Cultural Diversity Management  
- Comparison of three European countries -  

How does the globalization process affect SMEs regarding importance and implementation of cultural diversity management?  

Bachelor Thesis  
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List of Abbreviations

AGG | Allgemeines Gleichbehandlungsgesetz
CEO | Chief Executive Officer
DiM | Diversity Management
EU | European Union
ICT | Information and Communication Technology
IDV | Individualism Index
LEs | Large Enterprises
LTO | Long Term Orientation
MAS | Masculinity Index
PDI | Power Distance Index
SMEs | Small and Medium Size Enterprises
UAI | Uncertainty Avoidance Index
Abstract

This Bachelor thesis deals theoretically and empirically with the management tool called *diversity management (DiM)*, with the specific focus on cultures and their differences. The connection of these two aspects results in *cultural diversity management*. Defining diversity, culture and DiM separately brings up a new focus on how to realize and deal with the phenomenon of cultural DiM. It represents a supporting resource in today’s management because of the constant globalization process and socio-demographical changes all over the world. The ‘status quo’ of cultural DiM is mainly based on research with big-multinational enterprises and emphasizes its future potential. Furthermore it reveals that most European countries are lagging behind in taking advantage of this resource. Whilst being aware of the fact that there are, with no doubt, best-practice studies of DiM in Europe, the general implementation and beneficial result of cultural DiM have not been realized and gained its full potential yet. This slow or even not existing development becomes more obvious in smaller and medium size enterprises (SMEs)\(^1\), which display the majority of firms in Europe. Despite SMEs facing international changes, cultural differences, and also recognizing cultural DiM as an opportunity, the implementation is not considered as a company’s major priority aim.

\(^1\) European Commission (2006) – SME Definition
Preface

Following quotation of Vladimír ŠPIDLA, Commissioner for Employment, Social Affairs and Equal Opportunities of the European Commission, who manifests the potential of diversity, states the importance of this issue in the European context:

“The diversity of our population is an increasingly striking feature of today’s Europe. Far from rejecting diversity or placing restrictions on it, we must continue to accept it as an opportunity that enriches our outlook and widens our horizons — and we must learn to manage it well.(…) However, well-managed diversity is also a key to success in the global economy. It may require adaptations such as the development of inter cultural skills, removal of barriers and increased flexibility on the part of employers; but it is worthwhile both in ethical and in practical terms. (…) a workforce of people from different horizons is an asset to any ambitious and dynamic company. Diversity can generate extra momentum; open up new market segments and increase innovation and productivity. Many companies have already taken diversity on board as a social fact and as an asset in terms of their activities. Over the last few years, more and more companies have developed effective, efficient diversity-management strategies and have teamed up with other companies to make diversity-management part of their overall business strategy. But we must also acknowledge that there still is reticence and that many companies — whatever their size and location — have a long way to go. (…).”

This quotation introduces the subject of the Bachelor thesis dealing with the increasing importance of the organizational strategy – so called DiM. The research focuses in particular on the cultural aspect of DiM in small and medium size businesses (SMEs) and how these businesses in the three European countries Germany, Spain, and Sweden are affected by cultural DiM.

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2 European Commission October (2008) – Foreword: Diversity Journey
1. Introduction

1.1. Motivation

Living in the 21st century tremendous changes are realized. The ongoing globalization with its effects and different facets, the continuous growing movements of money, information, people, technologies etc., can be seen everywhere. Additionally, demographical and socio-cultural changes affect today’s life in almost every part. The framework of traditional demography and socio-cultural beliefs is fading and the following trends reveal the enlargement, maybe even an escalation of cultural changes that need to be taken care of. Some of the major demographical and socio-cultural adjustments are shown in the increase in proportion of older people caused by the weakening fertility rate in some European countries. Furthermore the partly decline in population growth and increasing number of migration, which bear a huge impact of cultural adoptions. Other important changes are realized in the household compositions, the intensification of individualism and the growth of the service sector and other smaller areas.³ All of these socio-demographical changes provoke more, far-reaching thinking in economical interaction. The phenomenon of diversity in Europe animated the European Union EU - to face this process by introducing the anti-discrimination directives.⁴ Since 2000, the EU added to laws covering the equal treatment of men and women, the EU anti-discrimination legislation which has been in place to ensure minimum levels of equal treatment and protection for everyone living and working in Europe. These laws are designed to ensure equal treatment irrespective of racial or ethnic origin, religion and belief, disability, sexual orientation and age in many aspects of daily life - from the workplace, to issues covering education, healthcare and access to goods and services. Nowadays, it is not anymore only a political issue; it is a challenge for the whole economy and especially for company’s management to deal with all these changes.

Before getting to grips with the general and problem-oriented approach, a brief introduction to the bachelor thesis structure is presented. The thesis starts with an introductory part that presents a basic, really general idea of cultural DiM and the problem-oriented point of view while researching in this organizational subject. Next the three main chapters, the theoretical, the methodological and the empirical one are exposed. The theoretical part describes in detail the meaning of cultural DiM and its specific definition concerning the

⁴ European Commission, Oct. 2009
research problem. After, the second methodological part summarizes the first part and gives a final conclusion which leads to third and final, empirical part. The methodological part also describes the establishment of the aim of the study and the way of developing the empirical part. The third part reveals the empirical study and its results, which brings up the final future perspective. The theoretical research will adduce the general importance, whereas the empirical investigations will find answers about the actual implementation of cultural DiM in smaller businesses.

1.2. Problem-Oriented Approach

After presenting the fundamental motivation the following general and problem-oriented approach introduces definitions and findings about the above mentioned growing importance of cultural DiM that leads to the final scientific problem formulation of this Bachelor thesis. A quick internet search of cultural DiM, using Google results in more than 198.000 hits. Many of these hits describe specific company initiatives, other advertise the services of the thousands of DiM specialists and consultants that exist and other attempt to explain the “one best way” to manage cultural diversity. Out of these gigantic approaches the question that prompts when dealing with this topic is: What is Cultural Diversity? This chapter only offers a general idea of cultural diversity. The first step represents a separated, isolated point of view of culture and diversity to receive a basic understanding for the upcoming problems formulation. The depiction of the adjective cultural and the noun diversity unfolds, on the one hand, further knowledge and information about diversity developments within 21st century and the increasing importance of cultural understanding in a globalized world. And on the other hand, the continuing progress towards one multicultural world leads to the reconnection of the specific kind of diversity, namely cultural diversity.

Starting with the general questions: How is diversity defined? And what does diversity stand for? - expose the following encyclopedia definitions: First – Diversity seen as the state of being diverse and second – diversity defined as a diverse range; a variety. Both of these definitions contain the adjective ‘diverse’ that originally evolves from the Latin word ‘diversus’ meaning opposite, separate, apart, unlike, different. The Latin ‘diversus’ already allows - talking about diversity - to say its existence goes historically far back into past and describes, out of a generally speaking point of view, all aspects in which people can vary or

differ. The immense amount of diversity definitions leads to the evaluation of definitions to receive the most common, fitting one for the scientific problem (see also chapter 2).

After the short introduction to the complex system of diversity the second part is followed with the basic definition of cultural. Concerning to the Oxford dictionary the adjective cultural is relating to the culture of a society or relating to the arts and to intellectual achievements. The first definition is the one referring to the cultural part in cultural diversity. Culture originates again from a Latin word, cultura that means growing, cultivation and shows once more the extensive meaning. Throughout the theoretical part a suitable definition of cultural diversity conforming to the scientific problem is going to be developed.

The preface already established the importance of cultural diversity. Generally speaking, the development of cultural DiM started in Europe about one decade ago and has become an important issue in the last years as we can see in the implementation of new laws by the EU. Its significant importance does not only evolve from its immature status. Certainly, the variety of individuals has always been existent, but nowadays societies and companies in special are more than ever confronted with these differences. Social engagement, different laws, company’s appearance make it obligatory for the companies to deal with diversity. Moreover the technological progress that enables companies to internationalize opens up a new chapter in dealing with distances and national differences. In other words the world is melting to one global package where cultural roots of national behaviors may still remain. When recognizing this development, the most important aspect is that the individualism of each human being should not be forgotten, whether the person belongs to the same culture or not, even though cultural differences might flourish a bit in a globalized world. As bedrock of cross-cultural management, Geert Hofstede comments: “When cultures change together because of a common cause, the differences between them often remain intact.”

Within the last years there are a number of recently published textbooks that deal with the phenomenon of cultural diversity in business activities. All of these publications have made significant contributions to the subject, dealing with the question what characterizes cross-cultural business strategies and how these affect management of a diverse workforce. Most of the studies, made so far, are based on global enterprises and their best practice

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7 Hofstede, G. & Hofstede, G. J. (2005), p. 17
models, such as IBM, Apple, Sony, Adidas, Telekom, Metro Group, E-Plus\(^8\) etc. In these enterprises the multinational structure is obvious and the need for managing cultural diversity becomes more apparent, whereas in smaller businesses the line where cultural DiM begins and ends is hard to draw. Nonetheless SMEs make up the vast majority of all businesses in Europe and employ three-quarters of the workforce.\(^9\) As extensions of families and features of communities, SMEs do not often trade beyond their own locale, let alone national borders. But diversity is as relevant to them as it is for the largest corporation. Given these facts the following question appears: What does cultural DiM exactly mean for SMEs? And what can companies that are applying cultural diversity, hope to receive from diversity? Does is lead to a successful performance?

Managing diversity, founded in an Anglo-American context, has been established and is still establishing as a part of business life and business studies. Comparing the process of DiM in Anglophone countries with Europe, DiM in Europe represents a relatively new field in organizational culture. The development of DiM cannot be seen as a mature research area. Even though European studies and companies are trying to catch up, there are still a lot of undefined research grants. This stage gives the opportunity to focus on a variety of investigations of cultural DiM, because many questions still remain unanswered or leave a lot of space for interpretations.

Cultural DiM has become a fashionable term in business about ten to twelve years ago\(^10\) and will gain more importance within the next years because of the ongoing process of globalization, the increasing migration movement, the general growth of intercultural confrontation, and the exhaustion of its potential as a resource. Cultural DiM is not a well known term in business within Europe. European companies, especially compared to the Anglophone countries show a huge difference in the implementation of this tool in business life. Europe is lagging behind in its application. The reason why and if it is on its way of catching up, will be discussed further in the thesis.

When it comes to the scientific problem formulation, one of the most significant informations is to realize that culture itself is a complex multi-layered concept and one standardized definition of cultural DiM is impossible to figure out. By any means the field of

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\(^{9}\) European Commission (2009), p. 5
\(^{10}\) Jäggi, J. C. (2008), p. 182
workforce diversity, in particular the cultural influence is obtaining a competitive edge, which this study aims to take the subject forward to the state-of-the-art and the importance of cultural diversity in today’s business life. Without doubt, the globalization takes place and keeps on growing, but do companies have already followed this trend and reorganized their organizational structure? From the perspective of significant social, economic and legal developments, the question arouses that equivalent handling of differences and specific arrangements for supporting diversity moves the center to more political, economical and scientific debates. With the economical globalization and the European integration process, there has been a strong internationalization of labor and markets. Workforces, customers and clients and societies are diverse and varied now.

A “common” understanding of culture in business and management and its application in day-to-day organizational tasks can help to prevent upcoming difficulties referring to the ongoing internationalization process and all of the general changes mentioned before. Thence the question is, how far have cultural adaptations in business life been made? And did it lead to the implementation of cultural DiM? The focus of this bachelor thesis lies in the business field of SMEs, because textbooks and research studies do not give a lot of information about this kind of enterprise concerning the application and implementation of DiM. Meanwhile best practice examples of large business groups have been brought up, the adaptations in smaller companies make or maybe even have to make because of present policies and laws is still not well-known or at least you cannot find direct or obvious answers. Therefore the final and central question is:

*How does the globalization process affect SMEs regarding cultural diversity management?*

The internationalization does not stop. It is growing every day and therefore the importance of colliding cultures is and will increase. For this reason it calls for modifications to smaller companies as well as for the already global working enterprises. The theoretical background reveals information about a general understanding and idea of the development of cultural DiM and is followed by the empirical part that gives indications about the state-of-the-art of cultural issues in smaller companies.
Theoretical Part

2. Cultural Diversity

2.1. Historical Development

Diversity itself is nothing new. Differences of human beings have always been existent throughout the world probably from the beginning on. “The history of humankind is a story of multiculturalism and diversity. Whether we are speaking of civilizations of the ancient Africans, Mayas, Greeks or Egyptians the kingdoms of Britain and Spain; or (...) all are examples of diversity.”

Thus it is complicated to define the real beginning of DiM but most writers and researchers see the roots of DiM in the US Civil Rights Movements in the 1960s. It was originally founded to implement equal rights against racial discrimination (mainly at that time of the conflict between blacks and whites). The response of racism meant the first step towards egalitarianism and the political introduction to a more balanced multinational workforce.

The development in European countries found its beginnings in the introduction of the EU anti-discrimination legislation in 2000. At this time the cultural discrimination issue was already seen as big problem, so the EU tried to counter this development by implementing a law to avoid discrimination and lead to the essential way of esteem and appreciation of diversity. Elaborating on the enforcement of laws in Germany, Spain and Sweden, it becomes obvious that Sweden was very eager in setting up rules against different kinds of discrimination (e.g.: the first country that removed homosexuality as an illness and the Equal Opportunities Act for equal rights of men and women from 1979). Just recently, January 2009, Sweden published its new anti-discrimination act, which will combat discrimination on grounds of gender, transgender identity or expression, ethnic origin, religion or other belief, disability, sexual orientation or age and applies to most areas of society, such as working life, education, goods, services and housing, social services, the social insurance system, health care, national military and civilian service and regarding public appointments. Germany founded its first law of equal treatment in 2006 with the AGG –Allgemeine Gleichbehandlungsgesetz as a central part of supporting diversity in Germany. Furthermore Spain brings up the rear of achieving laws to fight against discrimination. It still has not introduced this kind of law as Sweden and Germany have already done. Some political parties

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have shown interest in assigning it in their legislation of Spain as “la ley de igualdad”, but until present times Spaniards can only rely on the laws of the European Union and do not have a supportive law from their own country.

After all of these achievements in each European country at a different stage, cultural DiM has been developed and implemented as strategic organizational tool, firstly in American companies, before spreading out into the whole world. Most of DiM literature started in the 1990s and continued in the beginning of the 21st century with the integration and adaptation of DiM in Europe. Consequently DiM can still be seen as a quite modern strategic tool of management in business studies, which will continue to gain importance. Global enterprises, like IBM, Apple, etc.

