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Doctoral Dissertation Thesis

Diversity Management in a Multicultural Environment

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Declaration

I hereby declare that this thesis is my own work and that, to the best of my knowledge and belief, it contains no materials previously published or produced by another party in fulfilment, partial or otherwise, of any other degree or diploma at another University or institute of higher learning, except where due acknowledgement is made in the text.

In Prague on 7th April, 2017

Title of the Dissertation Thesis

Diversity Management in a Multicultural Environment

Abstract

The dissertation thesis deals with the issues of diversity management in multicultural environment. The primary objective of the thesis is to create a graphical model of diversity management for multicultural organisations operating in the field of information technology. The secondary objective is to identify, through expert literature research, the current approaches to diversity management and to clarify its benefits. The theme is examined and discussed from theoretical as well as practical point of view. The theoretical part deals with the scope, categories, instruments, models and concepts of diversity, as well as diversity management with equal opportunities in the workplace. This section was created not only on the basis of expert literature, but also on the basis of inputs found in impacted and reviewed journals and articles. The practical part presents the quantitative and qualitative research carried out among managers in 14 selected enterprises applying diversity management in varying degrees. Based on this qualitative research hypotheses are formed. These hypotheses are subsequently verified by the quantitative research conducted among managers of selected companies. The practical part has empirical character, as it investigates a specific level of application of diversity management in selected IT organisations with multicultural environment. This investigation is carried out using quantitative and qualitative data collection.

Key words: Diversity, Categories of Diversity, Models and Concepts of Diversity, Diversity management, Diversity Model, Employee motivation

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Table of Contents

Introduction	9
Theoretical Part	12
1. The Issue of Human Resources Management in an International Company	12
1.1. Human Capital and its Importance in the Management of a Contemporary International Organisation.....	12
1.2. Inter-Cultural and International Management.....	27
1.3. Culture of an organisation and its impact on management	35
2. Diversity	45
2.1. Definition of Diversity	45
2.2. Categories of Diversity	45
2.3. Benefits of Managing Diversity for Companies, its Obstacles and Difficulties	51
3. Diversity Management	53
3.1. Diversity Management Tools.....	56
3.2. Equal Opportunities in the Workplace.....	56
4. Models and Concepts of Diversity	58
5. Cultural Diversity and its Management in Multinational Corporations	61
Practical Part	63
6. Pilot study.....	63
6.1. Research objective.....	63
6.2. Research questions and hypotheses.....	64
6.3. Methodology	64
6.4. Detailed description of the research methods and reasons for their choice	66
6.5. Quantitative research.....	68
6.6. Qualitative research.....	85
6.7. Summary and data analysis	97
6.8. Research limitations	101
6.9. Fulfilment of the set objectives	101
6.10. Contribution of that research for science and practice	102
6.11. The work as a direction for further research	103

7. Main research: Profile of the Surveyed Organisation	104
7.1. Research objectives	104
7.2. Research hypotheses	104
7.3. Research questions	106
7.4. Methodology	106
7.4.1. Description of the Research Design	106
7.4.2. Sample description	107
7.4.3. A more detailed description of data collection and analysis	114
7.5. Qualitative Research	115
7.6. Quantitative Research	119
7.7. Results of the data analysis	130
7.8. Discussion and Synthesis of the Findings (confrontation with existing findings with respect to previously conducted literature review).....	132
7.9. Diversity Model.....	138
7.9.1. Comparison of the proposed model with other diversity models.....	142
7.9.2. Model validation	143
8. Contribution of the thesis	146
8.1. Contribution for the theory as well as practice	146
8.2. Contribution to education.....	147
9. Limitations of the dissertation	148
10. Future orientation and recommendation of the research	149
11. Conclusion.....	150
Bibliography.....	151
List of Tables.....	162
List of figures	164
Appendices	166

Introduction

This dissertation explores the area of diversity management. It is primarily focused on the implementation of diversity management within the context of multinational companies and on the identification of the current approaches to the issues of diversity in multinational enterprises. The primary objective of the thesis is to create a graphical model of diversity management for multicultural organisations operating in the field of information technology. The secondary objective is to identify, through expert literature research, the current approaches to diversity management and to clarify its benefits. Another secondary objective is to identify the specifics of the use of diversity management in global IT companies that are characterised by a multicultural work environment.

The content of the objectives suggests that it was necessary to divide the structure of the dissertation into theoretical and practical parts. While the theoretical part analyses secondary sources to define the basic terms such as management, human resources management, international management, diversity, diversity management, models and concepts of diversity, as well as cultural diversity, the practical part presents the conducted quantitative and qualitative research. Of course, this research is completed with a synthesis of all the information and with a creation of own diversity model for multicultural organisations operating in the field of information technology.

The dissertation contains of introduction, 11 chapters, including conclusion, contribution of this thesis to theory, practice and education, as well as limitations and future orientation of the research. The theoretical part deals with the scope, categories, instruments, models and concepts of diversity, as well as diversity management with equal opportunities in the workplace. This section was created not only on the basis of expert literature, but also on the basis of inputs found in impacted and reviewed journals and articles.

Practical part - first, pilot study was focused on the issue of cultural differences. As a result of this research, the author has noticed, there are far more other factors that differentiate managers and employees. These factors have a major impact on the functioning of the organization and its financial performance. The author thinks here particularly of gender differences and age diversity, among other differences. Further, main research refers to that earlier studies - it is a continuation and expansion of his prior work. The aim was to examine these remaining differences. Primary collection of data was used in the research. The collected data were of quantitative as well as of qualitative nature. Therefore, two basic variants of the research were chosen. The purpose of this step was to obtain a relevant set of

data, with which it will be possible to work subsequently and on the basis of which specific and beneficial recommendations can be suggested.

The qualitative survey was carried out in the form of semi-structured interviews. The subsequent quantitative research was conducted in the form of electronic questioning aimed at managers working in the selected organisations. The primary collection of data brought a lot of useful information not only for the creation of a diversity management model, but also for the fulfilment of further objectives and ambitions of the dissertation.

Based on the evaluation of all the collected data, a diversity management model was drafted, which can be used (not only) in multinational IT companies to improve the implementation of diversity management. The model is focused on the introduction of the basic processes related to diversity management, which must not be ignored in an enterprise. The model was tested in real conditions of a selected Czech IT company within the implementation of diversity management and creation of a diversity system. Therefore, the model can be completed with practical findings. At the same time, it turned out that the model can be implemented only when specific conditions prevailing in the respective organisation and its environment are taken into consideration.

The conclusion of the dissertation contains and summarises all the findings that were acquired in the course of elaboration of this work.

The dissertation brings findings that can be used by other authors within their own examination of this area. Readers are offered a comprehensive overview of the expert sources dealing with diversity management.

The scope of the dissertation is somewhat limited by the fact that the research took place only among companies in the sector of information technology, which naturally has its specifics and can lead to distorted results that do not apply to all sectors. Another limitation is that the research focused on organisations and employees working at the middle and top management level, and on their approach to the implementation of diversity management, which might lead to biased results again.

Reason for choosing this theme

The reason for choosing this theme is the high topicality of the addressed issues. It is no longer possible to succeed in a global market environment without the ability to skilfully take advantage of all the opportunities that arise. The author considers diversity management as one of such opportunities, as it is transformed into the ability to get the best from each employee or team member, and thus contribute to the achievement of objectives of the entire

organisation. Companies that conduct business in a multicultural environment have to employ people from many different countries, cultures, ethnicities, races. Gender diversity is applied in corporate practice already for several years. This development is no obstacle, but on the contrary, it may help to gain a broader perspective on work issues in an appropriate manner. Different and varied views can then lead to new solutions which competitors who do not apply diversity management are unable to recognise. An enterprises where diversity management is applied, thus gains a significant market advantage. As another reason for the thesis elaboration seems the necessity to understand and emphasize the risks brought by diversity management, or trends connected with diversity management. If companies operate on global markets, have a varied structure of employees and do not apply diversity management, this can seriously impair their performance. Representatives of minorities do not get considerable space in such enterprises and might feel oppressed. Then it is difficult to make them achieve maximum possible efficiency.

