoshi and Chang (2009, p.32) broadly define *cultural diversity management* as the companies’ ability “to give chances to and utilize resources of people from diverse cultures”, whereas culture could mean nationality or ethnic group. It must be noticed at that point that the topic of *Cultural Diversity* is connected with certain definition confusion as different researchers define cultural background differently. As Shore et al. (2009) rightfully notice it is often not clear, which sources of cultural effects (e.g. religion, ethnicity or nationality) or which diversity features are most influential. Diversity features could have an observable character (e.g. accent, religious views) or be more subtle due to varying degree of acculturation⁹ (e.g. an immigrant maintaining cultural attributes from the country of origin while living in a different country).

⁹ “*Acculturation* refers to learning the culture of a group different from the one in which a person was originally raised. Acculturation may involve learning the dominant language, adopting new values and behaviours, etc. It can also be forced in some instances: discontinuing bilingual education for migrants in California and forcing students to learn English in school” (Sullivan, 2011, p.188).

Measurement of Cultural Diversity

As apparent from multiple definitions of cultural diversity (CD) and the abovementioned problems with the very notion of culture, measuring CD is one of the notorious challenges in this research area. The biggest methodological challenge of cultural diversity research being the lack of widely accepted analytical foundation or common well-established theoretical framework, which would enable complex and integrated explanatory basis the multiple influences of diversity and cultural diversity on organizational outcome variables. Shore et al. (2009) rightfully notice that cultural diversity is in need of refined operationalization in order to improve its *predictive validity*¹⁰. They at the same time suggest that a multi-dimensional approach should be applied to operationalize cultural differences (e.g. Hofstede, 1980, 1996; G. Hofstede, G.J. Hofstede, & Mayer, 2006), taking not only one dimension, but a whole complex of them to define, measure, and examine cultural diversity. Kitayama (2001) even more critically claims that the whole area of “cross-cultural validity of attitudinal surveys” (p.2) cannot be taken for granted, and criticizes the “entity view of culture” (p.4), which describes culture as a static unit and turns categories like ethnicity or gender into entities exercising “causal force” (p.12) on behaviours. However, extensive consideration of the dynamic nature of culture and its integrated analysis is often not possible out of financial-/time- or other resource-related reasons.

A typical example of *short-cuts* happening in cultural research is building studies on selective dimensions from well-known cultural theories: for instance *individualism-collectivism* from Hofstede's (1980) *cultural dimensions theory*. Typically, Anglo-Americans are classified as belonging to the individualist culture, and Asians, Hispanics, and Black Americans - as the collectivist culture; continuing this reasoning Cox et al. (1991) theoretically assume and empirically prove that Asian, Hispanic, and Black Americans (compared to Anglo Americans) engage in higher levels of cooperative behaviour. Although such research is, without doubt, helpful for advancing science and specialized research questions, it is nonetheless important to acknowledge that this type of operationalization has the potential of coming to over-generalized and over-simplified conclusions.

Another point of criticism/recommendation come from a cultural diversity measurement background and is mentioned by Burkard et al. (2002). The authors point out the fact that workplace diversity is a multidimensional construct and, ideally, multiple methods in the assessment process should be involved, e.g. interview and observational methods (for targeting specific variables and gaining a social world perspective of the phenomenon) alongside with using

¹⁰ *Predictive validity* is the extent to which a score on a scale or test predicts scores on some criterion measure (Cronbach & Meehl, 1955).

already established self-report measures/instruments. Kitayama (2001, p.14) with his “system view of culture” supports this proposal and suggests to draw on an array of instruments from self-reports over behavioural to performance measures to embrace cognition, emotion, and motivation responses, which, in his opinion, are important components of culture.

2.1.4. Issues of Race, Ethnicity and Culture

Consequently, quite often empirical diversity research simplifies the measurement of culture by concentrating on a particular dimension and claiming that the dimension they choose accounts for differences in outcomes and effects. It is therefore common within the scientific community to choose the definition, which most closely reflects the purposes of the study. Richard (2000), for example, defines *racio-cultural diversity* (a.k.a. demographic diversity and cultural diversity) in the sense of *ethnicity* (objective ethnic minority/majority). In this regard we have to come back to the issues of race and ethnicity and their definitions. As Sullivan (2011, p.186) puts it, the concept of *race* “refers to a category of people who are believed to share distinct physical characteristics that are deemed socially significant” and is used to categorize people based on biological differences. Because *ethnicity* most commonly refers to a “shared cultural heritage or nationality” (Sullivan, 2011, p.191), ethnic groups would, consequently, differ in terms of language, family structure, family customs and national origin. Thus, two people with same racial identity can have different ethnicities, e.g. Sullivan brings an example of black American and black Jamaican, who have similar physical characteristics, but have different cultural/ethnic backgrounds. Despite the fact that some scholars (e.g. Shore et al., 2009) clearly distinguish *race and ethnicity diversity* from *cultural and national origin diversity*, most commonly cultural diversity researchers use the terms of race, nationality and ethnicity interchangeably: (racio-)cultural diversity, ethnic diversity, demographic diversity are often used as synonyms, e.g. Roberson et al. (2001) even use the combining term of *racioethnicity*. Such terminology choices seem problematic as they disregard the multidimensionality of the construct of culture and eliminate the opportunity to distinguish between the causes of meaningful diversity outcomes. Methodologically, this approach leads to over-simplification of the abovementioned concepts and washes away the traces of various elements that possibly have impact on diversity outcomes, which *get lost in translation* during interpretation.

2.2. Inevitability of Diversity in the HR World

With globalisation being the “defining political economic paradigm of our time” (Bratton & Gold, 2007, p.120) and with constantly increasing internationalisation (Aronson, 2002) Diversity is emerging as a strategic success factor for leading companies. Researchers report (e.g. Amaram,

2007, p. 1) that cultural integration in business organizations has received “fair and significant attention in the past two decades.” Current prominence of Diversity topics is based on the general stance that Diversity enables companies to gain competitive advantage through one of its most important assets - people (Richard, 2000). Empirical research evidence largely proves this point and makes Diversity a focal point of the *strategic human resource management*¹¹ area (see 3.3.3. *SHRM: Commitment HR paradigm*).

2.2.1 Target Group Companies for Diversity Management

Naturally, Diversity seems to be of particular importance for specific market fragment of companies. So, which companies are the Diversity’s *target group*? While discussing the motivation behind the pursuit of diversity initiatives Vedder (2006, p.12) analyses, which organizations mainly practice DM. Interviews with leading international Diversity experts make it clear that Diversity pioneers, despite substantial national differences, are to be found in the same areas transnationally: (a) *large scale enterprises operating globally* (e.g. BP, IBM, Motorola), which apply Diversity concepts globally in all of their subsidiaries; (b) *big national service organizations* (e.g. banks, posts, telecommunications), who are specifically targeting manifold customer needs; (c) *big national consumer goods manufacturers* are particularly interested in DM-topics; (d) *organizations, which do most of their business with minority groups* (e.g. with aboriginal people, people with disabilities); and last but not least; (e) *group of employers who are engaged in Diversity activities because of specific personnel recruitment situation* (e.g. nursing services, IT companies, law firms).

2.2.1. Current Cultural Diversity Popularity Trends

Accepting cultural diversity management has been promoted as a positive tool in organizational engineering aimed at solving/preventing group dynamics problems in business organizations. Research societies (e.g. Society for Human Resource Management, 2008) and consulting companies report Diversity to be widely prominent in corporate annual reports. For example *Diversityinc.com* (European Diversity Research & Consulting, 2009) refers to 86% of *Top 50 Companies for Diversity* naming Diversity as a strategic success factor. *European Diversity Research and Consulting* report in their press-release on *Survey on Diversity in Corporate Annual Reports of Stoxx 50 Companies* (European Diversity Research & Consulting, 2009) that 76% of all Stoxx 50 companies mention Diversity in their annual reports for 2007, whereas presence of

¹¹ *Human resource management (HRM)* is a “strategic approach to managing employment relations which emphasizes that leveraging people’s capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programmes and practices” (Bratton & Gold, 2007, p.3). *Strategic human resource management (SHRM)* is the “process of linking the human resource function with the strategic objectives of the organization in order to improve performance” (Bratton & Gold, 2007, p.39).

Diversity is most strongly observed in the UK (up to 100% of all reports), but all other European regions also show a rate at least higher than 50%. These numbers have been ever increasing from 34% in 2003 to 76% in 2007, which means a 42% increase over 4 years (with the UK unprecedentedly being in the lead with a jump from 58% to 100% in just 2 years).

The Second European Diversity Survey (EDS2) from year 2004 polls 52 leading Diversity companies and provides proof of the relevance of cultural DM research: the poll shows *strategic interest for diversity*, which is attributed by 50% of respondents to globalisation and by 22 % to European integration and enlargement. The survey also mirrors current *demographic changes*: 59% of participants see *ethnic minorities provide an increasing potential* as the most important driver for Diversity work. 60% of the polled companies also consider the fact that *the younger generation tends to prefer an open and/or multicultural environment* to be the most important cultural trend. Finally, 57% of the surveyed companies name *better access to more right potentials, improved team effectiveness and co-operation* as the biggest benefits from Diversity.

Thibeaux, Tillotson, Falls, and Bell (2006) notice the current trend of Diversity research takes a particularly close look at issues initiated in ethnicity, culture, and lifestyle as opposed to earlier Diversity research, which has mainly been concentrated on issues of ethnicity and gender. Taking into account the research proving positive effects of clever diversity management, future forecasts for DM development in general as well as prospects for people with diverse backgrounds are quite optimistic and inspiring. For example, Hollowell (2007) predicts a general increase in employment opportunities for recent graduates with “diverse backgrounds” (as opposed to the previously stereotypical Anglo-Saxon middle aged white male).

2.2.2. Role of HR - Allocation of Cultural Diversity Management

Status and importance of DM for the organization cannot be discussed until its relationship within the HR structure is defined because, as Kochan, Bezrukova, Ely, Jackson, Joshi, Jehn et al. (2003, p.7) notice: “when HR practices support the creation of a workforce that has the skills needed to turn diversity into an advantage, diversity is more likely to lead to positive performance outcomes”. Various authors position the responsible human resource (HR) areas differently, e.g. Magoshi and Chang (2009) localize DM in the company’s HR structure in the area of *strategic* or (in case of cultural diversity) *international human resource management*. The latter is also sometimes described in connection with the paradigm of *cross-cultural management*, which is used for the compilation of research and practice of cross-national comparisons, intercultural interaction, and multiple culture studies, including research that focuses on culture at the national, organizational, and sub-organizational levels (Primecz, Romani, & Sackmann, 2009).

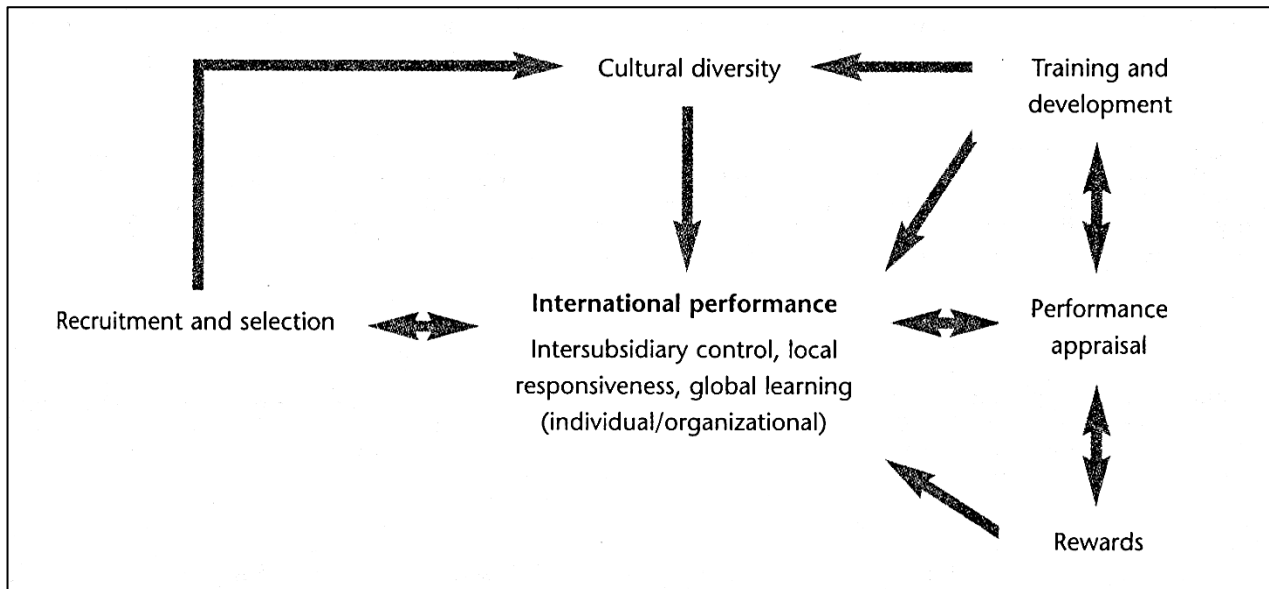


Figure 1. The international human resource management cycle. Source: Bratton and Gold (2007, p.85).

Bratton and Gold (2007) describe cultural diversity embedded within the *international HR management cycle* (see Figure 1) and directly connected with such HR domains as *recruitment and selection*, *training and development* and, indirectly, with *performance appraisal* and *rewards*. All of the practices in the international HR management cycle are contributing to the strategic goals and business performance (overviewed by Shoobridge, 2006) of the company as well as of individual employees because of having effects on such mutually beneficial outcomes as job satisfaction, commitment, internal communication improvement, etc. *International recruitment* focuses on attracting qualified and diverse applicants (Kreitz, 2008) and *selection* concentrates on personnel selection issues. Researchers (e.g. Tipper, 2004) provide practical guidance on how to increase diversity through market research of potential recruitment pool, building business case for stakeholders and using media-strategy to communicate effectively through traditional and online-media (e.g. highlight interest in diversity on the company's website) in order to reach target candidates. *Rewards and compensation* concentrate on incentives and reimbursements for expatriates based on costs and benefits at stake. *Performance appraisal* represents an almost political activity of gathering information on employee's competencies and performance, work effort, career paths, motivation as well as termination and employment; thereby closing the HR management circle and forwarding us back to recruitment and selection.

However, the most relevant for research focus of the current thesis is the area of *training and development* of both managers and employees. The range of trainings and development initiatives is very broad. It starts with general issues of *succession planning*¹², and goes on to more specific

¹² *Succession planning* - an "ongoing, strategic process for identifying a diverse talent pool and developing them into and organization's potential future leaders" (Kreitz, 2008, p.103).

areas of *cross-cultural training* (CCT)¹³ and *diversity training* (DT) (see 4.2. *Cultural Diversity Trainings in Organizations*), with goals of increasing cross-cultural adjustment and ability to understand and appreciate multiple cultural perspectives, *global meetings with debriefing and coaching* (intended for learning skills to conduct better cross-cultural meetings) as well as *international assignment rotations* (aimed at developing a deep appreciating for the challenges of working in another culture and increasing in global leadership competence), etc. (Caligiuri, Lazarova, & Tarique, 2005 as cited in Bratton & Gold, 2007, p.88).

According to Cox and Blake (1991) the management of cultural diversity in organization encompasses a whole diversity philosophy (see *Figure 2*) including HR management systems, mind-sets about diversity, organizational culture, educational programs, and addressing the issues of cultural differences, heterogeneity in race/ethnicity/nationality and gender.

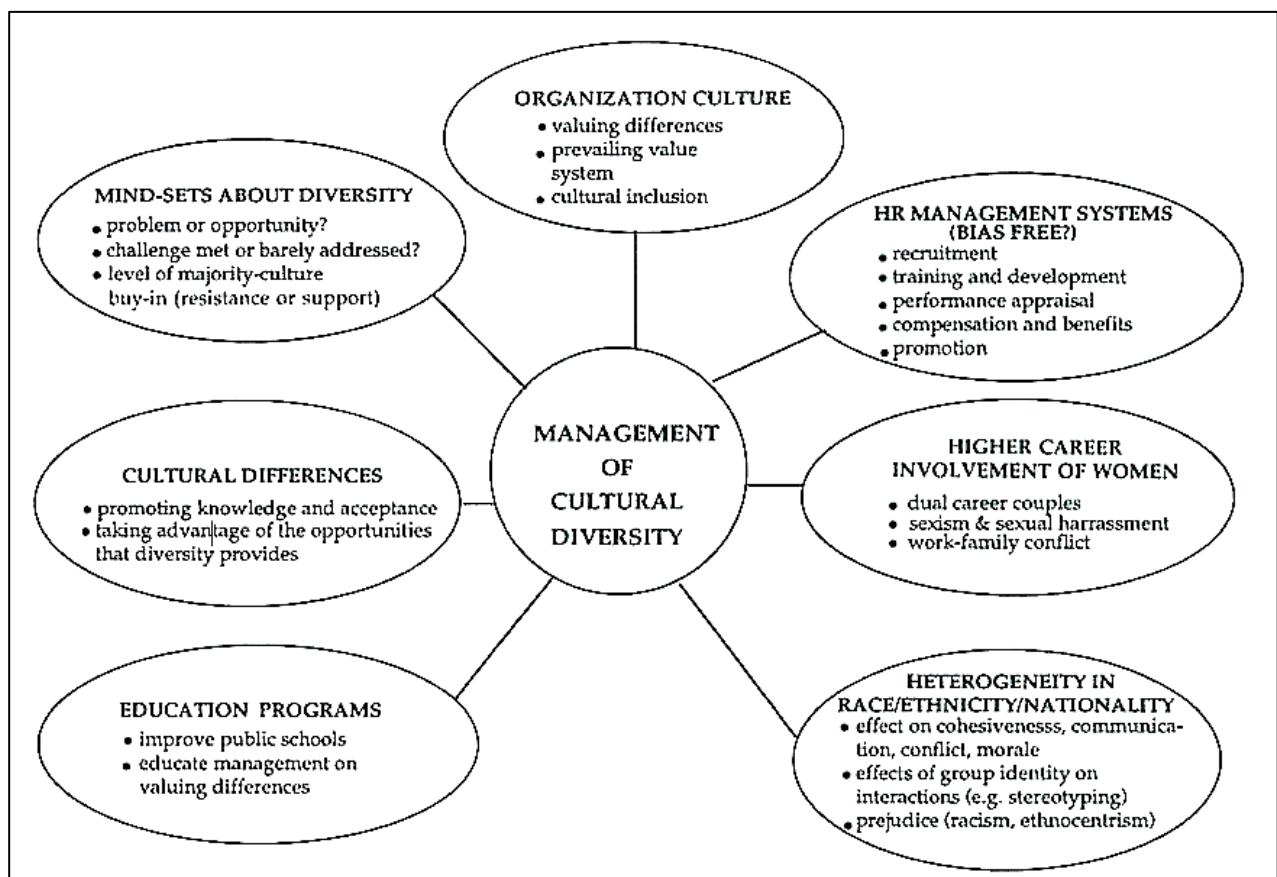


Figure 2. Spheres of activity in the management of cultural Diversity. Source: Cox and Blake (1991, p.46).

2.3. Business Case: Diversity as the Right Thing to Do

Since its beginnings as an *antidiscrimination measure* DM has come a long way and evolved into a business-orientated strategy in the area of HR management and organizational culture, which

¹³ *Cross-cultural training* distinguishes from traditional training through its focus on “attitudinal changes rather than on acquisition of information” (Bhagat & Prien, 1996 as cited in Littrell & Salas, 2005, p.308).

often goes under the name of *business case for diversity* (Robinson & Dechant, 1997; Stuber, 2007a). The business case describes the organizational benefits or impact thought to arise from investing in, developing and sustaining a diverse workforce. Some authors (Stuber, 2009b) conceptualise it in the form of the *potential principle* that contains four main components: diversity, respect, inclusion and added value. There is a heated debate going on between advocates of the *idealistic* perspective that companies should be more diverse because it is *the right thing to do* or, from a more pragmatic perspective that managed the right way Diversity brings *benefits and improvements*, e.g. enhances shareholder value (Hollowell, 2007), helps reduce opportunity cost by cutting down turnover, absenteeism rates (*cost argument*¹⁴), and increasing job satisfaction (Cox & Blake, 1991). The latter largely utilitarian attitude explains the rise of DM to prominence as a result of diversity being a *necessity* (Schwarz-Wölzl & Maad, 2003; Stuber, 2009a), something that mirrors the Zeitgeist or, as Cox and Blake (1991) call it: *inevitability of diversity*, i.e. practical need to hire more women, minorities, and foreign nationals because of workforce demographic trends.

As Bendl et al. (2004, p.264) mention in their *Microsoft-Case-Study*, the main long-term goal of Diversity Management Programs is creating competitive advantage. Singh (2002, p.3) suggests, supporting the business case for diversity, that developing “individuals to the best of their abilities” will result in tangible advantage for organizations practicing in form of commitment, creativity and, consequently, in competitive advantage and overall higher firm performance for companies practicing it. This extensive economic goal is achieved through attaining smaller, more idealistic aims, e.g. providing equality of development opportunities independent of ethnic or cultural affiliation. Therefore, on a more philosophic note, diversity management is also a mutual learning process. Cox and Blake (1991) argue that although heterogeneity could cause less cohesion in the decision-making process, the multitude of perspectives and diversity in opinions generally creates less emphasis on conformity and reduces groupthink (*creativity argument*, e.g. Aronson, 2002) and leads to better problem-solving, and more informed decision-making through wider range of perspectives, facilitated information processing, and learning (*problem-solving argument*) (Cox et al., 1991; Ely & Thomas, 2001; Janis, 1982 as cited in Shore et al., 2009).

Historically first HR area to develop was *Diversity in recruitment* (equal opportunity programs, “fairness case” (Singh, 2002, p.3), etc.). Nowadays, as a more complex approach is being formed, Diversity specialists additionally possess a wealth of knowledge in *Diversity Marketing* (Cox and Blake’s *marketing argument* emphasizes the know-how and cultural insight that employees with

¹⁴ All in all, Cox and Blake (1991) single out six arguments in favor of diversity providing competitive advantage: 1. Cost; 2. Resource-Acquisition; 3. Marketing; 4. Creativity; 5. Problem-solving; 6. System Flexibility.

diverse cultural background bring to the marketing effort of the companies they are working for); and *customer diversity (resource acquisition argument)*, e.g. positive reputation development of companies supporting Diversity, which becomes of particular importance because of labour force change towards more women and minorities on the market. Consequently, the model for managing diversity is (with time) expected to become less standardized and determinant and cause greater flexibility towards environmental changes (*system flexibility argument*), so that high-quality reactions will be available faster and at less cost. Yet, today diversity programs seem to generally still be quite costly, so companies require tangible proof in form of beneficial diversity outcomes and consequences to justify expensive *valuing of Diversity*. Well, what are the outcomes of cultural diversity in organizations and what could companies expect from diversity management? A possible approach to explaining the philosophy behind the *business case* can be clarified on the example of the multi-level framework of Diversity dynamics. Jackson et al. (2003, p. 803) provide an overview of literature published between the years 1997 and 2002 on the effects of workplace Diversity on teams and organizations and conceptualize the consequences of diversity in three groups: effects on affective reactions, team processes and performance.

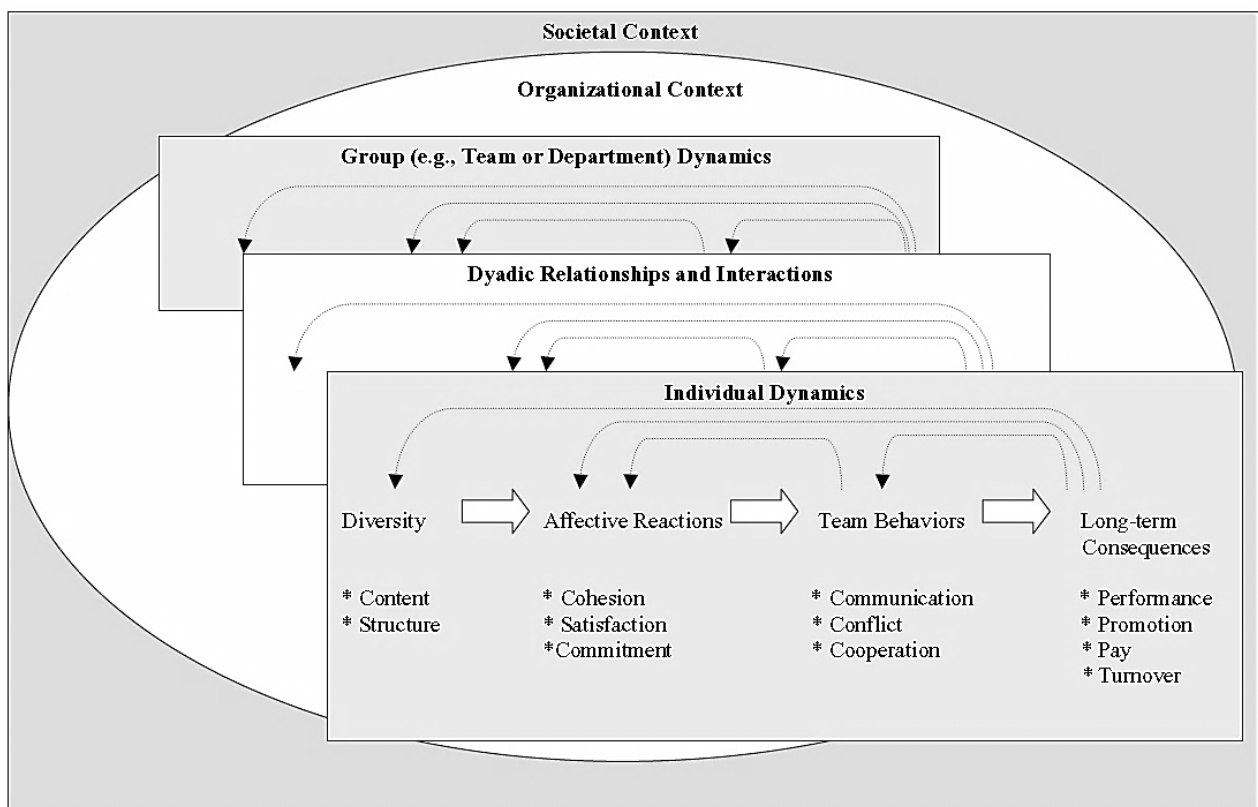


Figure 3. A multi-level framework for understanding the dynamics of diversity. Source: Jackson, Joshi & Erhardt (2003, p.803).