American studies on DiM are divided into two diverse research perspectives. One shows the business-perspective dealing with the economical advantages (competitiveness, efficiency, productivity advantages) of DiM. Whereas the second one describes the equity-perspective that represents the above mentioned human-rights developments and concentrates on the social study base of fairness, tolerance etc. Concerning these two perspectives, previous research has been mainly based on the equity part, because in the past it was the priority to build up equal working rights for everyone and later on, as soon as competition gained importance and globalization once started other aspect received a substantial role. However, many SMEs are simply too small to employ a range of individuals with diverse backgrounds, so the equity-perspective might have a less important affect. Many SMEs employ just family members. In companies such as these, though, DiM can be just as relevant, for example through helping to identify how existing products and services could be adapted to better suit the needs of diverse clients, which refers to the second, economical or business perspective. Due to this understanding and realization the cultural diversity aspect might originate different than in global enterprises. To sum up the foregoing many SMEs might have well embedded diversity policies and practices, it is the larger companies that are more likely to lead in this respect.12

Nowadays research studies have not yet established a standardized measurement for DiM, in particular seen from the financial point of view. Additionally, the investigation of DiM has so far not considered many of the disadvantages that can come along with DiM. All of these

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gaps in research offer an extensive area for more studies. Nonetheless the consistency of a conventional understanding of cultural DiM is in the academic field, in business interest and overall in this study necessary. In today’s world DiM has been developed as a practical organizational tool to deal with diversity in all its aspects. DiM is aimed to motivate the staff and to increase their creativity through taking advantage of their own backgrounds and at supporting the other ones. It can be also called a corporate working strategy with the intention to increase the companies business potential.

2.2. Culture

Before finding an adequate definition of culture, it has to be repeated that there is no single, all-encompassing definition of either one of them culture nor diversity. “As Francesco and Gold earlier realize that the lack of an overriding definition may be inherited in the subject of culture, suggesting that no single definition of culture can be sufficient due to the complexity of the concept.”

Starting with this complexity it becomes clear that there are major difficulties involved when studying culture. One of the basic understandings is given by the core values each individual inherits. First it is necessary to have a clear view of intrapersonal values and understanding of personal culture, only then it is possible to gain knowledge and separate the own culture from other cultures. Consequently the first question asking our selves would be – How do I define my own culture? (i.e.: how do I do things in my home country and why?).

To obtain an understanding of culture, the following well known definition in cultural literature is presented. The basic understanding of culture will be laying on Hofstede’s presentation of cultural understanding concerning the organizational context. Hofstede defines a very common set of models for cultural differences. Beginning with a definition of Hofstede’s depiction of culture:

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“Culture is always a collective phenomenon, because it is at least partly shared with people who live or lived within the same social environment, which is where it was learned. It is the collective programming of the mind which distinguishes the members of one group or category of people from another. Culture in this sense is a system of collectively held values.”

To embrace the idea of Hofstede, figure 3 unfolds one of his first depictions of the before quoted mental programming that consists in the personality, culture and human nature of the pyramid model.

In this depiction culture can be learned, not inherited. It derives from one’s social environment. Here, there is the distinction of culture with human nature on one side and personality on the other side. Human nature states the part everyone has in common; “it represents the universal level in one’s mental software.” Whereas how a human being shows his or her feelings belongs to the cultural part. Each of us, have the ability to feel fear, anger, love, and other emotions, but how we express them is modified by our cultural background. The personality, the top peak or part relates to the unique personal level which

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cannot be shared with other individuals. It is mostly inherited upon traits and in another part it can also be learned throughout own experiences. This is only one out of many other models Hofstede has publishes within the last 20 years.

All of these findings introduce what culture can stand for. To receive a suitable and appropriate definition of culture in the case of cultural DiM, we need to connect culture with the culture at the workplace. According to this, one of Hofstede’s most popular works was presented throughout the IBM study starting with first assumptions in the 1960s and continued with the main research findings in the 1980s and a final determination of the first four dimensions of culture. In this case a dimension performs a cultural aspect that is measureable in relation to other cultures. This is one way of picturing differences between countries. Hofstede later on (late 1980s) added another cultural dimension because he and Michael Harris Bond from the Chinese University of Hong Kong realized that the surveys made before was a product of Western minds and could not be transferred to eastern cultures. That was the reason for expanding the four dimension model by the fifth dimension of culture, the long-term orientation (LTO), which deals with virtue regardless of truth. Values associated with long-term orientation, virtues oriented to the future are thrift and perseverance. The opposite pole the short-term orientation stands for the past related values associated with tradition, fulfilling social obligations, and protecting one's 'face'. All of the five dimensions are all displayed in Figure 4 and further described underneath. One fact that needs to be mentioned before taking deeper looks into the dimension is the present validation of Hofstede’s model since his studies are more than forty years old. But there is no doubt, whether for him or for other culture researchers, to continue to proof and transfer these past results to the 21st century, because the correlations “do not tend to become weaker”.

For this reason the application of the model for further research on culture in this study is plausible and obtains the basis for everything that is followed.

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17 Hofstede, G. & Hofstede G. J. (2005), p. 31
The depiction of Hofstede's dimensions is visualized in figure 4 above with all of the five dimensions. Likewise the short description of the fifth dimension, the first four are going to be briefly presented. One additional commentary to the first four dimensions is relevant for the reliability of Hofstede's work in general. He was not the first academic who brought up these ideas of cultural dimensions. There already existed predictions about, i.e. the relation to authorities, relationships between individuals and societies which were firstly presented 1954 by the sociologist Alex Inkeles and the psychologist Daniel Levinson. Their predictions provided a strong support for Hofstede’s empirical findings. The predictions from the past kept even more ongoing after the publication of his work. Since the basic innovation of Culture’s Consequences, appeared 1980, several other theories of national cultures have been built on his classification with slide adaptations. The Israeli psychologist Shalom H. Schwartz, who distinguished seven dimensions of culture, the Dutch business consultant Fons Trompenaars, who published Riding the Waves of Culture (1993) and one more that is worth mentioning is the 21st century GLOBE research project developed by the principal authors House, J. and Dorfman (2001), where the following nine dimensions of culture were identified: power distance, uncertainty avoidance, collectivism I, collectivism II, gender egalitarianism, assertiveness, future orientation, performance orientation and human orientation. Despite recognizing the expansion of the dimensions, the GLOBE study also adopts a theoretical framework which partly draws on previous work. Again, it becomes apparent which important basis Hofstede’s work adduces. “It is undoubtedly, Hofstede’s comparative focus, which is shared by most researchers, who relate societal cultural variables to the workplace (...)”\textsuperscript{18}

\textsuperscript{18} French, R. (2007), p. 41
After explaining the maintaining importance of Hofstede’s research it is time to continue describing his dimensions. In the beginning, the power distance index (PDI) that describes the extent to which the less powerful members of organizations accept and expect that power is distributed unequally. The appearance of power and inequality are fundamental facts of any society and anybody with some international experience needs to be aware that inequality exists in every society. In summary, PDI from low or small to high and big scores, give information about the reliance of relationships in a country. The next dimension or IDV – Individualism Index describes individualism on one side and collectivism, with the degree to which individuals are integrated into groups, on the other side. The dimension Femininity and Masculinity (uses the abbreviation MAS for Masculinity Index) focuses on the distribution of the roles of genders. The IBM studies revealed that (a) women's values differ less among societies than men's values; (b) men's values from one country to another contain a dimension from very assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to women's values on the other. The assertive pole has been called 'masculine' and the modest, caring pole 'feminine'. Lastly, the uncertainty avoidance index (UAI) deals with structured and unstructured situations, indicating to what extent a culture programs its members to feel either uncomfortable (threatened) or comfortable (save) by unknown or unstructured situations.

Moreover, when Hofstede depicts the five dimensions of culture, he is also aware of many other facts that are important for defining and understanding culture. Often cultures are equated with countries – the national level (e.g. drinking Weizenbier and eating Bratwurst represents a stereotype of a German), but it is also important to differ cultures and nationalities, because each country varies within itself (e.g. Southern Germany – Northern Germany). Referring only to the cultural differences a country faces seen as “one” nationality or culture is one perspective that facilitates research and leads to basic national assumptions. Hofstede does take the basic evidence in his research. He classifies a ‘cluster-theory’ based on his surveys connecting different countries with similar characteristics to one ‘cluster’ (i.e. Scandinavian countries: Finland, Sweden, Denmark, and Norway). The identification and specification towards regional cultural levels as a part of the national and cultural aspects has been realized in his and this research process but despite the knowledge of the regional cultures it is not going to take no further recognition in this study because the national perspective is more relevant regarding to cultural DiM. But it can be seen as a future perspective for deeper cultural DiM analysis with a focus on regional differences and if it necessary to know how to deal with them when doing business.
One last and final understanding of Hofstede’s work that is significant for this study is learning intercultural communication which passes through three phases. First, the awareness of recognizing the own personal mental software (beliefs, values etc.); second, the knowledge about the other cultures we are confronted with and third the skills are the bases for applying the knowledge and practicing its rituals. These three steps might be the achieving goal for the challenging globalization and internationalization.

Finishing with Hofstede’s work at this point of the theoretical analysis does not disclose his studies in a proper and explicit way, but when comparing the countries and developing the empirical study, his works will regain attention.

2.3. Diversity

Chapter 1.2 already started out with a rough definition of diversity, where it is exposed as a phenomenon of variety and divergence of individuals. This chapter focuses on the definition necessary to work on the scientific problem. The issue of diversity becomes a relevant part of organizations when diverse people meet at their workplace and have to build a working team. An explicit definition and understanding of cultural diversity is needed to facilitate the definition of cultural DiM.

The definition process of diversity starts out with two dimensions of diversity – the internal and external that shows the factors we can control and the other ones which we have no choice among. Figure 1 depicts all the different layers and filters that have been detected within DiM research. The figure is divided up into four dimensions or layers: the personal, internal, external and organizational dimensions. In 1991 the circle only consisted of the inner dimensions (personal/internal/external), but was 1995 expanded by the last organizational dimension. The personality circle inside shows the non-changeable unique characteristic a person inherits. The internal dimension also describes powerful shapers of opportunity, access and expectations. For the most part which is out of our control is represented by age, gender, sexual orientation, mental and physical capability, nationality or ethnicity and social class background.
Moreover the external layer corresponds to additional influencers of assumptions and behaviors e.g. the geographic location, income, personal habits, recreational habits, religion or worldview, educational background, work experience, appearance, parental status, and marital status. The outside, organizational dimension, concerns the aspects of culture found in a work setting with the functional level or classification, work content or field, faculty center or department or branch of study or services and facilities, duration of employment or duration of study, work or study location, research interest or field of study, and type of employment. The outer dimension constitutes the research situation with the aim to find a specified way to the inner circle to identify the problem that might appear when dealing with diversity. Consequently to delimit the dimensions of diversity to the focus of this study, there is only one characteristic left – the nationality and ethnicity extracted from the internal dimension. Religion or worldview of the external dimension represents often one part of culture as well, when it comes to beliefs and values, but it will become obvious by a later on presented survey that religion shows the lowest priority in DiM (Survey by the Bertelsmann Foundation). An important fact that is illustrated in the figure reveals that religion and worldview also seem to

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belong in some extent to the internal dimension because of the same coloring as the inner circle.

Concluding the definition of diversity, one quotation commonly used in DiM research is: diversity describes “a variety of qualities, or rather everything in which people are different from similar to each other.” The variety of qualities has been defined in the internal dimensions of diversity and that cultural diversity is singularized to the feature culture, which is going to be defined in the next chapter.

The above definition of diversity characterizes the phenomenon of diversity but not DiM itself. The illustration drawn by André Schulz, in figure 2, shows the interaction of these two levels, diversity and DiM as managerial concept.

Figure 4: Illustration and Characterization of Diversity and Diversity Management

Revealing in the theoretical chapter the important background information and the presentation of some models concerning diversity and culture unveils the summarized, narrowed definition to DiM with conclusive definition of cultural DiM.

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20 Sepehri (2002), p.77
21 Schulz, A. (2009), p. 41
2.4. Cultural Diversity Management

Cultural DiM represents one specific part of DiM, namely the cultural aspects and cultural heterogeneity within a company, working on the national level of the company and even working abroad. Cultural DiM relies on the variety of national and international workforce of a company regarding to their cultural affiliations. Studies about the weighting and the occurrence of cultural DiM have been carried out before and give deeper knowledge about the role of cultural DiM in each country. The first step in analyzing cultural DiM in a company is to find out: How many different cultures can be found in one company? If there doesn’t exist a multicultural workforce, it characterizes a mono-cultural closed company that consists of past-oriented, uncreative, non-innovative organizations and displays the ideal model of homogeneity. This special type of company is not going to find any further recognition because it does not represent typically businesses operating the 21st century.22 Today’s model emerges from the concept of heterogeneity, multicultural, opened minded and diverse cultures.

Moreover a company’s perspective to the application of cultural DiM can be verified throughout different approaches. According to André Schulze’s (2009) studies, there exist five diverse applications of understanding DiM. The general approaches of DiM are transferable to the cultural dimension as well. Consequently, a brief description of the five dimensions23 that are brought together by different past researchers:

- Diversity with a resistant approach to homogeneity with the aim to defend the homogeneity as the ‘status quo’ of the company – in this case diversity is seen as danger24
- Socio-moral bases recognized in fairness, discrimination and equal treatment of majority and minority groups25
- Economic-market access-oriented approach – with the result-oriented point of view and DiM seen as a competitive advantage26
- Resource orientation with the learning-and-effectiveness perspective to gain more organizational knowledge27
- strategic responsibility- and sensitivity approach with the acceptance of social responsibility28

22 Schulz, A. (2009), p. 81-83
23 Schulz, A. (2009), p. 66

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Being aware of the variety of DiM approaches, a company’s aim is to consider its advantages and disadvantages and synthesize the resource-effectiveness-oriented and the society-strategic-oriented approach to gain an extensive understanding of cultural DiM. Thus, the establishment of a common application of cultural DiM within a company has to be given. It can be done throughout organizational structures or simply by a good management technique. Additionally, DiM aims to balance optimally the organizational (inside the company) and the environmental (outside the company) complexity. To display the different approaches is to organize and get the idea of how cultural DiM can be seen in a company. When taking a look closer into a company it becomes clear that the researcher has to be aware of all of these facts to compare the different cases and draw conclusion. Culture plays an important role in most of the business activities. For this reason the cultural DiM focuses on business activities by implementing models, tools and methods to benefit from the work with these different cultures and to gain a corporate success.