Theoretical Part

1. The Issue of Human Resources Management in an International Company

1.1. Human Capital and its Importance in the Management of a Contemporary International Organisation

Nowadays, the act of management evokes a journey into rapidly changing external and internal environments. We are moving towards a world in which barriers to cross trade borders and investments are tumbling. This perceived distance is shrinking due to advances in transportation and telecommunications technology. In short, we can say that, day by day, globalization is causing the world to become a global village. In this interdependent global economy, an American might drive to work in a car designed in Germany, that was assembled in Mexico, using components made in the United States and Japan that were fabricated from Korean steel and Malaysian rubber (Saxena, 2014, p. 77).

Depending on external changes, an organisation, as a part of the environment, has to continually learn and change its structure and organisation of work. A sound knowledge of management processes helps to develop strategies and subsequently implement them.

It is worth noting that new technologies, which are the core of changes, are playing an increasingly important role in modern management. These new technologies in the business environment as well as increasing competitive edge and responding to customer demands, are challenges of globalisation processes that have to be acted upon by a modern organisation. Changes in an organisation's external and internal environments have a varied impact on its ability to function well. Flexibility to continuous changes, monitoring the environment, focusing on cooperation and development are the pivotal directions of a modern international organisation.

Griffin defined an organisation as follows: "an organisation is a group of people working together in a structured and coordinated fashion to achieve a set of goals, which may include profit (Starbucks Corporation), the discovery of knowledge (University of Missouri), national defence (the U.S. Army), the coordination of various local charities (United Way of America), or social satisfaction (a sorority)" (Griffin, 2012, p. 3). In a broader sense, Biernat wrote that an organisation can be described as the product of people's knowledge, skills and imagination, as well as a picture, a reflection of reality, proof of changes, transformations of nature and the improvement of tools and the improvement of oneself (Biernat, 2002, p. 8). In

a functional sense, an organisation is a dynamic course of actions, processes and work. However, first and foremost, an organisation is a living organism, which is formed by people (Andrews & Mead, 2012, p. 53).

An international organisation is a small society which creates its own structures, habits, values, organisational atmosphere and way of thinking for accomplishing missions and goals. The discovery, development, skilful processing, and taking advantage of human capital helps integrate the organisation with its external environment. The knowledge of how this action functions helps to implement higher goals through the gradual attainment of partial objectives.

Human capital management is growing in importance as a systematic instrument to analyse and improve human resource management performance and quality (Stein, 2007). The question of the essence of management and its definition is clearly explained by a definition provided by R.W. Griffin (Griffin, 2012, p. 4) which states: "management can be defined as a set of activities (including planning and decision making, organizing, leading, and controlling) directed at an organisation's resources (human, financial, physical, and informational), with the aim of achieving organisational goals in an efficient and effective manner." In simple terms, managing an organisation means caring about its position on the market, strengthening its ability to compete as well as taking into account the relations between macroeconomic processes and how the organisation functions. The interplay of people and business cohesion leads to specific standards and rules for exchange of information and coordination.

An international organisation's management administers its resources and recognises perspectives and possibilities. Global management depends highly on increasing opportunities and making best use of their human potential. In the face of increasing competition and an ever changing environment, the functioning of an organisation is dependent on efficient management. Controlling people is not enough – reaching in to less formal areas and shaping processes of leading teams and creating an organisational culture is needed (Białas, 2013, p. 72). In today's market environment, the development is so fast that the organisations must react flexibly to external development by changes in their internal environment. This means continuous reduction of costs, innovation of offer and processes, improving of quality and productivity. The utilisation of human resource management concept enables faster understanding of market changes and more efficient reaction to their occurrence (Becker, Gerhart, 1996).

Pocztowski states: "human resource management is a defined management concept in the area of the enterprise's personnel functions in which human resources are perceived as a business asset as well as a source of competitiveness, postulated is a strategic integration of personal and business matters, an active role of line executives in solving personal issues and indicated is the need to develop the organisational culture, personnel processes intelligence and building an employee's involvement as tools for achieving objectives" (Pocztowski, 2007, p. 34). These attitudes, efforts and skills have to be sharpened from time to time to optimize the effectiveness of human resources and to enable them to meet greater challenges. Without employees, the organisation cannot move an inch. Therefore, management of human resources is also an important issue. Human resource management is concerned with managing the 'human aspect' of an organisation in such a way that organisational objectives are achieved along with employee development and satisfaction (Saxena, 2014, p. 77).

Human resource management (HRM) has an important and unique influence on organisational performance (Becker, Gerhart, 1996).

Both Griffin's and Pocztowski's definitions perfectly describe the evolution of human resources management and show far-reaching organisational changes.

Table 1 Evolution of views on management - school of management

Management school	Representatives	Theories
Classical school of management (1920 – 1950)	H. Fayol, M. Weber, Ch. Barnard	Attention was paid to the increase in the effectiveness of an organisation as a whole. F. Fayol made an analysis of the fourteen principles of management, which included, <i>inter alia</i> , work division, discipline, salary, staff stability, authority and responsibility. The main aim of the school was not human resource management however; this analysis expanded the knowledge of the subject.
Human relations school (1930-1950)	E. Mayo, F.J. Roethlisberger	W. Hawthorne E. Mayo conducted a study that proved that productivity is not always a result of the organisation of work or a specific remuneration. Relations between employees and general job satisfaction also

		affect productivity. Consequently, effective supervision, providing employees with advice, giving them opportunity to communicate at work and meeting their social needs was recommended.
Behavioural school 1950s	Ch. Argiris, R. Likert, D. McGregor	Research on the analysis of tensions, arising at the junction of traditional organisational structures and employees' individual needs, the result of which is, <i>inter alia</i> , the waste of human resources. Care was taken so as individual employees' objectives were adjusted to the organisation's economic elements.

Source: prepared on the basis of A. Pocztowski, Zarządzanie zasobami ludzkimi, Zakład Narodowy im. Ossolińskich – Wydawnictwo, Wrocław 2007, p. 10.

Evolution of Views on Management - Schools of Management

Keulen and Kroeze (2012) express the opinion that not even management today can be implemented effectively without the knowledge of its historical contexts and concepts. The historical discourse enables to understand also contemporary connections and helps implement various decisions. For this reason, it cannot be ignored and overlooked. On the contrary, historical retrospective is important both in academic research and in practical implementation of management.

Furnham (1997, p. 72) writes that classical school of management was focused on increasing production, employees' efficiency and production organisation. Managerial work as such was not addressed to a great extent.

This opinion is accepted also by Agarwal (1986, p. 29), who holds the opinion that the biggest drawback of the classical school of management is seeing an organisation as a huge machine whose performance can be continually refined, while not considering employees to be an important component part of this "machine".

Social (human) side began to be accepted in management more distinctively by the human relations school of management. Human factor was then given the largest space in the

next developmental stage – in behavioural school of management. Such development confirmed the assumptions of these schools that human aspect of work is more important than its technical and material securing. Since then, people are at the centre of management's attention. According to these approaches, it is necessary to pay attention to people, create relations between workers and the organisation, subordinates and managers, and care for employees (Dalton, Hoyle, Watts, 2011, p. 13).

This earlier literature presents various problems classifying new conditions which shape the way an entrepreneurship operates. There are a few basic management determinants which have come forth in the 21st century. The main factors include (Pocztowski, 2007, p. 12):

- globalization of economic activity,
- widespread IT technologies,
- post-industrial society development,
- increase in the importance of knowledge and professional qualifications,
- operating in a permanently changing environment,
- the increase of society's aspirations,
- the state's influence on the economy.