As apparent from the multi-level framework (Figure 3): diversity dynamics are fairly complex. Few (maybe even none) studies are capable of simultaneously taking into consideration all of the

relevant contexts¹⁵ and variables, incorporating all the multi-layered interdependencies into their research designs. But with a certain degree of abstraction, one can still look upon certain areas of Diversity and identify certain interdependencies within specified sectors. One can, for example, generalize that long-term consequences that innately preoccupy organizations (performance, promotion, pay, and turnover) are dependent on *team behaviour* indicators like communication, intergroup conflict and cooperation. These, in their turn, depend on *individual affective reactions*, which include cohesion, satisfaction and commitment. The latter are connected with specific Diversity's content (type of diversity) and structure (group composition), which is also at least just as complex as the above described interconnections.

2.4. Diversity Outcomes – What Could Companies Expect?

In the light of the above-mentioned facts, it comes as no surprise that diversity management is considered to be one of the crucial issues that managers should be dealing with in their quest for high performance as DM enables people to perform up to their potential. This link is well illustrated by Ivancevich and Gilbert (2000), who provide a visualization (*Figure 4*) of their take at internal perspective's analysis of the link between diversity initiatives, different diversity types (surface- and deep-level) as well as personal and organizational consequences of these; showing the mediating influences of stereotyping, racism, prejudice, specific DM history in the company and its employee pool. Apart from once again underlining the complexity of organizational diversity's view; the scheme shows that it is often hard to view cultural/ethnic diversity separately from its other types.

¹⁵ *Context* refers to “all the external forces that exist outside the boundary of the organization and have the potential to affect work organizations and, in turn, shape human resource management strategy, policies and practices” (Bratton & Gold, 2007, p.115).

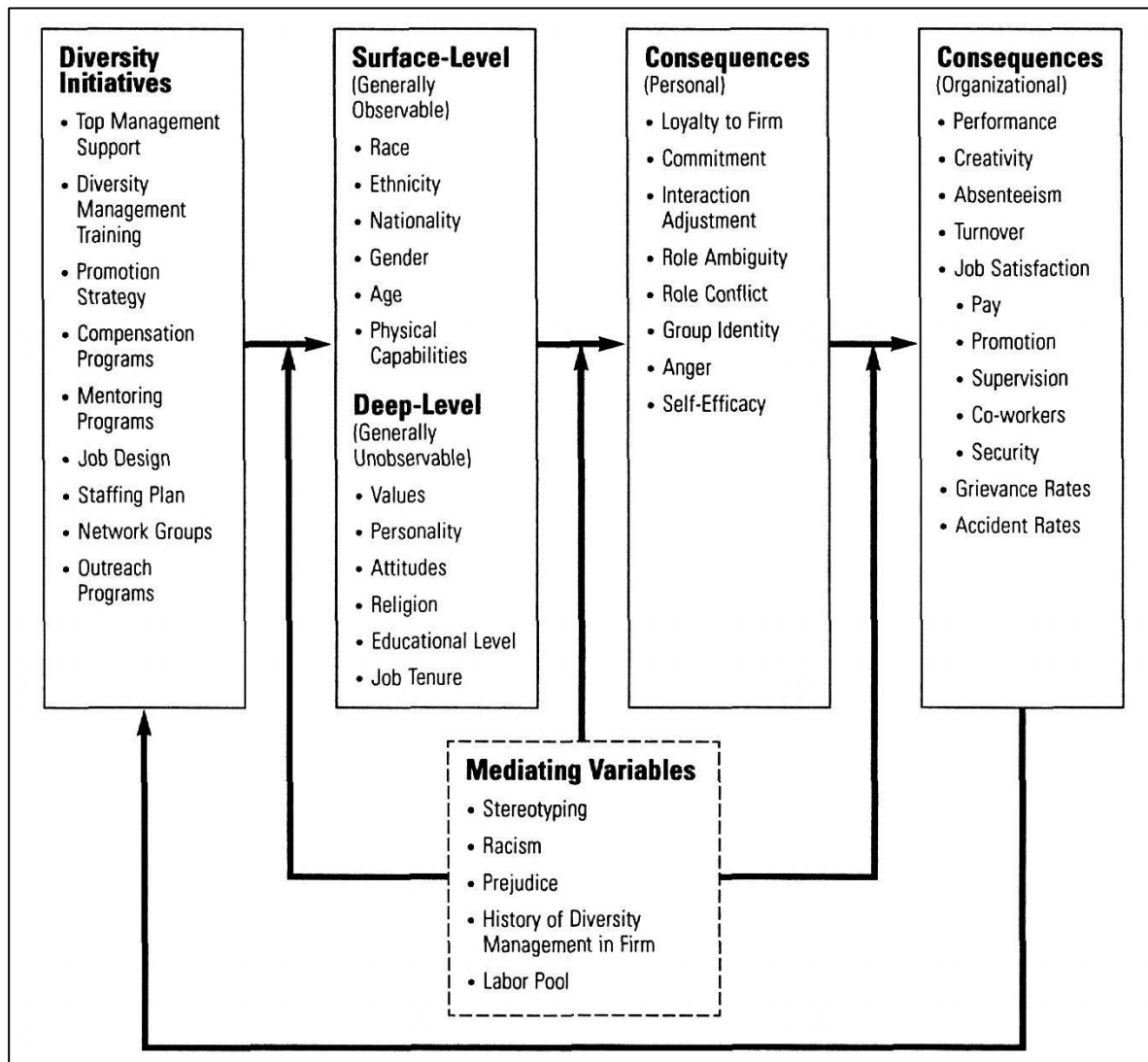


Figure 4. Organizing schematic of types of Diversity, mediating variables, and consequences. Source: Ivancevich and Gilbert (2000, p. 78).

Conceptualized in different ways (see literature overviews and original theoretical research of Gilbert et al., 1999; Jackson et al., 2003; Shore et al., 2009) organizational benefits of Diversity (as well as its downsides) can be seen from *external perspective* (consumer and labor markets, shareholder and community) as well as from *internal perspective* (organizational, group and individual outcomes). Usually three main structural levels of diversity outcomes (organization-/group-/individual-levels) are addressed in literature. Theoretical and empirical research results across these three dimensions will be scrutinized in the following subchapters.

2.4.1. Organization-Level Outcomes

For pragmatic reasons the research focus of *organizational-level research of diversity and cultural diversity* lies mainly in the area of *economic performance* of companies practicing DM. Barinaga (2007) notices that although there is no doubt that diversity and cultural diversity influence organizational outcomes, the direction of these effects seems to be largely depending on the

context as empirical research of cultural diversity delivers mixed (positive, negative and neutral) findings of its effects in organizations across group performance and individual effectiveness (Earley & Mosakowski, 2000; Maznevski & Chudoba, 2000 as cited in Shore et al., 2009).

A sample of negative organization-level outcomes of diversity (operationalized as demographic dissimilarity in race and gender) can be provided for such organizational variables as *corporate social responsibility* or *organizational citizenship behaviour* (OCB). Chattopadhyay (1999) researched the link between demographic dissimilarity, workgroup composition and OCB. The research hypothesis that *high demographic dissimilarity causes low OCB* was confirmed and the effects of mediator variables *race dissimilarity* (white/minority) and *age dissimilarity* (older/younger) on OCB were found. The effects, however, are not “direct and symmetrical” (as suggested by a lot of prior research, Chattopadhyay, 1999, p.273), but the influence of race dissimilarity varied in strength for white and minority employees, whereas the age dissimilarity varied in direction differently for younger and older employees.

However, a large part of conceptual literature on cultural and ethnic diversity (Cox & Blake, 1991; Robinson & Dechant, 1997), as well as empirical literature (Carter, Simkins & Simpson, 2003), have a more optimistic view and suggest that managed the right way Diversity brings *benefits and improvements* such as *career progression*, *firm performance* and increased *shareholder value* (Correll, Elbert & Hatfields, 2000; Hollowell, 2007), reduced opportunity cost through cutting down turnover, absenteeism rates and increasing job satisfaction (Cox & Blake, 1991). Wentling and Palma-Rivas (1998) identified the status of workplace diversity initiatives in in-depth interviews with diversity experts, who named as primary reasons for managing diversity *improve productivity and remain competitive, to form better work relationships among employees, to enhance social responsibility, and to address legal concerns*. Opinions of diversity practitioners are also supported by researchers’ voices. Richard (2000) researched cultural (racial) diversity and its interaction with firm performance in the banking industry. The findings show that cultural diversity interacts with *business strategy* (productivity, return on equity, market performance) and *firm’s financial performance*. The results demonstrate that cultural diversity adds value to firm’s competitive advantage and, therefore, proves the main point of the business case for diversity. However, the authors notice that it is highly unlikely that the relationship between cultural diversity and firm performance is direct and completely positive. Instead, the effects are likely to be determined by the *business strategies* a firm pursues and by *how organization leaders and participants respond to and manage diversity*.

Slater, Weigand & Zwirlein (2008) argue that Diversity can bring new perspectives into organizational strategy dialogue, stimulate a wider range of creative decision alternatives, help

managers understand and address the needs of a demographically diverse customer base, increase shareholder wealth and, thus, increase *organizational competitiveness*. Their comparative study concentrates on the *financial performance* of the DiversityInc Top 50 Companies for Diversity and provides evidence that, on average, companies with a strong commitment to diversity outperform their peers. In a longitude study Hollowell (2007) measured the stock portfolio performance companies against various market benchmarks in the period of 4 years in a sample of 25 firms (which were identified by *Fortune 500*¹⁶ as *diversity leaders*). A significant positive relationship between firm diversity and long-term firm performance was found. To prove his case the author provides specific calculations: “every dollar invested in the Fortune diversity portfolio results in a terminal wealth of \$1.97, while every dollar invested in the market index results in a terminal wealth of \$ 1.04” (p.51). So, therefore, his general conclusion postulates: “*A higher level of diversity is positively related to long-term firm performance*” (p.52). Hollowell could empirically prove that companies practicing diversity by far outperform the market and, therefore, give companies, which practice DM, competitive advantage.

Another performance-related approach is described by Vedder (2002) in the area of *diversity marketing*. Organizations running DM programs develop good reputation, which is likely to attract the best minority personnel (Carrell, Elbert & Hatfields, 2000). It is clearly easier for companies, whose employees come from diverse cultural backgrounds to better meet the needs of similarly heterogeneous client groups, which brings competitive advantage to *diverse* companies over their business rivals. Thus, additional benefits in form of cost cut through maintaining the highest quality human resources and attraction of new customers, who are interested in buying from companies celebrating diversity (Blake & Cox, 1991). Gilbert et al. (1999) support the same assertion, whereby they highlight the organizational outcome of *public recognition* of companies practicing DM. Their idea is empirically supported by Wright, Ferris, Hiller, and Froll (1995), who studied the link of stock returns of Office of Federal Compliance Programs award winners vs. companies sued for discrimination and, naturally, found significantly higher stock returns in winner companies.

2.4.2. Group-Level Outcomes

The focus of *group diversity research* lies in the area of *group performance* (e.g. Watson et al., 1993). Even more so that for organization-level outcomes, results of theoretical overviews (Krell, 2004) and empirical studies of ethnic and cultural backgrounds deliver contradictive information for group-level consequences of Diversity. For instance, the literature review analysing 90

¹⁶ *Fortune 500* is a ranking of the biggest, most profitable, and most powerful companies in the US, it is issued by the popular Fortune Magazine.

diversity studies conducted over a time span of 40 years done by Williams & O'Reilly (1998) affirms that 55% of the race and ethnicity studies uncover negative effects of diversity as opposed to 45% that reveal "positive effects". A more recent overview (Joshi & Roh, 2007 as cited in Shore et al., 2008) confirms this trend, with an important addition: they highlight an enormous amount of the *hushed up* neutral outcomes (e.g. partially unpublished studies, which found no effects of cultural diversity).

Positive effects of cultural and ethnic diversity in organizations and groups are increased creativity, enhanced decision-making and problem solving, higher overall performance (Carter et al., 2003; Egan, 2005; Elsass & Graves, 1997) as well as increased ingenuity and innovation (Hollowell, 2007), cost, resource acquisition, marketing (Aronson, 2002; Stuber, 2008) and organizational flexibility (Cox & Blake, 1991). As Stalinski (2004) points out: flexibility and adaptability of companies utilizing diversity gives rise to far-reaching outcomes in form of "increased commitment of minority staff who feel valued for their contributions" (p.15). At the same time, other researchers (Cox, 1991) bring up the fact that cultural differences can also create potential costs because of numerous communicational misunderstandings within diverse groups. Examples from Brislin and Yoshida's (1994) book "Improving intercultural interactions" give a glimpse into the multitude of possible cross-cultural differences of many misunderstandings that can result from them: many Asian and African nations have taboos about personal contact with the left hand; Latin Americans have a different comfortable distance in conversations and naturally stand about 10-12 inches (ca. 30 cm) closer than Americans; *major units* of time substantially differ around the world: an equivalent of American's perception of a *major unit of time* (five minutes in the US) is at least three times longer in the Arab world, i.e. 15 minutes. Naturally, violations of the aforementioned non-spoken rules, misuses of proxemics and chronemics (not even mentioning the foreign language use) lead to intergroup tensions, hostility and create other interpersonal challenges, which, consequently, lead to increased time exposure for accomplishing certain tasks and sometimes wield influence on group productivity.

Guillaume, Brodbeck, and Riketta (2011) uncover that consequences of surface-level (demographic, i.e. age, ethnicity/race, etc. differences) and deep-level (psychological, i.e. personality, attitudes, values) differences vary. Negative effects of surface-level differences on social integration and individual effectiveness (turnover, task and contextual performance) were apparent under low but not under high team interdependence (see Allport's contact hypothesis's explanation in 3.1.3. *Intergroup Contact Theory*). In contrast, deep-level dissimilarity had a stronger negative effect on social integration under high team interdependence and a weaker one under low interdependence.

McLeod, Lobel, and Cox (1996) conducted a study, which compared performance on brainstorming task of groups comprised of majority and minority members. The first group comprised only Anglo-Americans (ethnically homogeneous group or *majority* group), whereas the other group was composed of Anglo-, Asian-, African-, and Hispanic- Americans (ethnically diverse group or *minority* group). After completing the brainstorming task subsequent quality appraisal of produced ideas was conducted and resulted in ideas of ethnically diverse groups being judged (by independent judges to be of *higher quality, more effective and feasible* than ideas of homogenous groups (whereby, however, *objectivity/subjectivity* of judgments of ideas' quality should be taken critically). Curiously enough, Watson et al. (1993) find that in long-term perspective there is no difference in group performance on problem-solving tasks between groups with high and low diversity. However, a variety of opinions can be obstructive in situations, which require quick decision-making or prompt settlement achievement. The juxtaposition of these two studies illustrates how positivity/negativity of diversity consequences can be a matter of perspective.

Based on the review of studies linking demographic diversity to team processes Williams and O'Reilly (1998) concluded that increased diversity, especially in terms of age, tenure, and *ethnicity*, typically has negative effects on social integration, communication and conflict. Same authors report that individuals different from the majority in an organization more likely tend to leave, to be less satisfied and less psychologically committed (see *3.3.1.Theory, Practice and Operationalization of Commitment Research*). Researchers also have been reporting differential results for employees with majority/minority cultural affiliation (minority/majority gap). Minority and nonminority employees also seem to have different work attitudes. Riordan (2000) reports that majority employees (in the context of the study: the Whites) have lower work attitudes while being in minority groups (i.e. being different from other workgroup members), whereas this does not seem to have an effect on minority employees. Such results generally hint at adjustment needs for minority/nonminority groups. One can assume that minority employees have mastered their difference and adjusted themselves to have relatively positive work attitudes. At the same time nonminority employees, who have been suddenly forced into a previously unfamiliar to them minority position, were having a hard time adjusting to the new reality. This fact raises both: the problems of adjustment of minorities (and reminding that depending on group constellation a *majority* can also *become a minority*) and the general question of creating a mutually fruitful and convenient environment for both minorities and majorities with the help of adequate diversity management that can minimize the negative aspects of Diversity. Thus, Milliken and Martins

(1996 as cited in Gilbert et al., 1999, p.71) assert that the well-known “tendency of the dominant group to ‘drive out’ diversity may abate if Diversity is properly managed”.

2.4.3. Individual-Level Outcomes - Importance of Psychological Variables

As usual, one can find all kinds of mixed results on the effects of cultural diversity on individual effectiveness (Maznevski & Chudoba, 2000 as cited in Shore et al., 2009; Earley & Mosakowski, 2000). However, there is a strong line of research (primarily spinning off from the business case for diversity) providing empirically-based theoretical constructs, which show the basal importance of the psychological variables; because both: the group and organizational levels of outcomes inevitably descend from the individual-level variables.

As apparent from the integrative conceptual model for research of diversity outcomes and effective DM provided by Gilbert et al. (1999) the *individual-level outcomes* and attitudes toward diversity stand in the middle of the whole diversity in organizations picture. Individual-level outcomes like penetration of glass ceiling, heightened integration of minorities, organizational attachment, and reduced psychological dissonance trigger such valuable organizational benefits as better representation and retention of qualified minorities as well as the benefits that have already been mentioned in the subchapter on *organizational-level outcomes*: improved decision-making, better business contact with diverse and multicultural customer base. Attitudes towards diversity include acceptance, appreciation of differences and multiculturalism resulting in tolerance and understanding for other cultures. The list of benefits goes on (Gilbert & Ivancevich, 2000) with commitment, loyalty to firm and interaction adjustment through improved communication.

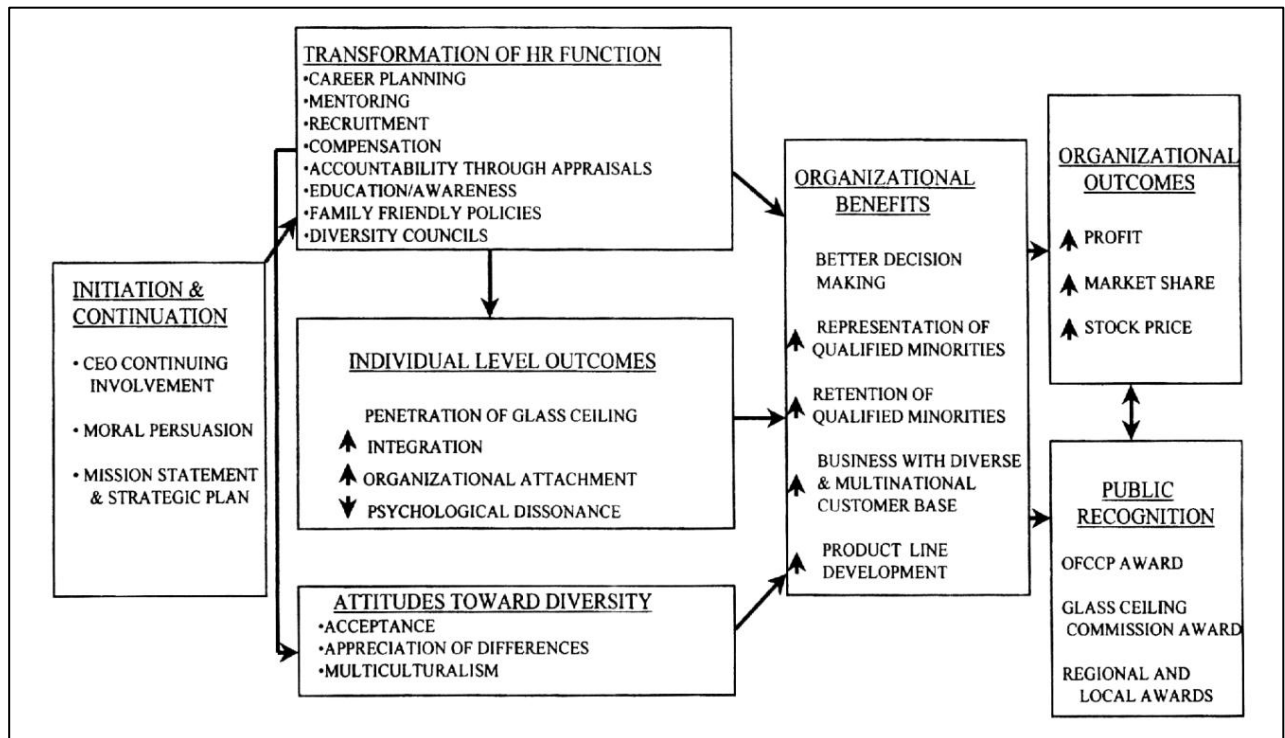


Figure 5. A model of effective Diversity management. Source: Gilbert, Stead, and Ivancevich (1999, p. 67).

It is further on argued that DM fosters employee integration, whereby it provides an attractive alternative to *assimilation*¹⁷ (inevitable outcome of organizational compliance) in form of *integration*, which employees eagerly welcome because valuing differences provides an easy to identify with opportunity for employees who are not willing to assimilate or whose issues are above assimilation. Organizations practicing diversity do not allow traditional patterns interfere with minorities' participations in organizational processes and thus win employees on a very basic level because individuals, according to social identity theory (2.1.1), derive their identity from membership in groups and when a company (which is simultaneously a group) commits to equally valuing employee's diverse contributions they eagerly and strongly identify with it (Thomas, 1992 in Gilbert et al., 1999).

Taking into account all the aforementioned benefits, *individual-level outcomes* (see 4.5. *Diversity Trainings: Outcomes regarding Psychological Variables*) of diversity are also non-randomly the most commonly aimed at and desired strategic variables of diversity trainings. Bezrukova et al. (2010, p.5) align the outcomes with the purposes of cultural diversity trainings (4.3. *Training Goals*) and explain their popularity based on increased satisfaction due to positive work and social climates, increased effectiveness through heightened innovation, competitive advantage due to

¹⁷ *Assimilation model* – “model for addressing diversity that recruits, selects, trains, and motivates employees so that they share the same values and culture” (Landy & Conte, 2010, p. G-1).

less turnover and better client relations, and, finally, an overall business success increase for individuals as well as for organizations.

An overview of empirical literature and, in this regard notably, of theoretical conceptualizations of diversity dynamics (Gilbert et al., 1999; Ivancevich & Gilbert, 2000; Jackson et al., 2003) has identified the primal importance of the individual-level variables. A brief introduction has been provided in this subchapter, however, a more detailed overview of the research area of attitudes and attitudes towards diversity will be given in the subchapter 3.2. *Attitudes and Attitudes towards Diversity*.

2.5. CHAPTER SUMMARY

With a history of about thirty years the concepts of Diversity and Diversity Management have earned a solid position in modern organizations and are increasingly gaining importance in the view of *inevitability of diversity* manifesting itself in form of growing internalisation of societies and globalisation of businesses. Diversity management approach has brought awareness about workplace discrimination on various grounds and has expanded into the modern HR world as a business-oriented strategy called the *business case for diversity*. The approach follows the motto that *difference creates opportunities* and advocates the stance that Diversity, if managed the right way, can help companies gain competitive advantage over their competition and capitalize on the possible benefits of cultural diversity by using all the potentialities their workforce has to offer. This approach seems topical in the view that, on the one hand, it can aid organizations that are apprehensive of diversity as such because of its alleged negative outcomes; on the other hand, it can help companies, which already are pro-diversity, to reap its benefits.

Cultural diversity management has raised the issues of efficiency of multi-ethnic workforce and has generated a lot of empirical research. The empirical studies on organization-, group-, and individual-levels, however, reveal mixed results when it comes to the effects of diversity in organizations and some studies (e.g. Richard, 2000) hint at indirect and asymmetrical effects of Diversity with possible moderation by variables like company's business strategies and top management's attitudes towards diversity. It must be noted that certain areas of diversity research are inevitably prone to be criticized from the methodological point of view because of problematic terminology choices (interchangeable use of the terms of race, ethnicity and cultural diversity), which simplify the measurement of cultural diversity and do not give credit to the complexity of the phenomenon. However, despite the criticism, the research delivers important decision-making basis for organizations by showing the broad palette of possible consequences of dealing with diversity, and thus, contributes to a more comprehensive understanding of diversity's outcomes.

Empirical research of diversity in organizations shows certain detrimental outcomes, whereby high demographic dissimilarity is leading to *lower* organizational citizenship behaviour (Chattopadhyay, 1999) on organization-level. On the level of workgroup research the outcomes show in form of *impaired* social integration and group identity (Cox & Blake, 1991), communication misunderstandings (Pelled, 1996) and conflict (Williams & O'Reilly, 1998). Nevertheless, another line of empirical research shows positive outcomes. The organizational-level consequences of both organizational diversity and company's commitment to diversity management manifest themselves in form of firm's *increased* financial and stock portfolio performance (Hollowell, 2007; Slater et al., 2008), cost cuts through maintaining the highest quality minority human resources (Blake & Cox, 1991), and diversity marketing through improved reputation as *minority-friendly* companies (Wright et al., 1995). The research results of workgroups show such beneficial results as enhanced creativity (Egan, 2005), decision-making (Elsass & Graves, 1997) and increased innovation (Hollowell, 2007).