Illustration 5 is based on different models and definitions of cultural DiM and has been adjusted for the present understanding of cultural DiM for this research. The beginnings of cultural DiM can go far back into the general diverse human beings in the world, who met later on and started doing business with each other and this symbolizes the main roots of cultural DiM, namely globalization and the ongoing internationalization process. Therefore globalization represents the top part of diversity in illustration 5. From there on cultural DiM outgrows of diversity and the conflicting of different cultures, which builds the basic structure and general idea of working in today’s globalized world, with a multicultural workforce. One central role plays the company itself, which is influenced by the before mentioned diverse population and colliding with cultures because of the globalization a common occurrences. These circumstances can be also described as internal and external changes and should receive response through adaptations, e.g. demographical constraints, legal requirements, customer orientation, market access, company’s structure, group work etc. The list of adaptations to all developments is almost endless, but cultural DiM offers an option to deal with those changes. Another example of internal changes within a company is the amount of international workforce, which presents an important fact because if there is no multi-culture in the company there might be no need for cultural DiM. The might plays a really important role in this case because it needs to be taken into account that cultural DiM can approve the

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inside structure of a company (workforce), but as well the outside appearance when working with other companies that might have a cultural diverse workforce or might originate from other cultures. Therefore even if the workforce within the company is not multicultural, it does not mean there is no necessity for cultural DiM at all.

Furthermore figure 5 illustrates a cultural part on the right side, which exposes the special aspect of this study. In this case culture is based on well known factors of values, beliefs, etc. of Hofstede, but the comparison of cultural backgrounds before developing the managerial tools and management strategies represents a basic understanding. Cultural DiM as the central aspect of this illustration can also be influenced by many things and can lead to further occurrences, such as benefits like, conflict reduction in teams, cooperation and international success, sometimes it can only be a inevitable response to the demographical changes or the fulfillment of legal requirements. The reasons can be different for implementing cultural DiM, but there is with no doubt a benefit or increase of the company’s performance. At this moment it is not possible to measure it in numbers, but throughout different research and investigations, companies realize a positive impact in their performance, which can be visible in enhancing creativity, interaction of cultural diverse staff, expansion to foreign markets, maybe even a reduction of costs caused by cultural differences can be reduced, the recruitment of an international staff, diverse project teams etc.

There are lots of possibilities to benefit from cultural DiM and to increase business performance. Apart from the benefits, obstacles and difficulties can also appear in cultural DiM, for instance in the acceptance, complexity and costs, relevance for each sector, no experience and tools to apply cultural DiM. Another question is the inevitability. It is really necessary to apply cultural DiM? This refers back to the central question. How important is it for a company to gain knowledge about cultural DiM and to react towards the globalization developments with its implementation?

This question is followed by the benefits that can be created by cultural DiM and completes Figure 5 by an expected increase in business performance. A higher performance becomes evident by first realizing diversity and second constructing with the help of cultural DiM a structure that leads to a global mind set and supports the company’s performance by reducing conflicts, recruiting international staff, being customer oriented and expanding market access. The business performance is not yet measureable in numbers nor by revenues.
The research that has been made so far, does not exposed up until now an idea about how it is possible to measure in specific cultural DiM. Nonetheless the connection of soft skills, which represents a part of cultural DiM, and its measurable impacts and increases in company’s turnover, has been given before. A lot of researches try to find out the potential of soft skill factors, but a measurability of cultural DiM does not exist up until now.

For instance, one possibility to realize the positive impact and to reach company’s aims is to benefit of the cooperated worked, international orientation as a respond to the globalization process and to avoid arising problems because of cultural differences by applying successfully cultural DiM. These aims should be fulfilled more easily and even more sufficiently throughout DiM and its corporate structure.

The author developed the following model that is based on the theoretical background to illustrate and facilitate the complexity of this research field. It states cultural DiM and how it is defined in this study. All before mentioned theoretical aspects are considered, with the final aim to receive an overview and understanding of cultural DiM. The mixture of the strategic tool of DiM in today’s international company’s and the focus on culture represent the key factors. To specify the empirical research onto a narrow and centralized aim, illustration 5 will be adapted and simplified in chapter 4.2 on the base of further theoretical knowledge and for the purpose of research question. The analysis will focus on the developed models and underlines the research purpose and aims.
Company has to deal with cultural differences.

Does the company react on the before mentioned changes?

Diversity Management
with a common understanding

Applied tools:
training, assessment, networks etc.

Cultural Diversity Management

Inevitable?
Benefits?
Implementation?

Does it lead to positive Business Performance? And how could it lead to higher performance?

Increase of Business Performance
Is not yet measurable in numbers!

AIMS!
- Cooperation and international success
- conflict reduction and satisfaction
- customer orientation
- market access
- legal requirements
- image enhancement

Hofstede’s work
Values, beliefs, individualism, behavior

Figure 5: Basic Model of Cultural Diversity Management

own illustration of diversity management
3. Germany, Spain and Sweden

3.1. Cultural Differences based on Hofstede

After defining cultural DiM, the theoretical research takes one step back to the cultural theories of Hofstede to begin with the comparison of three chosen European countries that take part in the investigation.

This chapter exposes the last theoretical part with a brief introduction to general cultural differences in business life in Germany, Spain and Sweden based on Hofstede and the further attempt of a company to realize its own culture. From then on, there is the need to continue drawing further approaches of implementing other cultures as efficient aspects in cultural DiM. This sum up the idea about the upcoming empirical research with the presentation of a case study of each country to make comparisons and draw conclusion towards a common understanding of culture in organizations and an applied management system of cultural DiM in Europe.

Regarding to the significant culture studies the three countries all belong to a different cluster. The GLOBE findings identify Germany as part of the Germanic, Spain as part of the Latin and Sweden as part of the Nordic Europe Cluster. This represents a variety of European Clusters and can be used as a basis.

To demonstrate the most important findings of Hofstede’s IBM study and five dimension model the upcoming comparison of the three countries is at this moment limited to his findings, but this only composes the proposal and the final theoretical approach of the research. This summary confirms the first cultural differences in regard to Hofstede.

Given these facts concerning to the power distance dimension, Spain received the highest ranking with a score of 57 points and the rank 45-46 (out of 74 countries and regions that took part in the measurement of 1 for the largest power distance and 74 for the smallest), Germany scored second with 35 points and was ranked 63-65, lastly but very close to Germany was Sweden presented with 31 points and rank 67-68. This Index shows us that Germany and Sweden declare a moderate PDI, which means that usually the power distance and therefore the dependence in working relationships is neither small nor big. This means that none of

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those two countries have the feeling of being existentially unequal within, for example hierarchical organizational structures, but on opposite they don not feel equally treated either. Whereas the Spanish culture shows the strain to a larger power distance level with a lower score which refers to higher impact of hierarchical distances and the authority of higher ranked personnel in a company. These cultural differences and similarities can be transfer to get an idea of how DiM plays a role in organizational management.

Moving on with the cultural findings of Hofstede in the second dimension of IDV that revealed Sweden receiving 71 points (scores points range from close to 0 for the most collectivistic country and close to 100 for the most individualist country) and the rank 13-14, followed by Germany with 67 points and rank 18 and finally Spain with a score of 51 points and rank 30. This case shows that Spain is rather ruled by collectivism, while almost Germany presents the middle between Spain and Sweden with the tendency to individualism. Sweden is the country most individualistic out of these three. This gives evidence of the work behavior of employees. Swedes seem to work more on their own interest and as an individual person with own thoughts and beliefs. This working style but in a lesser extent than in Sweden is displayed by the German IDV. In those two cases management assumes that is rather done through individuals than groups, which is concerning to other management theories controversial – for example in Scandinavian Management by Schramm-Nielsen et al. (2004) Swedes are described as working in low hierarchical structures and the decision-making process is long because of the multi people impact of different ideas. The Spanish IDV scored the lowest and that makes them act a little bit more in a collectivistic way, so that management is the task of individuals and groups. But compared to the rank it still implies a balance between individualism and collectivism. The dimension of the IDV has by now, a controversial view because the GLOBE project defined more categories concerning collectivism – social and in-group. These circumstances should be remembered for the development of the empirical study.

The MAS shows the next difference when talking about the three cultures. Germany scored 66 points (Scores were put into rank from most masculine 100 points to most feminine 0 points) and is placed on rank 11-13, second placed is Spain with 42 points and rank 51-53 and far back on the MAS is Sweden with only 5 points and rank 74. Again, we have a widespread field within these three countries. Sweden is this case performs a feminist culture that has the preference for resolving conflicts by compromise and negotiations, whereas in
Spain, which scored a moderately feminine in the IBM studies, there is occasionally a lot of verbal insult, but behind this seeming conflict there is a part that enables the parties to continue to work together even though they might be disagreement. Germany being the country with a more masculine society refers to work on a basis of equity that accord to the business performance. Assertiveness, ambition and competition are common characteristics for these societies.

The UAI gives the information that Spain has been ranked between 17 and 22 of UAI and received in total 86 points, which refers to the lowest anxiety level towards threatening, unknown situation. Germany scored 65 points and got ranked on as number 43 which shows a moderate result that reveal that Germans can get nervous in specific situations but they do not fear in general unknown, unpredictable conditions. Sweden brings up the rear in the ranking with a score of 29 points and rank 70-71. In this case this low score presents the fear of uncontrollable and unstructured situations. Swedes seem to like plans and a deep and reliable structure. Predictability and structures emerge of laws, rules and regulations. This is one and the most common way to prevent uncertainties. Cultures with a high ranking the UAI are only able to feel comfortable in structured environments. The opposite side is frightened maybe because of too much structure. To find the right way for the right culture might be difficult to figure out.

The final dimension is presented by the Long-Term Index (LTO) only valuable for 39 countries. Sweden takes the leading position with a 33 points and the ranking as number 23, followed by Germany as number 25-27 with a just a little lower score of 31 points and the final country is this time Spain with 19 points and the ranking on number 35-36. This ranking confirms that all of these countries belong to the short-term orientation. Sweden with the highest score would represent the country with maybe an influence of long-term orientation. But generally, all of them can be seen in the middle or lower range of LTO. This means the cultural virtues relate to the past and present, in particular, respect to tradition, stability, preservation of “face”, and the fulfilling of obligations. Main work values include freedom, rights, achievement and thinking of oneself. Moreover short-term orientation stands for the differentiation according to abilities, in contrast to the long-term orientation that considers widespread economic and social conditions undesirable.
All of the findings provide an insight to cultural differences that will lead to confrontation and maybe misunderstanding in organizations. To prevent this, there is the need to understand firstly ones’ own culture and then the awareness of other cultures.

### 3.2. State-of-the-art of Cultural Diversity Management

The state-of-the-art of cultural DiM in all of the three countries cannot be presented as easily as the general cultural comparison made in chapter 3.1. Two publications of the Bertelsmann Stiftung\(^{31}\), a German foundation that aims to identify social problems and challenges at an early stage and develops exemplary solutions to address them, refer directly to this subject. The authors Koeppel, P. first published 2007 the article: *The Business Case for Cultural Diversity: Creativity, Learning and Market orientation* and later on, in 2007, she presented with two authors the article: *The international status quo of cultural DiM*. Those will be the basis for the further description of the present state-of-the-art of managing diversity with the focus on culture.

Koeppel explains that companies can benefit throughout globalization of new markets and new locations of production and development. She summarizes “A company that is operating in a global scale today has to assert itself in various markets”\(^{32}\). By characterizing some of these changes she takes the same way as most researches do when talking about globalization. The ability and know-how to adjust quickly to changes by showing flexibility becomes more and more important. These represent the requirements for the company; the societies themselves take up also an important part. They become more pluralistic. Individuality and smaller sub-groups diverge enormously from the big traditional idea of homogeneity. Trends and tendencies such as immigration, the change in study programs to more international bachelor and master programs, demographical changes etc. are displayed that reflect consequently different qualifications, life-styles, needs, experiences and values. Therefore the heterogeneous mix passes trough labor markets and new ways of dealing with this have to be considered.

This is the moment when DiM becomes involved. To delimit DiM to cultural facts, the management focuses on how to deal with cultural heterogeneity during the process of globalization. Diversity has to be seen as a resource in the company that will support

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\(^{31}\) Bertelsmann Stiftung (2009)  
\(^{32}\) Koeppel, P. et al (2007), p. 4
strategically the company’s operations. One of Koeppels’ findings in the study deals with the picture of cultural DiM in societies, which is often presented by companies to enhance their image. For this reason it seems to give a negative connotation to this subject. In consequence the presented *survey will draw attention to the special conditions in any given situation by means of a country comparison.*\(^{33}\) Additionally there is a specification on German companies. Meanwhile another focus of the survey points out differences that exist between the reality and intentions to show the real impact of actual applications of DiM.

The survey is categorized into the differentiation to the regions: Germany, Europe, UK+USA, and others. It is based up to 65% on companies with more than 20,000 employees and also up to 61% out of the service sector.\(^{34}\) The survey asks in general about the importance of the different dimension of diversity (age, disability, gender, cultural affiliation, religion and sexual orientation\(^{35}\) – there has to be pointed out that the dimension of social class background as one part of diversity mentioned in chapter 2.3 is not considered in this survey, whereas sexual orientation presents a new level in this study), where it turned out that age and gender have in general the highest priority rate followed by cultural affiliations. The cultural affiliation priority received the highest rate by the region other countries with more than five out of seven regarded as the highest priority level. UK + USA and Europe ranked with almost five points, the second highest priority out of these two groups, meanwhile Germany’s priority level for cultural affiliation is the lowest with around four points.\(^{36}\) There can be no closer differentiation to Sweden and Spain because there is no data to find at this moment. As a consequence of this comparison between the factors of diversity, it becomes apparent that the cultural dimension does take an important in DiM. The survey also received the result which not surprising big companies (more than 20,000 employees) have a more international staff than smaller companies. But there has to be recognized that the survey only took closer examinations of smaller companies by 35%. There is no doubt that smaller companies do not have a high impact of cultural diversity as bigger companies, but it does not mean that it is less important.

Moreover the general distribution of cultural DiM shows that in only 42% of German companies cultural DiM occurs, whereas Europe already applies it with a wider extent of 78%. Compared to Anglophone countries (USA + UK) the weighting and occurrence of

\(^{34}\) Koeppel, P. et al (2007), p. 6
\(^{35}\) European Commission (2000)
cultural DiM is much more present with almost 92%. The future impact of cultural diversity according to the four regions and measuring the impact on the following four different levels: company profit, customer satisfaction, shareholder value and image exposes that the company’s image is the most important future impact, followed by customer satisfaction and company profit. Regarding to this, it reflects the idea from the beginning that image stands out of all the other levels, which goes back to the lack of knowledge and empirical research on the financial benefits a company may have by applying cultural DiM. Until now, there are no definite approaches to the cost-benefit analysis.