Although attention to intellectual capital management has only been drawn quite recently, there are many definitions of it. According to Steven M. H. Wallman, the American SEC Commissioner, intellectual capital is not only the power of the human mind, but it also includes brands and trademarks. Interestingly, he describes intellectual capital as assets accumulated in historical values which have transformed into something much greater and their present null value is in balance (Edvinsson, 2001, pp. 11-12). Gordon Petrash (Dow-Chemical company) considers intellectual capital as knowledge which can be transformed into values. Karl E. Sveiby, on the other hand, perceives it as a knowledge management concept which is dynamic and based on intangible assets.¹ Taking intellectual capital as a point of reference which reflects a hidden part of the entrepreneur's value; it is the sum of knowledge created by the entrepreneurship's community and the practical transformation of this knowledge into the entrepreneur's values. It includes all the non-quantifiable elements of

¹ Karl E. Sveiby sees the management concept as: "knowledge which is dynamic and based on intangible assets [...]" A, Sokołowska, Wiedza jako postawa efektywnego zarządzania kapitałem intelektualnym, w: Kapitał intelektualny i jego komponenty, w: Zarządzanie wiedzą w przedsiębiorstwie, red. K. Perechuda, Wydawnictwo Naukowe PWN, Warszawa 2005, p.132

entrepreneurship which shape differences between the entrepreneurship's total value and its financial value (Bartnicki, 2013, p. 13).

However, I personally believe that one of the more accurate definitions is the one resulting from the studies conducted by the Swedish insurance company – Skandia (Edvinsson, 2001, p. 45). According to his research results, intellectual capital comprises human capital and structural capital. They mutually affect and complement one another, creating a system of enormous value to the organisation. The efficient management of intellectual capital is a complex process consisting of four aspects; understanding the capability of creating and extracting values.

Intellectual capital is created by knowledge of employees.² Knowledge in various forms is a part of all intangible resources. The market value of a knowledge-oriented organisation exceeds its book value which contains only tangible assets of the company. Such an example is the United States, where market value compared to book value has often doubled in recent years. Even industrial enterprises, in order to make their product distinguishable on the market, spend more time on information processing (Davenport, 2007, pp. 17-20). Aside from being of great significance for the enterprise, the importance of knowledge as a monumental process increased at the end of the 20th century. This process started for the purpose of liberating workers from hard physical work. Automation of technological processes has created a demand for knowledgeable workers. In the United States and in other economically well-developed countries, there is a growing number of workers whose main asset is knowledge. Knowledge-oriented enterprises are developing quickly and achieving great success. These countries owe much of their economic development to such organisations (Davenport, 2007, p. 17).

A departure from managing only through traditional sources of financing and focusing on building the strength of the enterprise by the use of the concept of intellectual capital helps organisations obtain a strategic advantage. When compared to traditional accounting, the rules for the definition and valuation of intellectual capital are not clear, but when discovered, defined, described and used, they can provide the enterprise with a new source of competition and most importantly, they may contribute to win in a competitive market (Sokołowska, 2005, p. 128).

² The concept of Devenport

When they were first defined, factors comprising knowledge included experiences and skills acquired through integration with the environment. Over time, knowledge has been gradually analysed from the philosophical perspective.

For example, according to B. Brooking, there are four levels of knowledge:

- idealistic knowledge,
- systematic knowledge,
- pragmatic knowledge,
- automatic knowledge.

However, Quinn divides knowledge based on its purpose and manner of use: knowing - what, knowing - how, knowing - where, knowing – why, with the key question being why.³ Finally, C.W. Choo enumerates three types of knowledge in an enterprise (Quinn, 2006):

- hidden knowledge,
- explicit knowledge,
- cultural knowledge (Szaban, 2003, p. 45).

The knowledge hidden in people is rarely documented, is difficult to formalize and often associated with individual feelings and experiences. Such knowledge generates innovative solutions. In order to be transferred within the enterprise, it has to be formulated in words, preferably by personal contact.

Explicit knowledge, such as that found in documents, is often described as procedures, instructions, universal rules. Such knowledge is publicly available, easy to transfer, including publications and information from the internet.

Cultural knowledge is a set of professional skills often associated with the enterprise's vision and mission. Knowledge management, as a sector of the enterprise, has evoked a lot of criticism from representatives of classical management sciences. It was previously considered possible to manage an enterprise and oversee human resources without the above-mentioned cultural knowledge.

Other authors, however, point out that "knowledge management is understood on the ground of enterprise and management sciences as the most recent method of management, the primary purpose of which is the unconventional and accelerative obtaining advantage by economic and non-economic enterprises" (Perechuda, 2005, p. 8).

³ Quote by: J. Szaban. *Miękkie zarządzanie: ze współczesnych problemów zarządzania*. Wydawnictwo Wyższej Szkoły Przedsiębiorczości i Zarządzanie im. Leona Koźmińskiego, Warszawa 2003, p. 44-45, in: R. Quinn, S. Fearman, M. Thompson, M. McGarh. *Profesjonalne zarządzanie*. Polskie Wydawnictwo Ekonomiczne, Warszawa 2006.

Knowledge management is a new concept, but already has dozens of definitions which try to define its essence. Unfortunately, some of them present the topic very narrowly or diverge from the original meaning (Mikuła, 2002, p. 17). A significant role of management is attributed to managing people as well as relations occurring in this process. The process can be assisted with IT solutions, however, IT cannot replace people.

The concept of knowledge management is concerned with modern management styles. This correlation is visible in learning, fractal, virtual and intelligence enterprises. In the learning enterprises, the main tool of mastering the organisational learning process is knowledge management (Mikuła, 2002, p. 17). Employees of such enterprises strive to achieve personal mastery through the implementation of organisational learning in the face of changes in the environment (Mikuła, Zarządzanie wiedzą w przedsiębiorstwie, 2005, p. 86). For a virtual enterprise, management knowledge is a process which allows the transfer of knowledge from within the enterprise's environment. Such a transfer is performed under cooperation with other companies to implement a given project. Knowledge and intellectual capital management are the dominant processes in fractal and intelligent enterprises. Knowledge is created individually or in cooperation with partners and is continually developed and updated. It is a fundamental part of human resources in an intelligent organisation that consists of knowledge workers (Mikuła, Zarządzanie wiedzą w przedsiębiorstwie, 2005, p. 86).

The concept of knowledge-based enterprises is based on a learning enterprise. Creating new attitudes and behaviours is the result of continually looking for an enterprise's ideal model which is able to adapt to a changing environment, technologies and competition. The essence of a learning organisation is a system creating and making use of collective intelligence. A key part of human resources in the learning enterprise constitutes knowledge workers. The main process which the use of knowledge leads to is the achievement of personal mastery (Mikuła, Zarządzanie wiedzą w przedsiębiorstwie, 2005, pp. 85-87).

Each modern international organisation faces challenges and the most important of them include (Pocztowski, 2007, p. 38):

- globalisation,
- achieving profitability by increasing production and extending services,
- strengthening competition,
- generating intellectual capital as a source of competitive advantage,
- changes in technology,

- intercultural differences,
- working well under constant change.

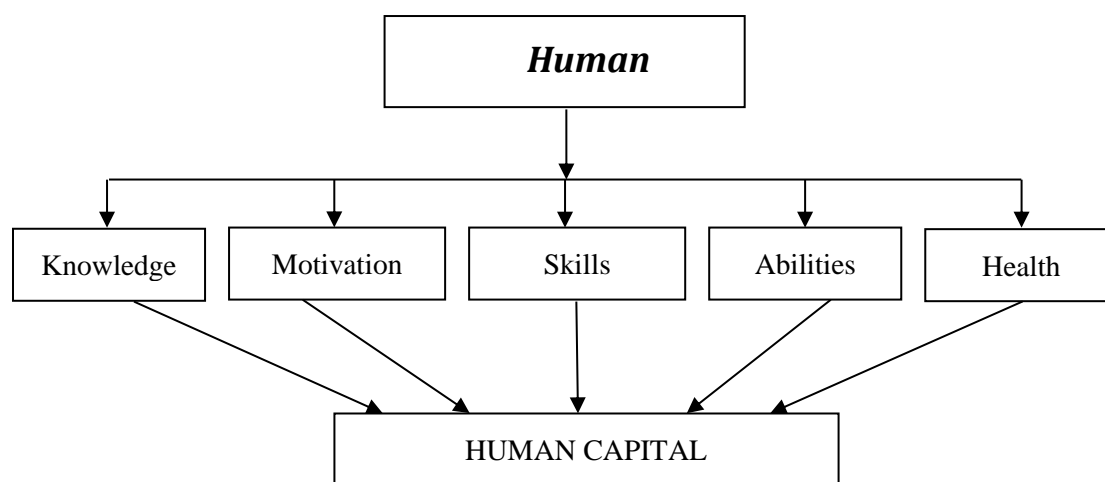
New technologies, reduction of unnecessary costs, opening of distribution channels, renewing products and meeting the customers' existing needs is not enough to face challenges created by the market (Kaczmarek, 2013, p. 66). It is recommended that it reaches factors such as practical and professional skills, knowledge, flexibility, communication and fast learning (Kaczmarek, 2013, p. 38). An appropriate management of these factors combined with the traditional competitive aspects helps allow any modern international organisation to tackle all challenges they may face.