Additionally, as apparent from empirical research, *differential results for minority/majority (nonminority)* seem to be the case in multiple areas, e.g. on attitudinal level: work attitudes (Riordan, 2000), organizational citizenship behaviour (Chattopadhyay, 1999); on performance level: brainstorming tasks (McLeod et al., 1996), problem-solving (Ely & Thomas, 2001). These results remind of the importance of integration of minorities in organizations as well as of importance of working against the natural ethnocentric tendencies of majorities to "drive out" diversity and get rid of heterogeneity (Milliken & Martins, 1996 as cited in Gilbert et al., 1999, p. 71) in order to create a productive environment in the workplace. Thus, the need for an adequate organizational diversity management tool becomes apparent, which requires an integrated research-based understanding of diversity dynamics aligned with the types of diversity and its outcomes.

Thus, the *research question about consequences of diversity for organizations and benefits/disadvantages acquired through practicing cultural diversity management can be answered in the following way*. An overview of theoretical and empirical diversity literature has shown that although cultural diversity can potentially bring both positive and negative results for organizations, diversity management is an effective tool (Weigand & Zwirlein, 2008), which can help cope with the challenges posed by organizational diversity. The benefits that companies could expect from practicing diversity management include both: eliminating the possible negative outcomes of diversity and enhancing the abovementioned benefits that Diversity can potentially add to the company. Either way, the results show that correct DM has the potential to create

competitive advantage for organizations and make it a strategically important tool for organizations.

The analysis of empirical research shows that organization-level and group-level studies are mainly concentrated on business and workgroup performance. Substantially less attention in the early research in that area has been devoted to *individual-level* psychological variables like *employee's attitudes (towards diversity)*. The identification of the research gap in the area of individual-level psychological variables has led to a detailed overview of variables targeted in diversity initiatives. This topic will be overviewed in more detail later in this thesis (3.2. *Cultural Diversity Trainings in Organizations*), but based on conceptual frameworks of diversity in organizations (Gilbert & Ivancevich, 2000) it is hard not to notice already at this stage that individual-level variables (work attitudes and attitudes towards diversity) seem to lie at the base of diversity dynamics in organizations and are a *setting lever* on the way to predicting the outcomes of diversity in workgroups and organizations. Naturally, organizations need a tool to access these variables, which seems to be on a general level enabled via (cultural) diversity management, and, on a more specific level: by cultural diversity trainings. Thus, next research questions arise: which exactly psychological variables are aimed at in (cultural) diversity initiatives and what are the psychological mechanisms behind the expected change across these variables?

3. PSYCHOLOGICAL MECHANISMS AND OUTCOMES OF DIVERSITY INITIATIVES

Based on literature analysis performed in CHAPTER "MANAGEMENT OF CULTURAL DIVERSITY IN ORGANIZATIONS", a research gap in the area of individual-level psychological variables has been identified. Theoretical conceptual frameworks of diversity hint at the fact that psychological variables like attitudes towards diversity lie at the base of organizational diversity dynamics and could be the *setting lever* on the way to predicting and affecting the positivity/negativity of outcomes of organizational diversity. In this chapter, an overview of relevant publications will be performed in order to identify, which psychological variables are commonly targeted in (cultural) diversity initiatives. These will be later juxtaposed against organizational diversity outcomes in order to see, whether companies are managing diversity effectively. Various explanations for Diversity outcomes in organizations will be summarized in order to provide explanatory theoretical basis for cultural diversity management in organizations and identify the psychological mechanisms behind the most *aimed at* diversity variables.

3.1. Explanatory Approaches of Diversity Outcomes

Commonly, literature on cultural diversity in organizations is seen from two perspectives: optimistic and pessimistic. *Social identity* (Tajfel, 1982) and *similarity-attraction* (Byrne, 1971) paradigms could be called *pessimistic*. This mind-set is arguing that cultural diversity is more of a problem than an opportunity as both paradigms postulate that individuals prefer individuals and groups similar to oneself. The negative effects of increased racio-ethnic diversity (heterogeneity) on social integration, communication, and conflict seem to be logical consequences from that standpoint. Research based on these theories (Pelled, 1996; Williams & O'Reilly, 1998) assumes that cultural diversity is harmful for workgroup performance. Contrary to the *pessimistic* view, the *Value in Diversity* (VID) *perspective* (Cox, 1991; Van Knippenberg & Haslam, 2003) and *information-processing approach* (Mannix & Neale, 2005) focus more on the positive consequences of cultural diversity, depict it as generally advantageous and can therefore be described as more *optimistic*. However, the outcomes of diversity cannot always be unambiguously assigned to either perspective. For instance, explanatory attempts of the mixed outcomes of cultural diversity and special cases (e.g. minority/majority gap) come from different places, highlighting possibly significant aspects like *group affiliation* (minority/nonminority), *constellation* (homogenous/heterogeneous) and *group identification* (e.g. Van Knippenberg 2003, 2007).

3.1.1. Social Identity Approach

Because of overlapping content self-categorization and social identity theory are sometimes merged under the name of the *social identity approach*. *Similarity-attraction theory* developed from Newcomb's *theory of social attraction* and is based on the basic premise that similarity of attitudes, values, and beliefs facilitates interpersonal liking and attraction (Mannix & Neale, 2005). Byrne's (1971) work on the *similarity-attraction paradigm* theoretically and empirically confirmed that assumption and specified that in situations requiring evaluation of others, individuals rate those *similar* individuals as more knowledgeable, intelligent and well-adjusted. Research of Triandis (1960 as cited in Mannix & Neale, 2005) complementarily confirmed that there was less attraction and more communicational difficulties within culturally dissimilar groups (as opposed to culturally homogenous ones). By using the *reinforcement framework* Byrne explains how similarity affects evaluations of others: *reinforcing stimulus* (e.g. ethnic similarity) leads to *affective response* (e.g. interpersonal attraction), which consequently leads to *evaluative response* (e.g. rating the performance). Such theoretical assumptions are supported by studies (Strauss, Barrick, & Connerley, 2001 as cited in Strauss, 2007) showing that if supervisors perceive subordinates' personality as similar to their own, they rate their performance higher

(compared to subordinates with *dissimilar* personalities). Thus, similarity seems to be supportive of a positive self-identity, whereas dissimilarity or diversity – can be seen as a threat, thus, embodying the *threat hypothesis* (Strauss, 2007).

Whereby similarity attraction theory was originally developed for understanding dyadic relationships, it could not address the similar effects in cases where there was no direct interaction of participants (Tsui, Egan & O'Reilly, 1992). Thus, self-categorization (Turner, Hogg, Oakes, & Reicher, 1987) and social identity theories (Tajfel & Turner, 1986) spun off in order to explain such cases of intergroup behaviour, i.e. to explain how heterogeneity in workgroups and workplaces can lead to negative outcomes. *Self-categorization theory* is based on the main presumptions of the *social identity theory* (SIT), e.g. SIT postulates that individuals derive their identity from memberships in cultural groups. *Self-categorization theory* (Turner, 1987 as cited in Tsui, Egan & O'Reilly, 1992) claims that one's self-concept is based on social categories with which we identify and see ourselves belonging to (e.g. gender, race). Individuals naturally have a need to have a positive self-identity, which causes them to give selective and preferential evaluations, naturally favouring individuals similar to them in terms of their social category. The closer the social category is to what we are like, the more positively we evaluate those. At a certain point self-categorizations become particularly salient (usually as a result of category fit, i.e. ratio of between-group differences to within-group similarities) then, according to Stroessner (1996 as cited in Mannix & Neale, 2005) members of heterogeneous groups are more likely to categorize themselves and others in terms of demographic characteristics than are members of homogeneous groups. The world becomes divided into *us and them* and the *act of social categorization* stimulates different expectations for in- and out-groups. Interestingly enough, in-group is seen as heterogeneous and differential, the judgements also happen more slowly; whereas the out-group is seen as fairly homogenous and is judged much quicker, which creates the atmosphere for stereotyping (see 4.3.1. *Eliminating Stereotype, Prejudice and Discrimination*) and leads to preferential treatment of these groups (Mackie & Smith, 1998 as cited in Mannix & Neale, 2005). Thus, social identities resulting from in-/out-group attribution explain why members of heterogeneous groups (in particular with majority/minority structure) show less attachment and commitment (Mannix & Neale, 2005; Tsui et al., 1992) and result in impaired social integration and group identity, communication misunderstandings and conflict (Pelled, 1996; Williams & O'Reilly, 1998).

3.1.2. Information-Processing and Problem-Solving Approaches

Information processing approach represents a more positive (as opposed to SIT) take at explaining the outcomes of diversity in teams and organizations. Whereby similarity-attraction

approach explains why individuals in diverse groups prefer to communicate with the like, information processing approach underscores a broader variety of knowledge and perspectives among diverse individuals and underlines their ability to access “different backgrounds, networks, information, skills and experiences” (Mannix & Neal, 2005, p.42).

Researchers suppose that diverse viewpoints increase team reflexivity, i.e. *careful consideration and discussion of its functioning* and propose that it results in improved team performance and is positively related to team learning behaviour (Gibson & Vermeulen, 2003 as cited in Van Knippenberg & Schippers, 2007; West, 1996, 2002). Diverse viewpoints, the available additional information and expertise can meaningfully contribute to problem-solution in workgroups. According to Mannix and Neal (2005) the information processing tradition concentrates on diversity benefits in informational, educational and functional terms and, therefore, on direct impact of social and cognitive group processes (Pitcher & Smith as cited in Mannix & Neal, 2005). Such outcomes can be beneficial in multiple areas, in particular where deeper analysis is needed instead of settling for “good enough, but less-than-optimal solution” (p.42). However, the theory does not have solid unambiguous empirical evidence: For example, Webber and Donahue (2001) tested the suggestion that different types of diversity affect workgroup cohesion and performance differently, but could not find any relationship of diversity type with neither cohesion, nor performance. Similarly, Bowers, Pharmer, and Salas (2000) meta-analytically combined the effect sizes of studies on homogeneity and heterogeneity of groups and found small (however non-significant) effects in favour of heterogeneous groups, underlining that many significant effects can be attributed to the type and difficulty of the task used. As Van Knippenberg et al. (2004) notice task-relevant information details should be noticed by workgroup members and intentionally utilized to cause increased conscious elaboration of information and sharing of information. This is particularly relevant as in the categorization-elaboration model (CEM) (Knippenberg et al., 2004) information sharing (“exchange of information and perspectives”, p.1011) is considered to be the primary process on which positive performance effects of diversity are based. Bunderson and Sutcliffe (2002 as cited in Mannix & Neale, 2005) additionally note, based on their study of 45 teams from Fortune 100 consumer companies, that information sharing mediates the performance/diversity relationship.

3.1.3. Intergroup Contact Theory

Gordon W. Allport's (1954) *contact hypothesis* (sometimes: *intergroup contact theory*) is one of the most celebrated theories of social psychology and can be briefly formulated in the following way: the more often a representative of one social/cultural group has contact with a representative of another such group, the lower the level of prejudice between them. The contact hypothesis

assumes that under certain circumstances personal contact is one of the best ways to reduce commonly occurring problematic issues like prejudice¹⁸, stereotyping¹⁹ and discrimination²⁰ between minority and majority groups. Allport (1954) defined *prejudice* as an *aversive or hostile attitude toward a person who belongs to a group, simply because he belongs to that group, and is therefore presumed to have the objectionable qualities ascribed to that group*; and suggested that a properly managed interaction between these rivalling groups could reduce the aforementioned issues and lead to more constructive contact. Certain favourable conditions for intergroup contact (IC) can promote intergroup liking through increasing the perception of similarity. In order for this to happen the following conditions must be fulfilled:

- 1) both groups should have an *equal status* relationship;
- 2) both groups should work on a *common goal or task*;
- 3) group structure must imply *intergroup cooperation*, i.e. fulfilling the task must require that members of both groups are interdependent to achieve this common goal;
- 4) *support of authorities (law, or custom)*, acknowledged by both groups, must be evident: authorities must define certain social norms, which support interactions between groups and their members.

Rothbart and John (1985) complement the topic of intergroup liking with the statement that stereotype change is rare under normal circumstances but may very well occur when “disconfirming attributes are associated with otherwise typical group members” (p.81). They also suggested that effects of intergroup contact on stereotypic beliefs depend on the setting and whether it allows stereotype disconfirming events as well as on susceptibility to disconfirming information and degree of generalization to the group as a whole from specific group members. Thus, the abovementioned conditions should be taken into account while designing diversity initiatives and trainings.

Pettigrew (1998, pp.67-68) overviews early and recent empirical evidence confirming Allport’s contact hypothesis citing studies positively changing racial attitudes among the US marines after desegregation and increased interdependency of white and black seamen, of higher esteem of white to black neighbours in racially desegregated housing projects in NYC as well as higher attitude toward a wide range of diversity categories beyond ethnic groups. Pettigrew (1998) also

¹⁸ *Prejudice* – a “negative (or positive) evaluation of a particular group and its members” (Feldman, 2007, p.537).

¹⁹ *Stereotype* – a “set of generalized beliefs and expectations about a particular groups and its member” (Feldman, 2007, p.537).

²⁰ *Discrimination* – “behaviour directed toward individuals on the basis of their membership in a particular group” (Feldman, 2007, p.537).

advances and reformulates the intergroup contact theory disclosing three problems limiting the contact hypothesis research:

- 1) overburdening of the hypothesis with facilitating, but not essential conditions, running the risk of it being an “open-ended laundry list of conditions”, some authors (e.g. Wagner & Machleit, 1986 as cited in Pettigrew, 1998, p.69) conclude that positive effects of IC require a “common language, voluntary contact, prosperous economy”);
- 2) the IC hypothesis does not address the process, i.e. it only predicts when, but not how and why the effects happen;
- 3) the hypothesis does not allow generalizations beyond immediate contact situation.

The author also names strategies how to enhance the generalization above the contact situation: *decategorization* (takes place at initial contact because of similarity attraction), *salient group categorization* (is possible when contact is established when possible anxiety and threat from dissimilarity subside) and *recategorization* (is possible when all-encompassing group identification is adopted, it is most optimal for prejudice reduction). Brown, Vivian, and Hewstone (1999) empirically advanced the aforementioned statements and showed that positive attitudinal generalization, additionally, was facilitated by encounters with typical out-group members; and membership salience moderated the impact of contact on a generalized measure of favourable attitudinal orientation, whereby heightened membership salience (achieved by increasing the prototypicality of certain out-group members during cooperative intergroup contact), facilitated the generalization of positive attitudes toward the out-group as a whole. For more on the mechanisms of attitudinal change via intergroup contact see subchapter 3.2.2.2 *Changing attitudes through intergroup contact* and on negative consequences of prejudices in the workplace subchapter 4.3.1. *Eliminating Stereotype, Prejudice and Discrimination*.

3.1.4. Ironical Processes Theory

Developed by Wegner (1994) *ironic processing theory* (IPT) is a theory of mental control intending to explain why efforts to suppress thoughts sometimes succeed and sometimes fail. Wegner has been carrying out thought suppression laboratory experiments with the instruction to *avoid all thoughts of a white bear*. The typical result of such experiments was that instruction to suppress the thoughts caused frequent return of these thoughts, sometimes even to a degree of obsession. Thus, *ironic processing* describes a common psychological phenomenon, whereby an individual's conscious attempt of thought suppression (avoiding certain thoughts) makes those even more persistent. The theory suggests that when a person tries to suppress thoughts (e.g. a rater tries to avoid age- or race-related thought about a job applicant) two parallel processes are initiated: unconscious and automatic *monitoring processes* and *consciously initiated processes*.

The conscious operating process requires more cognitive capacity, but in return has a more pronounced effect than the monitoring one and, thus, substantiates success of wilful thought suppression resulting in a lower occurrence of *banned* thoughts. Until this point ironic processes could have been a solid argumentative basis for the never-failing effectiveness of diversity trainings. However, problems may occur when *cognitive capacity constraints* limit conscious operating processes. This can happen when people are *cognitively busy*, i.e. preoccupied with another task or stand under some kind of pressure. The cognitive capacity is then reduced and in some cases not sufficient for normal operation of the system. In that case the monitoring processes surpass the operating processes and result in ironic effects, i.e. effects, contrary to the intended ones. Because the monitoring processes have been “routinely checking for operating system ‘failures’ [...] this process ‘repeatedly primes’ the unwanted thoughts” (Bodenhausen & Macrae, 1998 as cited in Kulik, Perry, & Bourhis, 2000, p.690). With no resistance on the part of the conscious operating system, the unwanted thought becomes “hyperaccessible” for the monitoring process (Kulik et al., 2000, p.690).

Ironic processes theory has important implications for workplace discrimination, general HR decision-making as well as application of diversity initiatives (in particular: trainings) in organizations; because, as it turns out: if decision-makers are cognitively busy and try to control the thoughts on certain stereotype-bound candidate characteristics, processes may occur, which lead to unfair and negative evaluations of such candidates. Empirical research of Kulik, Perry, and Bourhis (2000) connects *ironic processes* with diversity initiatives aimed at dealing with reduction of discrimination. The authors explored *ironic processes* in evaluation initiated by suppression instructions conveyed during diversity training. In the study raters, after watching 3 training videos, have been asked to evaluate job applicants. During the evaluation task some raters were cognitively busy, the others - were not. In accord with IPT, cognitively busy raters evaluated diverse applicants (in this study: older applicants) less favourably than raters in other conditions. These results suggest detrimental effects on evaluation of non-traditional (in this study: in terms of age) job applicants and are relevant in several regards. Firstly, they show that issues of discrimination against *diverse groups* are a topic in organizational settings (see 4.3.1. *Eliminating Stereotype, Prejudice and Discrimination*). Secondly, raise the issue of effectiveness of anti-stereotyping initiatives, which, as it turns out, can have consequences deviating from original intent. The abovementioned facts beg the question of correct diversity management and underscore the immense complexity of psychological functioning, which must be taken into account while designing diversity initiatives.

3.1.5. Inference: Applying Theoretical Approaches in Diversity Initiatives

Applying the framework of social identity approach and information-processing to organizational setting, in particular to cultural diversity training, the effects of CDT can be predicted based on the interplay of positive (recognition and appreciation of cultural differences) and negative (racial, ethnic and religious prejudice and discrimination) intergroup attitudes resulting from the saliency of a member's identity. Rooted in the social identity approach, the results of relational demography studies (e.g. Tsui & O'Reilly, 1989 as cited in Mannix & Neale, 2005; Strauss, Barrick, & Connerley, 2001 as cited in Strauss, 2007; Tsui, Egan, & O'Reilly, 1992) show that increasing dissimilarity in different settings (between subordinates and superiors, in workgroups) can result in less psychological attachment, reduced intention to stay in the company and higher absenteeism. These facts raise important issues for companies (especially those working internationally and with diverse teams of specialists) of how to correctly manage these differences and maybe even gain competitive edge promised by the *value in diversity* perspective through correct management according to the principles described in the information-processing theories. Mannix and Neale (2005, p.43) observe that "it is almost impossible to understand the diversity–process–performance link without integrating all [...] approaches". By providing various perspectives on diversity, each of these schools of thought explain the phenomena in their domain, be it individual's comfort of belonging or increasing creativity through difference of perspectives. It is therefore important to be aware of both: the possible disruptive effects (amplified time exposure) of diversity as well as its multiple benefits (increased creativity), to know the circumstances under which positive/negative effects occur (e.g. under pressure) and align them with organizational context and goals of diverse workgroups: a diverse team of scientific innovators would probably have different goals, utilize other intergroup techniques, and should, therefore, be managed differently than a short-term project team in a multinational corporation under high pressure.

3.2. Attitudes and Attitudes towards Diversity

The overview of literature in CHAPTER "MANAGEMENT OF CULTURAL DIVERSITY IN ORGANIZATIONS" has identified that substantially less attention (compared to organization-level and group-level studies) has been devoted to *individual-level* psychological variables (*attitudes* and *attitudes towards diversity*). This seems to be a paradoxical observation taking into consideration the current conceptual frameworks of diversity in organizations (e.g. Gilbert & Ivancevich, 2000) show that these variables lay at the base of diversity dynamics in organizations. Thus, the current status quo of research results on these variables will be provided in more detail further on.

3.2.1. Theory, Practice and Operationalization of Attitudinal Research

Group-level studies of diversity are commonly carried out in workgroups²¹, most of them, naturally, with an emphasis on productivity. Research gap in that area is pointed out by Van Knippenberg and Schippers (2007) in the area of attitudinal research, in particular: research of *attitudes towards diversity*.

3.2.1.1. Attitudes

Attitudes are “lasting, general evaluations of people, objects, or issues” (Petty & Cacciopo, 1986 as cited in Van Oudenhoven-Van der Zee et al., 2009, p.259). One of the goals and a common assumption of cultural diversity programs (trainings) is that employee’s attitudes have influential outcomes for both companies and individuals and can be changed in the course of diversity management practices such as diversity trainings. This brings up the question: to what extent is an assumption that attitudinal change can bring tangible change in organizational contexts legitimate? A possible explanatory approach is based on Fishbein and Ajzen’s (1975) *theory of reasoned action*. The theory asserts that *behavioural intention* is determined by the attitude toward doing so (sum of beliefs) and by *subjective norms* of an individual (determined by normative beliefs about how significant others assess this intent and coupled with *motivation to comply*). Following this reasoning attitude is the antecedent of *behavioural intent* (likelihood to engage in behaviour), which has important implications as changing attitudes can consequently change real behaviour. There is ample empirical evidence documented in the literature that a properly carried out diversity training can change attitudes: Curtis and Dreachslin (2008) report of multiple studies, which (on self-report level) show improved post-training scores in multicultural questionnaires as well as increased awareness of cultural differences. Importance of *attitudes and perceptions* like psychological variables in the workplace is also highlighted by Shoobridge (2006), who comes to the conclusion that such intangible variables as *attitudes*, *perception* as well as (manager’s) *willingness to change* have tangible outcomes like *business performance* in form of export sales, profits and growth, and *nonfinancial performance measures* like export success, satisfaction and goal achievement (Chetty & Hamilton, 1993 as cited in Shoobridge, 2006).

3.2.1.2. Attitudes Towards Diversity

A type of attitudes particularly interesting in connection with organizational management of cultural diversity is *attitudes towards diversity* (ATD). The definition of *attitudes towards diversity* is given by Van Oudenhoven et al. (2009, p.259): “generalized lasting evaluation of diversity in groups”. The general question of the attitudes towards diversity research area seems to be: what role in producing diversity outcomes do ATD play in workgroup dynamics. Social

²¹ *Workgroups* are “intact, bounded social systems, with interdependent members and differentiated member roles that pursue shared measurable goals” (Chattopadhyay, 1999, p. 237).

identity theory postulates that compositional characteristics of groups (minority/majority arrangement, degree of heterogeneity) are decisive for the productive outcomes of such groups. However, according to Van Oudenhoven et al. (2009) outcomes of diverse groups do not only depend on compositional characteristics, but also on an individual's tendency to expect positive or negative consequences from diversity, in other words: on individual's *attitudes towards diversity*. This insight raises the issue of attitudes in the workplace and accentuates the usefulness of cultural diversity practices in form of trainings, which aim at changing the attitudes and attitudes towards diversity.

Van Oudenhoven et al. (2009) argue that the question on positive/negative outcomes of diversity (see 2.4.3. *Individual-Level Outcomes*) seems to be dependent on the *nature of outcome dimensions*. McLeod et al. (1996) direct specific attention to the *degree of diversity*, *group process* and *nature of tasks* as possible variables influencing diversity outcomes. Further, Van Oudenhoven et al. (2009) notice that most commonly found result in the literature is negative affective reactions in highly culturally diverse (noncohesive) workgroups. *(Work)group cohesion* traditionally has its roots in structural connectedness, demographic similarity and psychological identification, so it is not surprising that Diversity in workgroups seems to come with lower work satisfaction, commitment as well as with higher levels of emotional conflict (Van der Zee, Atsma, & Brodbeck, 2004; Van Knippenberg, De Dreu, & Homan, 2004). Such outcomes are easily explained by the *similarity attraction hypothesis* (see 3.1.1. *Social Identity Approach*) according to which there is a general human tendency to positively react to similarity and negatively to dissimilarity as well as roughly categorize the social environment into *us* and *them*, thereby creating subgroups, membership in which could be of importance if intergroup processes come into play.

Despite the assertions of the similarity attraction hypothesis, empirical exploration of the link between expected outcomes of diverse workgroups and attitudes towards diversity (Nakui, 2005; Nakui et al., 2008; Van Oudenhoven-Van der Zee, et al., 2009) supports the adverse suggestion that diversity of workgroup composition (for effects of group composition in training groups see 4.4.4. *Trainee/Trainer's Characteristics*) in terms of ethnicity and language background leads to generating higher quality of ideas, more varied perspectives, and more elaboration for group work (McLeod & Lobel, 1996; Watson et al., 1993). Likewise, empirical results of real (not only expected) group outcomes by van Dick, van Knippenberg and Hägele (2008) support the *information-processing approach* – the researchers found in two longitudinal studies of project teams of postgraduate students that relationship between *subjective diversity* and *identification* is more positive in ethnically diverse workgroups when their members hold pro-diversity beliefs (i.e.

positive attitudes towards diversity). The authors additionally find that group identification is positively related to student's desire to stay in a group and to their information elaboration. Similarly, Homan, Greer, & Jehn (2010) postulate that the way in which group members construe group's diversity is shaped by group members' *beliefs about the value in diversity*. With their research of groups with distinctive objective subgroups they show that the more group members value diversity (positive attitudes towards diversity), the more likely they are to construe their identity in terms of individual differences and the less likely – in terms of subgroups (see contact hypothesis in 3.1.3. *Intergroup Contact Theory* for theoretical explanation). The theoretical argument explaining such results is that positive ATD come along with a tendency to exchange work-related information (see 3.1.2. *Information-Processing Approach* for theoretical explanation) instead of categorizing fellow group members as out-group (Van Oudenhoven et al., 2009).