Koeppel et al. explicitly investigate the benefits cultural DiM offers or might not offer. They point out fourteen items that are condensed to four major dimensions: demographic constraints, customer orientation and market access, cooperation and international success, and conflict reduction and satisfaction that confirm the three perspectives of Ely/Thomas (2001). At this time, when referring back to chapter 2.4 with its description about the five different approaches of understanding cultural DiM by Schulz (2009), reaches the present study of Koeppel the same perspectives as Schulz with the result that the learning-and-effectiveness perspective is the most wide-spread approach. This observation goes a long with the highest beneficial rate in cooperation and international success. It leans on the development of intercultural competence, increased creativity by taking advantage of different perspectives, improved performance in international assignments and through the integration of experts with international and social knowledge. Hence to this the increase in international interaction leads to the main perspective of learning and efficiency. Only Germany represents an exception by showing the same impact of learning-and-effectiveness perspective and economic result and market perspective. According to German business strategies Sepehri (2002) found out that managing diversity and cultural diversity of the workforce are correlated. With the effect that the lower the degree of cultural diversity in the workforce, the greater the tendency towards economic results and market access orientation. This is a really interesting finding and will be considered in the development and analysis of the empirical study, even though there might be the possibility that this tendency only becomes apparent in larger enterprises.

Apart from the benefits that might come along with the implementation of cultural DiM, negative factors are displayed by four dimensions: contradiction to corporate culture,
The outcome of this survey reveals that the ‘biggest’ problem lies in the acceptance of cultural diversity as a management tool, which brings up that there is an urgent need to communicate the benefits of cultural DiM more. Furthermore it became evident that the problems of implementing cultural DiM are less in the Anglophone countries.

Transferring this finding of lesser problems with the implementation of DiM, the last research field in Koeppel’s survey is questioning of how cultural DiM is applied and if it is anchored in the management systems yet. Again, the pioneer of DiM is the Anglophone region, e.g. by 100% is cultural DiM is anchored in the human resources management (HRM), 92% in the strategy processes, by 85% in the marketing department and with little less extent in the more technical, strategic departments – supply chain management (69%), production system (62%), R+D (69%), finance and accounting (38%), and IT and organization (46%). In addition to these high numbers of applying DiM, the cross-functional areas, e.g.: process and workflow, knowledge and management, public relations, project management systems, give the same results how firmly DiM is anchored in Anglophone regions. Whereas in all the other regions there is still much more potential in the application of DiM. Germany shows a great impact of cultural DiM in HRM with 93% and strategy processes (88%), but all the other functions and areas are comparable low. The high number in strategy processes may refer again to the German strategically pushed aspect of market access and economical results and can be therefore seen as a motor of cultural diversity. The final results show which tools are applied in cultural DiM on team and staff level. Eight different tools are mentioned: diversity task forces and officer, information events, assessment of skills to deal with diversity, training, coaching of executives or teams etc., assignments abroad or exchange programs or international projects, mentoring programs to promote cultural groups and international networks. In this section there is obviously a huge difference between the set of tools for DiM in the Anglophone countries and European. The Anglophone countries have a high impact of diversity task forces and officers, training, and information events, while Europe and Germany use the tool of assignments abroad and international networks. Since the present study is not built on the Anglophone regions this differences are not going to recognize any importance.

Summing up this Koeppels work it becomes obvious with the special focus on Germany that is needs to catch up on cultural DiM, because in comparison with the other three regions it stays quite far behind. This is surprising when considering that Germany has the third highest proportion of foreign nationalities in its population after Luxembourg and Austria. Right now, regarding this study, Germany is missing out to gain human and economic values by the applications of cultural DiM.

Additionally to this article another one was published by Koeppel: The Business Case for Cultural Diversity: Creativity, Learning and Market orientation which went a step further and developed thesis and concepts in the strategic application of cultural DiM based on ‘status quo’. This strategic application is divided into three steps. The first one is to understand that cultural DiM needs a global minds set, which means to “understand and know how to act global and recognize differences to understand them as benefits and to be able to use them”. 41 Individual skills and structure lead to a global mind set which ends up as DiM. The second step is the necessity of structures within DiM. Again this refers to the beneficial dimensions (conflict reduction and satisfaction, customer orientation and market access, etc) and how to use these. 42 The third and last step is that the company results form its corporate success. 43

Concluding the-state-of-art of cultural DiM by the Bertelsmann Stiftung or foundation has done extensive surveys with the special focus on Germany in comparison with the other regions. At this moment there would be the need to get back to the comparison of Germany, Spain and Sweden as it has been presented in the before mentioned chapter. But there is, unfortunately, no further specified research material to Sweden or Spain and the idea of just generalizing Spain and Sweden as parts of Europe would not make any sense, since Germany is a part of Europe as well and the results of Europe and Germany are not corresponding, they differ in many ways. Thus, it would be a bad attempt trying to draw further conclusion to Spain and Sweden at this moment.

In closing, the Bertelsmann foundation represents one approach to gain knowledge about the importance of understanding cultural diversity and realizing its future potential in organizational management, but there are many other ways to start defining and developing the needs for cultural DiM. The definition about cultural DiM, in chapter 2.4., is in Koeppel’s

42 Koeppel, P. (2007), p. 18
work in some parts as obvious and the general idea about culture as part of DiM is shared. Nonetheless the ‘status-quo’ of cultural diversity shows that the recognition of the phenomenon culture in respect to business activities does not seem to be transparent enough. As the German example shows; there is the need to investigate more about it and to figure out why some European countries are still lagging behind the Anglophone regions in implementing cultural DiM? Moreover the investigations reveal broad studies, but how far has the application of cultural DiM begun in SMEs presents only a smaller part of the survey. These final questions transit to critical reflection and summary of the theoretical part of this thesis.

4. Summary and Conclusion of the Theoretical Part

4.1. Fundamental Ideas of Cultural DiM

The general theoretical investigation revealed one out of many ways on how cultural DiM can be understood and defined. The variety of perspectives and viewpoints, as well as the complexity of cultural DiM is enormous. It is hard to simplify the immense theoretical information, different definitions and strategies. Consequently there is instantly the necessity to delimit the before developed models and facilitate it for the empirical study and future perspective. This chapter summarizes the aforementioned models and underlines scientific restrictions that have been presented in the beginning of this research by limiting DiM to one specific kind, namely culture and its focus on nationalities.

In summary, cultural adaptations to globalization developments have absolutely been made. It is partly reflected by the cultural impact that is undoubtedly very high and there is an actual, visible interest of a lot of companies on cultural DiM. But even though using cultural diversity as a (competitive) advantage in business activities, many companies have still not implemented it as a part of their management strategy. It still remains an interesting aspect to apply, but the implementation has not yet become reality. Theoretically speaking, companies do realize the changes and try to respond, but the gap in the theoretical knowledge and the implementation still needs an explanation. Throughout the research process it became obvious that there is not yet a common understanding of cultural DiM nor one way of implementing it within a company. The different perspectives have to be analyzed and suitable options must be taken into consideration. Each culture prefers or dislikes special organizational situations,
structures etc. and therefore a general idea of cultural DiM could exist in all societies, but each society has to adapt some parts of the general DiM to their own cultural values in a bigger or lesser extent.

With respect to some still unanswered questions (e.g. the measurability of cultural DiM), the idea and model of cultural DiM defined in chapter 2.4 is going to be simplified and broken down from the complex model to a more specified, basic one concerning the question of a company’s implementation of cultural DiM as a reaction to the external change – globalization - and with that the concomitant change in a company’s performance in European SMEs.

4.2. Redefining and Delimiting the Cultural Diversity Model

Previously cultural DiM has been explained in detail and underlined with the practical examples of Hofstedes’ culture studies. Restrictions were made by the choice of SMEs and the specific countries to show different angles of DiM. Most studies consist of large, global enterprises and big generic regions, which only represents a small part of economical interaction. The theoretical research displays that SMEs have to face the changes of globalization and also have to deal with multicultural changes. Therefore the focus on SMEs gives a different view-point, which is based on the same idea of cultural DiM as in global enterprises, just on a smaller base.

The following model - figure 6 - delimits the before brought up illustration of understanding cultural DiM in chapter 2.4 to receive a clearer research aim and to develop the questionnaire and investigation of the companies (SMEs) that are going to be chosen as case studies in the empirical part, delimited to the countries Spain, Sweden and Germany.

The below model depicts the specific idea of cultural diversity and its possible potential in business. Cultural diversity is based on the ideas and findings of Hofstede and the external surrounding and changes mentioned before. The ongoing globalization, the importance of import and export, the general demographical and socio-cultural movements on the world, arouse significant potential of cultural diversity, nowadays. When combining these unstoppable modifications with business activities it creates a two way option for the companies, dealing with this phenomenon. One way is to face this development, implement DiM as a strategic tool and try to take advantages out of it. The second option would be
neglecting the diversification and following the traditional, old same way as before, without any changes. Both ways might be options for some organizations, but the success factor for the ignorant way is questionable. One central part, where the circle always ends up is the business performance. Each company, acting in a globalized world, has the two options of dealing with DiM and applying it in the company by cultural DiM or rather ignoring the circumstances. The neglect of cultural DiM can also emerge from a lack of information about the new strategic tool of DiM and its advantages.

Business performance is described in detail in chapter 2.4. At this moment, another explanation about the results and efficiency of cultural DiM is not going to be given, but will be included in the following methodological part and the further development of the empirical study with a deeper look into the inside of companies in Europe concerning their knowledge and intention of applying cultural DiM.

Figure 6: Modified Illustration of Cultural Diversity Management

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44Modified own illustration of chapter 2.4.
Methodological Part

5. Research Design and Methodology

5.1. Conception and Delimitation of the Thesis

The methodology establishes the general conception of the bachelor thesis and constitutes the obstacles found in this research area. Everything started out with the preface that underlined the importance of cultural DiM and was followed by detailed research of cultural diversity in the first theoretical part. Up to this section the thesis presents a simplified understanding of cultural DiM. Previous and present research covers a wide area of topics and aspects and thus delimitation is difficult to fulfill. The theoretical chapters focus on background information of cultural DiM. Subsequently a solid, narrowed understanding of cultural DiM is given in chapter 4.2. Furthermore the theory draws a comparison of cultural differences and the state-of-the-art of cultural DiM in Germany, Spain and Sweden as far as previous research allows it. In final, chapter four exposes a summary of the theoretical knowledge, unveils answers to the questions asked before and concludes the theoretical basis for the present methodological, the upcoming empirical study and its analysis in part two and three.

Starting out with a variety of diversity definitions, complications and obstacles of this research are brought to light. At the moment DiM is a popular research object, new findings and results are being published every month. Therefore the significance of cultural DiM is undoubtedly and inevitable. This complicates the research process but it shows the scientific interest and current importance in this interesting research field.

Because of its different facet’s, culture is not easy to describe. In addition, culture is not countable, or easily described in numbers like e.g. sales revenues, because it is part of the so called soft skills of a company’s performance. However the exertion of influence on company’s performance is not yet measureable, only tendencies can be illustrated. This restriction cannot be ignored. The importance and business advantage of cultural diversity has been certainly outlined, but one significant explanation is missing. Why can or could cultural diversity lead to a better performance? How can or could it be measured? Unfortunately there is no easy answer. It is not possible to say if it is a useful tool in general, because until today no real proof of its organizational advantage or disadvantage concerning financial terms
has been found. Survey results only depict the satisfaction and esteem of companies using DiM, as we have seen in the survey conducted by the Bertelsmann foundation (chapter 3.2), where companies agreed on the benefits regarding international success, better market access, conflict reduction and satisfaction. Without knowledge or awareness of cultural DiM many things can go wrong when handling business decisions. Even without the ability to find a financially based answer to this question, the importance stays the same, as we can see in the Hollensens’ examples of cultural differences.

Another, as undeveloped theoretical part, represents the disadvantages of cultural DiM. One appearing problem example is the traditional and conservative way of thinking about cultural diversity from a negative viewpoint, afraid of the disturbed homogeneity of a workforce and how this might lead to conflicts. People with different beliefs and behaviors can sometimes have difficulties to understand each other, which can lead to prejudices and an electric atmosphere. Moreover cultural identity can be seen as a counterpart to corporate identity, which intents to improve corporate cultures. Seen from the conservative opinion, only one common understanding should exist, individualistic viewpoints are more or less ignored. Every member of the company should be part of its implemented image. The benefit of diversity is not considered in this traditional way.

The motivation for choosing SMEs in Sweden, Germany and Spain was built on the author’s study program that includes studying in all of these countries and receiving impressions of each one of them. Therefore the author can relate to them in a better way. Furthermore it is hoped that cultural differences between these three – being in the southern, middle and northern areas of the EU – could lead to interesting (similarities or) contrasts in the research findings. Given the methodological set-up as a qualitative study, transfers to a general statement and development in these countries need to be taken carefully. Instead, this study focuses on in-depth understanding of how DiM is implemented and understood in the four SMEs who participated in the investigations. So, when speaking about Germany, Spain and Sweden in the upcoming empirical part, it is not a generalization of these countries; it only reproduces results of these four companies within these three countries.

45 e.g.: In marketing for example there has been funny, but also terrible mistakes have happened, compare Global Marketing, Svend Hollensen: Chapter 7, translation mistakes seem to be funny, but can lead to a lot of damage for the company.
5.2. Development, Elaboration of the Empirical Study

The method and aim of the exploratory case study and the developed questionnaire was used to answer the questions: *How does the globalization process affect SMEs in three different European countries regarding the importance and implementation of cultural DiM?* To ensure comparable results the SMEs all have to fulfill certain facts. They have to be internationally active (import, export, marketing, sales representatives, etc.) and have the desire for a cultural diverse workforce. Additionally, they had to work in similar production fields, have a comparable number of employees and have a self-conception as a traditional family business with an international orientation. The first participant was an international trading in Germany. Taking this first company as a starting point, similar companies in Spain and Sweden were found. Inside the company the face-to-face questionnaire (interview) was conducted with the CEO (Chief Executive Manager) or executive employee of the company and therefore has the knowledge about the implementation process and an estimation of the importance of cultural DiM for the company. In two out of the four present companies, the CEO also represented the owner or co-founder of the company.

After determining which companies are to be analyzed for the case study, as a qualitative research project, a questionnaire* for a semi-structured interview was developed based on the theoretical research. The questionnaire consists of open-ended questions because of two reasons. One refers to the aim of gaining more in-depth knowledge about what is really happening in the companies concerning this subject and to fill gaps in the still immature area of cultural DiM. The second reason is to leave the possibility of new details that wouldn’t be brought up if possible answers were already narrowed down as they are in a standardized questionnaire. The questions focus on the theoretical background information and are supposed to lead the interviewee logically through the questionnaire. The close connection to the theoretical chapters ensures the comparability of the results. Therefore there is the possibility to compare the three interviews with each other and also with the theoretical and practical knowledge that already exists. The twenty-one questions are divided up into three main sections and basic information about each company (e.g. name, date founded, number of employees, sales revenue, etc.). This information is supposed to present similarities and differences of the four companies in their general company structure (compare figure 8, chapter 5.3).