To perform their personal role, an international organisation carries out activities related to how people function in the organisation. What has changed in today's international organisations, is how personnel implement activities of executive and a regulative nature. Many factors shape the way personnel operate in any particular organisation. The company's strategy, organisational culture and the situation on the labour market are some of the major factors of how personnel function. However, it is also important to differentiate the strategy in terms of the modification of tasks established by the organisation (Pocztowski, 2007, p. 15).

Modern international organisations must be flexible and hence respond to constant changes. These changes create new needs, and organisations must meet them through continual development. A strategic factor in any organisation's development is people. They are the prime source of work potential which should be encouraged and stimulated for effective action by any organisation.

Most of all, an organisation should focus on people and especially their potential. All management concepts include human capital which can be defined as follows: "comprises all characteristics embodied in people (knowledge, skills, abilities, health, motivation) that have a specific value and constitute a source of future income both for an employee, the owner of the human capital, and the organisation making use of this capital under certain conditions" (Michalski, 2013, p. 83).

Figure 1. Human capital components



Source: prepared on the basis of: Pocztowski, A., Zarządzanie zasobami ludzkimi. Strategies – processes – methods, Polskie Wydawnictwo Ekonomiczne, Warszawa 2007, p. 45

Human capital is the whole of knowledge, skills, abilities and vitality of a specific society, workplace or group. "Human capital is inseparably linked with people (employees), their knowledge, experience, presence and activities in an enterprise" (Michalski, 2013, p. 83). Perceiving an international organisation solely as a tenant for human capital is wrong because it is also an investor in which labour costs are not only a current expenditure for the use of human capital but they are also an investment in its creation and usage. Such things as salaries, employee trainings, health expenditures, safety at work and creating an environment where people willingly share their values are the most significant investments in human capital.

According to Odden (2011), strategic management of human capital includes utilisation of strategic options to attract, care for and keep talented workers, from whom the organisation manages to generate the best possible performance. This approach is rather focused on the use of practical positive examples of corporate practices that spread among other members of the organisation (for example, by the trained workers, etc.)

The basis of human capital is human resources. The indicators of these resources are primarily education and experience, additional skills and motivation of people. "Human resource is the least mobile of the four factors of production, and (under right conditions) it improves with age and experience, which no other resource can do. It is therefore regarded as

the scarcest and most crucial productive resource that creates the largest and longest lasting advantage for an organisation.”⁴

Among the many functions performed by an international organisation, attention should be drawn to human resource management. Changes in the environment cause changes in the organisation. These changes concern predominantly the function of personnel. The organisation's actions, the institution itself and the personnel's function do not guarantee success (Glinka, 2011, p. 23).

Human resource management is linked with the philosophy of people management in an organisation. It provides an insight of how to coordinate the role of the way personnel function within the organisation.

The first concept of human resources management appeared in the 1970s, but was not published until the beginning of the 80s. Changes in the internal and external environment of organisations have led to an increase in competence of all professional groups and to changing opinions as to the place and role of people in an organisation. This included more of a dynamic dependency between tasks performed in the area of human resources and their relation to the company's overall strategy and characterised a new approach to human resources management. The role of people being considered as an asset brought them more appreciation in the organisation (Pocztowski, 2003, p. 22).

Human resource management is one of the most important elements of management. Its role is to help support and implement an enterprise's business strategy. There is no single generally applied human resource management concept which can be implemented in each organisation. There are two human resource management approaches of fundamental importance - the Michigan and Harvard models.

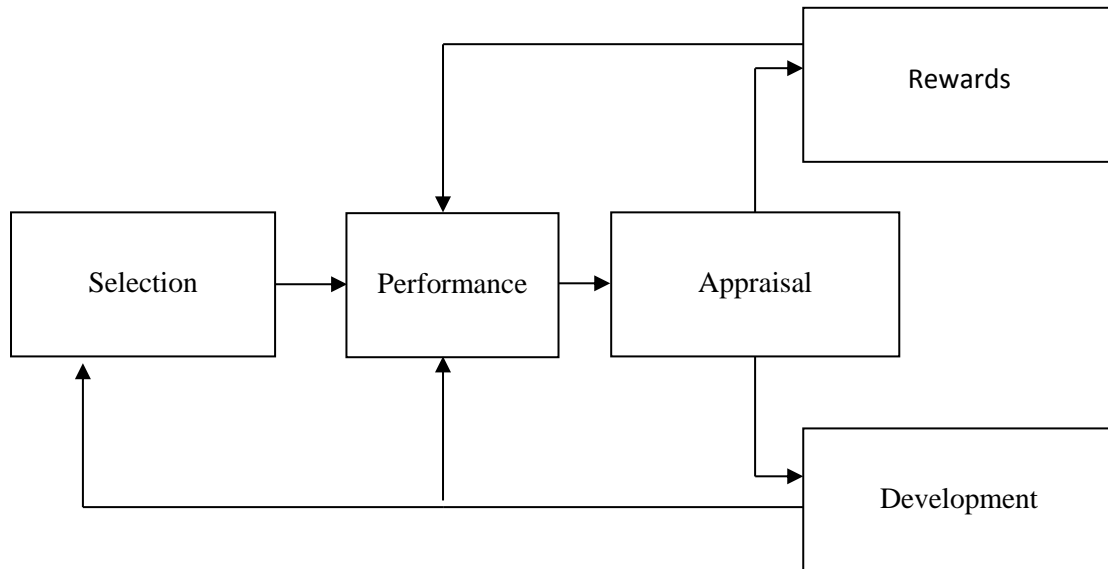
The Michigan Model introduces a strategic human resource management system by linking human resource management with the company's strategy and its organisational structure (Pocztowski, 2003, pp. 23-24). Interest in human resources at a strategic level can have economically significant effects on a company's bottom line (Becker, Gerhart, 1996). The Michigan Model was the result of work performed by researchers from the University of Michigan. They developed a strategic human resource management concept by integrating it with the company's strategy and structure. This model has four main functions (Pocztowski, 1996, p. 14):

- selection of employees,

⁴ Retrieved from <http://www.businessdictionary.com/definition/human-resource.html>, 31 December 2014

- evaluation of the work of employees,
- rewarding of employees,
- development of employees.

Figure 2. Human resource cycle in the Michigan Model



Source: Fombrun *et al.* (1984: 41) 1984 John Wiley & Sons. Reprinted with permission of John Wiley & Sons, Inc.

The combination of these features creates a human resource process for strategic human resources management but is limited only to the implementation of the strategy. Such a created process is likewise applied in tactical and operational management.

In 1981, Harvard Business School introduced human resource management as a compulsory subject for MBA studies, which helped contribute to the creation of the Harvard Model. The Harvard Framework of HRM was developed by Beer *et. al.* (1984). This framework is based on the belief that the problems of historical personnel management can only be solved when managers develop a strategy as to how they wish to see employees involved in and developed by the enterprise, and to determine which HRM policies and practices may achieve these goals. Without adopting either a central philosophy or a strategic vision – which can be provided by the general managers – HRM is likely to remain merely a set of independent activities, guided by its own practices and traditions. The Harvard School suggested that HRM has two characteristic features:

- line managers accept more responsibility for ensuring the alignment of competitive strategy and personnel policies;

- human resources has the mission of setting policies that govern how personnel activities are developed and implemented in ways that make them more mutually reinforcing” (Pattanayak, 2005, p. 5).