Based on the assumption that group members with positive attitudes toward diverse workgroups adjust and function better in such groups than members with a negative attitude Nakui (2005) conducted a series of studies. The effects of attitude toward diverse workgroups on task performance, psychological reactions, and perception of group diversity were studied. Nakui was able to show that group members with a *positive attitude toward diversity* showed higher motivation to work, less sensitivity to cultural diversity at the initial stage of group interaction, and better quality of ideas than those with a negative attitude toward diverse workgroups.

Another variable important in this connection is the *level of dogmatism*. The survey conducted by Chattopadhyay (2003) researched the effects of demographic dissimilarity on organization-based self-esteem of employees, levels of trust in and attraction towards their peers. The results suggest moderating effects of the *level of dogmatism* on the effects of demographic dissimilarity on the attitudes of women and minority employees. It turns out individuals with different (higher and lower) levels of dogmatism perceive organizational status hierarchies (sex- and race-based) as differently legitimate. Thus, lower levels of dogmatism resulted in higher trust and higher attraction towards peers.

Yet, not all studies render unambiguous evidence. For example, Strauss (2007) researched the link between attitudes toward diversity and minority status and found no correlation between perceived minority/majority status (in ethnicity) and attitudes toward diversity. Her results showed that *perceived minority status in gender* positively correlates with *attitudes toward diversity*. In particular, women who considered themselves to be of a *minority gender* were very likely to have positive attitudes toward other cultural groups than women who did not perceive themselves as a minority. Such studies open up a new and relatively unexplored chapter in diversity research – the area of diversity faultlines.

3.2.1.3. *Faultlines – Interaction of Diversity Dimensions*

Attempts to explain the ambiguous results regarding the effects of group composition on workgroup performance are accounted for by the *categorization-elaboration model* (van Knippenberg et al., 2004). The authors bridge and extend the two main traditions in diversity research by highlighting *social categorization* (see 3.1.1. *Social Identity Approach*) and *information/decision-making processes* as procedures explaining confusing effects of diversity on workgroup performance and devote particular attention to moderators of social categorization (Van Knippenberg and Schippers (2007) identify three factors, which moderate effects of Diversity: interdependence, time, and diversity mind-sets.), intergroup bias, and information-/decision-making processes. The categorization-elaboration model contains two underlying processes: on one side, diversity often comes with *intergroup bias*, which leads to less group identification and is followed by increased conflict and decreased workgroup performance. On the other side, the *information processing approach* (see 3.1.2. *Information-Processing and Problem-Solving Approaches*) suggests positive effects of diversity because of elaborate processing of information because of the wider pool of various perspectives in diverse groups. Thus, guided by the idea of non-linear effects and research of *social categorization salience* (which, among other things, suggests that different diversity dimensions correlate with each other and that their likelihood launches the subcategorization processes, Van Knippenberg and Schippers point out the existence of *faultlines* – a term used to describe the situation when “positions on different dimensions of diversity are correlated” (van Knippenberg & Schippers, 2007, p.523), whereby both “between-group differences and within-group similarity” is implied, and where correlated dimensions of diversity provide basis for between-group differentiation. The authors bring an example of group composition containing possible faultlines: a group consisting of men and women, where all men are relatively old and all women – relatively young. It is suggested that the stronger the diversity faultline, the higher the probability of subcategorization (and the more likely disruptions in group-functioning are to arise), i.e. subcategorization in a group described above is more probable than in a group where gender and age are equally *diverse*.

Lau and Murnighan (1998), the first authors to introduce the concept of faultlines into diversity research, suggested that in groups with easily identifiable subgroups people’s group-related identities would be stronger for subgroups than for the *bigger* group. Using the example from Van Oudenhoven et al. (2009) this would mean that in a four-person group composed of two black females and two white males, gender would be the determining category to identify with (compare with the abovementioned study of Strauss, 2007). According to Van Oudenhoven et al. (2009, p.259): “If team members primarily stress their membership of a subgroup, they are likely to distance themselves more from members of other subgroups and to evaluate them less

favourably”. However, constructive functioning of the group is enabled through members sharing their beliefs as well as information with each other. An overview of social categories salience research (Homan, van Knippenberg, van Kleef, & De Dreu, 2007, pp.81-82) Shows that: (a) diverse groups experience particularly negative effects of diversity when various diversity dimensions converge in a group; (b) strong faultlines compared with weak faultlines result in more intragroup conflict and lower satisfaction (according to Van Oudenhoven et al. (2009) a four-person group where all the females are black and all the males are white could be an example of *strong faultlines*). Overcoming the negative effects is possible through *cross-categorization*. Applied to the same example, an *optimal* weak faultline composition group should be: some of men and women are relatively old and others – relatively young; thus, the differences are smaller and group members have something in common on each of the dimensions.

Homan et al. (2007) managed to connect attitudes towards diversity with workgroup faultlines in their research: through experimental manipulation of presence of *positive beliefs in value of diversity* they showed that positive ATD help overcome negative outcomes of faultlines. Van Oudenhoven et al. (2009) deepen the faultlines research by substantiating empirically that ATD *moderate* the impact of diversity on anticipated group outcomes. The authors examined the impact of level of diversity (high/low heterogeneity), faultlines (interaction between diversity dimensions) and diversity attitudes on anticipated outcomes. In the studies participants evaluated pictures of workgroups with varying ethnic and gender composition in regard of anticipated affective and productive outcomes. Favorable level effects of diversity were particularly found for groups with weak faultlines and for productive outcomes of diversity. In general, outcomes of cross-categorized groups were anticipated as more favorable than outcomes of groups with strong faultlines. Additionally, positive attitudes towards diversity buffered against increasing levels of diversity (i.e. heterogeneity), but not so much against the presence of faultlines (Van Oudenhoven et al., 2009).

3.2.2. Achieving Attitudinal Change in Organizations

Gilbert et al. (1999) mentioned in their *integrative model* (see *Figure 5*) that *attitudes towards diversity* include acceptance, appreciation of differences and multiculturalism, which, in their turn, manifest themselves in form of *organizational benefits* (see also Cox & Blake, 1991) like better decision-making, representation/retention of qualified minorities, business with diverse and multinational customer base and product line development. Also Van Knippenberg and Haslam (2003) introduced the idea that positive attitudes towards diversity can affect feelings and task performance in heterogeneous groups positively, making attitudes and attitudes towards diversity of primary interest for businesses, which have to deal with diversity among employees. In this

light, the *how-to* of attitudinal change is particularly salient for companies. Therefore, the following subchapters address the theory and empiricism of this phenomenon in detail.

3.2.2.1. *Changing attitudes through information and awareness*

A way of changing attitudes through information and awareness can be implemented with the help of cultural diversity awareness or *sensitivity trainings*. Aims of such *diversity-awareness trainings* naturally include raising the awareness about social perception biases through increasing sensitivity towards beliefs and feelings of representatives of other cultures. *True awareness* starts when behaviour starts being interpreted in the context of the target culture, free from stereotypes concerning competence, power, or personality. With *knowledge* being an intermediate goal, it is however expected to encourage a positive change in trainees' behavior (for alternative theoretical explanation see Fishbein and Ajzen's *theory of reasoned action* in 3.2. *Attitudes and Attitudes towards Diversity*) (Sanchez & Medkik, 2004). These authors recapitulate the mechanisms through which awareness-trainings affects behaviour of trainees: the link between awareness and behavioral change is explained through *dual-process theories of social cognition*, which stress the difference between automatic and thoughtful cognitive processes. Particular social categories (ethnicity, gender, etc.) are adopted early in life and fall into the category of automatic or thoughtless processes. The drawback of social categorization is that individuals feel, think, and behave the same way to representatives of social categories as to the *thoughtless* categories themselves. Thus, thoughtless categorization can stimulate stereotypical, biased and exclusive behaviour. Going beyond initial category and its cognitive, affective and behavioural components is possible on condition that the perceiver is motivated to practice *individuation* (a thoughtful process of reintegrating the abovementioned components). Awareness training informs about the biasing effects and activates attentional resources of a participant. Increased effort during the next contact with a representative of a different culture leads to thoughtful reintegration of the categories' components, thus stimulating fair reactions to culturally diverse individuals.

3.2.2.2. *Changing attitudes through intergroup contact*

Another approach to attitudinal change is via intergroup contact (particularly often used for elimination of prejudice). As Brown et al. (1999) notice that the main question of this research area is: under which condition positive attitudes created in the contact experience will generalize beyond the immediate situation. The psychology of attitudinal change through contact is clarified by Rothbart and John (1985, p.82) as "an example of the general cognitive process by which attributes of category members modify category attributes". This means that individual's attitudes can be altered and positive changes tread in (e.g. reduction of prejudice) through reconceptualization of group categories to which the participating individuals belong. Empirical

research shows that the contact hypothesis is effective in reducing prejudice and stereotyping under the following conditions:

- 1) the minority group member's behaviour is not consistent with the stereotype;
- 2) contact between group members occurs often and in a variety of social contexts;
- 3) the minority members are perceived as typical of their cultural group.

Van Knippenberg, De Dreu, and Homan (2004, p.1010) in their *categorization-elaboration model* of workgroup diversity (see 3.2.1.3. *Faultlines*) and group performance clarify that only in case of *threatened personal identity* the predictions of social identity theory (in that case: preference of groups similar to one's own, causing consequences such as lower organizational commitment of minorities) will prove to be true.

Brown et al. (1999) summarize the *de-categorization model* of Brewer and Miller (1984, 1988): the antecedent of prejudice is depersonalized perception of out-group members, who are seen in an undifferentiated and homogeneous way. A more constructive contact would imply their out-group membership made less salient through less rigid group boundaries and more interpersonally oriented relations. Successful contact implies *differentiation* (recognition of sub-groups within the out-group) and *personalization* (paying attention to information relevant to the self and not associated with group membership) of the prejudiced against group. Provided both processes take place, repeated interpersonal contact should disconfirm the existing negative stereotype. It is suggested that this type of contact is likely to be generalized to other contact situations as it “undermines the availability and usefulness of category identity as a basis for future interactions with the [...] individuals” (Brewer & Miller, 1984 as cited in Brown et al. 1999, p.742).

Connecting intergroup contact to diversity training Paluck (2006) notices that these notions have a lot in common: firstly, intergroup contact is the motivation for DT because the reason for cultural diversity training's rise to fame is attributed to internationalization and increasing exposure to other cultures in the workplace. This consequently resulted in development of various programs increasing information, awareness and promoting contact with diverse colleagues and business partners. Secondly, the aim of increasing knowledge and awareness is necessary to provide optimal conditions for stereotype reduction (see 3.1.3. *Intergroup Contact Theory*) and, simultaneously, it is also an important focus of DT. Thirdly, the *support of authorities* condition of reducing prejudice is relevant for both: the contact hypothesis as well as for effective introduction of diversity initiatives (see 4.1 *Successful Diversity Management Implementation*).

3.2.2.3. *Reconciling Cultural Diversity, Attitudes towards Diversity, Organizational Commitment and Performance*

An interesting bridge between cultural diversity, attitudes towards diversity and organizational commitment is created by studies (Chang, 2006; Huselid, 1995; Magoshi & Chang, 2009), which examine the effects of commitment practices on employee's attitudes. For example, Huselid (1995) carried out a comprehensive database information-based study with a national (U.S.) sample of nearly a thousand firms evaluating the impact of HRM commitment practices on intermediate employee outcomes (turnover and productivity), and corporate financial performance, uncovering statistically significant effects for all of the outcome variables.

The topic of attitudes among minority/majority employees gains particular importance when both: emotional well-being of multi-ethnic workgroup members and their productivity come to the foreground. Ashkanasy, Härtel and Daus (2002) identify a new trend of knowledge work, where organizational well-being depends upon its employees' skills, abilities, knowledge and attitudes. Consequently, organizational practices like Diversity and Emotional Management become increasingly essential as they hold the potential of contributing to the goals of encouraging innovation and creating embracing learning culture in organizations. In this regard, based on the *value in diversity* perspective, it's pointed out by researchers (Van Oudenhoven-Van der Zee et al., 2009) in several of their studies that (1) the link between ATD and perceived productivity outcomes exist; (2) that members with high values of Attitude toward Diverse Workgroup Scale (ADWS, see 3.2.2.4. for details), i.e. people who have more positive attitudes towards diversity, tend to have more positive expectations about productivity and task performance of diverse workgroups. It must be, however, critically noticed that a fair amount of this type of diversity studies (including the abovementioned one) were carried out in educational and not organizational settings. Therefore, some researchers (e.g. Van Oudenhoven-Van der Zee et al., 2009) additionally stress the importance of validating found effects in actual work settings.

3.2.2.4. *Operationalization and Measurement of Attitudes Towards Diversity*

Naturally, when talking of the importance of attitudinal change, there should also be a way to operationalize this construct and protocol its changes. Burkard, Boticki and Madson (2002, p. 344) in their review of instrumentation on workplace research notice: "Evaluation efforts [...] have been slow to emerge, and [...] may be significantly related to the lack of quality outcome measures [...] specifically, measures that operationalize attitudes towards workplace diversity." However, since then multiple scales, tests and surveys to assess attitudes towards various diversity dimensions have been designed (Davis & Engel, 2010). Depending on the specific context of the organization and individual trainee needs many instruments could serve the purpose of attitudinal assessment,

e.g. The Attitude toward Diverse Workgroup Scale²² (Paulus & Nakui, 2005), the Receptivity to Diversity Survey, the Pluralism and Diversity Attitude Assessment, Attitudes towards workplace diversity scale (respectively, DeMeuse & Hostager, 2001; Soni, 2000; Stanley, 1992 as cited in King, Gulick & Avery, 2009, pp.897-898).

As Kulik and Roberson (2008 as cited in King et al., 2010) infer from the analysis of 31 studies examining the outcomes of diversity trainings in organizations: the most common way to assess the efficacy changes in training is by *measuring trainees' reactions and/or knowledge of or attitudes toward diversity* immediately following the training session using *self-report* (see 4.6. *Effectiveness of Diversity Trainings*) instead of objective measures. Roberson, Kulik, and Pepper (2003) particularly emphasize the importance of *individual-level needs analysis*, which in the first place includes assessing strength and direction of *attitudes towards diversity* alongside with *potential inconsistencies between attitudes and behaviour* and *prior exposure to diversity* because this knowledge could help to focus and guide trainings efforts.

3.2.3. Inference: Applying Attitudes Towards Diversity in Diversity Initiatives

Alongside with literature rooted in the social identity theory, which claims that *workgroup composition* is responsible for workgroup outcomes (and the negative consequences of diversity like lower cohesion and commitment, e.g. Van der Zee, Atsma, & Broadbeck, 2004), there is an alternative line of thought (Van Oudenhoven et al., 2009) rooted in the information-processing approach, which postulates that workgroup outcomes are not only dependant on group composition, but more importantly – on *individual's pro-diversity beliefs*, i.e. attitudes towards diversity, and that broader perspectives or backgrounds of a diverse workgroup can have an enhancing effect on its task performance.

Since Fishbein and Ajzen's (1975) *theory of reasoned action* proclaimed an attitude to be an antecedent of behavioural intent - attitudes had become interesting for organizational eternal quest for higher performance; and after van Knippenberg and Haslam (2003) introduced the idea anew, this time that specifically attitudes towards diversity, and claimed that ATD can positively affect feelings and task performance in diverse groups, no doubt had been left that attitudes should be a strategic focus of organizational change initiatives, in particular – of diversity trainings. Also empirical research confirms the *protective influence of ATD* against *group dissimilarity* (van Dick et al., 2008) and *group faultlines* (Homan et al., 2007), with faultlines in the *categorization-*

²² Example: Sample Items and short description of the Attitude toward Diverse Workgroup Scale [ADWS] (Nakui, 2005): The ADWS is a 21-item scale that contains statements pertaining to positive versus negative attitudes towards diversity (e.g. *I prefer to socialize with people from my own ethnic group* [-] and *Differences in political ideology within groups can stimulate one's thinking* [+]). Participants can provide their answers on a five-point scale, ranging from *strongly disagree* (1) to *strongly agree* (5). Scaling is based on a 5-point Likert-type scale, ranging from *strongly disagree* (1) to *strongly agree* (5).

elaboration model by van Knippenberg et al. (2004) being accountable for negative group dynamics because of providing basis for between-group differentiation.

Identification of the importance of attitudes poses a question of how to achieve attitudinal change in order to be able to capitalize on the positive workgroup outcomes (higher ideas quality, varied perspectives, more elaboration) in case of positive ATD among group members (McLeod et al., 1996; Watson et al., 1993). The theoretical and empirical basis for the assumption that attitudes can be changed is available in abundance, and we have importantly learned in this subchapter that attitudes can be changed with the help of *intergroup contact* (Van Knippenberg et al, 2004) and reconceptualization of group categories (Brown et al., 1999) and/or *provision of information* (Sanchez & Medkik, 2004). In this connection HR commitment management practices like cultural diversity trainings come into foreground and are called upon to facilitate that attitudinal change in order to transform organizational workplaces into more productive versions of themselves. Empirical research evidence is already available (Magoshi & Chang, 2009) connecting the abovementioned commitment management with cultural diversity, ATD and organizational commitment. The topic of commitment, its consequences and its connection with SHRM will be elucidated in more detail in the following subchapter.

3.3. Commitment

The concept of commitment in the workplace is a frequently researched area, maturity which is evident from multiple meta-studies (e.g. Riketta & Van Dick, 2005) and books (Cohen, 2003; Meyer & Allen, 1991, 1997). The long-lasting research interest in affective organizational commitment (OC) is probably due to the fact that it has been assumed to influence “almost any behavior that is beneficial to the organization such as performance, attendance, and staying with the organization” (Riketta, 2002, p.257). The concept of OC evolved from *commitment as side-bets* (side-bets are employee’s hidden investments into the company) into the approach, where *commitment is seen as psychological attachment* (commitment as a “focused attitude, uncontaminated by other constructs such as behavioural intentions” (Cohen, 2007, p.338) into a modern approach of *commitment as a multi-dimensional concept* (Cohen, 2007; Meyer & Allen, 1997), which has already been adopted for explanation of the outcomes of diversity management practices as well as their philosophical basis.

3.3.1. Theory, Practice and Operationalization of Commitment Research

Multiple definitions have been given to OC: According to Landy and Conte (2010, p.G-3) *commitment* is “psychological and emotional attachment an individual feels to a relationship, an organization, a goal, or an occupation”; according to the *attitudinal approach* (Mowday, Porter, &

Steers, 1982) commitment represents a “positive feeling toward the organization which depends on what employees experience on the job and how they perceive the organization” (Neininger, Lehmann-Willenbrock, Kauffeld, & Henschel, 2010, p.568). However, despite certain methodological issues²³, the most well-established commitment theory seems to be Meyer & Allen’s (1997) *three-component model*, with empirical studies supporting high construct validity of the multidimensional construct with three independent components (Jaros, 1997; Karim & Noor, 2006).

Meyer and Allen (1991, 1997) go beyond the earlier conceptualization and measurement of OC distinguishing between *attitudinal* and *behavioural commitment* and postulate three separate components of commitment as a “psychological state [linking employees to their organizations]” (Meyer & Allen, 1997, p.23): affective, continuance, and normative commitment. These components have different consequences for work-related behaviour because of differences in the psychological nature of each form. *Affective commitment* (AC) refers to an employee’s “emotional attachment to, identification with, and involvement in the organization” (Meyer & Allen, 1997, p.11). It also stands for employees’ motivation to contribute, which, in its turn, causes less absence from a workplace and more motivation to perform better. *Continuance commitment* (CC) refers to an employee’s perceived costs of leaving the organization. It means that employees *stay* with the organization simply because they recognize that costs of doing otherwise will be too high. This subsequently causes low desire to contribute or even resentment among organization’s employees. Meyer and Allen conclude that continuance commitment is unrelated to attendance and other performance indicators (and is, thus, less relevant for the business case for diversity). *Normative commitment* (NC) refers to an employee’s obligation to remain in an organization. It describes the situation, in which employee is tied to the organization by feeling of obligation and duty. Motivation of employee to behave appropriately and do *what is right for Organization* is expected to be positively related to job performance, work attendance, and organizational citizenship. Additionally, NC might influence the *tone* with which work is carried out, i.e. the *willingness*. However, NC is unlikely to involve the same enthusiasm as AC and empirical studies show that relations are more modest.

An interesting extension of commitment research is offered by cross-cultural researchers pointing out variations of OC consequences (Meyer, 2002 as cited in Gelfand, Erez, & Aycan, 2007): affective commitment is a more powerful predictor of job outcomes in US-based studies, whereas

²³ Cohen (2007) raises the issues of *conceptual ambiguity of continuance commitment* (impossibility to distinguish between affective and continuance components) and *concept redundancy between normative and affective commitment*.

normative commitment had more weight in outside the US studies (Wasti, 2003 as cited in Gelfand et al., 2007).

What concerns *operationalization of OC*, commitment research (Chang, 2005; Magoshi & Chang, 2009; Meyer & Allen, 1991) shows the *importance of statistical control* of certain individual demographic variables, such as *age*, *gender*, *tenure*, and *education* as they may influence the level of OC. Chang (1999) explains that as employees get older (*age*), stay in the current company longer (*tenure*), and are promoted to higher positions, they may perceive higher justice in the current system and become more committed to the company. Similarly, *gender* may influence employees' commitment: males, compared to females (especially true in particular countries like Korea or Japan) receive more compensation and promotions benefits and privileges. This means male workers accumulate more positive experiences and, consequently, more positive affections than female workers. The last variable mentioned by Chang is *education*: highly educated employees may show higher commitment. Starting positions usually differ between high-school and university graduates as well as those with masters or doctoral degrees. Higher degrees of autonomy in certain positions are usually connected with higher levels of education (compensation levels for hierarchically different positions) also tend to noticeably differ. A commonly used instrument for measurement of OC is the commitment scale developed by Allen and Meyer (1990).

Example: of Affective Commitment Scale items. Scaling is based on a 7-point Likert-type scale, ranging from strongly disagree (1) to strongly agree (7).

1. I enjoy discussing my organization with people outside it
2. I really feel as if this organization's problems are my own
3. I do not feel like 'part of the family' at my organization (R)²⁴
4. I do not feel 'emotionally attached' to this organization (R)
5. This organization has a great deal of personal meaning for me
6. I do not feel a strong sense of belonging to my organization (R)

3.3.2. Consequences of Organizational Commitment

Meyer and Allen (1997, p.106) provide a multidimensional model of OC according to which it has consequences in three major areas: *retention* (withdrawal cognition, turnover intention and turnover), *productive behaviour* (attendance, performance and citizenship), and *employee well-being* (psychological health, physical health and career progress).

²⁴ (R) indicates a reverse-keyed item.

3.3.2.1. Commitment and Performance

Whereas there is no doubt about the importance of the commitment concept for organizations, its exact consequences in organizations deserve additional attention. The general overview of empirical research provided by Meyer and Allen (1997) shows evidence that commitment (in particular: affective commitment) is connected with multiple strategically important areas of *organizational performance*. Bratton and Gold (2007) describe the link between commitment and performance based on the assumption that providing employees with autonomy strengthens their OCB and increases their commitment to company's goals and mention, e.g. *avoidance of opportunity costs* through commitment because of increased team cooperation and lowered turnover intent. However, the direct link between attitudinal OC and job performance should be taken at least with a healthy degree of criticism because, for instance, a meta-analysis performed by Riketta (2002), where 111 samples from 93 published studies were analysed, showed a corrected mean correlation of only 0.20²⁵. Neiningen et al. (2010) explain it from the position that assessment of attitudes (OC) and behaviour (OCB) refers to different modi (attitudes and behaviour) and, sometimes, happens at different levels (organizational, group); and suggest that aligning measuring of levels (attitudes towards groups vs. attitudes towards organizations).

As Meyer and Allen (1997) report on the types of OC and *performance at work: attendance* shows modest correlation with commitment (most studies carried out with affective commitment). Research on *in-role performance* shows that employees with high AC work harder, perform better and show higher level of compliance with organizations' strategic decisions. Few positive correlations in this area are found for *continuance commitment* and correlations are generally weaker for *normative* than for affective commitment. The field of *citizenship behaviour* is also dominated by affective commitment, whereas high AC-scores are the indicator for high organizational citizenship behaviour. As apparent from the body of empirical research on commitment, AC seems to be responsible for most of the positive effects on employee behaviour (e.g. citizenship behaviour, employee retention and performance at work). In the area of *employee retention* commitment shows negative correlations with turnover and intent to leave organization, with the strongest correlations observable for affective commitment. Such results seem perfectly logical as engaged and satisfied employees are less likely to leave their companies.

3.3.2.2. Diversity Management - Reflection of Commitment Management Philosophy

According to theoretical overviews (e.g. Shoobridge, 2006) and empirical research on commitment practices (Bae & Lawler, 2000; Huselid, 1995), it is suggested that *diversity*

²⁵ This correlation was marginally significantly stronger for *extra-role performance* as opposed to *in-role performance*, *white-collar workers* as opposed to *blue-collar workers*, and *self-assessed performance* as opposed to supervisor ratings or *objective indicators* (Riketta, 2002).