*Complete questionnaire see appendix*
The first part (question 1-3) shows the personal characteristics of the manager and his or her employees’ characteristics and business habits. This section is mainly based on Hofstede theories and was developed to receive some information to what extent a manager of SMEs can identify his or her own culture (compare chapter 3.1). Besides this basic cultural understanding the second part (question 4-6) focuses on the company’s structure and international activities to observe the internationalization and how far the globalization process has already affected the company, for example if a cultural diverse staff exists or not and how does it influences the company’s daily business. The third and closing section (question 7-21) depicts the longest, more important and detailed aspects about cultural DiM within each company. This section should enlighten the status-quo, knowledge and future potential of cultural DiM in SMEs in these three countries. The first two parts introduce the interviewee to the subject and expose basic facts and perspectives of the firms, whereas the third part gives further explanations to the central questions. The questionnaires were translated, if needed, into the native languages and the results were documented.\(^{47}\) As an overview of the methodology of the empirical study illustration 7 summarizes the main facts.

<table>
<thead>
<tr>
<th>Method</th>
<th>case-study, using semi-structured questionnaire consisting of twenty-one open-ended questions based on theoretical part</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants</td>
<td>CEOs of four Small Enterprises</td>
</tr>
<tr>
<td>Economical Field</td>
<td>Manufacturing, traditional, family-owned businesses</td>
</tr>
<tr>
<td>Survey Area</td>
<td>Sweden, Germany, Spain</td>
</tr>
<tr>
<td>Time Period</td>
<td>December 2009</td>
</tr>
<tr>
<td>Requirements of the Participants</td>
<td>International Trade, (desirable) multicultural Workforce, comparability of the enterprises, SME (between fifteen and two hundred-fifty employees)(^{48})</td>
</tr>
</tbody>
</table>

Figure 7: Methodology of the Empirical Study

The interview was carried out, if possible, personally. Face-to-face interviews were performed with the manager of the Swedish and German company. Owing to the geographical distance of Spain the empirical study had to adapt and thus a computerized questionnaire with twenty-one questions was sent to the two Spanish companies who returned their answers in written form. Two Spanish companies were chosen, in case one company would not reply on-time. The face-to-face interviews were recorded with a Dictaphone. The interviews lasted between forty and fifty minutes. The two Spanish companies needed a little bit more time than one hour in filling in the questionnaire the written way.

\(^{47}\) Completed responses of the two Spanish companies are attached in the appendix and the two recorded audio files of the interviews are attached separately to the thesis (on demand also on CD)

\(^{48}\) European Commission (2006): SME Definition
5.3. Analysis Method of the Empirical Data

After developing and elaborating the empirical study the interviews were analyzed and by using the categories in the above scheme. The questionnaire was already divided into three major parts as shown in Figure 8. Each section was developed with the theoretical background of chapter three. Inside each section diverse categories were found for further differentiation of smaller aspects inside the theory. In a secondly step, collected data is analyzed, searching for similarities and differences regarding the different aspects of this theoretical predetermined categorization system. Exemplary, some basic statements and phrases are presented and shown above. The categorization system is based on the modified model (figure 6) and the developed questionnaire.

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Figure 8: Qualitative Categorical Analysis of the Interviews

<table>
<thead>
<tr>
<th>Questionnaire Part I</th>
<th>Questionnaire Part II</th>
<th>Questionnaire Part III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own national culture</td>
<td>Multicultural Workforce</td>
<td>Implementation in company</td>
</tr>
</tbody>
</table>

- low/high hierarchy
- collectivism/individualism
- fear/avoidance
- structure and plans
- awareness of cultural differences
- importance of cultural differences
- multinational
- problems/difficulties
- advantage
- disadvantages
- one culture
- antidiscrimination
- following laws
- adaptations
- changes
- internationality
- sales-representatives/distributors
- realization of business habits
- language barriers
- handling cultural differences
- external support/training
- knowledge about cultural DiM
- negative/positive impact
- business performance
- inevitable/necessity
- future potential

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49 Compare also figure 6 and questionnaire in the appendix
### 5.4. Brief Presentation of the Companies in the Case Study

<table>
<thead>
<tr>
<th>Title</th>
<th>Firm 1</th>
<th>Firm 2</th>
<th>Firm 3</th>
<th>Firm 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Germany</td>
<td>Sweden</td>
<td>Spain</td>
<td>Spain</td>
</tr>
<tr>
<td>Name</td>
<td>Schaefer &amp; te Neues</td>
<td>Rödins Trävaru</td>
<td>Carmencita – Jesús Navarro, S.A.</td>
<td>FLUCHOS S.L.</td>
</tr>
<tr>
<td>Foundation</td>
<td>1823</td>
<td>1958</td>
<td>1962</td>
<td>1920</td>
</tr>
<tr>
<td>Type of business</td>
<td>Manufactory</td>
<td>Manufactory</td>
<td>Manufactory</td>
<td>Manufactory</td>
</tr>
<tr>
<td>Products</td>
<td>Tie/jacquard fabric</td>
<td>Timber</td>
<td>Seasoning/Spices</td>
<td>Footwear</td>
</tr>
<tr>
<td>Traditional, family owned firm</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Type of Enterprise</td>
<td>Small</td>
<td>Small</td>
<td>Medium</td>
<td>Small</td>
</tr>
<tr>
<td>Number of employees</td>
<td>23</td>
<td>40</td>
<td>180</td>
<td>85</td>
</tr>
<tr>
<td>Number of diverse nationalities within the firm</td>
<td>2</td>
<td>-</td>
<td>3-4</td>
<td>3-4</td>
</tr>
<tr>
<td>Sales Revenue (in Million €)</td>
<td>2.5</td>
<td>21</td>
<td>52</td>
<td>30</td>
</tr>
<tr>
<td>Hierarchical Structure</td>
<td>Bureaucracy - Unit of command (classical management principle)</td>
<td>flat hierarchy</td>
<td>Hierarchy of authority – pyramid model</td>
<td>Generic-bureaucratic structure</td>
</tr>
<tr>
<td>International Trade (Export)</td>
<td>Yes (20%)</td>
<td>Yes (80%)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Use of sales-representatives/distributors</td>
<td>Yes (partly)</td>
<td>Yes (fully)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Future international Expansion</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Figure 9: Information of the Four Companies

As table 9 shows, the decisive comparability, mentioned in the beginning of chapter 5.2, is in a wide extent fulfilled with relatively similar firms. All companies belong to the manufacturing business and three out of four are SMEs. Carmencita S.A. sticks out as a medium size enterprise with its 180 employees and thus should be carefully considered in the analytical process. The other three companies all represent very small family founded enterprises with international interests, traditional products and a long lasting history. They have obvious differences are obvious in the sales-revenues and organizational structures. The

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51 Data taken from the answers of the questionnaires (see appendix)
dissimilarities can be justified by the general cultural differences and organizational diversity (PDI) mentioned in chapter 3.1.

5.5. Reliability and Validity of the Research

This exploratory research project includes a variety of different approaches, firstly to gain knowledge about this subject, secondly to develop the scientific problem and thirdly to elaborate on empirical study. To develop the theoretical framework literature concerning culture and cultural DiM was studied as preliminary sources. Later on more primary data was used in chapter 3 by presenting surveys of Hofstede and the Bertelsmann Foundation referring these to problem formulation of this thesis. Considering all primary data the central question and two models (chapter 2 and 4) that applied the data collection were enlightened by the author as a basis for continuing the further empirical research. The primary data builds the basic understanding for developing the questionnaire. Its main achievement is to have comparability to the primary data brought up by the exploratory case studies developed and carried out by the author.

The reliability and validity, the empirical data collection in chapter 6 was carried out by the author in December 2009 and therefore the current results and analysis could not be more present. The purpose of the primary empirical research is to find answers to the specific problem of the thesis and not only rely on the empirical surveys of Hofstede and Koeppel. The empirical study is made to find proof or contradictions to the primary research. The exploratory case studies represent a qualitative research that is based on the theoretical framework. The reliability and validity of this study is delimited, because of the small number of case studies. Only four companies participated in this research and for this reason further generalizations are not possible. The aim is to receive an idea of the importance and knowledge concerning this research field. Those four enterprises show awareness of the possible future potential, but expanding their answers and results to other SMEs in any of the countries is surely no option. The results are restricted to these four firms. Consequently a direct, concluding answer to the scientific problem cannot be exposed just by those four companies and the answers of four CEOs. These case studies only represent examples and give ideas and hints of the cultural DiM situation in SMEs.

Furthermore the development of a semi-structure questionnaire has a lot of appearing problems, because the results can vary totally and conclusions are hard to draw. Different
The last delimitation mentioned explains the possibility of comparing the four SMEs. As aforementioned Carmencita S.A. is a medium size company and thus already is categorized differently, but besides this separation, the companies vary in many ways. None of them produce the same products. They all produce traditional products, but their business strategies differ. Therefore the reliability and validity of the following empirical analysis only compares the four firms concerning one specific evaluation method and one specific research aim. Despite this analysis process, all delimitations must be considered and a lot of other assumptions and evaluations methods could have been used to find answers to the problem. One way of presenting and interpreting the results is going to be shown in the following empirical part.
Empirical Part

6. Analysis Case Studies

6.1. Results of the Case Studies

Beginning with the most obvious and corresponding result, cultural DiM is in all companies not considered as a specific strategic tool in their management technique, even though all of the companies face the globalization process and operate internationally. The following depiction and analysis will show how the author came to this conclusion. Considering the length of the questionnaire the analysis will only emphasize the main and important results that are underlining the theoretical knowledge or that might contradict to the presented studies of Hofstede, Koeppel etc. beginning with a general summarized reproduction of the answers and a direct ensuing interpretation.

German Enterprise⁵²

In the first interview with the manager of the German SME in section one, concerning Hofstede’s dimension (chapter 3.1) and the cultural self-concept of the manager, it is obvious that the company has a highly hierarchical structure and the decision-making process is made from top management down to the bottom (classical management principle), which means that the PDI of should be very high. Comparing this fact with Hofstede, a contradiction appears: Germany receives a moderate PDI, which means that Germany is not ruled by high hierarchy in its companies. The second inquires about IDV. For this company the result turned out to be that of an individualistic company. A more collectivistic viewpoint would be appreciated by the management, but is hard to realize. In Hofstede studies Germany was ranked in the middle and thus shows again a different tendency than in this survey. Concerning the MAS the results agree with Hofstede. The UAI also reveals similarities to Hofstedes’ studies. Germany which is ranked in the middle range and the interviewed manager presents a similar opinion when answering questions concerning future planning and unexpected happenings. In his opinion structure is very important and the best way to prevent future problems. The LTO was not taken into consideration in this questionnaire, because it presents a later added dimension by Hofstede which is not significant for this research

⁵²completed recorded interview separately attached as “Audio German firm”
question. The final two questions of this part prepared a transition to the central questions of the importance of firstly cultural differences and how they affect the company (question 2+3). In this case four firms gave the same answer, which disclosed that it is very important to know and to be aware of cultural differences.

The second section of the questionnaire enlightened the company’s structure regarding an existence of a multinational workforce and how the company handles colliding cultures on the workplace (questions 4-6). Another significant aspect of these questions is discrimination (question 4c), which refers back to chapter 2.1. For the German company employs one Turkish and one Polish worker, but not because of any anti-discrimination laws. The proportion of international employees usually represents about 10%-15% of the staff. During the interview it became apparent that these two cultures are very hard to work with, because of their different cultural habits. The interview said: “Those two do not fit together!” He had difficulties describing how he deals with this obstacle, because in his opinion their cultural background is not changeable. The employees have to be subordinated and try their best, to fit in with the rest of staff, but it definitely does not represent a homogeneous workforce. Despite the problematic situation with these cultures, the manager supports cultural openness through a multicultural workforce.

After introducing the cultural aspect in the company, the third part of the questionnaire focuses on the importance, effects and possible results of cultural DiM. Cultural diversity can start out inside and outside the own business. One of the internal aspects is already addressed in the second section, with the description of working with a multinational staff. The external part points out the export or import activities of the company. The German company is selling in six different countries and therefore has to deal with these diverse cultures. To receive evidence for some theoretical based models, this chapter tried to find out how the companies are facing these cultural differences and if they explicitly prepare their staff for it. Nowadays most German SMEs do work on an international base or have to deal with multiculturalism. Doing business in other countries is often realized throughout long term relationships and experiences over many generations. The company cannot see right away appearing problems when negotiating and selling in other countries right away. In the case of this firm an adaptation in Marketing is not necessary. The most common obstacles are methods of payment and the trustworthiness of business partners, as well as the legal basis, that differs in
each country. To avoid delays in payment, business partners are usually chosen over a long time period and afterwards kept possible.

Overall trust and security are the most important aspects when the German company does international business, especially in a bad economical situation. Legal restrictions are handled through external lawyers. If the knowledge about the business partner’s culture is not sufficient or language barriers prevent successful negotiations, sales representatives support the internal sales staff. In this company, the proportion of international sales managed by the own management is higher than the proportion managed with external help of a sales representative and if there is a cooperation, the sales representative never does business on his own. The company always represents itself. Question fourteen asks if there is any knowledge of cultural DiM. The respond was: “no!” which is not surprising, because the theories already revealed the lag of cultural DiM. Consequently, German SMEs are not well informed about this management tool. Obviously, the lack of implementing already starts with the lack of receiving or having a basic knowledge. It is not a problem of not realizing the cultural diversity in general, part one and two showed a general understanding and awareness of cultural differences. The transition between detecting cultural differences and implementing them into business life has not yet been made. The German manager faces cultures with experiences, there is an information flow from the older generation and there are economical and business instincts. An explicit knowledge and implementation of cultural DiM does not exist in this company. This phenomenon is also not astonishing, because the survey focuses on SMEs and therefore DiM does not belong to their primary, daily business area, even though it is implemented in their basic business habits and their general entrepreneurial knowledge. Conceiving detailed information if DiM would be appreciated by the German manager, a positive impact seems to be apparent to him. Managing a more diverse workforce and doing business in a way that recognizes diversity as a business opportunity could evoke the future interest in a diversity agenda in this company. Focusing this study on the cultural aspect of diversity, the interviewee also explained the company’s structure concerning other diversity aspects that might be even more relevant for them (age structure, education level etc.). Transferring back to chapter 2.4 with the description of the different approaches of DiM, the German company indicates a tendency towards diversity as a competitive advantage and the perspective of learning and effectiveness for the company, which agrees in 100% with Koeppel’s research results (see also chapter 3.2).
For the German firm there is no doubt, that DiM in general has future potential. Indubitably the manager obtains the idea that cultural DiM has positive impact on the company’s performance and gaining knowledge in this subject seems to be an interest of this company. Concluding the analysis of the German company, the results are divided into two aspects. One side shows a management that is aware of diverse cultures and handles it by falling back on his or her experiences and business instinct. The other side unveils the unawareness of DiM as a strategic management tool, with the final statement that cultural DiM has future potential and could affect the company’s performance positively.