Practical application of HRM in organisations can be directed in two basic ways. Firstly, practices focusing on the firm’s expectations of employees (HRM expectation-enhancing practices). Secondly, practices enhancing the employees’ expected rewards and outcomes (HRM inducements and investments) (Shaw et al., 2009).

According to Huselid’s research (1995), changes in human resource management can lead to specific financial savings, up to USD 45,000 per year per employee. Similarly, Jiang et al. (2012) found out that HR systems within human resource management have an impact on the financial results of companies (especially turnover and profit), because they directly or indirectly influence the level of human capital and its motivation. Griffin (2010, p. 435) considers human resource management to be the critical factor in the achievement of an organisation’s success. This author states that managers are aware that the efficiency of HR has a direct influence and impact on the performance of organisations.

The Harvard Model assumes that human resources can affect the result of an adopted strategy by: motivation, trust and community spirit (Pocztowski, 2003, p. 24).

The Harvard Model specifies four areas of human resource management:

- employee participation,
- employee mobility, i.e. rotation,
- reward system,
- work organisation.

It was considered that all of these areas are of interest to the organisation’s employees. Apart from the employees, these areas are important to managers, trade unions as well as shareholders, state agencies and local authorities. It has also been noted that these areas are affected by situational factors including the employment structure, company strategy, management philosophy, market situation, technology and law. They directly affect productivity, collaboration, commitment and indirectly affect satisfaction, efficiency and prosperity, and provide feedback on the organisation’s workers along with situational factors. Integration with the management strategy and coordination of these four areas are the main tasks of human resource management in the Harvard model (Pocztowski, 2003, p. 14). The authors indicate three variants to achieve these objectives, as presented in the table below:

Table 2 Tasks implementation variants in the Harvard Model

Implementa- tion variant	Employee treated as	Employee participation in the life of the organisation	Employees mobility	Employees remunera- tion	Work organisation
Bureaucracy	Subordinate	Official channels	Inside the functional units	On the basis of the position's requirements	A high degree of work- sharing, integration through a hierarchy
Market	Employee	Framework designated by the employment contract	Based on the organisation's needs	Achieved work results	Orders given to specific employees or groups
Clan	Organisation's member	Participation in the project groups, councils, quality circles	Within the organisation – horizontal and vertical	Seniority, competence, shares in the profit of the company	Work merge, self- regulating groups

Source: prepared on the basis of A. Pocztowski, Zarządzanie zasobami ludzkimi, Zakład Narodowy im. Ossolińskich – Wydawnictwo, Wrocław 1996, p.16

An employee is perceived by the organisation in two ways (Pattanayak, 2005, p. 5):

- employee in a material sense as a tangible asset
- employee as a person with knowledge.

The first term describes what is called “hard” management. Here, an employee is perceived as a tangible asset. By investing in a tangible asset, profits are expected to be higher than the investment. The other approach in which an employee is considered to be a person

with knowledge who should be motivated and communicated with is called “soft” management. Nowadays, more often, managers use soft management since a person is recognized as being more than a tangible asset acquired with signing of a contract. Such a person brings to the organisation his/her knowledge, experience, abilities and skills - everything which an organisation needs (Pattanayak, 2005, p. 6).

Creating conditions in which people form a team, and tasks are synergistically implemented, should take place at every stage of the investment and lease of human capital (Andrews, 2011, p. 93). When an organisation loses a part of its intangible assets, it also loses knowledge and skills. These deficiencies may result in a substantial downturn for the organisation. Depreciation of human capital or the exit of several employees from a company, who have significant intellectual capital, may significantly weaken the organisation. Therefore, care should be taken to help people share their key professional assets. One way of attaining success is through the free flow and proper use of information within the company.

The employee’s close involvement and motivation in an international company’s operation boosts its competitiveness in the modern environment. Moreover, workers’ input in processing and implementing company missions and tasks increases the company’s value. It should be noted that each human being is a valuable entity and their individuality and intellectual uniqueness empowers the organisation.

By analysing the aforementioned aspects, it should be borne in mind that hiring employees means the acquisition of valuable assets. The effective use of human capital makes it possible to achieve better leverage of resources. Reducing labour costs is not the best direction. What should be aimed for foremost is achieving an optimal level. This optimal leverage of resources can be achieved through (Pocztowski, 2003, p. 46):

- better use of human resources,
- developing (improving the quality) of human resources,
- improvement through analysing reference points (benchmarking).

Human capital management stimulates creativity and innovation which are the key sources of gaining knowledge, skills and experience. An effectively operating organisation, which uses these sources in an efficient way, responds to the challenges of increasing globalisation. What follows is return on investment, as part of the aforementioned challenges is the growing demand for knowledge, as well as qualified employees with innovation requiring continuous learning. The interaction of all these factors is the basis of the modern

organisations' transformation and human capital is becoming more and more noticeable and coveted by organisations.

To stay in the market, companies must keep on gaining knowledge and, consequently, use it in practice. The development of employees' competencies and strengthening organisational learning processes are very important, as nowadays those are becoming the main challenges for international companies.

1.2. Inter-Cultural and International Management

Management "is a managerial activity, the aim of which is to establish goals and implement them through the use of resources and information processing in the existing environment (social, cultural, legal, economic, etc.) in an efficient and effective manner and consistent with tasks' rationality" (Nowakowski, 2007, p. 23).

Griffin (2010, p. 5) sees the concept of management as a set of activities (in particular planning, decision making, leading, organizing and controlling) that directly focus on corporate resources (human, financial, material, informational) whose utilisation should lead to the fulfilment of the enterprise's objectives, to the achievement of its efficiency and economy. A manager is then directly responsible for the optimum combination of activities and resources in order to achieve the objectives of the organisation.

Of course, management of a multinational corporation is generally more complex. Organization of internal processes must take into account various elements at different levels, whether in local economies, regional districts or individual countries, up to international networks and transnational regulations. Entrepreneurial activity of such subjects is affected by all aspects of social, organisational and economic structures of the globalized world. The practical application of human resource management in multinational corporations may therefore contain a number of deficiencies resulting from these conditions (Delbridge, Hauptmeier, Sengupta, 2011).

According to Schuler, Downing, Cieri (1993), multinational corporations must devote lots of time, energy and financial resources to the implementation of effective human resource management. Reduced spending on human resource management is acceptable only when the share of employees from other cultures (or countries) is negligible.

As pointed out by Schuler, Downing, Cieri (1993), the issues of human resource management is solved in each organisation differently. Its form depends on many diverse factors, whether in the external or internal environment of the organisation.

Integration of local markets and emerging global markets require the existence of “multinational” organisations that are driving the internationalization of business activities. Entrepreneurial activity of many enterprises is gradually shifting from domestic (local) to global operations. Naturally, this shift also requires a change in the approach within human resource management, or in strategies connected with this area. Multinational companies thus become not only the driving force in international trade, but also significantly influence the development of practical application of human resource management. (Thill, Domnanovich, Venegas, 2015).

Patrick and Kumar (2012) consider human resource management as a suitable tool that can eliminate the risk phenomena occurring in the workplace in connection with diversity. Examples include worsened communication, adaptation or approach to changes. Therefore, diversity management must not be omitted in the context of human resource management.

Welch, Tanke, Glover (1988) confirm the necessity to implement human resource management with regard to the diversity of employees, because working environment is becoming very diverse and organisations must be prepared to fulfil various wishes and needs (see below).

This creates a whole new concept of international business which is reflected in the emergence of a new management direction, known as international management.

International management can be defined as “enterprise management, the grounds, processes, instruments and the consequences of which intentionally go beyond one country” (Nowakowski, 2007, p. 136). This management is based on the adoption of specific strategies having an international reach. International companies should look for business models in partners whose companies are established outside their own countries.

Zanko (2003) sees the cause of the rise of human resource management in the development of such market environment, in which only organisations able to adjust to fast-changing market conditions, globalization trends and other factors can succeed. Such companies perceive human resource management as a potentially successful tool.