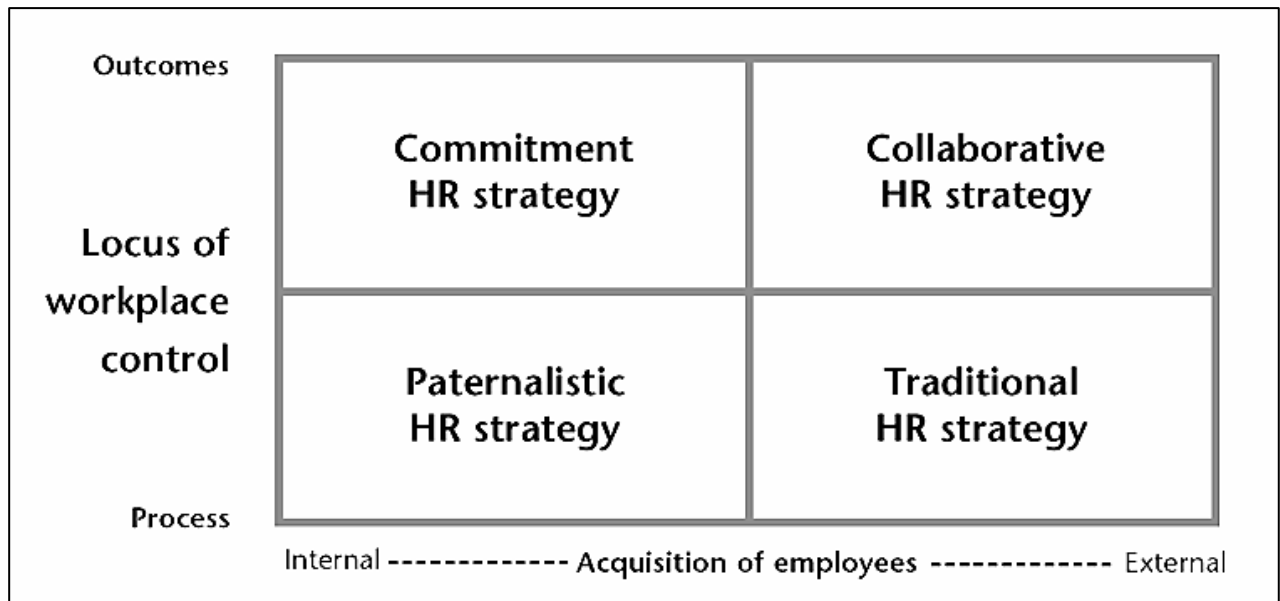
management practices (DMP) can be seen as a reflection of the *commitment management philosophy* and can trigger positive effects on employee organizational commitment. Existing studies (e.g. Arthur, 1994) have proven the effects of organizational commitment practices on employee's attitudes; the results demonstrate that employees tend to be more committed to their employers and less intended to leave the company. Literature on psychological contracts (Robinson & Rousseau, 1994) provides an explanation of this phenomenon. A *psychological contract* is an "individual's belief regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party" (Rousseau, 1989 as cited in Robinson & Rousseau, 1994, p.246). The "terms and conditions" include a broad array of issues like pay based on performance, training, promotion and long-term job security; breach of trust regarding these comes with multiple negative outcomes, the main outcome of which is reduced commitment (Robinson, 1996); on the contrary "compliance with the contract" results in increased commitment.

Continuing the line of studies (e.g. Arthur, 1994) examining effects of OC practices on employee's attitudes, Magoshi and Chang (2009) studied the realities of diversity practices in Japanese and Korean companies and empirically examined how DMP influence employees' attitudes at the workplace and were able to show that DMP have a positive effect on employees' organizational commitment. The abovementioned *commitment management approach* foregrounds the reciprocity between the company and the employees (Kossek & Block, 2000) and views the relationship between them as exchanges of commitment (March & Simon, 1958). March and Simon (1958) explain that such exchanges of commitment are developed by reciprocal inputs from both sides: the company and its employees. As long as contributions offered by the company are at least as great as the employee's contributions, employees continue contributing. Kossek and Block (2000) also emphasize the value of reciprocity and say that employees view companies, which adopt commitment management approach, as the *employer of choice*. Consequently, this leads employees to become more committed to the company.

3.3.3. Strategic Human Resource Management: Commitment HR Paradigm

There is a multitude of categorization attempts, i.e. models of *human resource management* (HRM) strategies. Bratton and Gold (2007, p.49) define HR strategies as "the patterns of decisions regarding HR policies and practices used by management to design, work and select, train and develop, appraise, motivate and control workers". According to Bratton and Gold (2007) HR strategies represent different HR paradigms, i.e. sets of beliefs, values and assumptions that guide managers. The authors provide an integrative model, which seems to be suitable for localizing the link between cultural diversity initiatives, the psychological variables (attitudinal change) targeted

in them, and distant outcomes (commitment). It characterizes the main types of HR strategy: *commitment*, *traditional*, *collaborative* and *paternalistic*, and describes two main dimensions of such strategies: development and acquisition of employees as well as locus of control.



3.3.3.1. Figure 6. Categorizing human resource management strategies. Source: Bratton and Gold (2007), p.54, based on Bamberger and Meshoulam (2000).

Bratton and Gold (2007) underline the *commitment HR strategy*'s focus on internal employee's competencies development and outcome control. It is contrasted to the *traditional HR strategy*, the main focus of which is external recruitment of competencies and behavioural- or process-based controls. For better understanding main characteristics of the rest of the strategies are briefly summarized as follows: The *collaborative HR strategy* involves commissioning the company's work to external independent experts (e.g. consultants), providing extensive autonomy and evaluating their performance by final results. The *paternalistic HR strategy* offers learning opportunities and internal promotion to employees for their compliance with process-based control mechanisms. Bamberger and Meshoulam (2000 as cited in Bratton & Gold, 2003, p.58) suggest that *commitment* and *traditional* HR strategies (diagonal quadrants in Figure 6) prevail in North American work organizations or organizations adopting strategies similar to those common in that region.

3.3.3.2. Commitment HR strategy and knowledge work

Commitment HR strategy is most likely to be found in workplaces, which are referred to as *knowledge work*. Knowledge work is usually used to describe individuals knowledgeable within the area of their expertise, in particular within areas like *research and development*. In such workplaces, managers have to rely on employees abilities to cope with the uncertainties inherent to their work process and can thus only monitor and evaluate the outcomes of work. The management lacks full knowledge of all aspects of the labour process simply because of the nature

of tasks, e.g. in single batch, high quality production, research and development, or healthcare (compare with Vedder's (2006) classification of companies practicing DM in *1.2 Inevitability of Diversity in the HR world*). Similarly, they do not have the ability to monitor closely or evaluate the efficacy of the worker behaviours required for executing the tasks analyses, which organizations mainly practice DM). It appears that commitment HR strategy is associated with a set of HR practices that "aim to develop highly committed and flexible people, internal markets that reward commitment with promotion and a degree of job security, and a 'participative' leadership style that forges a commonality of interest" (Bratton & Gold, 2007, p.58), relevant for organizational citizenship behaviour, and "mobilizes consent to the organization's goals" (p.58). Logically it turns out that there is no need to excessively control the employees working under such conditions because they effectively cope with "controlling themselves" (Thompson & McHugh, 2002 as cited in Bratton & Gold, 2007, p.58). Various methods can be used in order to develop cooperation and common interests, for instance, an effort-reward exchange based upon investment in learning, internal promotion and internal equity (Bamberger & Meshoulam, 2000 as cited in Bratton & Gold, 2007), which brings us to the topic of importance of implementing CDTs on both – structural level of organizations as well as content-wise level of attitudinal change (see *4.1.2. Alignment of Diversity Management Strategies and HR Practices*). Workplaces that practice commitment HR strategy seem to mobilize employee consent through culture strategies, including the popular notion of the *learning organization*, which provides a "compelling ideology in the twenty-first century, with an attractive metaphor for mobilizing worker commitment and sustainable competitiveness" (Bratton & Gold, 2007, p.59).

3.3.3.3. *Commitment HR Practices and Enhanced Performance*

To link the impact of HR practices, organizational commitment, and organizational performance to the business case for diversity a number of studies (e.g. Baker, 1999 as cited in Bratton & Gold, 2007; Robinson & Dechant, 1997, Wright, Gardner & Moynihan, 2003) should be mentioned. These studies report that, despite certain methodological challenges, bundles of HRM practices rooted in commitment philosophy are positively associated with superior organization performance, which proves the main point of the *business case for diversity*. Deng, Menguc and Benson (2003) as well as Wright et al. (2003) examined the impact of HR practices and organizational commitment on the operating performance and profitability of 50 autonomous business units of the same corporation. The research focused on major areas of HR practices: selection of staff, pay for performance, training and participation (organizational commitment), employee compensation and reward systems as well as performance appraisals. The results showed that all variables were positively correlated to operational measures of overall business performance and export success (measured by export growth and export intensity).

3.3.4. Inference: Applying Organizational Commitment in Diversity Initiatives

The history of commitment in the workplace research goes far back. Commitment today is seen as a multi-dimensional concept, which influences “almost any behavior that is beneficial to the organization” (Riketta, 2002, p.257). The most popular model of organizational commitment (Meyer & Allen, 1997) describes its beneficial consequences in three major areas: retention (turnover-related cognitions and actions), productive behaviour (performance), employee well-being (individual health and career progress), and organizational citizenship. The overview of current empirical research on commitment in connection with diversity management has identified some studies (Chang, 2005; Magoshi & Chang, 2009), which additionally link it to ATD. Within that research area diversity management is seen as a reflection of *commitment management philosophy* (underlines reciprocity and psychological contract between employees and organization), which is, in the good spirit of the *business case for diversity*, linked to superior organization performance (Deng et al., 2003; Wright et al., 2003). This areas’ research focus lies in employee’s attitudinal change as a consequence of organization commitment practices like diversity management in general or, cultural diversity trainings in specific. Utilizing the rationale of the *commitment HR strategy*, attitudes are the precondition for commitment, and vice versa – commitment is employee’s affective attitude towards the company. Consequently, there seems to be an alignment between these variables, which will be brought to life more visually in the final CHAPTER “CULTURAL DIVERSITY INITIATIVES AND TRAININGS” by aligning the *consequences of organizational commitment* (performance, OCB, etc.), the *outcomes of diversity* (improved communication, increased cooperation, etc.) and the *psychological attitudes targeted in diversity initiatives* (attitudes towards diversity, stereotypes, prejudice, etc.).

3.4. CHAPTER SUMMARY

The theoretical basis for understanding the outcomes of diversity and *psychological mechanisms* behind them can be provided by two perspectives dominant in theoretical and empirical literature on organizational diversity. The *pessimistic* perspective is rooted in *social identity theory* (Tajfel, 1982) and *similarity-attraction paradigm* (Byrne, 1971), and uses *self-categorization* processes to explain the harmful outcomes of cultural diversity on workgroup performance. The *optimistic* perspective understands cultural diversity as generally beneficial, is based on the *value in diversity* standpoint (Cox, 1991) and uses *information-processing* and Allport’s *contact hypothesis* to explain the positive diversity outcomes. SIT-rooted relational demography studies show how dissimilarity and heterogeneity in workgroups result in less psychological attachment, reduced intention to stay in the company, higher absenteeism and high emotional conflict. Information-processing-rooted studies show how heterogeneity brings in varied perspectives, higher quality of

ideas, creativity, and information-elaboration causing deeper analysis. The negative diversity consequences raise the issues of proper diversity management in organizations through diversity trainings, just like the positive show the aspired after competitive edge and a way to capitalize on the diversity–performance link. The theoretical perspectives used to explain certain controversial results of empirical studies of diversity and its *ironic* outcomes (e.g. see *faultlines* research and *categorization-elaboration model* by van Knippenberg et al., 2004) remind of the complexity of psychological mechanisms, salience of which is contextual. Aligning organizational context (increased deadline pressure), goals of diverse workgroups (need for increased creativity and unconventional solutions), and situational factors (*identity threat*) can help organizational decision-making in choosing appropriate group-constellation for specific cases and for general diversity management.

As a result of overviewing conceptual and original research literature on diversity dynamics and potential organizational benefits from practicing Diversity, two central *psychological variables commonly targeted in (cultural) diversity initiatives* (Research Question 2) have been identified to be of particularly importance: *attitudes towards diversity* (ATD) and *organizational commitment* (OC). Recapitulating the *business case for diversity* one can recall that diversity's *utility* for company's performance nonrandomly comes from psychological variables such as employee commitment and ATD (content and fulfilled employees are less likely to leave and more likely to be productive). In this connection the area of human resource trainings and development (namely: cultural diversity trainings) becomes particularly salient because of its common offer/claim of attitudinal change. On a similar note, after having learned that outcomes of diversity in workgroups are not only dependant on *group composition* (social identity theory), but also hinge on *attitudes towards diversity* (anchored in information-processing), the importance of this psychological variable for organizations became apparent. Theoretical literature (e.g. *theory of reasoned action* of Fishbein & Ajzen, 1975) announces attitudes to be *antecedents of behavioural intent* and empirical literature shows that there seems to be a positive relationship between employee's organizational commitment and organizational performance as well as between positive attitudes towards diversity and constructive workgroup outcomes. The analysis of workgroup outcomes under the condition of an individual holding *pro-diversity beliefs* (positive ATD) confirms that diversity in workgroups can have an enhancing effect on feelings of participants and workgroup's task performance and real as well as perceived productivity (Knippenberg & Haslam, 2003), thus protecting against the negative effects of *group dissimilarity* (van Dick et al., 2008) and group *faultlines* (Homan et al., 2007). The psychological dynamics of attitudes provide two main sources of attitudinal change: through *reconceptualization of social*

group categories and *intergroup contact* (Brown et al., 1999; Van Knippenberg et al, 2004) and/or *provision of information* (Sanchez & Medkik, 2004), making attitudes an ideal goal for cultural diversity trainings.

Empirical research literature shows that both variables: ATD and OC are exhibiting a broad range of correlations with performance-related variables. According to the modern view of commitment (Meyer & Allen, 1990, 1991, 1997) OC seems to be a multi-dimensional construct, which wields influence on *job-related attitudes* like withdrawal cognitions, organizational citizenship, engagement and *job-related behaviours* like turnover, in-role performance; in general, it seems to influence virtually any outcomes beneficial to organizations, thus, yielding a competitive edge for organizations, where OC and positive ATD are existent.

Based on the rationale of the *attitudinal approach* (Mowday et al., 1982) according to which commitment depends on employees' experiences and perceptions, it can be argued that commitment is an employee's affective attitude towards the company. In this light the recent studies, which link organizational commitment practices in form of diversity management (Chang, 2005; Magoshi & Chang, 2009) to a change in employee's attitudes, in the good spirit of the *business case for diversity*, connect companies practicing it with superior organization performance (Deng et al., 2003; Wright et al., 2003).

Thus, after having identified (in CHAPTER "MANAGEMENT OF CULTURAL DIVERSITY IN ORGANIZATIONS") the research gap in the area of individual-level psychological variables, a closer look has been taken (in CHAPTER "PSYCHOLOGICAL MECHANISMS AND OUTCOMES OF DIVERSITY INITIATIVES") at the current state of research of cultural diversity management initiatives in connection with employee's attitudes (towards diversity) as well as other variables targeted in diversity management initiatives (most notably: organizational commitment). Considering the particular interests of organizations in increasing the productivity on all possible levels, the consequential questions are: how exactly can attitudes in organizations be influenced in order to produce effects on outcomes relevant and desirable in organizational settings (e.g. in form of employee organizational commitment)? Which contextual variables should be taken into consideration while working on attitudes and commitment and why? Theoretical and empirical literature leading up to answering that question will be covered in CHAPTER "CULTURAL DIVERSITY INITIATIVES AND TRAININGS".

4. CULTURAL DIVERSITY INITIATIVES AND TRAININGS

This chapter provides an overview of successful Diversity initiatives and reviews the structure and contents of cultural trainings in organizations in order to detect the mechanisms through which change is created in psychological outputs.

4.1. Successful Diversity Management Implementation

Clearly, some diversity management initiatives are more effective than others, and key to the success of those is their implementation. Conditions of successful Diversity programs are discussed by various authors and a selective summary of various attempts to systematize successful EDM methodology is provided in this chapter.

4.1.1. Introduction of Cultural Diversity Initiatives

King, Gulick, and Avery (2010) notice that empirical evidence of diversity training's effectiveness is scarce and largely represents subjective conceptual discussions or personal anecdotes. Indeed, an overview of various frameworks of Diversity initiatives implementation (performed within the bounds of literature research for the current thesis) confirms that they constitute a rather versatile representation of the same occurrences with certain elements repeating themselves more often than others. King, Gulick, and Avery (2010, pp.891-903) manage to identify certain reoccurring steps highlighted in *Training Best Practices* (needs assessment, consideration of context and top-down influences, emphasis on skills and behaviours, use of demonstration and practice) and *Education Best Practices* (frequent and structured feedback, required performance metrics, exploration of cognitive and affective processes).

An overview can be started with a conceptualization study of Diversity expert Morrison (1992), who researched 16 successful at DM organizations and found three main characteristics for DM success: (1) education; (2) enforcement, and (3) exposure. Where *education* implies preparing less-traditional managers for responsible posts and helping traditional managers overcome their prejudice, *enforcement* means encouraging behavioural change and innovation while having diversity-related goals in mind; and *exposure* - letting go of prejudice by interacting with people of a different sex, ethnicity, etc.

Further examination of framework examples shows that, in accord with King et al.'s (2009) observation that many diversity frameworks are nothing but overviews with a specific emphasis, some of them could even serve as quite good step-by-step manuals, but none of them provide exhaustive guidance for HR practitioners in implementing Diversity Management.

Framework example #1: Diversity framework provided by Pollar (1998): 1. Create A Diversity Task Force; 2. Design A Cultural Audit; 3. Develop an Overall Strategy; 4. Deliver Training (concentrated on general communication issues as well as diversity issues); 5. Measure its Effectiveness (with direct attention paid to the fact that proper diversity training would enable better knowledge of cross-cultural as well as of managerial communication).

Framework example #2: Going into more details Koonce (2001 as cited in Thibeaux et al., 2006, p.5) identifies eight steps to implementing a successful diversity program: 1. Obtain Top-Level Leadership Support; 2. Conduct A Needs Assessment; 3. Embed In A Larger Framework; 4. Search Best Practices; 5. Use Diversity As A Business Strategy; 6. Design Informational And Transformational Programs; 7. Use Various Methods And Media; 8. Recognize Your Role.

It is strategically important that cultural diversity management practices (CDMPs) are incorporated into all HR initiatives available in a company, including such areas as employee recruitment, development and advancement. It is generally advised to shape Diversity programs *flexibly*, with an opportunity to change the global program, depending on specific needs. Structurally the process of implementing Diversity Management usually first implies *introduction of diversity management initiatives*, which is followed-up by *diversity mainstreaming* (e.g. gender mainstreaming²⁶). This step differs substantially depending on the type of organization and specific Diversity goals, but generally involves formulation of context-specific organizational goals and implies their successive execution, involving the following key components. First up, companies, which are successful in managing Diversity, are known for *broad definitions*²⁷ of Diversity, training all of its employees and not limiting diversity to one or two minority/majority groups (Treven & Treven, 2007). Effective diversity programs combine *push and pull* strategies, e.g. *top-down practices* like standardized diversity policies and trainings, combined with initiatives like floating cultural holidays (exchanging a national public holiday for another significant cultural holiday from the relevant culture), organizing employee roundtables to get feedback from the staff. Apart from ensuring *visible and continuous managerial support*, systematically *integrating DM into all organizational activities* and creating inclusive *corporate culture* (Hollowell, 2007), Slater et al. (2008) additionally name *clear articulation of the business case for diversity* as an important premise of such integration.

A further step to secure the success of EDM is to *establish accountability for diversity*, i.e. ensuring responsibility for DM of leaders by “linking their performance assessment and compensation to the progress of diversity initiatives” (Kreitz, 2008, p.103). The study by Kalev,

²⁶ The main idea of *gender mainstreaming* (Doblhofer & Küng, 2008) to achieve gender equality and improve experiences of men and women in various spheres of society, which is enabled through specific steps on organizational, political, legislative and other levels.

²⁷ *Broad definition* of diversity includes a range of demographic dimensions (sex, race, ethnicity, etc.) as opposed to a *narrow definition* of diversity, which is narrowly focused on a limited number of demographic dimensions (Roberson et al., 2003).

Dobbin and Kelly (2006) proves the importance of creating responsibility for Diversity. It examined the efficacy²⁸ of employment practices of 708 private sector establishments from year 1971 to 2002 based on the federal data. The results have shown that *efforts to establish responsibility for diversity* lead to the broadest increases in managerial diversity. Additionally, organizations establishing responsibility experience better results of diversity training and evaluations, mentoring and networking. An example of creating accountability for diversity is *establishing company diversity council*. Diversity council usually consists of a group of managers who are responsible for certain diversity issues, and in ideal case have a vice presidential-level person to supervise the initiatives and goal achievement. Common goals of such diversity councils are (Treven & Treven, 2007, p.35):

- 1) creating accountability for measuring diversity;
- 2) providing custom-tailored education programs;
- 3) developing code of conduct/communication (e.g. spelling out inappropriate behaviour, e.g. racist jokes);
- 4) creating pools from diverse candidates for various managerial hiring and promotion decisions, and
- 5) assessing diversity through cultural audits, focus groups, attitudes surveys (on topics such as whether employees feel to be valued and provided with appropriate career opportunities) and continuously monitoring progress.

Cox and Blake (1991) additionally name such an example for managerial support as defining qualified *diversity champions*, i.e. diversity managers or even manager teams from different organizational levels, who are devoted to DM programs, take strong personal stands on the need for change and supervising particular diversity initiatives by demonstrating personal commitment, communicating regularly on diversity topics and assuring support for the program from other managers, thus, acting as role-models for change.

According to Cox and Blake (1991) managing and valuing diversity trainings should create understanding for diversity and *raise awareness about related issues like stereotyping* (see 4.3.1.) and *cross-cultural competence* (see 4.3.2.). Specific cultural *differences* alongside with coping strategies should be *addressed and well-communicated* to participants. Diversity trainings should be the departing point of every DM initiative and must be understood *not as a one-time measure*, but as an *on-going process* and should be, by all means, *based on research*, which is vitally important for identifying problem areas and proving clues on how to solve them and,

²⁸ *Efficacy* was defined as increasing the share of people with diverse background in management, e.g. white and black women, black men (Kalev, Dobbin, & Kelly, 2006).

consequently, evaluate the efficacy of achieved change. The whole process should be accompanied by *follow-up programs* as well as culture and *management system audits*, which later on should be translated into specific organizational changes.

As stated above, various kinds of communication (internal and external) seem to be an integral part of Diversity programs. Sanchez and Medkik (2004) report in their study (see 4.3.1. *Eliminating Stereotype, Prejudice and Discrimination*) that unclear communication can be the reason for negative behavioral reactions and, consequently, failed diversity training. Because of such instances Thibeaux et al. (2006), based on results of their meta-study, make a point about the importance of correct imposition (which is, as they suggest, top-down) of diversity training programs (DTPs) stressing the complexity of the process as DTP have multiple focus areas: increasing *managerial communication*²⁹ competencies while at the same time considering multiple influences of culture, religion, family structures and attitudes towards diversity. The authors raise the questions of additional verbal and non-verbal challenges arising from Diversity and leading to nonproductive and contradictory behaviour of employees. Using the *transmissional communication theories* (with linear information transfer *source-[noise]-receiver*) as the basis of organizational communication between chief executive officers (CEOs), managers and employees, the authors illustrate the dangers of miscommunication and from CEOs (*source*) to subordinate managers (*receiver*) have to account for the presence of *noise* (any distorting or distracting CEO behaviour not inherent to the original diversity message) in order to correct for its distorting influence and prevent misunderstandings, misapplications, and wrong attitudes. Thus, good diversity communication training would add more meaning to previously unknown verbal and non-verbal (e.g. gestures) components of communication, empowering the engaged parties with communication techniques, which improve the accuracy of message transmission and account for the fact of communication being a two-way process.

One can briefly summarize the most important features of successful implementation of Diversity in the following way. In the first place, in order to profit from Diversity initiatives *holistic approach* and companies' *extensive commitment* to diversity initiatives is required. Diversity management strategy should be originated, supported and treated as a *business initiative*, which is incorporated into a bigger *business corporate strategy*. *Top-level managerial and CEO support* of DM as an *organization-wide initiative* should be visible, strong and create accountability for Diversity, e.g. in form of *diversity councils* or by appointing *diversity champions*. DM should be an *on-going continuous process* (as opposed to a one-time quick-fix solution) with visible *follow-*

²⁹ *Managerial communication* is a “downward, horizontal or upward exchange of information and transmission of meaning through informal or formal channels that enables managers to achieve goals” (Thibeaux et al., 2006, p.2-3).

ups and culture/management system audits and surveys of attitudes/perceptions, which help the mutual shaping to take place between organization and employees to create a common set of values. The importance of purposeful and conscious treatment of cultural differences and their complexity should be a priority: while preparing for possible resistance, appropriate initiatives should be started to address the burning issues, and non-threatening environments should be created. Communication of DM would imply *downward* (directive) as well as *upward* (informative, e.g. in form of feedback) *communication*, which originates at the top of an organization and is consequently implemented right down to the bottom. As multiple researchers demonstrate, Diversity management results will not keep the company waiting long, if applied properly, because promoting awareness, sensitivity and overcoming misconceptions towards cultural diversity encourages cohesiveness and creates a more productive working environment in a company advancing cultural diversity initiatives.