**Swedish Enterprise**

The Swedish company was also interviewed face-to-face following the developed questionnaire. The analysis starts out again with a comparison to the results of Hofstede studies (section one), showing the resulting outcome: for the PDI the company corresponded with Hofstede’s analysis and displayed a low hierarchical structure, which offers every staff member the possibility to take part in the decision-making process “everyone is a little boss”. The IVD of Hofstede, as well as the interview results, revealed that Sweden is marked by individualism more than collectivism even though concerning the Swedish enterprise both characteristics are important. Concerning the MAS the Swedish SME again matched Hofstedes’ results and is determined by its relationship-orientation and a mixture of ambitiousness and social orientation. The UAI shows the only contrast to Hofstede, because the Swedish company is supported by its long experienced management and therefore does not fear unexpected situations. It is able to cope with them because of long-terms traditions and business experiences. From the manager’s viewpoint, twenty years ago this ability did not exist yet. In consequence, tradition, structure and stability are important components for the company. Honesty and trustworthiness are the basis for international negotiations.

Furthermore being aware of cultural differences in business life is important, because the company is externally and multinational organized, even though at this present moment the internal workforce situation only consists of employees whose cultural roots are Swedish. Past experiences with some multinational staff exist, two or three years ago the company employed two Polish people. The management had only small culturally induced problems because the employees knew what they were supposed to do and the conversations were

\[53\text{completed recorded face-to-face questionnaire separately attached as “Audio Sweden firm”}\]
based on the common language English. The Polish culture had no influence on their employment or lay off. The language barrier was a disadvantage, but not a huge one. The Polish employees were hard and efficient workers and adapted to the company’s culture very well. The reason why they are not part of the workforce anymore is caused by general cuts connected to the implementation of new machines that replaced human work. The aspect of anti-discrimination does not play any role, in hiring an international workforce or not. To continue with the interesting third part, the main result was that again cultural DiM does not present an applied tool in the company, but the awareness of cultural differences was obvious. The external business parts were mostly carried out by sales representatives and sometimes through on-location meetings with the clients, managers, and sales representatives to socialize with clients. A lot of countries prefer direct contact to the manager, therefore contact to the Swedish manager and other managers is provided. The sales representatives support the company when it comes to cultural obstacles (language, habits, etc.) a lot. They are usually part of the foreign culture. For this reason the company has never had any real problems with international businesses. Since the Swedish company is not interested in expansion at this moment the interest in gaining more knowledge about cultural DiM is not apparent. The situation in which cultural diversity plays a role, are not decisive and corollary there is no need of spending any effort and time on this subject. If an application would be considered, it would have the learning and effectiveness approach (see also chapter 3.2). There is a possibility that it might become more important in the future, but at this moment the Swedish company does not see any need for changes.

To sum up the Swedish results, cultural DiM is not a specific tool used by the company neither will it be in the future. They see knowledge about cultural differences as helpful, but since the firm works with sales-representatives, there is no necessity for considering cultural DiM. In the manager’s opinion the long experience and entrepreneurial instinct is sufficient enough for this SME to work internationally.
**Spanish Enterprises**

The managers of the two Spanish companies could not be interviewed face-to-face so the following analysis is based on their written response to the same questionnaire used in the face-to-face interviews. Beginning with the comparison to Hofstede the companies vary a little bit. Referring to the PDI one firm shows pyramid structures that are consistent with the high PDI found by Hofstede and the other company has a distributed generic management system for each hierarchical level from top administration, down to middle management until it reaches the workers on the production line. In both companies the decision-making process needs to be quick and efficient and so depends on clearly stated responsibilities for solving the deciding problems in the least time consuming and most efficient way.

The IDV of Hofstede shows the same results with the two Spanish enterprises denoting themselves as collectivistic. Concerning the MAS an ambiguous classification applies to the Spanish companies; both firms show a slight tendency to favor competiveness and performance to social aspects, which would mean for Hofstede a high MAS rate. Except, Hofstedes’ results rank Spain as moderate. Admitting the importance of the financial results and general performance, one of the Spanish companies underlined the relevance of a good working climate and equality. For this reason this company refers to their implementation of the “**ley de igualdad**” – law of equal treatment (see also chapter 2.1), even though the company is legally not restricted of its implementation. It is very interesting to see, that even in this medium size business equal treatment has received this much attention. Nonetheless it does not mean that the company takes advantage of DiM. This will become obvious in part three of the analysis.

The UAI score definitely matches Hofstede’s classification of Spain having a low anxiety level towards threatening and unknown situations, reacting to them with calmness and control, thinking that nervousness is not helpful for business.

Despite the calmness, structure and stability also represents a basic part in the Spanish companies, which shows a contradiction to the high MAS, where Spain would prefer spontaneous business activities that are not all ruled by laws and regulations. This is not represented by the analyzed companies which confirm stability and structure as necessary, even though in the present economic crisis, stability is hard to maintain.

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54completed written results of the two Spanish companies see appendix
Both companies agree that cultural differences have to be recognized in today’s globalized world as an essential part in business and both realize the impact of cultural diversification in their company. Even though one manager states that the existence of cultural diversity does not have an impact on the company’s culture, because personal characteristics do not affect working life. This separation is questionable, because culture has impacts on every human being in private and in work life. The other company recognizes the differences and faces them.

Moving on to the second part, both companies employ a multinational workforce with workers from Morocco, Latin America, and other countries, which were not mentioned specifically by the managers. Both companies have a mixture of about three to four different cultures in their workforce. Concerning the operations and application of a diverse staff, the companies take the following different directions. One manager describes that the existence of cultural diversity do not disturb the business process, because diverse cultures and minority groups adapt to the corporate culture of the company. The second manager does not see cultural diversity as a way to prevent antidiscrimination but makes sure the employees are treated equally, paid the same salary and not separated because of their cultural backgrounds. Within the personal and working relationships between diverse nationalities it is sometimes difficult to prevent internal conflicts, but adaptation of the different cultures to the company’s culture is for both company’s necessary. Even though the positive impact cultural diversity might have on the company will get lost in the turn of this process. In one answer this is contradicted by the comment that diversity is in all of its facets enrichment for the whole company. This leads the author to the question how cultural diversity can be enriching, when the different cultures have to adapt to the company’s culture from the very beginning? Without a clear statement if a cultural diverse workforce is seen more as an advantage or disadvantage the assumption is made that it reveals advantages as well as disadvantages since both of the companies are working with a multicultural workforce. For the firm that applies “la ley de igualdad” shows that they tackle the problem of discrimination and the colliding cultures in a direct way.

The final third part displays similar structures to the German and Swedish SMEs. Both companies work with distributors and sales representatives in the foreign countries. In addition the Spanish companies have to and want to adapt their product the best they can to foreign markets (e.g. labeling, design, etc), which exposes a new interesting fact, provoked by
different product ranges and company’s size. A lot of problems appeared in doing worldwide business. Dealing with them and learning from them makes future business easier. Specific problems are payment methods and financial agreements, documentation obstacles as well women trying to lead negotiations in countries where business area a male domain.

Both companies try to prepare themselves for the circumstances when doing international businesses, because in a competitive economy, international sales are the only options of expansion. The preparation starts with language knowledge and the participation in conferences (e.g. ICEX – Instituto Español del Comercio Exterior). The adaptation to cultural differences of the countries they are doing business with, is one of the key factors. All of the above mentioned preparations and adaptation lead to an understanding of cultural DiM, thus the question about having heard of this management term, was in both cases answered with yes! But the responses why cultural DiM is applied, or should be applied differ. The company that implemented “la ley de igualidad” chooses diversity as an instrument to prevent discrimination and secure equal treatment, and implemented DiM as a strategic tool and for its outer appearance of social responsibility. Which links to the before asked question if legal restrictions confirm an enrichment of cultures. The two approaches of implementing DiM both show a clear direction towards the equal-treatment, legislation and social standpoint in society. Therefore the presumption is that the company’s image has a high status and social obligations are taken seriously and internal cultural adaptations are made. The other company follows another approach, namely the avoidance of the possible dangerous impact of cultural diversity. The similarity of both companies is that they are considering the external affects more than the internal ones.

It is true for both analyzed Spanish SMEs that cultural DiM is applied and implemented. One company implemented “la ley de igualidad” next to their use of cultural DiM. The other one says there are occasions, where it becomes visible but in general it does not present an internal direct management tool, even though cultural adaptations are made in the field of external sales (export). Asked about the positive impact of cultural DiM on the company’s performance, both companies recognize a supporting effect, but the specific extent of the impact remains unknown. Surprisingly one company states to question eighteen, which deals with the value of input and effort in cultural DiM and its results, a negative input and thus the increase of business performance through DiM is not worth the time and effort. In contrast the other company responds to the same question saying “it is definitely worth the time!” The
total contrast between the two companies becomes obvious. Additionally the company which thinks DiM is not worth the time, comments that they are not interested in gaining anymore knowledge about cultural DiM, whereas the other SME testifies cultural DiM as necessary. Since the two Spanish companies expose a lot of similarities, but also vary in some ways of understanding and implementing cultural DiM, both of them will be taken into consideration in the following comparison.

6.2. Comparison of the Four Companies

Given the analysis above, in all of the interviews, managers see different levels of knowledge, importance and implementation of cultural DiM in their companies. Some differences can be explained by the size of the company Carmencita S.A. is the only company that is aware of cultural DiM and has implemented it. Therefore it must be taken with caution in the general comparison of the four enterprises. The other three firms underline different or similar stages of cultural DiM.

Significant research results are that all companies are in smaller or wider extent aware of their own cultures and also of cultural differences, which represents the first two steps out of the three phases of learning intercultural communication as a part of cultural DiM (compare chapter 2.2, page 13). They also grade cultural diversity very high in international business activities. All four companies have recognized the changing process of globalization towards a multicultural world. Thus, adaptations are made concerning, employment of foreign staff, adaptation of products and business habits and lastly, the realization that globalization is a potential for expansion. A status-quo of cultural DiM in SMEs in Germany, Spain and Sweden does not yet exist (with exception of Carmencita S.A.). All managers share the opinion that cultural DiM as a management tool is not important enough to consider it as a separated management technique. The countries came to the agreement that present international business situations are handled through basic entrepreneurial spirits, instincts or general management. A specified need for cultural DiM is not necessary for SMEs.

To explain the tendency to adaptations instead of implementing cultural DiM as a strategic tool, it must be apparent that SMEs only have limited resources and their aims are different to those of LEs, but when comparing the four companies, a growth in interest and implementation of cultural DiM becomes clear. Carmencita S.A. with its 180 employees
already applies this technique. In the analyzed cases, cultural DiM increases with the growing size and international orientation of a company. Aside from this logical consequence, the central question, dealing with importance and implementation of cultural DiM in SMEs, can be answered with the unambiguously fact that cultural DiM is not implemented and also is not planned to be in neither of the firms. Only Carmencita S.A. represents an exception in this aspect, which refers back with a possibility to the company’s size. Due to this perspective it is interesting that all of the managers share the opinion that a possible implementation of cultural DiM would probably be an advantage and general improvement leading to a better business performance. They all take up a very positive stance towards cultural DiM and recognize cultural differences. This enlightens the momentary lack of knowledge of implementation strategies and the need for information and clarification of cultural DiM that exists in these companies.

Differences between the firms appear in the reasons and approaches why cultural DiM should be implemented (compare chapter 2.4). The German company would consider applying cultural DiM to receive a competitive advantage and as a learning and effectiveness perspective for the company. The Swedish manager also favors the learning and effectiveness perspective, but a second approach would be to use DiM as a strategic tool to expose social responsibility. The Spanish enterprises take another path. Carmencita S.A. also describes the importance of social responsibility and prevention of discrimination which confirms their implementation of equal treatment. Fluchos S.L. fears cultural diversity and would consider an implementation of cultural DiM for the reason to prevent possible conflicts. All companies vary in their cultural DiM perspective. In consequence it means that all of them need to find out how important each approach is and follow this approach from there on.

A future perspective of cultural DiM in SMEs is not a major future goal for the analyzed SMEs. At this moment the four companies are holding on to their existing business partners and do not have expansion aims for the next years, which can be explained by the momentary economical situation influenced by the worldwide financial crisis.
6.3. Cultural DiM Model on the Basis of Empirical Results

The final last part of the analysis includes the illustration of the before self-developed cultural DiM model of the author. Figure 10 shows the modified model regarding the answers of the four enterprises. The top part remains the same as in chapter 4.2 illustration 6, because this is the present situation with the cultural influences and its changes that no company can deny. For this reason all four firms confirm this change and agree that cultural diversity as part of globalization is existent in their business life. The question mark that was put in figure 6 (circle in the middle (in SMEs? compare p. 31) for finding out if cultural diversity is important in SMEs can be answered with YES!

As the analysis revealed in chapter 6.2 and 6.3 the stages of cultural DiM differ, but generally the importance of cultural diversity is obvious to each CEO. In some way all of the SMEs are dealing with cultural diversity, even though it does not present the strategic tool of cultural DiM in their management strategies (exception Carmencita S.A.). Surely, adaptations are evoked by cultural diversity and the CEOs deal with them, but without applying cultural DiM as a strategic tool. Instead their entrepreneurial instincts and the support of sales-representatives and distributors help them handling cultural diversity. Without some adaptations (e.g. the adaptations of products or marketing strategies) companies would not have the possibility to work and sell internationally and expansions of business would be impossible, just because of the existence of cultural diversity.

Diversity itself is seen by all companies as an advantage and has a growing future potential. Without realizing cultural diversity and business performance could be reduced. Therefore a common understanding of supporting diversity and receiving a positive impact of it within the company is very important to continue with a high business performance in the 21st century. Most companies mentioned that the only way of expanding and increasing business performance is to open up to other countries and worldwide expansions. With this aim the importance of diversity grows steadily. Since the general lack of information, the companies are still far behind in implementing cultural DiM, but the awareness of existence of cultural diversity represents the first step into the direction of cultural DiM and with it an increase of business performance. The specific choice of a multicultural workforce might be a future goal to gain a higher performance. The possibilities of cultural DiM have not yet reached the small size companies, but as soon as the medium size companies show positive impacts of DiM, smaller ones will follow, because no enterprise can run away from the
globalization process. At this moment and with this research an implementation of cultural DiM is not present in small companies but with a growing number of employees it becomes more important and the entrepreneurial instincts might not be sufficient enough to handle diversity.