International human resource management *“has focused mainly on the policies, practices and strategies of HRM practitioners in individual multinational enterprises (MNEs), exhibiting both a managerial perspective and an organisational level of analysis at the cost of wider assessment of the context of employment relations, their negotiated and local nature, and their range of potential outcomes.”* (Delbridge, Hauptmeier, Sengupta, 2011, p. 484)

Schuler, Dowling, Cieri (1993) argue that it is necessary to approach international human resource management strategically, in particular in its three key areas: *“the MNE’s human*

resource orientation; the time, energy and financial resources devoted to operating the human resource organisation in the MNE; and the location of those resources and human resources organisation.”

International management involves making decisions on planning, organising, motivating and controlling.

International management involves conducting business beyond the borders of one country. Due to the increased rate of globalization, privatization and liberalization, we can view the change at our workplace. Also, gone are the days when people of the same age, same professional qualifications, same experience and same religion come together to work in an organisation (Saxena, 2014, p. 78).

The main problems of international management are (Andrews, 2011, p. 72):

- Continuous analysis of the international environment,
- Management based on different cultures,
- Devising and implementing an international strategy,
- Forming an organisational structure for international operations.

“Human resource management (HRM) is the set of organisational activities directed at attracting, developing, and maintaining an effective workforce.” (Griffin, 2010, p. 435)

Each company operates on the basis of a culture. There are many definitions of culture in literature. The concept of culture has been central to anthropology and folklore studies for over a century. Practitioners of these disciplines have produced an enormous body of literature, and during the 1940s and 50s some of their research dealt directly with the customs and traditions of work organisations (e.g., Chapple, 1941, 1943; Dalton, 1959; Messenger, 1978; Roy, 1952, 1954, 1960; Whyte, 1948, 1951, 1961). This trend was paralleled in sociology by Jacques (1951), among others, who wrote about the culture of the factory (Hatch 1993, p. 657). Although organisational culture studies began to appear around the early 1970s (Clark, 1972; Pettigrew, 1973; Trice, Belasco, & Alutto, 1969; Turner, 1973), it was not until the 1980s that management scholars widely adopted the culture concept (Deal & Kennedy, 1982; Kilmann, Saxton, Serpa, & Associates, 1985; Ouchi, 1981; Pascale & Athos, 1981; Peters & Waterman, 1982; Sathe, 1985). In this regard, Schein (1981, 1983, 1984, 1985) was especially influential, because he, more than the others (including anthropologists and folklorists), articulated a conceptual framework for analyzing and intervening in the culture of organisations (Hatch, 1993, p. 657).

Another explanation of culture is that it can be defined as a product of human thought and work or as a whole of the material and spiritual heritage passed down from one

generation to another (Smolski, Smolski & Stadtmüller, 1999). Glinka describes culture as: "Overall objectified social acquis elements, a common range of groups and due to their objectivity are defined and able to extend spatially" (Glinka, 2011, p. 98). The most important elements of culture's characteristics include (Glinka, 2011, p. 99):

1. Culture reflects learned behaviours, patterns of which are transferred by one community's member to another, frequently older generations to younger ones. In this learning process, positive and negative reinforcements are applied, i.e. rewards for conduct consistent with the established patterns, and penalties for behaviour inconsistent with them. These reinforcements are also part of the culture.

2. Culture consists of any social artefacts, which are characteristic of a given community, ranging from; tangible objects through art and knowledge in various forms, social institution's, formally codified and non-codified standards of conducts, values (i.e. the criteria which help to distinguish good from evil and desirable from undesirable states), language, religion, myths, symbols, rituals, attitudes and orientations. These incredibly diverse elements have some coherence within specific cultural systems.

3. Since culture is transferred in the social learning process (socialisation) it is subject to change, including changes resulting, directly or indirectly, from inter-cultural contacts. A clearly noticeable example is the cultural differences between Eastern and Western Germany. These discrepancies are almost entirely attributed to international contacts of these two societies during the division of Germany (Sułkowski, 2010, p. 32). The inter-cultural contacts' intensification is one of the basic elements of globalization. For example, it is at the root of the Americanisation of cultures of many societies. Strong cultures adapt external influences to the requirements of their own internal cohesion, i.e. by changing them in their own particular way.

4. A certain cultural hierarchy could be mentioned, as well. On the one hand, some cultures are more closely related than others and sometimes they form civilisations.

Griffin (2010, p. 156) considers adapting to different cultures in the implementation of intercultural management to be one of the greatest challenges of today's business world and a challenge for contemporary multinational companies.

In the research of organisations, a very important concept is that of organisational culture.

Cultural awareness is one of very important aspects in international human resource management. In this case, cultural awareness becomes a tool for the improvement of quality of processes of human resource management, but of course, it must be used purposefully and

deliberately. In particular, it is an important characteristic of managers, as it helps them better understand the differences between the members of their work teams, if they come from different cultural backgrounds (Welch, Tanke, Glover, 1988).

The culture of an organisation consists of three interconnected levels (Krzykała-Schaefer, 2010, p. 132):

- artefacts and artificial human artefacts, such as: technology, art and noticeable conduct patterns (organisational etiquette, rituals, procedures);
- values, in other words, that which is accepted in a particular community as criteria for assessment of people, states and things;
- basic assumptions about the meaning of human activity in relation to the natural environment, time, space, other people and social groups.

The first level of the organisational culture can be fully realized and observed, the second level only partially, but the third level is hidden in the subconscious. It determines the second level which, in turn, defines the first level. The organisational culture is deeply influenced by culture or national cultures (Krzykała-Schaefer, 2010, p. 133). However, many companies have managed to create strong organisational cultures that sometimes dominate or at least considerably modify cultural patterns determining conduct of their employees. There is good reason there are "IBM people", "General Electric people", "Toyota people" or "Volkswagen people." People referred to in this way have some common features (their clothes, behaviour, vocabulary and work environment are oftentimes easily noticeable) regardless of their nationality or place of residence or work.

Each country has specific expectations and requires particular responses and behaviour. It is precisely the intersection of these expectations that allows companies to exist. Organisational roles entail both certain actions and attitudes referring to these activities. Each international company has its own internal discipline and proceedings. The role forms and shapes both the action and the person performing this action (Berger, 1998, p. 95).

Each organisation has clear-cut norms, values and attitudes which are accepted by the majority of employees. These are uniform systems which can be specified as culture. They exist as long as its components are accepted by the group members of a given community such as employees. Some organisations achieve great success thanks to culture. Overall, these are the companies that unite, stabilize, reduce uncertainty and most importantly, help to find ways to solve problems.

A business can be interpreted as being an integral discipline of knowledge which is necessary to be acquired by a company facing challenges posed by a business operated in either a home country or abroad (Nowakowski, 2005, p. 12). Business culture addresses questions regarding the features of a decision or proceedings on the market towards other trading partners (Ricken, 2001, p. 3). It should be noted that culture in business stipulates a set of issues related to business ethics, or in other words, a set of all standards and values reflected by the professional environment. There are several levels of business culture:

- micro level reflecting the behaviour level of people who are engaged in a commercial activity,
- intermediate level representing the level of a company's activity,
- macro level reflecting the economic system in a given country.

Any company operating on the national and international markets must comply with the strictly defined patterns or standards of that particular country. A company operating on the international market should also ideally act ethically towards other trading partners.

The company's culture creates a sense of responsibility formed, *inter alia*, by trading partners. Employees and managers must be aware that in the business world there are some specified standards which cannot be infringed upon. All business actions may cause economic, legal or ethical problems. These mostly include relations with employees, pricing and production, but also client acquisition, promotions and advertising.

HR managers of multinational corporations must become experts in labour markets in countries where their company will operate. Therefore, they must improve their expertise continually, in particular in the context of human resource management, trade and labour legislation (Thill, Domnanovich, Venegas, 2015).