4.1.2. Alignment of Diversity Management Strategies and HR Practices

Naturally, organizations working with Diversity are trying to create functioning workplaces; however, there still seems to be a gap between what companies are actually doing and what they should be doing. Speaking of alignment between HR strategies and organizational practices, it seems appropriate to underline the importance of psychological variables. While discussing the link between HRM practices and commitment Meyer and Allen (1997) notice that “perceptions play an important role in the development of employee’s commitment to the organizations” (p.66) and point out that perceptions can influence different types of commitment, e.g. perceived sense of worth has effects on affective commitment, perceived cost of loss – on continuance, perceived need to reciprocate – on normative. While introducing any new HR programs (e.g. cultural diversity management) mindful consideration across all HR areas should take place: selection and recruitment (sets employee’s baseline for commitment), training (heightens self-efficacy and self-worth of employees), compensation and benefits (should be perceived as fair). Meyer and Allen also sum up that employees react to new organizational policies and practices with increased commitment when they think the introduction of these was guided by consideration of employees’ interests. On the opposite side, negative reactions come if programs are perceived as *imposed* in an effort to manipulate or control rather than help employees.

When it comes to aligning HR strategies and organizational diversity practices several issues seem to have particular importance. Two opinions prevail among HR specialists when it comes to Diversity management introduction in organizational contexts. These opinions deal with *process- and content-related levels* of DM implementation, both of which can be illustrated by reference to Kreitz (2008, p.103): “Successful diversity is built from the often small, everyday actions taken by

people at all levels of an organization... Changing how people act must [however] be reinforced by changing the organizational policies and procedures that define how people operate”.

The *contents-related level* deals with qualitative issues of how exactly Diversity initiatives are implemented in organizations and concentrated on the individual-related psychological variables and their importance, e.g. change of employee’s attitudes or affective reactions as a result of training participation (for details see 4.5. *Diversity Trainings: Outcomes regarding Psychological Variables*). The *process-related level* concentrates more on the operational and structural side of these initiatives, ignoring the psychological side of trainings and claiming that structural changes within the organization matter most to Diversity initiatives’ success. Their historical predecessors are affirmative action (process-related) and the Diversity approach (content-related). The goals of affirmative action approach focus on alleviating past discrimination, therefore, this approach has a different set of instruments to implementing Diversity in organizations, e.g. favoring specific groups in order to provide their adequate representation though actively seeking minority job applicants, or, on the evaluative side, tracking down underutilization of minority representatives. For instance, from affirmative action’s perspective participation in diversity training would be mandatory because it would on institutional level communicate commitment to diversity (Paluck, 2006). The process-related view has a much more pronounced psychological orientation as concentrates on the content-wise side of the initiatives, also as it results from structural changes (see 4.1.3. *Best Practices of Diversity Management Strategies and Practices*).

However, an informed view of things leaves no doubt that aligning these two levels is a more constructive approach than opposing them. Gilbert et al. (1999) speak of structural aligning *initiation and continuation of DM practices* in form of *continuous CEO involvement*, moral persuasion and *mission statement support* of DM initiatives as well as *transformation of HR function*, not only because of integrating diversity philosophy into the initial HR structure, but also because of introduction of new entities, e.g. Diversity councils (see *Figure 5*). A similar attempt to conciliate both views, applied more specifically to the area of training, comes from Korte (2006), who is asking the question about ensuring acquisition of information happening specifically in trainings and, consequently, ensuring its correct application to the job. The author discusses training implementation in particular, highlights the *need for increased flexibility* in the process of implementation, and defines “fostering and embedding implementation of learning practices in the culture of the organization” (p.524) as the key element of learning organization. The author suggests creating an *environment supportive of learning* by embedding learning as an element of organizational culture, simultaneously addressing individual, operational and organizational levels. Hite and McDonald (2006) conceptually agree by acknowledging that, unlike other types of

HR development initiatives, diversity training has “added complexity of addressing not only the roots of organizational culture (inclusiveness of policies and practices), but also the values and attitudes of individual participants (their biases and fears)” (p.367). Korte’s direct implication for HR development in order to solve the issue of “added complexity” is to have a *broad view of training delivery* while recognizing the interdependencies between implementing particular interventions and the learning culture of the organization as such. Narrowly designed learning events (i.e. events designed without connection to the larger organizational environment) are destined to failure. Learning should take place formally as well as informally through addressing immediate tactical needs individually and taking a broader systematic view from organization’s perspective.

4.1.3. Best Practices of Diversity Management Strategies and Practices

4.1.3.1. IBM’s *Shades of Blue*

Further on, an organizational case study of a renowned Diversity leader IBM is presented. A brief outline of IBM’s *Shades of Blue*³⁰, a program introduced in 2007 as part of new version of “cultural intelligence education” (IBM Corporation, 2008, p.6) can serve as illustration of alignment of organizational practices and companies strategic HR management. Conceptualized as a workshop-based blended program it can also serve as a smooth transition to the next subject area of the current thesis – cultural diversity trainings.

At the roots of all of IBM establishing diversity initiatives lays the assumption that failing to maximize opportunities for all employees will limit business opportunities of the organization and put it into a “talent gap” (Nicolson, 2009, p.1). In order to work globally it is necessary to find, retain, develop, and compensate the best people from the diverse pool of professionals in order to gain and sustain the competitive advantage. The challenge is allowing each individual to preserve their cultural identity whilst maintaining cultural values of the organization. On the one hand, *specific strategy development* stemmed from basic corporate values of the company (which focus on awareness, respect and acceptance). On the other hand they were driven by the *business case* as well as by *legal requirements* (e.g. Anti-discrimination Act and Racial Discrimination Act).

Expected benefits include becoming the “employer of choice” (IBM Corporation, 2008, p.7) and improving the company’s reputation, creating and sustaining the inclusion culture, increasing general sensitivity to differences among employees as well as customers. It is expected that individual and collective performance in a diverse environment could thus be achieved, which should eventually turn the diverse workforce into business value for the company.

³⁰ The short summary of this IBM initiative is based on Nicolson (2009), Curl, IBM, Schmitz, Walker & TMC (2003) and IBM Corporation (2008).

The *target audience* of the trainings within the program is employees and managers of the company, who are to improve awareness and acquire skills in working with diversity. The training's *objective* is to increase awareness, knowledge and sensitivity to other cultures, make participants realize their own cultural biases and possible impact on group perceptions and dynamics as well as to equip participants with cultural skills and competencies.

Desirable features for participants include open-minded attitudes, self- and other-awareness, a high degree of cultural competence, which contain cultural knowledge and cross-cultural skills (e.g. style-switching and cultural due-diligence).

Amongst others, the following *key topics* are processed in the program: cultural awareness and acceptance of diversity, ethnic minorities and multilingualism; historical backgrounds of diversity; definition of inclusion and diversity; diversity in leadership; core diversity principles for working with and managing diversity; skills, processes and strategies for working in multicultural teams and in diverse environments. Specific examples of such skills and strategies are: culture-specific behavioural, emotional, cognitive peculiarities and culturally appropriate communication styles, ways to identify approaches to address cultural gaps that could lead to misunderstandings and dealing with issues of team decision-making, giving or receiving feedback and conflict resolution.

The *method*: the program is conceptualized as a (blended) training program, which includes e-learning and face-to-face studies. The face-to-face part is comprised of two interactive 1 - 2 day sessions (workshop-based tutorials) aimed at education about diversity and, further on, teaching the participants how to apply key diversity principles and skills, thus, conceptually being a combination of awareness-based and skill-based training programs.

The *training provider*: the training is delivered by an external training institute specialized in personnel development and training and its partner organizations, specifically commissioned for this purpose.

4.1.3.2. *Integration-and-Learning Perspective on Diversity*

It is pointed out by some researchers (Bezrukova et al., 2010) that diversity training programs have such positive consequences for organizations as meaningful intercultural understanding, attitude and behavioural change. However, their exact influence across these variables remains uncertain as literature provides mixed and largely contradictory results on affective reactions such as cohesion, satisfaction, and commitment. General disposition towards cultural diversity programs remains largely positive and multiple researchers provide their categorizations of reasons in favour of Diversity. For example, Ely and Thomas (2001) carried out a qualitative study in three culturally diverse organizations identifying three various perspectives on Diversity. They introduced the following reasons, why organizations could encourage CD:

- 1) *discrimination-and-fairness perspective* - adopting CD as a way to correct historic discrimination;
- 2) *access-and-legitimacy perspective* - embracing CD in order to gain access to specific markets (e.g. *minority markets* represented by particular cultural/national groups);
- 3) *integration-and-learning perspective* – promoting and seeing CD as a learning resource.

The study concentrated on examining several case studies in order to identify when diversity enhances or hinders workgroup functioning. A summary of workgroup Diversity perspectives can be found in the *Figure 7*, but because in the course of their extensive research *integration-and-learning paradigm* proved to be a superior form of managing CD, a short *organizational best practice* excursus is offered in the following paragraphs.

Summary of Work Group Diversity Perspectives			
Characterization of perspective	Integration-and-learning	Access-and-legitimacy	Discrimination-and-fairness
Rationale for diversifying	To inform and enhance core work and work processes	To gain access to and legitimacy with diverse markets and clients	To ensure justice and equality and eliminate discrimination
Value of cultural identity	High; a resource for learning, change, and renewal; should integrate cultural differences into core work and work processes as appropriate	Moderate; a resource only at the interface between organization and markets/clients; should differentiate to gain access and legitimacy; otherwise, assimilate to dominant white culture	Low; it is a basis for unjust discrimination; should assimilate to dominant white culture
Connection between cultural diversity and work	Direct; incorporated throughout the work	Indirect; race-based division of labor to enhance access and legitimacy	Limited; norms against a connection
Indicators of progress	Increased representation of traditionally underrepresented groups that have power to change organization; process and product innovation; shared sense that cultural diversity is resource for learning	Increased representation of traditionally underrepresented groups, especially in boundary or visible positions	Increased representation of traditionally underrepresented groups

Figure 7. Summary of workgroup Diversity perspectives. Source: Ely and Thomas (2001, p.248).

Integration-and-learning perspective (Ely & Thomas, 2001) treats insights, skills, and experiences that employees have developed because of their cultural identity as valuable resources for the employing company because they enable redefining products, markets, strategies, and business practices in economically beneficial ways. Integration-and-learning perspective connects Diversity with work processes (i.e. ways how people work and experience), making Diversity a learning resource of change and adaptation. The authors provide an example of this perspective within a law firm, which has started a cultural diversity on the topic of *women of color* as part of the company's effort to represent economic rights and interests of all low-income women. The project involved diversifying the company's all-white program staff by hiring Latina attorneys. The main

goal was (in the sense of diversity marketing) to demonstrate commitment to advocacy of low-income women and to expand company's work into the Latina community. The change in staff demographic composition turned out to be more beneficial than planned: it entirely reshaped the firm's business priorities, structure and working philosophy because employees learned from their diverse composition and integrated their learning effects into the core of the company. The company's mission, to empower women economically, stayed the same, but the approach how it was done changed radically, e.g. by moving from the *straight-forward feministic* approach with topics such as sexual harassment and comparable worth to more down-to-earth topics of minimum wage and manufacturer's liability, which were more on the agenda of the women of the industry the law firm was working with. The integration-and-learning perspective found its realization in the fact that "cultural identity shapes how people experience, see, and know the world" (Ely & Thomas, 2001) and in the understanding that "cultural differences can be a source of insight and skill that can be brought to bear on the organization's core tasks" (p.241). Thus, new cultural influences and structural changes involving cultural diversity not only helped the law firm to identify and win over a previously inaccessible market niche, but helped them reorganize their work in a much more profitable and effective way.

Other interesting insights involved employees mentioning certain discomfort that comes from cultural differences while emphasizing at the same time that it is important to look "beyond feeling comfortable ... to the different types of skills people bring" (Ely & Thomas, 2001, p.242). The authors report further that the described cultural diversity perspective required from all the involved to be process-oriented, which in practice meant learning about differences, conflict and learning how to take risks, speak about inconvenient subjects, which are eventually not *politically correct*. Integration-and-learning perspective brings another helpful observation: there is no need for cultural-identity-based division of labor among staff, e.g. one does not need to be a "person of color to raise issues of concern to women of color" (p.242). This enabled many white employees of the researched law firm realize "Diversity as a learning experience" (p.242) by learning things that "were just not in their background" (p.242). Diversity within this framework is seen as a resource, which all staff members could use in order to enlarge both: their knowledge base and their networks. Altogether, this builds the foundation of the integration-and-learning perspective on diversity: commitment to education and learning from each other. It is acknowledged that under circumstances certain activities are performed better by particular employees because of their cultural identity, but the biggest lesson-to-learn from this case study is that the "competitive advantage of a multicultural workforce lies in the capacity of [staff members] to learn from each other and develop [...] a range of cultural competencies that they can all then bring to bear on

their work” (p.242). Both white staff members and their colleagues of color commented on the increase in professional and personal growth that staff diversity enabled for them. Many things could not be taken for granted anymore, their cultural *sensitivities changed* and, thus, a shift of attitudes towards diversity occurred.

In conclusion Ely and Thomas (2001, p.243) notice that *progress measurement* success of the initiative is measured by the “degree to which newly represented groups have the power to change the organization and traditionally represented groups are willing to change”, which raises an important debate of process and contents variables of Diversity initiatives (see 4.1.2. *Alignment of Diversity Management Strategies and HR Practices*), relevant for HR practitioners. The *structural staff change* that happened in connection with the *women-of-color-project* (hiring the Latino women, introducing two (white and Latino) staffing attorneys, whereas the traditional scenario implies only one), which enabled the *content-related change* in form of more cultural diversity exposure of employees and helped to engage more easily in cross-cultural learning, which proves the point that structural and content-related change are interrelated and should come hand in hand.

4.2. Cultural Diversity Trainings in Organizations

As mentioned earlier – diversity management initiatives usually are part strategic human resource management (see 3.3.3. *SHRM: Commitment Paradigm*) and can be even more precisely localized within the domain of *human resource development*, which, by definition of Bratton and Gold (2007, p.306), “comprises the procedures and processes that purposely seek to provide learning activities to enhance the skills, knowledge and capabilities of people, teams, and the organization so that there is a change in action to achieve the desired outcomes”. Treven and Treven (2007) focus on training as one of the key strategies for EDM and suggest this concept should underline the appreciation of differences and create a setting where everyone feels valued and accepted. Cultural diversity trainings often represent a central component of broader organizational diversity initiative and are widely accepted as the most common way of implementation of company’s cultural diversity programs. In general words of Kreitz (2008): *diversity training* – “organizational efforts to inform and educate management and staff about diversity’s benefits to the organization” (p.103). According to Treven and Treven (2007) *DT* usually refers to a “series of programs and activities that highlight differences among workers and offer strategies for handling them” (p.33). Participants learn to value individual differences, increase their cross-cultural understanding, and confront stereotypes (Robbins, 1998).

4.3. Training Goals

The *training goals* targeted in diversity training programs vary depending on the context of the company carrying out the initiative, but usually such programs are aimed at increasing awareness while learning to value individual differences, increasing cross-cultural competence (see 4.3.2 *Raising Cultural Competence*), understanding, facilitating positive intergroup relations, enhancing knowledge, skills, and motivation (Robbins, 1998). The general idea of DM in organizations is to meet the challenge of examining, confronting, and overcoming stereotypes, prejudice, and eliminating prejudice and reluctance to change. A typical cultural diversity training aims at changing participants' attitudes and enhancing their cognitive structures and affective reactions towards diversity-relevant topics. A positive quantitative and qualitative change across the goal-dimensions is expected as a result of participating in such trainings.

4.3.1. Eliminating Stereotype, Prejudice and Discrimination

These notions are interrelated: *stereotype*, a set of generalized beliefs and expectations about members of a particular group comes from a general tendency of people to organize large amounts of information with which they have to deal in everyday life, and carry out the function of simplifying the world: others are viewed not only as unique individuals, but also in terms of qualities attributed to all members of a particular group. Under certain circumstances stereotypes lead to *prejudice*, i.e. to negative (sometimes also positive) evaluations of a group and its members based on group-membership, but not on individual's real qualities. Acting on negative stereotypes gives rise to *discrimination* – behaviours aimed at individuals on the basis of their group membership, which often results in differential treatment of such individuals and in organizational contexts leads to exclusion from jobs, promotion and educational opportunities or results in certain group members receiving lower salaries (Feldman, 2007).

Pelled (1996) remarks that heterogeneity in terms of race/ethnicity/nationality in the workplace situations can have effects on cohesiveness, communication, conflict, and morale, which has consequences for group identity on interactions (stereotyping) and prejudice (racism, ethnocentrism) (Cox & Blake, 1991). *Ethnocentric*³¹ *tendencies* can make collaboration of people from different cultural backgrounds hard or virtually impossible. Unfortunately, one cannot argue that discrimination in the workplace and on the market is not an issue on organizational (institutional) and interpersonal levels. Studies show that qualified minorities are denied job opportunities, fired or otherwise discriminated against (Dong & Kleiner, 1999); that wage gaps

³¹ *Ethnocentrism* is the tendency to believe that one's ethnic or cultural group is centrally important, and that all other groups are measured in relation to one's own. The ethnocentric individual will judge other groups relative to his or her own particular ethnic group or culture, especially with concern to language, behaviour, customs, and religion. (Andersen & Taylor, 2006).

still exist (Neumark, 1999); and that changes of minority employees for career advancement are much more humble than that of majorities (Greenhaus, Parasuraman, & Wormley, 1990). King et al. (2010) describe the far-reaching consequences of ethnic discrimination in the workplace for individuals' work attitudes and job satisfaction because individuals experience the discrepancy between their own values and the values supported in the organization and consequently perceive injustice (*justice theory*). Consistent with social exchange theory's position "actors in a system will modify their attitudes and behaviours to ensure equilibrium in what they give and what they receive" (Levine & White, 1961 as cited in King et al., 2010, p.3). This is why the notions of prejudice, discrimination, and stereotype are targeted in cultural diversity trainings. For detailed mechanisms underlying attitudinal change see 3.2.2.1. *Changing attitudes through information* and 3.2.2.2. *intergroup contact*.

However, HR practitioners should be aware that not only eliminating *discrimination can be the consequence of diversity trainings*. Curtis and Dreachslin (2008, p.122) overview the evidence that trainings can "increase discomfort with cultural differences unless training also explores diversity in the context of power relationships, and emphasizes self-management". Another unexpected and controversial outcome of Cultural Trainings is pointed out by King et al. (2010), who, based on the data from employee surveys across 395 healthcare organizations, found an effect of the extent of diversity training in organizations on ethnic minorities' experience of discrimination. It must be noted, however, that the authors (King et al., 2010) simultaneously demonstrate with their results that diversity trainings generally have a positive effect on individuals and organizations by reducing the likelihood that ethnic minorities experience discrimination. The authors define *ethnic discrimination* broadly, so it includes "all forms of unequal treatment on the basis of race or ethnicity" (King et al., 2010, p.3). Their results point out that ethnic discrimination can be an outcome of diversity trainings. Sanchez and Medkik (2004) carried out a similar quasi-experimental study of 69 U.S. government employees, who attended an *awareness training* and showed differential treatment of colleagues based on their cultural membership (assessed by co-workers assigned to each trainee) compared to the control group of 56 managers who did not attend the program. Interestingly enough, the feedback on *differential treatment* came only from minority employees (non-White co-workers). Follow-up interviews with trainees uncovered that the trained managers believed the training was a *punishment* due to complaints from their minority colleagues. This in its turn led to differential treatment of minority employees because of "resentful demoralization of majority trainees" (Sanchez & Medkik, 2004, p.517) causing

backlash³². Such results remind of the fact that diversity trainings may not have the desired effects if supportive work context is absent.

4.3.2. Raising Cultural Competence

The structure and definition of cultural competence echoes with the concept of diversity training and constitutes an important outcome variable in DT. According to Martin and Vaughn (2007) *cross-cultural competence* refers to one's ability to effectively interact with representatives of different cultures and consists of the following four components: awareness, attitudes, knowledge, and skills. This structure is based on *Paul Pedersen's multicultural model* and supplemented with the *attitudinal component* by Diversity Training University International (DTUI) in order to separate trainings, which simply bring cultural bias and beliefs into consciousness (*awareness*³³) and trainings, which motivate participants to reconsider their views on and standards of cultural differences (*attitudes*). *Knowledge* represents the cognitive side of cultural competence and is called upon to highlight the common gap between the person's actual behaviours and theoretical beliefs and values. *Skills* represent practicing and improving cultural competence, often in terms of communication, both verbal and non-verbal.

4.4. Diversity Training Inputs: Context, Design, Trainee Characteristics

"More research needs to directly examine the causal chain linking the learning outcomes resulting from diversity education with other, more distant, organizational outcomes" (Kulik & Roberson, 2008, p.318), who in their overview research study identified only 31 studies examining outcomes of diversity training in organizations. Therefore, particular emphasis should be placed on carefully defining and systematically analyzing inputs and outputs of diversity trainings. These will be further on discussed according to the organizing framework of trainings' conceptual categorization suggested in the working paper of Bezrukova et al. (2010). Guided by the *model of trainings transfer process* by Baldwin and Ford (1988) they conceptualized all training-relevant characteristics as *training inputs* (incl. trainings context, design, and trainee characteristics) and *training outputs* (incl. cognitive learning, affective/attitudinal learning, and behavioural learning).

4.4.1. Training Context

According to Bezrukova et al. (2010) context of trainings in most studies is usually described as either educational, or workplace. *Educational initiatives* aim at preparing the participants for constructive participation as society members by empowering them with cross-cultural awareness,

³² *Backlash* – "trainee's beliefs that the trainings will make things worse for minority members by threatening the majority" (Bezrukova, 2010, p.23)

³³ *Awareness* is consciousness of one's personal reactions to people who are different (cf. Martin & Vaughn, 2007, pp. 31-36).

knowledge, and multicultural skills with emphasis on *cognitive and attitudinal outcomes*. *Workplace initiatives* are more focused on integration and creating inclusive culture; specific workplace interest lies in the area of diversity training with the focus on “changes in on-the-job attitudes and behaviours” (Bezrukova et al., 2010, p.10). According to Cox and Blake (1991) diversity education programs should be understood not only in organizational context as educating management on valuing differences, but also, e.g. involve improving public schools. Hereby, management of cultural diversity can be viewed not only from organizational, but also from a broader sociological perspective. In this light it seems logical that researchers (e.g. Curtis & Dreachslin, 2008; Pendry et al., 2007) highlight the need for cooperation of organizational development professionals with academic researchers in order to generate research, which elaborates on specific consequences of particular diversity interventions. For example, King, Gulick, & Avery (2009) highlight the need for increased cooperation between education and organizational practice in the area of cognitions and attitudes. They criticize extensive focus on behaviours and skills development without addressing cognitive and affective processes as well as diversity-related attitudes and beliefs (see 3.2.1. *Theory, Practice and Operationalization of Attitudinal Research*).

4.4.2. Training Design

Training design (Bezrukova et al., 2010) includes training approach, training focus, training type, training instruction and training attendance. Roberson et al. (2003) explored the link between training design and needs assessment (organizational, person, and operations-level analysis) and identified at least five areas of controversy concerning training design in diversity literature:

- 1) awareness-/skill-training vs. both;
- 2) broad vs. narrow definition of diversity;
- 3) presence vs. absence of confrontational elements;
- 4) homogeneous vs. heterogeneous training groups;
- 5) the controversy concerning trainer demographics.

The outcomes and implications of all of the above will be discussed further on.

4.4.2.1. Training Approach

Training approach includes *stand-alone* (one-time initiative, usually with narrow focus) and *integrated* (training is part of a broader organizational development efforts) variations. The general stand is that complementation of trainings by other diversity initiatives communicates true commitment and is, therefore, better received than stand-alone initiatives. Thus, it should be more effective at changing cognitions, behaviours, and attitudes. This idea is supported by Bendick,

Egan and Lofhjelm (2001) who found that *isolated* DT was less effective than DT complemented by other initiatives.

4.4.2.2. *Training Focus*

On a similar note, *training focus* can be *group-specific* (e.g. concentrating on specific ethnic and gender groups) or *inclusive*³⁴, which addresses the *broad* vs. *narrow definition of diversity controversy* of Roberson et al. (2003) and expands diversity discussion beyond issues of race or gender alone. Research overviews show (Bezrukova et al., 2010), however, that the majority of current studies research group-specific training. Some case studies (e.g. exploratory research by Kormanik & Harminder, 2010) claim that the most current organizational human resource development (HRD) trend is *inclusion of diversity topics into other training curricula* (integrative strategy). Researchers argue (Ivancevich & Gilbert, 2000; Thomas, 1991) that narrow training focus results in incomplete organizational culture transformation; whereas broad training focus shifts emphasis from intergroup tensions (problems between minorities/majorities) to a more general organizational perspective (organizational diversity grand total) and even reduces backlash (Holladay, Knight, Paige, & Quinones, 2003). However, DT needs assessment by Roberson et al. (2003) shows that group-specific focus can be beneficial in case of specific outcomes being limited to outcomes thematised in DT (e.g. hiring minorities).

4.4.2.3. *Training Types: Awareness-/Skill-based and Mixed*

What concerns the qualitative side of *diversity management programs* (DMP) it is usually distinguished between the following types: *awareness-based*; *skill-based*, and a *mixed type diversity training*. Both approaches are based on the premise that once people start paying attention to each other, it enables them to be more productive and have similar long-term goals, which can be summarized under the slogan of enabling easier and more effective communication between diverse groups (see 3.1.3 *Intergroup Contact Theory*). Both awareness- and skills-based DT aim at increasing knowledge, awareness, and sensitivity of participants by challenging their current assumptions and eliminating stereotypes. Skills-based trainings additionally help participants develop new and strengthen existing diversity skills. This, in its turn, should lead to improved quality of interaction between diverse groups and, therefore, enhance organization's competitive position by raising levels of morale, productivity, and creativity of its employees.