In summary, there is no doubt that cultural diversity has a positive impact on the companies, but despite this awareness there is no bigger interest in applying the new strategic tool of cultural DiM in their companies. Their applying management techniques are adequate for their business purpose and business aims. As long as they do not receive more information about the application, implementation and outcome, the smaller firms will stick to their normal management techniques and their experiences.

Figure 10: Model of cultural DiM including the results of the empirical study\textsuperscript{55}

\textsuperscript{55} own illustration
7. Closing Remarks and Future Prospect

In conclusion it is obvious that the SMEs are not well informed about cultural DiM. Thus the question is: Why not? Is there a lack of information in general and about research results finding positive influences in particular? Is there a necessity for universities, politicians, economic exports and the EU to inform SMEs about the importance of diversity? How can this be carried out? Some of these questions already appeared while looking at the theoretical background. The theories state that European enterprises are lagging behind in applying cultural DiM. This phenomenon is part of the lack of information and knowledge, which the results of this research verified. Nonetheless cultural DiM exposes a relatively new research area and management technique. Therefore not only cultural diversity, but diversity as a whole could still hold even more future potential. The need for diversity in a globalized world is visible and efficient DiM exists, maybe not in small business (importance seems to grow with the number of employees), but even in those the benefits cannot be denied (see chapter 6.1. and 6.2). The spread of information and the implementation is a challenge that still has to be overcome and amplified in European countries. Cultural DiM as one small part of diversity, concerning the empirical results, might not have the ability to become a strategic part in SMEs, but by facing cultural differences a foundation of cultural DiM is made and obtaining more knowledge might support a company's performance.

From my viewpoint, cultural DiM by itself does not perform an appropriate management tool for SMEs, but DiM in general has a great future potential in Europe and can surely lead to an increase of business performance as an innovative new management technique. For SMEs it is apparently not of the same importance as for LEs, but the significance is present on a different level. The theoretical research as well as the conducted case study revealed that DiM in European SMEs is fairly new and much more research needs to be done as a proof of its opportunities and also to open up the Anglophone based research discussion towards a more European understanding. For this study DiM as a management concept was based mainly on Anglophone literature and research, but a critical reflection of the extensive cultural implementation from Anglophone to European countries must be taken into consideration in future studies, because the roots (compare chapter 2.1) show divergences. Consequently, further investigation has to be carried out, concerning the transferability of DiM to different cultures. Due to these facts, the presented empirical study displays that companies in different countries show diverse approaches. From this basis it needs to be
studied on common understandings of diversity as a global issue and how different approaches can lead to equal results and how far DiM needs be adapted to culture environments. Another interesting aspect is the negative impact of DiM, which is not described in this thesis or in other broader research projects. One last proposal for future research is the business section of controlling, where the major future aim is to optimize and develop a general method to quantify and measure the positive or negative influence DiM has on a company’s financial performance.

All in all, the analysis of this research could go on and many other results would appear. Accordingly, the future research potential is immense, even with this small empirical research a lot of more conclusions could be found and the analysis would have a different focus. This study only lasted seven weeks and for this reason it is delimited in many ways, but a lot of interesting aspects should be continued in future investigations.
Appendix

Questionnaire Bachelor Thesis

“Cultural Diversity Management”
Comparison of three European Companies

Working in the 21st century is undoubtedly different than it was in the 20th or in earlier centuries. The daily business activities have changed a lot because of the globalization process and therefore the growing competitiveness throughout the whole world. As well as the internationalization keeps on increasing, the demographical situation and socio-cultural aspects are changing all over the world. Not only the political systems and people themselves have to adapt to this development, companies must grow into this process and follow it as well. In consequence the aspect culture gains more and more importance, because people are moving and the ability of a worldwide connection let this cultural process exist.

This following questionnaire is supposed to reveal the consequences of internationalization concerning business performance by facing cultural diversity and trying to take as many advantages out of it as possible and additionally implementing cultural diversity management as a successful tool for handling cultural aspects inside and outside of their company.

Cultural Diversity Management (DiM) is defined as the ability of a company’s management to face cultural differences throughout the world, try to gain knowledge about the business partner or employees’ cultures/nationalities and work with efficiently with these differences.

Please answer the questions as detailed as possible.
Thank you very much for your time and effort!!
Basic information about the company

I. Your company’s name is?

II. When was your company founded?

III. How many employees has your company?

IV. What is your company’s annual sales revenue?

V. Where is your company located?

First part: Personal and employees characteristics/business habits

1. What do you (as a manager) know about your own culture? What characterizes your national culture (nationality) when doing business? (spontaneous personal ideas)

Concerning some specific cultural differences, please answer the following questions:

a) Concerning your company’s “Power Distance” level:
   How high/low is the hierarchical structure in your company?

aa) Is decision making a long term process? Do a lot of employees have influence when decisions are made?

b) Concerning your company’s workforce habits in business interactions (Collectivistic/Individualistic): Do your employees and yourself work rather as individuals and express their own thoughts and beliefs or do they and you take priority of group goals over individual goals (collectivistic way)?
bb) Are your employees acting social/are they loyal to their colleges?

bbb) Do you support/encourage collective actions within your workforce?

c) Concerning your company’s competiveness and performance:
   Is your company competitive and performance oriented rather than relationship and quality of life oriented?

cc) Are you and your employees more ambitious or social oriented?

d) Concerning your fear about uncertain situations and structures:
   How do you feel when something unexpected in your company happens?

dd) Do you get nervous if something is unstructured?

ddd) Do you like spontaneous/unpredictable actions/happenings?

e) How important are traditions and stability in your company?

f) Do you consider future implications of your present actions?

2. Do you think it is necessary be aware of cultural differences when doing business?

3. a) Are you aware of cultural differences in your company?

   b) And how are these represented in your company?
Second Part: Company’s structure

4. Does your workforce consist of more than one nationality/culture?

   a) (Question 4 answered with yes): How many different cultures are within your team?

   b) (Question 4 answered with no): Why do you think your workforce is based on one culture in such an international world?

   c) Do you think the knowledge about cultural differences can prevent discrimination in your company and can support antidiscrimination programs and laws? (Concerning minorities?)

   (If you don’t have a multinational workforce, you can skip question 4. and 5.)

5. How do you deal with a multinational workforce?

6. Do you see it as an advantage or disadvantage?
Third Part: Cultural Diversity in Your Business

7. a) Does your company operate on an international level? (Suppliers, buyers outside of your home-country? Import/Export?)

b) And how do you operate internationally? (Maybe throughout sales representatives?)

c) Do you want to expand internationally your company’s business in the near future?

8. How do you deal with different business habits when doing business outside of your home country?

9. a) Do you ever have/had problems when doing business outside of your country?

b) Which problems could those be?

10. Do/Did you ever have language barriers and/or cultural misunderstandings (dress-code, time, body language, etc.)?

11. When you are aware of these cultural differences, how do you handle it, how do you prepare yourself and your employees?
12. Do you receive help/training from external specialists? Or do you or other employees in your firm take care of cultural problems and training?

13. a) Do you tread negotiations with companies of other cultures differently than the ones with your own country?

b) If yes, what are the differences?

14. Have you ever heard of cultural (diversity) management?

a) What does cultural diversity management mean for you?

b) Which of the following dimensions/viewpoints of cultural diversity management would fit/suit your company’s philosophy the best (mark two)? I am applying/I would apply cultural diversity management because of...

1. ...diversity might have a dangerous impact on my company?
2. ...diversity is needed to stop discrimination and secures equal treatment?
3. ...diversity management is a competitive advantage?
4. ...diversity management has as a learning and effectiveness perspective for the company’s knowledge?
5. ...diversity management is a strategic approach for my company (outer appearance) with the acceptance of social responsibility?

c) Do you think cultural diversity management can lead to a better/higher business performance?

d) Do you think not knowing about cultural diversity could have a negative impact on your business?
15. Do you think you are applying cultural (diversity) management in some way? (If yes: how?)

16. Have you realized any positive impact of cultural management concerning your business performance? (Financially or maybe productivity, better relationship within the company and/or to clients etc.)

17. Is it even necessary for a small-medium size company to think about cultural differences and cultural diversity management? Or is it more a waste of time?

18. Is the ”input” effort (time, gaining knowledge, getting external help/training) to cultural diversity management worth the outcome (corporate business success)?

19. Do you think the implementation of cultural (diversity) management is important in your company?

20. Do you think you should apply cultural diversity management in your company in a broader/more intensive extent?

21. Do you think cultural diversity management has more future potential?

Thank You!!!
Completed Questionnaires of the two Spanish Firms:

Respuestas de la Empresa Carmencita S.A.

answers marked in blue!

Información básica de la empresa

I. ¿Nombre de la empresa? CARMENCITA-JESÚS NAVARRO, S.A.
II. ¿Cuando se fundó la empresa? 1920
III. ¿Cuántos empleados tiene su empresa? 180
IV. ¿Cuáles son las compañía ingresos anuales por ventas? 52 M. €
V. ¿Dónde está ubicada su empresa? NOVELDA. (Alicante)

Primera parte: características personales y las de los empleados y los hábitos de negocios

1. ¿Qué es lo que usted (como manager) sabe acerca de su propia cultura? Qué caracteriza su cultura nacional (nacionalidad) cuando hace negocios? (ideas espontáneas personales)

La cultura española en general y la de Novelda en particular es de gente emprendedora y creativa. Cuando se carece de recursos naturales (como es el caso de nuestra tierra) se ha de lograr subsistir a base de mucha imaginación. Por eso, desde hace casi dos siglos, los noveldenses tuvieron que ingeniárselas para sacar de donde no hay. Y en el comercio, encontramos nuestro destino, pasando posteriormente a una industrialización que está basada en la elaboración de productos ajenos a nuestra propia naturaleza; como es el azafrán, las especias y el mármol.

En cuanto a algunas diferencias culturales específicas, por favor conteste las siguientes preguntas:

a) En cuanto al nivel de distancia empresarial en su compañía “Power distance”:

¿Qué alta o baja es la estructura jerárquica en su empresa?
Es una estructura piramidal (como no puede ser de otra forma en las empresas privadas) pero con una estructura sencilla, básica y que se retroalimenta de arriba - abajo, y de abajo – arriba. Al ser una empresa familiar, se han creado vínculos que respetando la estructura y jerarquía tradicional, se enriquece constantemente con las ideas de todos los miembros de la plantilla, el flujo es constante, aunque la decisión última, lógicamente, corresponde a los máximos responsables de la compañía.

aa) ¿Es el proceso de tomar decisiones es largo (tiempo, personas que son incluidas)? ¿Tienen un muchos trabajadores influencia en la toma de decisiones?

La estructura está compuesta por: un consejero delegado, un director general, un director comercial, un director financiero, y un responsable de nuevas estrategias. Todos ellos, están representados a su vez en un comité de dirección. Y de todos, a su vez, derivan mandos intermedios que ejecutan las directrices marcadas por la dirección.

b) En cuanto a sus hábitos de sus trabajadores en las interacciones comerciales (colectivista / individualista):

¿Los empleados y usted trabajan como personas individuales y expresan sus propios pensamientos y creencias o en su lugar tienen prioridad los objetivos de grupo sobre los objetivos individuales (forma colectivista)?

Las líneas básicas, obviamente, son marcadas por la dirección, independientemente de que cada responsable las aplique según su propio carácter e idiosincrasia, pero las bases de trabajo son aprobadas y desarrolladas por el equipo de dirección.

bb) ¿Son sus empleados sociales y leales a sus colegas?

La sociabilidad es un rasgo marcadamente mediterráneo, y en cuanto a la lealtad, hay un dicho popular que dice; De todo hay, como en botica.

bbb) ¿Apoya y alenta usted acciones colectivas dentro de su fuerza de trabajo?

La parte individual es importante, pero lo es más aún el trabajo en equipo.

c) En cuanto a su competitividad y el rendimiento empresarial:
¿Está su empresa competitiva y orientada hacia el rendimiento? o ¿está más orientada a las relaciones interiores y la calidad de vida?

Lógicamente, el rendimiento es esencial en una empresa privada que ha de acudir a un mercado eminentemente competitivo, pero también lo es las buenas relaciones y la consecución de un nivel y calidad de vida adecuado para los trabajadores, qué también para los directivos, por supuesto. Un ejemplo claro de la apuesta por la conciliación y bienestar social, es que estamos en plena implantación de la ley de igualdad en nuestra empresa, cuando ni siquiera estamos obligados por ley a ello debido a la cuota de trabajadores que sí es obligatorio cuando son más de 250 empleados.

cc) ¿Usted y sus empleados son más competitivos o más sociales?
Una cosa, no está reñida con la otra, por tanto, somos tan competitivos como sociales.

d) En cuanto a su temoracerca de situaciones de incertidumbre y de las estructuras:

¿Cómo se siente cuando algo inesperado sucede en su empresa?
Me imagino que como cualquier otro ser humano, en principio sorprendido, y después, aplicando el manual más antiguo; el sentido común.

dd) ¿Se pone nervioso si algo no está estructurado?
Llevamos muchos años analizando y mejorando los sistemas. Ahora mismo, hay un equipo de ingenieros revisándolo todo para aplicar posibles mejoras en las líneas de producción, asentando lo que está bien, y aplicando nuevos métodos en donde pueda requerirse.

ddd) ¿Te gustan los acontecimientos impredecibles o espontaneos?
En la vida privada, lo impredecible (aunque la propia palabra ya es muy clara) puede ser hasta divertido. En la empresarial, eso no debería de suceder, aunque como seres humanos, tanto lo impredecible como lo espontaneo forma parte de nuestra esencia humana, pero sin duda, siempre es mejor la espontaneidad que algo impredecible.

e) ¿Qué importante son las tradiciones y la estabilidad de su empresa?
La tradición es buena, siempre y cuando lo sea para el desarrollo de la propia empresa, pero no ha de ser un tema dogmático, ya que si esa tradición supone un freno para el
desarrollo y la innovación, es mejor que pase a la historia de la empresa. Por otra parte, la estabilidad absoluta, por desgracia, y en los tiempos que corren, no está garantizada para nada ni para nadie, y mucho menos para las empresas.

f) ¿Usted considera las repercusiones futuras de sus acciones presentes? 
Por supuesto.

2. ¿Usted cree que es necesario ser conscientes de las diferencias culturales al hacer negocios? 
Es algo primordial.

3. a) ¿Usted es consciente de las diferencias culturales en su empresa? 
Sí

b) ¿Cómo están representadas en su empresa? 
Como en todo el mundo, en nuestra empresa hay trabajadores con todo tipo de creencias, sentimientos y pensamientos, que por supuesto se respetan dentro de la propia vida privada de la persona, siempre que no afecte a las leyes establecidas en el ámbito laboral, ya que en él, no tiene el porque afectarle.