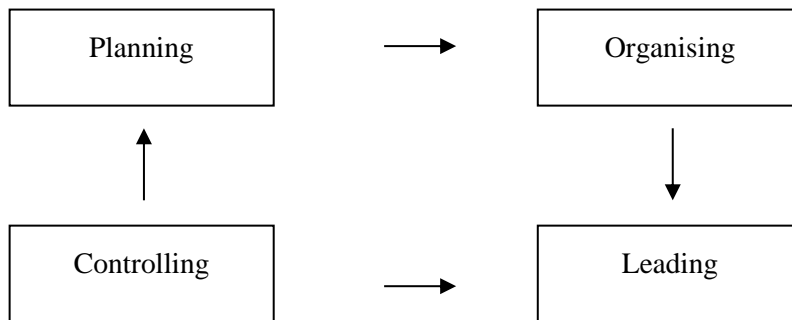
Business partners should realise what is culturally considered to be 'good' and what is considered as 'bad' or 'evil'. Every culture requires application of all moral principles and, more importantly, fair treatment of employees and trading partners. Intercultural management is focused on "organisational conduct in international relations and relations with people coming from more than one culture who act within the framework of organisational roles. Intercultural management is based on the assumption that culture influences the performance of these roles. Hence, it is a form of operation within a culture (Rozkwitalska, 2011, p. 44)". It definitely involves taking certain actions in the company's social area.

It should be noted that international market converges organisations of different cultures and various management models. Any differences may easily lead to many problems

and conflicts. It is important to learn about the specific features of a company with which we wish to collaborate. In addition, it should be noted that knowledge of an international culture can significantly increase competitiveness of the organisation on the international market.

There are four elements of international management that improve the entire process:

Figure 3. Elements of international management process



Source: A. Jarczewska-Romaniuk, *Przedsiębiorstwa międzynarodowe*, Oficyna Wydawnicza Branta, Bydgoszcz-Warszawa 2009, p. 37

Planning involves setting goals and creating any activities related to the implementation of these objectives. Planning includes objectives, means and time. Organising involves specifying detailed tasks, responsibilities and setting deadlines. Leading means coordinating and overseeing the whole process. The last element of the overall management process is controlling, which determines the degree of implementation of the entire process.

According to the research of Thill, Domnanovich, Venegas (2015), the most problematic areas in the context of intercultural (international) human resources management are: recruitment, compensation and benefits, talent management. These areas of human resources management must be tailored to the specific needs of given (local) labour markets. This means that there are various differences between these employees. For multinational corporations, it is then preferable to adjust human resource management to the local conditions.

Human resource management must then be adapted to further differences that exist between employees. For example, differences in gender, race, ethnicity, etc. The following sections of this thesis discuss diversity in more detail. HRM is a more complex and complicated matter in multinational corporations than in local enterprises.

On the other hand, multinational organisations are able to attract job seekers more easily than local companies. The reason is that they offer career opportunities and incentives for employees to a greater extent (Thill, Domnanovich, Venegas, 2015).

The necessity of accepting diversity in the context of human resource management is going to grow even more in the future. According to Jannsens and Zanoni (2005), this is indicated not only by the development of market environment and globalization, but especially by the trend development of socio-demographic environment.

Mathews (1998) considers diversity management as one of the fundamental principles of human resource management. This is due to the development and evolution of both areas that are closely intertwined and require solution as the organisation extends its activities on foreign (global) markets. Both approaches are similarly important, as well as their implementation and desired effectiveness.

Human resource management must address the issue of diversity of employees (especially in multinational corporations). Strategic human resource management must deal with the issues of diversity and the possibility of its implementation, i.e. to create an own sub-strategy for diversity management, as well as its successful implementation into the environment of the organisation. Integration of human resource management with diversity management is gradually becoming a huge challenge for HR managers in all global enterprises (Mathews, 1998).

Prasad and Mills (1997) consider the factor of diversity within human resource management as a kind of “black box”, which is often discussed, but practical and effective solution is often lacking in organisations. When creating human resource systems, diversity cannot be omitted, because it is a crucial element in every multinational organisation. This will be explained in more detail in the following section of the thesis.

The role of human resource management in international environment is gradually changing. This is demonstrated by the research of Thill, Domnanovich, Venegas (2015). While the administrative role was primarily fulfilled, HRM work today is mainly about communication and HR department becomes a strategic partner in the achievement of strategic objectives.

The level of human resource management is significantly affected by the culture, whether it is a general concept or a specific corporate culture. This is confirmed by the research of Zanko (2003), who discovered that there are differences in the approach of American managers, Australian managers, Canadian managers and Hong Kong managers to the issues and application of human resource management. Among others, differences manifest in the importance attributed to human resource management, as well as in its practical implementation in the organisation.

The study carried out by Carr and Pudelko (2006) had a similar theme. Their research was focused on the differences in the management of companies based in the United States,

Japan and Germany. Human resource management was one of the investigated areas – the practical application of human resource management within the context of recruiting, training and developing employees, career management, rewarding, communication with employees, management style, as well as the way of leadership. There are certain differences in practice applied in individual countries. Although there is a noticeable tendency of Japanese companies to adapt practices used in the United States, cultural and institutional obstacles prevent the adoption of human resources management practices in entirety. A key research finding is that there are differences in the application of human resource management in these countries, but at the same time managers do not resist inspiration from foreign examples (Carr a Pudelko, 2006).

It follows that the concept of human resource management is constantly changing. One of the newest and latest concepts is known as human capital. It is true that every company can take an example from another company, and thus they can help each other in search of new opportunities for the application of a more effective human resource management and utilisation of human capital.

1.3. Culture of an organisation and its impact on management

Culture is closely related to values. Each person experiences the existence of values which they can either live by or reject, which all depends on people, their experiences, aims and plans. Values are the foundation and basis of our lives; they are extremely important for human's cognitive activity and essential in formulating attitudes when choosing and justifying any action.

The issue of values is of great interest for sociologists because values play a significant role in the process of the human's individual and social development. In society, they constitute standards for thinking and establish matters which are considered to be priorities. When adopted by an individual or a social group, values affect needs, goals and the means chosen to achieve defined objectives (Mariański, 1989, pp. 225-226). Modern times are characterized by a crisis of values which is noticeable both in private and public life. A discernible lack of internal cohesion in the value system is the cause of confusion and loneliness for many young people in their surrounding reality (Frączek, 2002, p. 11). The rejection of many traditional values may lead to chaos and confusion. In such situations people find it difficult to distinguish between good and evil. Values are the subject of interest for many scientific disciplines and which will be presented further in this thesis.

The term "value" is a universal concept, but it is also an obscure and ambiguous term. Its understanding depends on the definition by any particular scientific or philosophical discipline. The term is derived from economic terminology. Previously, it was used in a hidden manner in theology and philosophy under the name of "good" (Zaręba, 2003, pp. 23-24). Discussing the issue of values has both moral and social implications. In fact, it is possible to observe a distinct deficit of role models, ideals and spiritual values occurring globally. For that very reason it is important to raise these issues.

Sciences such as: law, economics, psychology, theology and sociology take into account various aspects of values. From their varying perspectives, the term value applies to desirable things and things worthy of desire. Thus, they are related to relative values subjected to personality, culture, society, economy and politics. Examination of the relative values does not invalidate the existence of absolute values, but even in some ways it embraces them (Mariański, 2006, p. 333).

Values from a sociological point of view relate to the fundamental, central and at the same time, general expressions of aims and orientation of life within social groups, cultures, societies and the entirety of humanity. Values are historically and culturally variable. They depend on the set of relations in society and to a large extent they reflect them (Mariański, 2006, p. 335).

The first attempts to classify values date back to distant times and they were not usually scientific. Primarily, religious or philosophical beliefs were used as criteria. Currently, a criterion for the division of value as a function can be used as well as its relation to social phenomena. The following value division is frequently applied (Żygulski, 2000, pp. 221-222):

- measures (instrumental) that do not directly affect the course of action and are noticed when a person strives to pursue an objective,
- values - targets (intrinsic) that shape human action, direct aspirations and constitute a criterion for making choices.

A division of declared, believed and practiced values is also noticeable. In theory, there should not be any differences between these values, but in practice the situation is slightly different. Commonly, declarations made by people are not reflected in their behaviour (Żygulski, 2000, p. 222). According to the sociological dictionary, values are defined as: "ideas, phenomena, material and intangible objects, things, people, groups, etc. positively or negatively evaluated or approved or denied" (Olechnicki, 1997, p. 239). Values are therefore one of the main determinants and objectives of people's actions.