Awareness-based DT is designed to raise people's awareness of diversity issues in the workplace and to help them recognize the underlying assumptions they make about people. This approach usually involves teaching people about the business benefits of valuing diversity, makes them sensitive to their own cultural assumptions and biases, and aims at affective/attitudinal and

³⁴ *Inclusiveness* is a "way of embracing diversity that encompasses all employees or students, irrespective of racial, gender or other categories" (Bezrukova et al., 2010, p.13)

cognitive learning. Usual tool of awareness-based diversity training is *experiential exercises* as well as *real-life case studies* that help to create an alternative perspective on stereotyped members of groups and help them view others as individuals as well as recognize and identify own culture-bound attribution techniques. For example, Treven and Treven (2007, p.34) describe a following *awareness-based case study* dealing with diversity: “A patient, an elderly white man, comes into a health center for a blood test. When a gipsy clinician appears to give the test, the patient balks. Does the office manager bow to the patient’s wishes or politely assert the company’s right to say only the gipsy employee will draw the blood?” Awareness-based diversity training teaches people to respond to such differences with sensitivity and equip the participant with the knowledge on dealing with Diversity.

Skill-based (behaviour-based) DT goes beyond raising awareness and is designed to develop people’s skills in dealing with diversity in a more hands-on way. The focus is on developing tools needed for effective interaction with others, such as *cross-cultural understanding* (e.g. which cultural differences are responsible for diverse coworkers’ behaviour on the job), *intercultural communication* (learning to overcome verbal and nonverbal barriers to communication across cultures), *facilitation skills* (how to alleviate misunderstandings resulting from cultural differences), *flexibility and adaptability* (cultivating the ability to patiently take new and different approaches when dealing with others who are different). Multiple authors (Rynes & Rosen, 1995; Sanchez & Medkik, 2004) advocate application of training methods, which provide specific behavioural guidelines (e.g. behavioural modeling of Goldstein & Sorcher, 1974) claiming these may be more useful than awareness increase alone. However, other authors (e.g. Kaplan, 2006) notice that behavioural component can be harmful for *awkward* and complex topics, which challenge somebody’s basic belief system (e.g. LGBT³⁵ issues).

As research overviews show (Bezrukova et al., 2010) in reality DT most often come in *mixed form*, i.e. combining both (awareness and skill-based) training types as well as other forms of learning. There is a common assumption that mixed-type trainings are more effective because they simultaneously address both attitudes and behaviour.

4.4.2.4. Training Instruction

Training instruction represents the type of instruction used: *single-method* or *multiple methods* used to convey training contents. Alone or in combination - multiple methods can be used in trainings: lectures, role-playing, video materials, experiential- or simulation problem-solving exercises, e-learning, discussion, etc. (for details and examples see 4.4.3 *Training Methods*). Multiple authors (Fleming & Mills, 1992; Kolb & Kolb, 2005) note that most effective learning

³⁵ Acronym LGBT stands for *lesbian, gay, bisexual, and transgender* people.

happens while practicing all available modalities of feeling, thinking, and acting with consideration of learning styles. However, whether this fact can be called *success* or not depends on the specific organizational goals pursued with the training.

4.4.2.5. *Training Attendance*

Training attendance can be categorized as *mandatory* and *voluntary* (Kulik & Roberson, 2008), whereas both pro and contra for voluntary versus mandatory training participation exist: the *pros* for mandatory attendance come from the point of view of affirmative action (see 4.1.2. *Alignment of Diversity Management Strategies and HR Practices*) and communicate commitment to diversity from organizational perspective, reasoning that voluntary participation would only address those, who already have positive attitudes towards diversity and miss out those who need it most (Ellis & Sonnenfeld, 1994). This suggestion is also addressed by Pettigrew (1998, p.80) in his critique of the intergroup contact hypothesis, whereby he mentions that “the deeply prejudices both avoid intergroup contact and resist positive effects from it”. This idea is supported by empirical results of Kulik, Pepper, Roberson and Parker (2007), who found that trainees with low diversity-related competence are unaware of their low levels of competence and are, logically, not motivated to take part in trainings aimed at increasing diversity competence. They also found that pre-training competence levels had effects on predicted and actual participation in voluntary diversity training: prior competence had a positive effect on both outcomes and willingness to participate, i.e. competent trainees expressed more interest in additional training and were more likely to attend a voluntary training session. More supportive evidence was found by Bendick, Egan and Lofhjelm (2001), who showed more positive perception of diversity training success in case of mandatory attendance. The *pros* for voluntary participation could be supported by research results (e.g. Dobbin & Kalev, 2007) hinting at the fact that numbers of minority employees and women in management positions increased in organizations carrying out trainings on a voluntary basis.

4.4.3. **Training Methods**

Training literature describes *one* vs. *many methods* instruction variations. Most common are programs utilizing multiple methods such as lectures, experiential exercise, video materials, etc. Authors argue that the choice of any kind of exercise should involve careful context and audience consideration in order to minimize potential backlash (King et al., 2009). Typical methods used in awareness-based trainings are, for example, *lecture*, *discussion* group and individual *experiential exercises* (Sanchez & Medkik, 2004). A *discussion* could involve debating current workforce changes involving increasing numbers of ethnic minorities and females or a discussion of potential positive outcomes of diversity for organizations. Often specifically tailored and utterly customized solutions need to be used, e.g. in programs aimed at raising awareness about stereotypes

participants could be asked to write an *anonymous paper* detailing all groups about which they have stereotypes: women, Moslems, gays, gypsies, men; participants should thereby explain why they had problems while working with these groups. As trainings aim at raising awareness, affecting, and influencing attitudes of participants through *sensitising* (increasing awareness through consciously paying attention at specific attitudes), sensitivity increasing exercises are not uncommon. Participants are asked to answer questions, answers to which help them identify diversity-related (e.g. age diversity) stereotypes (Treven & Treven, 2007):

(1) If you didn't know how old you are, how old would you guess you are? In other words, how old do you feel inside? (2) When I was 18, I thought middle age began at age _____. (3) Today, I think middle age begins at age _____. (4) What would be your first reaction if someone called you an old worker?

Blending in modern technologies is also a notable current trend, e.g. King, Gulick, and Avery (2010) provide an example of *Web-based diversity training seminars* for university faculty and staff. Their *e-learning* concept required (in addition to mandatory attendance) that participants pass an "online proficiency exam" (p.902) at the end of the seminar in order to receive credit. Thus, a certain form of quality control is introduced guaranteeing that course participants meet or exceed the performance standard. However, use of e-learning does not have to have evaluating character – it can also be used as accompanying medium alongside with other methods such as *video materials*. A good example for video materials used in trainings is *The Tale of 'O'*³⁶ – part of a diversity training tool (Kanter, 1993), which utilizes video presentation as one of the techniques to explore the consequences of being different. The "O" symbolizes *the odd person out* (clearly representing a workplace minority) in the organizational world typically inhabited by "X"s. The exercise encourages trainees to relate to O by showing what it feels like to be a minority for any number of reasons (Paluck, 2006).

Experiential and simulation exercised are another widely used strategy. This strategy has the premise that individuals *learn by doing* with focus on *personal action*, which includes change in behaviour, attitudes, values and beliefs (Muller & Parham, 1998). So, experiential cross-cultural trainings normally involve interactive elements and simulating activities that are likely to be encountered by an expatriate on a foreign assignment (Littrell & Salas, 2005). Typical examples for this methodology are *case studies* illustrating examples of communicational misunderstandings or/and conflict, and *critical incidents* (CI) – short descriptions of (contentious or controversial) situations resulting from interactions of representatives of different cultures (Heringer, 2004). The goal of CI is to confront participants with frustrating conflict situations and make them reflect on

³⁶ A preview version can be found online: <http://www.youtube.com/watch?v=-aVITBmSmUo> [last accessed: 08.07.2011]

these through coming up with their own explanations of the happenings: first capturing the participants with their current wrongful attitudes and, subsequently, working on them with the help of multiple training modalities. Another method based on CI is *culture assimilator*. It is based on programmed-learning methodology (as opposed to experiential learning methodology) and usually consists of a CIs collection, whereby after each CI several alternative possibilities of behavior interpretation are offered. The participant has to identify, which of them is most adequate in terms of explaining the behavior of a different culture representative. The intended outcomes of experiential interventions are improvements in cross-cultural communication skills and ability to take on the viewpoint of the studied culture as well as respond in various situations as its member.

Bush and Ingram (2000, p.72) summarize the cross-cultural simulation game exercise BAFA BAFA (Shirts, 1973). Originated by the Navy it has been ever since extensively used in organizational and educational settings to help participants get ready for international assignments; the game is suitable for groups from 10 to 35 participants. The goal of the game is to demonstrate that understanding another culture is hard, time-consuming, and requires an open mind. Participants are divided into two groups representing imaginary Alpha and Beta cultures. Each group is given a set of rules about behaviour as a member of the particular culture. In brief: the Alpha culture is relaxed, relationship-oriented, and patriarchal, with high value of personal contact and intimacy. The Alphans are English-speakers, but nonverbal behaviour is very important and there are many rules about it. The Alphans enjoy playing a card game, in which only patriarch can win. The Betans, contrariwise, are a highly competitive aggressive trading culture, in which a person's value is estimated by how well he performs in the marketplace. The culture's language contains 13 syllables directed precisely toward their task, which consists of acquiring as many points (i.e., wealth) as possible in a simple card game that the Alphans also play. Participants are assigned to either of the cultures and learn their "roles" separately for 20-30 minutes. Subsequently, cultures exchange *visitor teams*, which develop a hypothesis about the most effective way to interact with the other culture. The game ends after everybody had a chance to visit and experience the other culture.

There is, however, also an extreme form of experiential diversity training, which involves a "confrontational element" (Roberson et al., 2003, p.157) implying direct confrontation on problematic diversity issues and creating "unsafe" environment on purpose. This allegedly should help trainees become aware of their own prejudices (Raths, 1999 as cited in Roberson et al., 2003, p.157) as according to Hennessy (1994 as cited in Roberson et al., 2003) people are generally resistant to information that proves their attitudes and beliefs to be wrong, and need to be slightly pushed into changing these. Other authors, however, point out the danger of backfire, whereby after such trainings participants have even stronger biases (Morrison, 1992 as cited in Roberson et al., 2003). Although Roberson et al. (2003) could not identify empirical studies directly assessing effectiveness of confrontation; these techniques have a long history in psychotherapy with

empirical results strongly suggesting a positive link of confrontation with outcomes, especially in long-term therapeutic relationships.

4.4.4. Trainee/Trainer's Characteristics

Holladay et al. (2003) researched a diverse sample of people (72 men, 88 women, 124 white and 36 minority representatives) to study the influences of framing³⁷ of DT: title, focus of content; and characteristics of trainees (gender) on participant's attitudes. It turns out that *trainings with traditional titles* and *broad focus* seem to be perceived most favorably by the participants, and that men's reactions to trainings were more negative than that of women. Such results again force to pay attention to trainee context because DT per se does not automatically mean success among various trainee groups. The conventional classification of *trainee characteristics* distinguishes between *demographics* and *culture*. However, these variables are generally relatively uncommon in DT literature (12 out of 151 studies consider demographics and culture in their research design altogether; Bezrukova et al., 2010). Until today no conclusive evidence provides definite impact of trainee's culture and demographics on training outcomes. Paluck (2006) notices that "presence of minorities" (p.590) is one of the most persistent debates of DT, both sides providing pro and contra for minority presence in training (minority being a representative of an undervalued or underrepresented group). The pros include arguments like bringing "authenticity or legitimacy" (p.590) to the discussion and facilitating "personal change" in other trainees; and the *cons* highlighting attitudinal polarization, superficial political correctness ("impression management") or "tokenism" (p.590).

4.4.4.1. Race and ethnic identification

Empirical results in that area are inconclusive. Stewart, LaDuke, Bracht, Sweet, and Gamarel (2003) could prove that participant's race has effects on training outcomes, whereas other authors, e.g. Kulik et al. (2007) found no effects of *race* or *ethnic identification* of training participants. Stewart et al. (2003) assessed the effectiveness of Jane Elliott's stereotyping and prejudice-reducing *blue-eyes/brown-eyes exercise*, whereas college students were (depending on whether they were in exercise or comparison group) given discriminatory and preferential treatment – procedure called upon to sensitize participants to emotional and behavioural consequences of discrimination. The results showed differential results for White students having significantly more positive attitudes towards Asian Americans and Latinos and only marginally more positive attitudes toward African Americans. On the contrary, Kulik et al. (2007) found that trainee's demographic variables had no impact on interest or actual participation in training.

³⁷ A *frame* is defined as "a psychological device that offers a perspective and manipulates salience in order to influence a subsequent judgment" (Holladay et al., 2003, p.246).

4.4.4.2. Demographics

Research of *demographic composition of training groups* and *trainee experience* on cognitive, affective and behavioural diversity training outcomes is scarce, but the available studies (Roberson et al., 2001) show that *trainees with prior experience* with diversity training respond most positively to training groups homogenous in terms of racio-ethnicity and nationality, whereas *trainees without prior experience* were unaffected by group composition. *Group heterogeneity* seems logical in the context of cultural diversity in organizations and as Kirkland and Regan (1997 as cited in Roberson et al., 2001) notice: using racially mixed groups increases the quality of discussion for racial issues in diversity trainings, and is, thus, educationally beneficial. On the other side, majority representatives (e.g. white males) often feel attacked and threatened (Galen & Palmer, 1993 as cited in Roberson et al., 2001) in diverse groups. Needs of trainings at different stages of cultural competence are also likely to change: at the early stages of diversity education most effective are activities raising cultural awareness, whereas on later stages applying knowledge and acquiring skills comes to the foreground. And behavioral modeling most likely occurs in case of *similarity of model to the trainee*, when the learner gets *rewards* and when *trainees form relationships among themselves*. All three processes are facilitated in homogenous groups (Triandis, Kurowski, & Gelfand, 1993; Decker & Nathan, 1985; Alderfer & Tucker, 1996 as cited in Roberson et al., 2001). On a similar note these processes raise another important issue of DT: *who the trainers should be*. Addressing *trainer's roles* the authors (Flynn, 1999 as cited in Roberson, Lulik, & Pepper, 2003; Curtis & Dreachslin, 2008) believe women or racial minorities to be particularly well-suited to be trainers. Their opponents, however, believe that trainer/trainee demographics should be matched (Gardenswarty & Rowe, 1997 as cited in Roberson, Lulik, & Pepper, 2003), This proposal is supported by relational demography literature (e.g. Tsui & O'Reilly, 1989 as cited in Roberson, Lulik, & Pepper, 2003), which largely suggests more positive results in demographically similar dyads.

4.4.4.3. Culture

Additionally, *culture of origin* can be of importance regarding how trainings are perceived. Holladay and Quinones (2005) cross-culturally examined perceptions of DT within a multinational corporation and found that trainee culture (individualistic-collectivistic) influences perception of training utility and trainer effectiveness: trainees from *individualistic* countries (e.g. Netherlands, UK, USA) more receptive to trainings and showed no preference toward particular trainers, whereas trainees from *collectivistic* countries (e.g. Brazil, India, Japan) showed preference toward trainers with the same cultural background as their own.

4.5. Diversity Trainings: Outcomes regarding Psychological Variables

Kraiger, Ford, and Salas (1993) pointed out that there is no valid model of trainings evaluation and, based on Gagne's (1984) learning outcomes taxonomy, made an attempted to develop a classification scheme for evaluating learning outcomes, which recommended the three types of learning outcomes as potential evaluation measures: *cognitive*, *skill-based*, and *affective*³⁸.

4.5.1. Cognitive Outcomes

Cognition refers to a "class of variables related to the quantity and type of knowledge and the relationships among knowledge elements" (Kraiger et al., p.313). Cognitive learning includes *verbal knowledge*³⁹, *knowledge organization* (mental models), and *cognitive strategies* (development and application of mental models). To achieve cognitive learning *didactic (information-giving) strategy* is used. It involves providing participants with factual information regarding relevant cultures/regions and including broad topic range from travel arrangements to appropriate dress code at work. Expected outcomes are *enhancement of cognitive skills* that serve participants as a framework within which they can evaluate new cultural situations. Specific techniques used to achieve this type of leaning are lectures, briefings, and culture assimilators.

4.5.2. Affective/Attitudinal Outcomes

Affectively based outcomes include *attitudinal outcomes* with attitude being "internal state that influences the choice of personal action" and *motivational outcomes*, which can be the primary training goal (motivation to take part in more trainings) or the secondary training goal (includes motivational dispositions, performance orientation, self-efficacy, and goal-setting) (Kraiger et al., 1993, pp.318-320). The original reasoning of Gagne (1984) for inclusion of attitudes into learning outcomes was that "attitudes can determine behavior or performance" (see also *theory of reasoned action* of Fishbein & Ajzen, 1975). Kraiger et al. (1993) put into this category all training programs that involve affective change as the training's focus. The mechanisms of attitudinal change ensue through *behavioural modelling*: skills are first developed through "observation, practice, and reinforcement" (Goldstein & Sorcher, 1974 as cited in Kraiger et al., 1993, p.319), once individuals recognize them as being valuable in solving problems, they recognize and internalize them as values congruent with new behavioural patterns. Among affective training outcomes relevant for organizations the authors mention organizational commitment, group norms, and tolerance for diversity. Training affective/attitudinal objectives can also include such individual-level outcomes as self-awareness, inner growth, and changing values. *Motivational*

³⁸ Based on that typology Bezrukova, Jehn, and Spell (2010) specified them as affective/attitudinal, cognitive, and behavioural outcomes.

³⁹ *Verbal knowledge* consists of declarative (WHAT information), procedural (HOW information), and strategic (WHICH, WHEN and WHY information) (Kraiger et al., 1993, p.313).

outcomes include *motivational disposition* as well as performance orientation (marked out by desire to do well and gain recognition), *self-efficacy* - “one’s perceived performance capabilities for a specific activity” (Bandura, 1977 as cited in Kraiger et al., 1993, p.320), and *goal setting* (type and structure of goals distinguish novices from experts and goal setting is an important factor influencing transfer to the job (Baldwin & Ford, 1988 as cited in Kraiger et al., 1993, p.321).

4.5.3. Behavioural (Skill-based) Outcomes

Skill-based outcomes deal with development of technical/motor skills and include “a goal orientation and a linking of behaviours in a sequentially and hierarchically organized manner” (Kraiger et al., 1993, p.316). To achieve this type of learning *cognitive-behaviour modification trainings* are used (see also 4.5.1 *Cognitive Outcomes*), which are aimed at assisting trainees (e.g. expatriates) in developing behaviours desired in the studied culture (Littrell & Salas, 2005). Skill development involves consequent skills *acquisition*, *compilation* and *automaticity* (Anderson, 1982 as cited in Kraiger et al., 1993) and is best observed through application of learned skills on the job, so measurement in that area includes not only self-perceptions (of behaviours), but also objective measures such as content-analysed behaviours (Roberson et al., 2001), performance evaluations by observers (Sanchez & Medkik, 2004), performance increases (Ely, 2004) or representation of minorities in leadership positions (Kalev et al., 2006).

4.6. Effectiveness of Diversity Trainings

The general problem of training evaluation is that it is not always quite clear what constitutes good cultural diversity trainings. Curtis and Dreachslin (2008) claim in the most recent integrative diversity management interventions and organizational performance overview that empirical evidence within that area till today provides only limited guidance for HR professionals. Cooperation of diversity practitioners and HR professionals with academic theoretical researchers is needed, as despite the sophistication of some existing diversity frameworks (e.g. Paluck, 2006, Ivancevich & Gilbert, 2000) the reality of DT research demonstrates the lack of theory-driven studies and somewhat sporadic approach: 61% of diversity studies reviewed by Bezrukova et al. (2010) did not follow any theoretical tradition. Naturally, diversity training’s effectiveness is closely connected with *training goals*, *outcomes*, and *implementation*, and should, therefore, be aligned with organizational expectations, short- and long-term strategic diversity goals (King et al., 2010) as well as with business goals (Kormanik & Harminder, 2010).

Traditionally, short- and long-term assessments are undertaken. *Short-term evaluations* are more common and typically ensue right after the training, and are implemented through completing a questionnaire. *Long-term evaluations* range from 4 weeks to 4 years (Bezrukova et al., 2010).

A problematic area of diversity trainings is their *sustainability* per se as well as the research of their sustainability. Firstly, as noticed by Bezrukova et al., (2010), short-term effect studies are in general much more common than long-term. Secondly, effects of DT outcomes (e.g. *affective learning*) leave researchers with the question about their long-term value as positive effects of attitudinal learning persist over 6 months and then deteriorate after a year. However, the amount of existing research evidence does not allow consequential conclusions.

According to current research (King et al., 2010; Bezrukova et al., 2010) *short-term survey-based assessments* of trainings tend to provide mainly positive results, whereas studies of *long-term* outcomes, studies with *experimental designs* and *assessments of self-reported behaviours* deliver mixed results. According to Bezrukova et al. (2010) commonly measured reaction are general competence, credibility of trainers and usefulness of training in general, organizational message (expected training effects for the organizations) and likelihood of transfer, i.e. *trainees* perceptions that the content presented in the course will increase their ability to interact with different others” (Bezrukova et al., 2010, p.23). However, Treven and Treven (2007) notice that diversity trainings are not a universal cure for all organizational problems. They are good at spreading factual information and increasing awareness and may thus change certain beliefs and attitudes. The authors believe that more emotion-oriented persuasive techniques and long-term educational efforts may be needed in order to make the belief and attitude shift continuous.

Specifically, the area of *empirical measurement of behavioural change* after diversity training is identified by Curtis and Dreachslin (2008) to be the most significant gap of organizational research. One of the few studies of such type is a longitudinal field study by Roberson, Kulik, and Pepper (2009). The authors measured the learning outcomes of a diversity training program and subsequent transfer of strategies on the job finding that only *skills learning* (out of all types of learning) was a significant predictor of long-term transfer strategy use. However, other areas have their controversies as well. *Measurement of cognitive learning* can be exercised through such *self-report instruments* as Multicultural Counselling Inventory (MCI) or Multicultural Awareness Questionnaire (Law, 1998 as cited in Bezrukova et al., 2010); typical *attitudinal outcomes measurement* takes place with the help of instruments like Beliefs About Diversity Scale (Middleton, 2002) or the Attitude toward Diverse Workgroup Scale [ADWS] (Nakui, 2005) (for details see 3.2.2.4 *Operationalization and measurement of attitudes towards diversity*). Recent DT literature reviews (Curtis & Dreachslin, 2008) identify that most common measures of training effectiveness are self-reported measures (of satisfaction, change in awareness, or intent to change behaviour), but not objective measures. The limitations of *self-report instruments* have long been recognized in psychology (Burkard et al., 2002) as there’s always certain danger that people

provide *socially desirable* answers while filling out a questionnaire (Bortz & Doring, 2003). Self-report measures imply accurate insight (high introspection ability) and understanding of the researched situation, which is particularly questionable in research of intricate questions, such as prejudice (or positive/negative attitudes towards diversity), where motivation to distort reality could be high for various reasons. Nonetheless, despite realization of its limitations, questionnaires are widely accepted by the scientific community to be the appropriate instrument for research. More often than not organizational context makes researchers apply this tool in order to get access to an appropriate sample despite its possible limitations.

Alternative to explicit attitude measurement instruments is *implicit measurement*, e.g. with the help of *semantic differential scale*, whereby the stereotypes (towards diverse workforce/job applicants) are measured with items like *1 = active and 7 = passive*, *1 = productive and 7 = unproductive* (Kulik et al., 2000). Bush and Ingram (2000) notice that “in the current era of ‘political correctness’” (p.69) asking people to evaluate themselves on such skills will probably result in biased and socially desirable answers. However, implicit measurement maybe, where appropriate, be a more suitable instrument, be it in form of semantic differential scales for the measurement of diversity attitudes or cognitions or using objective performance measures of application on the job for behavioural learning.

4.7. Critical Reflections on Cultural Diversity Trainings: Problems and Solutions

The most general critique point on Diversity Management literature comes from Amaram (2007), who notices that challenges and pitfalls inherent in the management of culturally diverse workgroups (such as when and where mono-/multi-cultural arrangements may be preferred) have been consistently underrepresented in research literature as such. As multiple empirical studies demonstrate, outcomes of diversity depend on many contextual factors. Advertising Diversity Management for all companies without considering their business objectives, marketing goals, personnel situation, development plans, and corporate culture would be profoundly wrong. Therefore, a detailed context analysis should be performed in order to take into account individual as well as corporate-level variables of a company before venturing into practicing DM and carrying out diversity trainings inspired by the business case for diversity or a success case study of a company well-known for practicing Diversity.

Despite seeing great potential some authors (Paluck, 2006) notice that the peculiarity of DT lies in the fact that attitudes towards diversity are formed before training, thus, cultural diversity trainings tend to be much more emotionally laden than any other type of training. This observation is

supported by Greenberg and Baron (2000), who comprehensively list potential problems of Diversity Trainings addressed by Paluck and give tips on dealing with the following issues:

- 1) *Heightened emotional tensions* – discussions of prejudices are likely to make people uneasy, therefore inconvenient and awkward diversity topics should be conducted in a safe and comfortable training environment.
- 2) *Polarization* – in order to avoid it, trainers should be avoiding yes/no answers and encouraging consideration of a broad range of options.
- 3) *Possibility of personal attacks* – expressing strong opinions on diversity issues may box people into corners; additional care should be taken in order to treat everyone with respect and dignity.
- 4) *White males tend to be blamed* – temptation to blame the dominant group (e.g. white males) for diversity problems is additionally high during diversity trainings. No group has an exclusive right to build prejudice and discriminate; therefore an opportunity should be given to discuss difficulties not only of minority, but – when appropriate – also of majority group representatives.
- 5) *Varied reactions to training* – diverse reactions to trainings are common – some people welcome it, whereas others may resent having to go through it – addressing these different opinions should be made a part of training sessions.
- 6) *Problematic timing of the training* – where possible, training sessions should be scheduled out of periods of stress/sensitive events, such as layoffs or contract negotiations.
- 7) *“Wrong” reasons for training* – diversity trainings conducted because *everyone’s doing it* are most likely to fail. DTs work best when they are embedded in a strategic management effort to change policies in order to achieve a more *inclusive* organization.