**Segunda parte: estructura de la empresa**

4. ¿Esta su personal formado por más de una nacionalidad o cultura? 
Hay varios trabajadores de distintas nacionalidades y culturas.

a) (Pregunta 4 respondió con sí): ¿Cuántas culturas tiene dentro de su personal? 
El tema cultural en un mundo globalizado se encuentra en todos los ámbitos y niveles de la sociedad actual española. En nuestra empresa pueden haber tres o cuatro visiones distintas, culturalmente hablando, aunque ya sabe, que incluso la propia persona en sí, es un mundo propio.

b) (Pregunta 4 respondió con no): ¿Por qué piensa usted que su personal/trabajadores se basan en sólo una cultura en un mundo tan internacional?
c) ¿Cree usted que la conciencia de la diversidad cultural puede impedir la discriminación en su empresa y apoyar los programas y/o las leyes que luchan contra la discriminación? (En cuanto a las minorías nacionales?)

La ley de igualdad abarca todos los procesos discriminatorios, no sólo entre mujeres y hombres, también los culturales y religiosos.

(Si usted no tiene personal multinacional, puede omitir las pregunta 4. y 5.)

5. ¿Cómo se puede tratar con un personal multinacional?
La respuesta es muy simple; con respeto.

6. ¿Lo ve usted (un personal multinacional) como una ventaja o desventaja? ¿Por qué razones?
La diversidad en todos los procesos y forma de vida, son sencillamente; enriquecedores para todos.

*Tercera parte: La diversidad cultural en su empresa*

7. a) ¿Opera su empresa a nivel internacional? (importación, proveedores, compradores fuera de su país de origen, exportación?)
Sí, por supuesto.

    b) ¿Cómo son sus operaciones internacionales? (i.e.: por agentes comerciales?)
Las operaciones internacionales varían en función del país pero fundamentalmente tenemos un importador-distribuidor por país, menos en Europa que tenemos importadores más pequeños.

    c) ¿Quiere usted expandir sus negocios en el mercado internacional en el futuro?
Estamos en continuo intento de expansión, y tenemos un largo camino recorrido pues aunque no son cantidades muy grandes exportamos prácticamente a todo el mundo, llevamos más de 40 años exportando.
8. ¿Cómo trata usted con los hábitos de negocio diferentes cuando hace negocios fuera de su país de origen?
Procuramos conocer y adaptarnos a la cultura de nuestros clientes y por supuesto siempre adaptamos las etiquetas a las normas de país.

9. a) ¿Alguna vez ha tenido problemas al hacer negocios fuera de su país?
Muchos y muy variados

   b) ¿Qué problemas?
Fundamentalmente en los países árabes por mi condición de mujer.
En algunas aduanas como la mexicana sobre todo por la variedad de productos que exportamos, pues cada uno requiere un tipo de documentación

10. ¿Tiene usted barreras lingüísticas y/o malentendidos culturales (dress-code, horarios, lenguaje corporal, etc)?
Prácticamente no pero sí me resulta difícil con los árabes y los japoneses ya que los primeros no quieren que su interlocutor sea una mujer y los japoneses aunque dominan el castellano los conceptos no los tienen claros.

11. ¿Si es consciente de estas diferencias culturales, cómo lo maneja? Cómo se preparan sus empleados?
La formación es fundamental y los componentes del departamento de exportación además de hablar otros idiomas participan en jornadas que realizan algunos organismos como el ICEX o IVEX o las Cámaras de Comercio.

12. a) ¿Recibe usted/ la empresa ayuda y/o formación de especialistas externos?
¿O es usted o sus empleados quienes se ocupan de los problemas culturales y de la formación?
Se busca colaboración externa en algunas ocasiones.

13. a) ¿Trata las negociaciones empresariales con otras culturas de manera diferente a los que tiene en su propio país?
Tenemos una forma de trabajar pero tratamos de adaptarnos a las diferencias culturales en la medida de lo posible.
b) En caso afirmativo, ¿cuáles son las diferencias?
Algunas que hemos mencionado antes.

14. Ha oído alguna vez del término “gestión de la diversidad cultural”? Sí, lo había oído

a) ¿Qué significa para usted gestión de la diversidad cultural?
Apertura al conocimiento, comprensión y aceptación de las múltiples culturas existentes.

b) ¿Cuál de las siguientes dimensiones/puntos de vista de la gestión de la diversidad cultural encajaría/ se adaptaría mejor a su filosofía empresarial (marca las dos que más encajan con su empresa)?

Yo estoy aplicando/ aplicaría la gestión de la diversidad cultural porque......

1. ....la diversidad puede tener un impacto peligroso en mi empresa?
2. ....la diversidad es necesaria para detener la discriminación y asegura la igualdad de derechos?
3. ....la gestión de la diversidad es una ventaja competitiva?
4. ......la gestión de la diversidad tiene una perspectiva de aprendizaje y la eficacia para el conocimiento de mi compañía?
5. ......la gestión de la diversidad es un enfoque estratégico para mi compañía (apariencia externa), con la aceptación de la responsabilidad social?

c) ¿Cree usted que la gestión de la diversidad cultural puede llevar a un rendimiento mejor o más alto de negocios o un impacto positivo?
A ambas cosas

d) ¿Piensa usted que no saber acerca de la diversidad cultural podría tener un impacto negativo en su negocio?
Por supuesto.
15. ¿Piensa usted que está aplicando la gestión cultural (diversidad) de alguna manera? (En caso afirmativo: ¿cómo se aplica?)
   Si en la medida de lo posible.

16. ¿Ha detectado algún efecto positivo de la gestión cultural sobre el rendimiento de su negocio? (Financieramente o quizá, mejorar su productividad y/o nuevos clientes clientes, etc)
   Adaptación y mejora de las relaciones comerciales al no tratar de imponer siempre los criterios de la empresa.

17. ¿Supone usted que es necesario para una pequeña o mediana empresa (PYME) pensar en las diferencias culturales y la gestión de la diversidad cultural o es más una pérdida de tiempo?
   Lo considero importante del mismo modo que la puesta en marcha del Plan de igualdad

18. ¿Esta el esfuerzo (el tiempo, adquirir conocimientos, obtener ayuda externa y formación) de aplicar la gestión de la diversidad cultural justificado (éxito de los negocios de empresa)? (Input/Output)
   Por supuesto

19. ¿Cree usted que la aplicación de la diversidad cultural es importante en su empresa?
   Creo que es importante en todos los ámbitos, no solo en las empresas.

20. ¿Cree que debería aplicarse la gestión de la diversidad cultural en su empresa en una medida más amplia/más intensa?
   Sí

21. ¿Piensa usted que la gestión de la diversidad cultural tiene mayor potencial en el futuro?
   No sólo considero que tendrá mayor potencial, lo considero necesario.
Respuestas de la Empresa Fluchos S.L.:

Con mucho gusto intento contestar a las preguntas formuladas, pero hay que tener en cuenta que nuestra Empresa es familiar, que no es una gran Empresa y que el final de todas nuestras actuaciones van encaminadas a conseguir un negocio. Que tenemos una estructura basada en personal directivo, ocupado por personas cercanas a la familia, mandos intermedios (encargados de las secciones de producción) y trabajadores en cadena, con una diferencia cultural en ocasiones excesivamente diferenciada.

Partiendo de esta base, le contesto:

Nombre de la Empresa: FLUCHOS S.L.
Cuando se fundó la Empresa: 1.962.
Cuantos empleados tiene la Empresa: Si incluimos al grupo de ellas, 85 empleados.
Cuales son las ventas anuales: 30.000.000,00 de Euros.
Donde está ubicada la Empresa: En Arnedo (La Rioja) -España.

Primera parte características personales y las de los empleados y los hábitos de negocios.

1.) Mi cultura está basada en unos principios adquiridos con una educación tradicional, de familia media, dentro del conjunto de España e intento adaptarla a la hora de hacer negocios a mis clientes, intentando transmitir confianza y seguridad. En ocasiones, adaptarla a la posición del cliente. No es lo mismo tratar con un Español que con un Francés ó un Chino.

a) La estructura jerárquica de nuestra Empresa se basa en una Gerencia compartida, administración, mandos intermedios y trabajadores en cadena.

aa) El tiempo en tomar decisiones depende del problema planteado. Es importante hacerlo con rapidez, pero también es necesario dejarlo madurar un poco para evitar lo posible equivocarse. La influencia para tomar decisiones, depende de los problemas. Si es un tema de administración, se tiene en cuenta las indicaciones de la sección de contabilidad, si es de almacén, el personal de almacén y así sucesivamente.
b) Procuramos que en todo momento el trabajo sea colectivo. Cada puesto de trabajo, más o menos importante, es como un eslabón de una cadena. Hay que estar siempre conjuntados y agrupados. Las opiniones personales se tienen en cuenta si es por el bien del conjunto.

bb) En un conjunto de personas, hay de todo. Más sociales, menos sociales, mas leales y menos leales.

bbb) Es importante apoyar y alentar siempre acciones colectivas, si es por el bien general.

c) Nuestra Empresa tiene que ser competitiva y el rendimiento tiene que ser básico. Intentamos que nuestros empleados tengan una buena relación y una buena calidad de vida, indispensable para el buen funcionamiento de la Empresa.

cc) A nivel Empresa, tenemos que conseguir la competitividad, pues tenemos que luchar en un mercado muy complicado. El tema social intentamos que sea bueno.

d) Cuando surge algo inesperado, lógicamente nos preocupa e inquieta e intentamos soslayarlo lo mejor y antes posible.

dd) Los nervios son malos compañeros en una administración de Empresa. Hay que tomarlo con tranquilidad y tomar medidas para que no vuelva a suceder.

ddd) Nos gusta tener todo controlado. Lo impredecible ó espontáneo, lo asumimos e intentamos sacar el fruto positivo de ello.

e) Para nosotros, una Empresa familiar y antigua, la tradición es importante. La estabilidad totalmente necesaria.

f) Lógicamente, las actuaciones actuales son un fruto para recoger en el futuro. Si las cosas se hacen bien y con base, el futuro será bueno. En caso contrario, será negativo.

2.) Es totalmente necesario ser consciente de las diferencias culturales. El que vende, tiene que adaptarse al comprador y darle en todo momento lo que su cultura requiere.
3.a) Lógicamente, entiendo y soy consciente de que dentro de la Empresa existen diferencias culturales.

b) En nuestra Empresa están representadas desde personas universitarias a personas que están muy limitadas en sus estudios. También hay diferencias entre empleados españoles y de otros países.

**Segunda parte: Estructura de la Empresa**

4.) Sí. En nuestra Empresa hay personal de diferente nacionalidad y cultura.

a) Como indicamos arriba, hay una importante diferenciación cultural. Tenemos universitarios, personas preparadas medianamente, otros con cultura limitada, así como personal de Marruecos, América Latina, etc....

c) Desde luego, la diversidad cultural no colabora a impedir la discriminación. No debía ser así, pero el humano no es perfecto. No obstante, se intenta en todo momento que ello no ocurra y si pasa, se corta rápidamente. En cuanto a situación laboral y salario no existe discriminación alguna. Simplemente en relaciones personales. Ocurre que las minorías de otros países, por su cultura e idioma, les cuesta adaptarse.

5) La forma de tratar con personas de diferentes nacionalidades, es darles el mismo tratamiento e intentar su acoplamiento y adaptación a nuestra cultura.

6) Lógicamente, tratar con personal de diferentes naciones, es diferente y más complicado que si todos ellos son del mismo país. Se tropieza con el idioma, las creencias religiosas, etc...

**Tercera parte: La diversidad cultural en la Empresa.**

b) Nuestras operaciones internacionales son muy distintas. Se pueden hacer operaciones directas en Ferias y exposiciones internacionales y también, en su mayor parte, con agentes comerciales a comisión sobre ventas.

c) Continuamente estamos intentando abrir mercado en nuevos países, como única medida de expansión y crecimiento.

8.) Intentamos adaptar los hábitos de negocio lo mismo en el exterior que en España. Lógicamente, los muestrarios intentamos variarlos en cuanto a las necesidades y los gustos de cada país, sobre la base de España.

9.-a) Lógicamente, problemas existen lo mismo dentro que fuera de nuestro país. Sobre todo en el pago de la mercancía. No obstante, cuando instuimos posibles problemas, intentamos sujetar las operaciones lo mejor posible e incluso rechazarlas.

b) Aparte de los problemas expuestos en el punto anterior, inconvenientes puntuales de mercancía no correcta, pero muy limitados.

10) Si. Por desgracia existen barreras lingüísticas, pero tenemos personal preparado en Inglés preferentemente, que pensamos es el más internacional. También existen inconvenientes de otros tipos, pero como vendedores de producto, tenemos que adaptarnos a las circunstancias.

También culturales, religiosas y Con mucho gusto intento contestar a las preguntas formuladas, pero hay que tener en cuenta que nuestra Empresa es familiar, que no es una gran Empresa y que el final de todas nuestras actuaciones van encaminadas a conseguir un negocio. Que tenemos una estructura basada en personal directivo, ocupado por personas cercanas a la familia, mandos intermedios (encargados de las secciones de producción) y trabajadores en cadena, con una diferencia cultural en ocasiones excesivamente diferenciada.

Si. Existen barreras lingüísticas, culturales e incluso religiosas, pero nosotros intentamos siempre que se adaptan a las circunstancias establecidas en este país, ya que de lo contrario, sería imposible.

11.) Partiendo de la diferencias expresadas, como hemos indicado arriba, son los empleados quienes se tienen que adaptar a nuestras normas.
12.-a) No. Se les indica laqs normas y deben ser respetadas.

13.-a) No. Tratamos a todos dentro del mismo concepto

14.) Puedo entender el significado de la frase, pero no la ponemos en práctica en nuestra Empresa.

a) –

b) Me inclino por la 1: La diversidad puede tener un impacto peligroso en mi Empresa.

c) Entiendo que la diversidad puede desunir más que unir en una Empresa.

d) Saber siempre es importante.

15.) Ciertamente, creo que no estamos aplicando la diversidad, puesto que existen unas normas únicas, a las cuales las personas que entran a trabajar, deben cumplir.

16.) Como le indicamos anteriormente, no estamos aplicando la gestión cultural, exceptuando en las ventas, que es donde nosotros nos adaptamos a las exigencias del mercado.

17.) Pérdida de tiempo quizás no lo sea, pero la diversidad, adaptando la producción a las diferencias culturales, puede ser negativo.

18.) Creo que no.

19.) En las cadenas de producción, no. En lo que corresponde a las ventas y comercialización, si.

20.) Creo que no.

21.) Probablemente, con la globalización haya que adaptarse a cambios. Pero ahora mismo, no lo veo interesante.
References

**Arredondo, P.** (1996): *Successful Diversity – Managing Initiatives – A Blueprint for Planning and Implementation*. SAGE Publications Inc. USA