4.8. CHAPTER SUMMARY

As literature overview shows the success of particular diversity programs lies to a large extent in their *implementation*. Out of all HR areas dealing with diversity management *training and development* seems to be the real flagship of change, the area where attitudinal change is worked on, guiding it in the direction beneficial for organizations and individuals. In line with the objectives of the current research, strategic points for introduction, implementation, and follow-up of diversity management programs within the HR domains have been identified. Crucial components of successful DM initiatives are extensive commitment to *DM as a business initiative*; *incorporation of CDM into all HR areas* and clear *communication* of the business case and

diversity goals. Imposing DM should happen *top-down* with *top-level managerial support*, and creation of accountability for Diversity. DM should be an *on-going continuous process* with visible *follow-up* based on research of training effectiveness and feedback from participants. Best practices from the field of DM additionally show that a constructive way to apply diversity in an organization is by practicing the *integration-and-learning perspective* (Ely & Thomas, 2001), whereby Diversity is seen as a mutual learning process, and its implementation on structural and content-wise level is seen as going hand in hand.

The analysis of cultural diversity trainings' inputs shows that that *DT initiatives are most effective when* they are topically integrated, inclusive, with broad diversity definition and utilize multiple types of training (awareness and skill-based) and multiple instruction methods (lectures, videos, experiential exercises, critical incidents). Training's design elements must be aligned with organizational expectations, short-/long-term strategic business, and diversity goals (King et al., 2010; Kormanik & Harminder, 2010), and should be carefully taken into account before conceiving CDTs, as their relevance and suitability vary depending on the organizational context.

CHAPTER "CULTURAL DIVERSITY INITIATIVES AND TRAININGS" has provided us with additional information that DT can be a successful tool for addressing prejudice, stereotyping, and changing attitudes towards diversity (Bezrukova et al., 2010). This has enabled us to connect the earlier obtained knowledge on *variables* targeted in cultural diversity trainings, i.e. attitudes towards diversity and commitment and *consequences of these variables* with the *outcomes of DTs*. The general goal of cultural diversity trainings is to sensitize towards and inform participants about diversity, increase their awareness, and change their harmful attitudes (e.g. prejudice, stereotypes) in order to enable transfer of the learned skills on-the-job. The change in *outcomes of CDT* is usually measured at cognitive, affective/attitudinal, and behavioural levels. The analysis of theoretical and empirical literature on that topic shows that *cognitive outcomes* of CDT (awareness-based, mixed) have enhancement of knowledge and cognitive skills regarding diversity. *Attitudinal outcomes* (usually targeted in awareness-based and mixed trainings) include *attitudinal components* (increased commitment, improved group norms, and tolerance for diversity on organizational level; self-awareness, inner growth, and changing values (about Diversity) on individual level) and *motivational components* (self-efficacy, goal-setting and performance orientation). *Behavioural outcomes* (skill-based trainings) include application of learned diversity-related behaviours on the job and are at the same time a predictor for long-term transfer (Roberson et al., 2009). Summarizing the theoretical frameworks of diversity in organizations (Gilbert & Ivancevich, 2000; Jackson et al., 2003) and the business case for diversity we can recapitulate the tangibility of CDT's contribution to productivity-relevant variables. *Consequently, diversity*

management practices in form of cultural diversity trainings can have consequences on employee's individual-level psychological variables (e.g. work attitudes and attitudes towards diversity) in a way that they produce outcomes, relevant for organizational performance.

5. DISCUSSION OF RESULTS AND CONCLUSIONS

This segment provides a discussion of research results of the current thesis. The discussion follows the structural outline of this thesis, whereby it sequentially provides critical observations based on the answers to the respective research questions, and critically discusses the main results and their practical application as well as implications for further research. The objective of the current thesis was to review the theoretical and empirical research literature in the area of cultural diversity management in organizations with a specific focus on cultural diversity trainings in organizations and psychological variables relevant in this connection. The main theoretical and research frameworks of diversity management have been overviewed, the most essential empirical findings within the area of diversity management have been analysed, and the main outcomes of cultural diversity in organizations highlighted. Consequently, the following research questions have been answered:

- (1) Which consequences does Diversity have for organizations and what can organizations acquire through practicing cultural diversity management?
- (2) What are the commonly targeted psychological variables in cultural diversity management initiatives?
- (3) Can cultural diversity management practices influence individual-level psychological variables in order to produce performance-relevant organizational outcomes?

5.1. Chapter “MANAGEMENT OF CULTURAL DIVERSITY IN ORGANIZATIONS”

As identified in the overview of theoretical and empirical diversity literature in CHAPTER “MANAGEMENT OF CULTURAL DIVERSITY IN ORGANIZATIONS” organizations should be aware of the possibility of both: positive and negative consequences of (cultural) Diversity. The positive philosophy within that research area is the *business case for diversity*, which suggests that managed the right way Diversity can bring competitive edge to companies practicing it. Diversity management has been recognized as an effective tool, which can help cope with the challenges posed by organizational Diversity. HR training and development initiatives in form of cultural diversity management are aimed at amplifying the positive (*increased performance, cost cuts, enhanced creativity, innovation, and decision-making*) and redeeming the negative consequences (*lower organizational citizenship in presence of high demographic dissimilarity, impaired social integration, communication, and interpersonal conflict*). Consequently, practicing high-quality cultural diversity management can potentially bring tangible results for organizations. Thus, the research question about consequences of Diversity for organizations and benefits/disadvantages

acquired through practicing cultural diversity management can be answered in the following way. The benefits that companies could expect from practicing diversity management include both: eliminating the possible negative outcomes of diversity and enhancing the abovementioned benefits that diversity can potentially introduce into the company. Either way, the literature analysis shows that correct DM has the potential to create competitive advantage for organizations and make it a strategically important tool for organizations. The increasing importance of CDM is apparent from increasing globalization of businesses and necessity of coping with Diversity's occasionally harmful (for organizational and group performance) consequences as well as capitalizing on the beneficial opportunities Diversity provides.

At this point it should be critically noted that, whereby the complexity of diversity dynamics is fairly well taken into account by the theoretical constructs (Gilbert & Ivancevich, 2000; Jackson et al., 2003), the *reality of cultural diversity research is often overly simplified*. Presumably, such simplifications are rooted in both: misapplication/partial application of the existing knowledge by the HR practitioners and also by the researchers, who for various reasons (most commonly because of time and budget limitations) conceive research that does not account for the complexity of diversity structure in organizations, context of DM and other relevant factors. A common problem is, for instance, the use of problematic terminology (e.g. interchangeability of the terms race, ethnicity, cultural diversity, etc.), which does not give credit to the complexity of the phenomenon of culture and sees it as a static entity.

5.2. Chapter “PSYCHOLOGICAL MECHANISMS AND OUTCOMES OF DIVERSITY INITIATIVES”

Guided by the need for psychological explanation of positive and negative Diversity outcomes in organizations, the review of conceptual and original research literature has been performed. Relevant theoretical frameworks of diversity (social identity approach, information-processing and problem-solving approaches, intergroup contact theory, and ironic processes theory) have been identified. These theories provide insights into the psychological mechanisms behind consequences of organizational Diversity as well as its management. Controversial empirical research results and *ironic* Diversity outcomes have been addressed through overviewing the *faultlines* research and presenting the *categorization-elaboration model* by van Knippenberg et al. (2004), which anew raised the questions of Diversity dynamics' complexity and importance of context. Further on, two central *psychological variables commonly targeted in (cultural) diversity initiatives* (Research Question 2) have been identified to be of particularly importance: *attitudes towards diversity* and *organizational commitment*. Additionally, we have learned about the *psychological mechanisms*, which substantiate the common assumption of most cultural diversity

trainings that *attitudes (towards diversity)* can be changed, primarily through awareness, information and contact, both taking place in awareness-based, skill-based, and mixed types of trainings. We have also learned that attitudes, being the antecedents of behavioural intent, are capable of influencing behaviours, can be called the precondition for *employee commitment*. Positive relationship between employee's organizational commitment, organizational performance as well as between positive ATD and positive workgroup outcomes has been identified. Additionally, employee organizational commitment is the consequence of *commitment HR strategy* and simultaneously the desired outcome of DM, CDT, and aimed-for state of employees in organizations. Commitment has multiple correlations with virtually any outcomes beneficial to organizational performance, such as organizational citizenship, employee engagement and in-role performance, turnover cognitions and behaviours, thus, providing a company, in which it is existent with apparent competitive edge.

However, despite the multiple achievements of organizational Diversity research, certain methodological issues are raised in the theoretical and empirical literature, for instance in connection with psychological variables, which are commonly targeted in CDM, and with outcomes of Diversity in organizations. For example, Kitayama (2001) highlights the problem of *cross-cultural validity of attitudinal surveys*, mainly because of the prevalent static view of culture and the definition confusion with the very notion of culture. A similar problem can be identified within the area of *commitment studies*, which stems from the fact that commitment levels across countries can differ and can't be directly compared. Magoshi and Chang (2009) notice that in countries like Korea or Japan variables like gender may influence employees' commitment because male employees traditionally receive more compensation/promotion benefits and privileges, thus, accumulate more positive experiences and, consequently, have higher commitment than female workers. The topic of *differential results for minorities/nonminorities* is also reoccurring in the CDM literature is across attitudinal and performance levels: work attitudes (Riordan, 2000), attitudes towards specific ethnicities (Stewart et al., 2003), organizational citizenship behaviour (Chattopadhyay, 1999), and brainstorming tasks (McLeod et al., 1996), problem-solving (Ely & Thomas, 2001). The results also vary in their strength and direction reminding of the importance of minorities' integration in organizations as well as of working on attitudes as such in order to work against the natural ethnocentric tendencies. Thus, differential results for minorities across Diversity dimensions must be considered while designing studies dealing with Diversity outcomes as well as theoretically conceptualizing and overviewing research from different countries meta-analytically.

Generally, despite the sophistication of existing diversity frameworks (e.g. Paluck, 2006, Ivancevich & Gilbert, 2000), often insufficient amount of culture's dimensions is taken into account in cultural diversity studies, with majority of available literature on diversity training outcomes not even providing the used theoretical framework (according to Bezrukova et al., 2010). Additionally, the very nature of the involved variables does not allow the desired degree of precision, with implicit measurement of attitudes (self-report instruments) dominating the empirical research, as well as the general complexity of interconnected diversity dynamics in organization with such domain-specific phenomenon as diversity *faultlines* (Lau & Murnighan, 1998; Van Knippenberg et al., 2004), showing that contingent effects of diversity dimensions can amplify the negative outcomes of diversity. Whereas CD research often deals with attitudes towards diversity, detailing the sensitive topics of stereotype, prejudice and discrimination, they make the attitudinal measurement even more challenging as explicit measurements do not seem well-suitable because of possible high motivation to distort the real attitudes (Bush & Ingram, 2000). According to critique available in the literature (Bukard et al., 2002) more attention should be given to implicit measurements, e.g. The Implicit Association Test (IAT) (Greenwald, McGhee, & Schwartz, 1998 as cited in Bezrukova et al., 2010) or semantic differential scales, and objective measures like peer-evaluations, observational methods or result-oriented measures (turnover, recruitment of minorities, etc.) to complement the well-established self-assessment instruments, gain a more complete access to yet unexplored aspects of attitudes and behaviours and assist scientists in re-considering construct equivalence and relating new data to prior research.

Further on, *clear structural allocation of researched initiatives* within specific diversity domains should become possible (cultural, age, gender diversity). As clarified by extensive practical and theoretical investigations of the diversity faultlines phenomenon (see 3.2.1.3), diversity research should take into account the multitude of dimensions of diversity, conceptualize it accordingly, take asymmetries into account and be prepared for nonlinear effects (Van Knippenberg & Schippers, 2007). As aptly pointed out by Pedhazier and Schmelkin (1991 as cited in Shore et al., 2009, p.125): "Being a way of seeing, a theory is also a way of not seeing"; in order to complement this remark on a more general note: diversity research should be open while remaining critical and not dismiss potential theoretical innovations coming from various sources (e.g. field research) by automatically marking them as *methodologically flawed* if they do not match the established theory.

5.3. Chapter “CULTURAL DIVERSITY INITIATIVES AND TRAININGS”

CHAPTER “CULTURAL DIVERSITY INITIATIVES AND TRAININGS” has provided us with the information that DT can be a successful tool for addressing prejudice, stereotyping and changing attitudes towards diversity (Bezrukova et al., 2010). This has enabled us to connect the earlier (*Research Question 2*) obtained knowledge on *variables* targeted in cultural diversity trainings, i.e. attitudes towards diversity, commitment, and *consequences of these variables* with the *outcomes of DTs*. The general goal of cultural diversity trainings is to sensitize towards and inform participants about diversity, increase their awareness and change the possibly harmful attitudes (e.g. prejudice, stereotypes) in order to enable transfer of the learned skills on-the-job. The change in *outcomes of CDT* is usually measured at cognitive, affective/attitudinal, and behavioural levels. The analysis of theoretical and empirical literature on that topic shows that *cognitive outcomes* of CDT (awareness-based, mixed) have enhancement of knowledge and cognitive skills regarding diversity. *Attitudinal outcomes* (usually targeted in awareness-based and mixed trainings) include *attitudinal components* (increased commitment, improved group norms, and tolerance for diversity on organizational level; and self-awareness, inner growth and changing values (about Diversity) on individual level) and *motivational components* (self-efficacy, goal-setting, and performance orientation). *Behavioural outcomes* (skill-based trainings) include application of learned diversity-related behaviours on the job and are at the same time a predictor for long-term transfer (Roberson et al., 2009). Summarizing the theoretical frameworks of diversity in organizations (Gilbert, Ivancevich, 2000; Jackson et al., 2003) and the business case for diversity we can recapitulate the tangibility of CDT’s contribution to productivity-relevant variables. Consequently, we can answer the *Research Question 3* in the following way: *diversity management practices in form of cultural diversity trainings can have consequences on employee’s individual-level psychological variables (e.g. work attitudes and attitudes towards diversity) in a way that they produce outcomes, relevant for organizational performance.*

A comprehensive understanding of the current status quo of DM as well as DT research has been achieved through analysing empirical and theoretical literature on that topic. It has been identified that success of DM initiatives to a large extent lies in its *implementation and introduction*. One can briefly summarize the most important features of successful implementation of Diversity in the following way. In the first place, in order not to profit from Diversity initiatives *holistic approach* and companies’ *extensive commitment* to diversity initiatives is required. Diversity management strategy should be originated, supported, and treated as a *business initiative*, which is incorporated into a bigger *business corporate strategy*. *Top-level managerial and CEO support* of DM as an *organization-wide initiative* should be visible, strong and create accountability for

Diversity, e.g. in form of *diversity councils* or by appointing *diversity champions*. DM should be an *on-going continuous process* (as opposed to one-time quick-fix solution) with visible *follow-ups* and culture/management systems audits and surveys of attitudes/perceptions, which help the mutual shaping to take place between organization and employees to create a common set of values. The importance of purposeful and conscious treatment of cultural differences and their complexity should be a priority: while preparing for possible resistance, appropriate initiatives should be started to address the burning issues, and non-threatening environments should be created. Communication of DM would imply *downward* (directive) as well as *upward* (informative, e.g. in form of feedback) *communication*, which originates at the top of an organization and is consequently implemented right down to the bottom. As multiple researchers demonstrate, Diversity results will not keep the company waiting long, if applied properly, because promoting awareness, sensitivity and overcoming misconceptions towards cultural diversity encourages cohesiveness, and creates a more productive working environment in a company advancing cultural diversity initiatives.

Summing up the conclusions of the *training design* analysis one can say that the most effective DT initiatives should be topically integrated as opposed to *stand-alone* (included into a broader scope of organizational efforts), inclusive regarding training focus (taking in multiple diversity dimensions), with broad diversity definitions, utilize multiple types of training (awareness and skill-based), and multiple *instruction methods* (lectures, videos, experiential exercises, critical incidents). Additionally, specific potential problems of cultural diversity trainings have been identified (e.g. heightened emotional tensions, personal attacks), which may occur in case of wrongful implementation of CDT (with *wrongful* primarily meaning: without taking the societal, organizational, intragroup, and situational contexts into account and aligning it with DT goals and outcomes). Speaking of workgroup diversity in general terms, a similar issue of aligning specific tasks with group composition comes to mind: the insights from empirical research show that under certain circumstances diverse groups outperform homogenous teams. Expectations towards productivity and outcomes should be aligned with broader organizational business goals and used appropriately depending on the situation (e.g. high/low deadline pressure, need for increased inventiveness, etc.). Just as well training's *design elements* must be aligned with all of the above. For example, the *influences of trainee culture* (individualistic/collectivistic) in training groups on training outcomes (Holladay & Quinones, 2005), whereby trainees from individualistic countries show no preference toward particular trainers and are, thus, generally more receptive to trainings, whereas trainees from collectivistic countries showed preference toward trainers with the cultural background similar to theirs.

Similarly, *differential results for minorities/nonminorities* can be seen in the literature on CDTs and *presence of minorities* in DT is identified (e.g. Paluck, 2006) as a heated debate. Both pros and cons are available for presence of minorities in trainings as, on the one hand, it seems to *facilitate personal change* and give authenticity and legitimacy to discussions, but, on the other hand, *cause polarization* and superficial political correctness. In conclusion it must be critically mentioned that diversity trainings in organizations are not panacea against all organizational problems (this *many-problems-one-solution* thought is in particular getting across in the commercial segment of diversity literature, e.g. Stuber, 2007c, 2008, 2009b). Their implementation requires careful consideration of the context and alignment of these initiatives with specific training goals and expected outcomes. HR practitioners implementing DM should bear in mind potential problems in form of heightened emotional tensions, personal attacks, which may occur if CDTs are wrongfully implemented (e.g. without taking into account the peculiarities of group composition).

Additionally, some critical words must be directed at the current state of diversity training research. Despite sophistication of some existing diversity frameworks (e.g. Paluck, 2006, Ivancevich & Gilbert, 2000), the reality of DT research demonstrates the lack of theory-driven studies and a somewhat sporadic approach: 61% of diversity training studies reviewed by Bezrukova et al. (2010) did not follow any theoretical tradition (or at least did not specify the used theoretical framework). Similarly, diversity trainings and diversity education have developed in a largely detached manner. Thus, it can be suggested that the topic of cooperation of diversity practitioners and theoretical researchers in DM and DT literature, whereby certain authors (e.g. King et al., 2010) are already calling upon integrating Diversity trainings and education. Similarly, cooperation of diversity practitioners and HR professionals with academic theoretical researchers is needed to provide a valid basis for predictions concerning the outcomes of CDTs as well as diversity in organizations in general. Some researchers notice (e.g. Bezrukova et al., 2010) that diversity management literature largely comes from educational rather than organizational settings, extensively using *convenience samples* in both cases. Many researchers (e.g. Van Oudenhoven-Van der Zee et al., 2009) additionally stress the importance of validation of the found effects in actual work settings.

Increasing demand for cultural diversity trainings in the face of workforce internationalization raises the questions of quantitatively and qualitatively more research analysing the link between various training designs and training outcomes in order to have good basis for conclusive predictions of trainings effectiveness. It is suggested that future research should concentrate on specific conditions under which DT is most effective (be it the modus of training instruction or

other training inputs). Current analysis of DT literature shows that most successful diversity training initiatives were *integrated, inclusive, and aimed at increasing both awareness and skills*. However, according to Roberson et al. (2003), there are no studies, which directly address the design controversies identified by the authors within diversity training design research (e.g. awareness-/skill-training vs. both; broad vs. narrow definition of diversity, etc.; for details see 4.4.2 *Training Design*). A suggestion could be made, following the logic of the *Multilevel Framework of Diversity Dynamics* by Jackson, Joshi, and Erhardt (2003) to more diligently consider and incorporate various Diversity levels into research designs (organizational, group, individual) of future studies in the area of CDT outcomes (cognitive, attitudinal, behavioural) in order to achieve relevant insights into Diversity dynamics in Organizations.

Generally, the area of CDT research has been suffering from its beginnings because of no valid conceptual model for structuring the training outcomes (according to Kraiger et al., 1993). Since then the modern approach has adopted Gagne's (1984) taxonomy of learning outcomes and has been successfully applying it to studies of CDT outcomes. However that area of analysis is still quite young, with a limited number of studies available (31 articles identified in the most current systematic analysis of such literature by Kulik & Roberson, 2008). According to critical researcher's voices (Curtis & Dreachslin, 2008) only limited guidance for HR professionals is available in the area of effectiveness of diversity trainings, which clearly is pointing out the need for more systematic analysis in that area. Thus, it can be suggested that in order to avoid speculative conclusions, *more conceptual empirical research should be carried out in the identified controversial areas*. At the same time going away from the general diversity training effectiveness assessment with standard pre/post-test research designs with training/control groups (although the utility of within-subject designs in achieving conclusive causality of results is unquestionable) could be beneficial. Thus, a more directed concentration on specific controversy-based research questions is advised, contrasting different types of trainings programs against one another as well as using measures of attitudinal and behavioural change based on measures alternative to subjective trainee reactions.

5.4. Concluding Remarks

Positive and negative consequences of Diversity on organizational, workgroup and individual levels have been overviewed in this thesis. Diversity management, guided by the business case for Diversity, has been identified as the tool, which enables effective handling of Diversity in organizations (*Research question 1*). Albeit given limited place in early diversity research, attitudes towards diversity and organizational commitment have been recently identified as important target variables of cultural diversity management initiatives because of correlations with

performance-related company outcomes (*Research question 2*). Diversity trainings have been identified as the method to cause individual-level change across attitudinal, cognitive, and behavioural dimensions in order to influence organizational performance (*Research question 3*).

Relevant research literature clarifies that the area of DM initiatives is strategically important for modern organizations because of its unique offer to enable insights into the intricacies of diverse workforce on a conceptual level and to provide appropriate tools, e.g. in form of cultural diversity trainings, for changing and adjusting relevant variables like work attitudes and attitudes towards diversity across diverse workforce on a pragmatic level. Primary organizational interest in increasing business performance and productivity of its employees lies at the basis of interest for cultural diversity initiatives, whereby empirical record of possible benefits from diversity in organizations substantiates the business case for diversity. Having the primary goals of informing, sensitizing and providing awareness about diversity topics CDTs cause consequences across three dimensions of outcomes: attitudinal, behavioural, and cognitive, which include a broad variety of outcomes related to organizational performance: improved group norms and tolerance for diversity, self-awareness, inner growth, and performance orientation of employees, change values about and attitudes towards Diversity), which, consequently causes application of learned behaviours on the job and has influence on such desired outcome as organizational employee commitment. Finally, properly applied diversity management initiatives represent a win-win enterprise: companies profit from creating constructive working environments for their employees and increasing their business and stock market performance, whereby employees benefit from increased self-efficacy, job satisfaction, and better communication and relations with their colleagues. On a larger scale even the society benefits from more tolerant, understanding, and in multiple senses more productive members. Thus, the importance of further theoretical and empirical developments in order to advance the research of cultural diversity management in organizations seems evident. This challenging, but however promising research area has accumulated a large amount of theoretical and empirical knowledge over the years, which delivers explanatory basis for outcomes of diversity in organizations. However, it still continues its development, discovering new research gaps (individual-level variables and outcomes of cultural diversity trainings), new phenomena (e.g. diversity faultlines), and allocating it within the previous theoretical frameworks and advancing the science by creating a profound and reliable basis for better predictions and control in the area of cultural diversity in organizations.

All in all, the current thesis can be seen as a compilation of current theoretical and empirical literature. It was attempted to incorporate the results of preceding studies within the framework of the current thesis in order to *particularly highlight the importance of psychological variables*

(representation of which in diversity management literature has been relatively low) and *specifically focus on the area of cultural diversity management and trainings*. Naturally, the main consequence of such an approach is its certain degree of *subjectivity* and a probable *non-exhaustive nature* of research results (e.g., as opposed to a systematic meta-analysis). Thus, it could be suggested that further research in that area considers the identified complexity of the phenomenon of Diversity in organizations, possible interaction effects of Diversity dimensions (faultlines), and makes use of the information accumulated in the scientific research and focus on the ascertained research gaps (individual-level variables and outcomes of cultural diversity trainings) while making use of appropriate methodology.

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LIST OF ABBREVIATIONS

AC - affective commitment

ATD - attitudes towards diversity

CC – continuance commitment

CCT - cross-cultural training

CD - cultural diversity

CDM - cultural diversity management

CDMP - cultural diversity management practices

CEM - categorization-elaboration model

DM – diversity management

DMP - diversity management practices

DT – diversity training

DTP - diversity training programs/practices

ED - employee diversity

EDM - employee diversity management

HR - human resource(s)

HRD - human resource development

HRM - human resource management

IPT - ironic processing theory

NC – normative commitment

OC - organizational commitment

OCB - organizational citizenship behaviour

SHRM - strategic human resource management

SIT - social identity theory

VID - Value in Diversity

ERKLÄRUNG

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