The system of values also affects the evolution of culture. It should be noted that cultures in various countries are distinctly different. Some people accept and specify a practical and substantive approach to work, while others distance themselves from their responsibilities. Understanding these cultural differences makes it easier to operate in the world of international business.

Company management, and in particular, the employees' management and control are highly difficult tasks. Developing an appropriate strategy for a company is problematic for managers, but implementation of a good strategy can bring about huge success. However, the biggest problems faced are naturally caused by people. One reason for this is employees' behaviour is deeply affected by the standards of conduct which are subtly or less subtly imposed by the dominant culture.

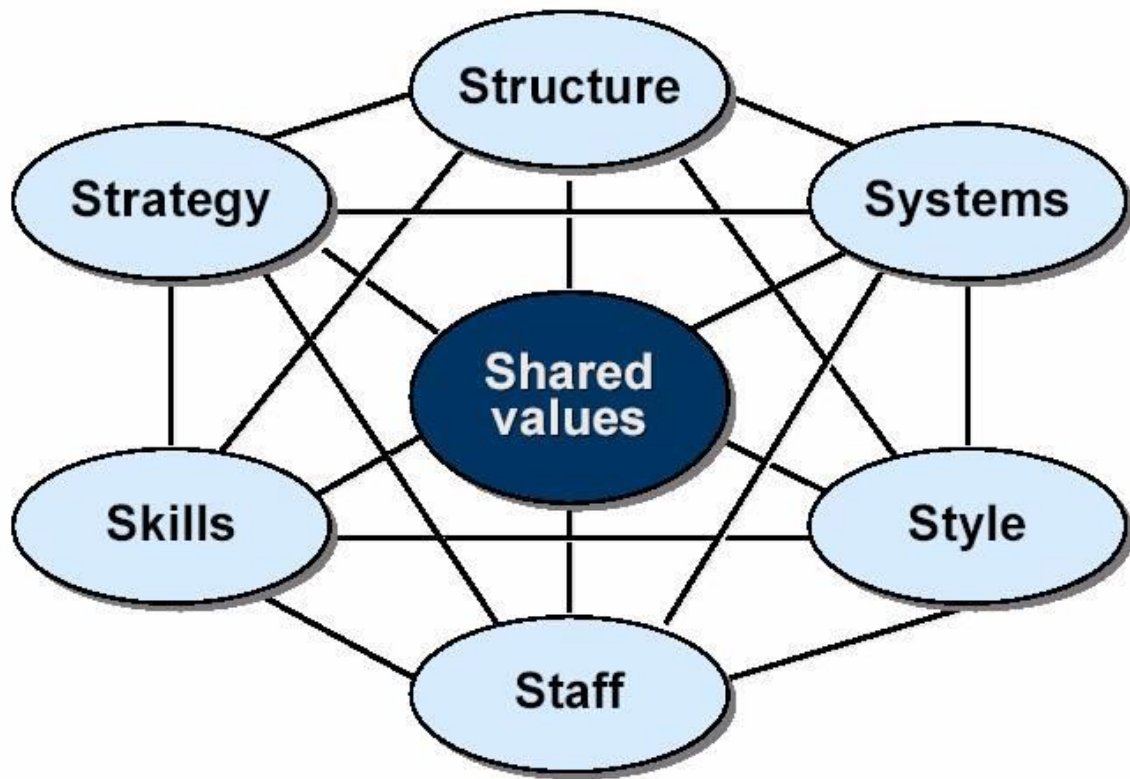
The starting point of strategic decisions in business is usually a consideration of money, marketing, operations and structure. However, the strategy of successful implementation requires an integrated approach in which the planned management includes culture and behaviour in their decision making. This problem has been briefly formulated by Colin Carnall: "The effective management of change is related to the ability of creating new syntheses embracing people, teams, resources, ideas, opportunities and needs. The manager needs the skills of an orchestra conductor. What is important is vision and creativity is of great relevance" (Cameron, 2004, pp. 11-112).

In the 1980s, when deliberations regarding changing organisational culture became fashionable, "culture" became a catchy slogan in managerial circles. For the most part, the reason was the great success of Japanese producers and the assumption that their success was partially due to the positive impact of the national culture and company's culture. The book entitled *In Search of Excellence*, by Tom Peters and Robert Waterman deals with the organisational culture. The authors came to the conclusion that the success behind the best American companies lies in the sharing of common values by all employees. They found that managers of Western companies, especially those in Europe, put too much emphasis on the "hard" elements of strategic decisions, namely issues of structures, systems and the strategy itself. They however ignore the "soft" elements and therefore undervalue employees, their personal styles and qualifications, as well as ignore in their strategy a crucial element for the efficient organisation of any operation, which are common values.

Meanwhile, the advantage on the market achieved by American and Japanese companies comes mostly from their long-term tradition of incorporating in their companies' policies "soft" elements. This is made clearly visible in the figure below developed by

McKinsey company's analysts called the "7-S Framework" (structure, systems, strategy, staff, style, skills, shared values).

Figure 4. 7-S Framework of McKinsey



Source: http://www.valuebasedmanagement.net/methods_7s.html, 19 December 2014

Waterman and Peters have been frequently criticised. They have been accused of applying their principle as "the only right way" for management. Their opponents argue that such a principle does not exist since what might be most appropriate for one organisation is not necessarily a good solution for other companies.

From a psychological viewpoint, Ed Schein perhaps offered the best definition of culture. According to him, culture determines "the basic assumptions invented, discovered or developed in a specific group while learning how to deal with problems of internal adaptation and external interference" (Schein, 1983). While Cotrove believes that the term culture is defined by "common standards and values of the members of any social system."

An ideal synthesis of these two ideas gives the following definition issued by Wilson Rosenfeld: "Culture is the basic values, ideologies and assumptions which guide and shape an individual and company's behaviour. These values are apparent in more quantifiable aspects, such as the company's legends, rituals, language, jargon, offices decoration and arrangement

or personnel dominant dress style” (Amos, 2009). The concept of Elliot Jacques, who stressed the importance of culture for the business organisations, is also worth mentioning.

His concept was based on his own experiences and research conducted at a large machinery factory in North-Western London in 1951. He claimed that culture is a way of thinking, but also activities accepted and respected by the majority of the organisation’s members. For such employees, culture becomes part of their second nature. They feel very close to the organisation they work in. However, to the best of the authors’ knowledge, nowadays, most economists rely upon the indicators computed by Geert Hofstede who was the first to introduce the concept of dimensions of national cultures and compute usable quantifications of such (Strielkowski & Čábelková, 2015, pp. 658-659). At least part of the organisational culture comes from the national culture of the country concerned. Resulting cultural differences impact the functioning of any particular organisation. Hofstede suggested in 1984 to distinguish national cultures on the basis of four main factors (Hofstede, 1991, p. 14):

- distance to power,
- degree of uncertainty avoidance,
- individualism-collectivism
- and masculinity-femininity.

Power distance is a degree of social inequality, described in such categories as power, prestige and wealth. It is a measure of importance attributed to these inequalities by members of a particular culture. In cultures where there is a large power disparity such as cultures where there are significant differences especially between those who are at the top and at the bottom of the hierarchy, inequalities become more apparent between managers and subordinates. In such cultures, subordinates are unlikely to question decisions made by their managers. However, in low power distance cultures, there are relatively flat hierarchies and subordinates can more freely participate in discussions with their managers. Many countries in South America and some in South-East Asia (e.g. Malaysia and Indonesia) have a very high distance of power, unlike most European countries, which record a relatively low power distance.

The degree of uncertainty avoidance is the extent to which ambiguity and uncertainty are tolerated. Cultures with a high degree of uncertainty avoidance seek methods to avoid any uncertainty. This is often accompanied by a more bureaucratic attitude by organisations in which formal rules are predicted for all eventualities. Cultures having low uncertainty avoidance can do without these rules. Countries with high uncertainty avoidance include

Greece, Portugal, Belgium, whereas countries with low uncertainty avoidance include Great Britain and the Scandinavian countries.

Individualism and collectivism - this refers to the degree to which loose or strict bonds of the social make-up are proffered. In "individualistic cultures" bonds between individuals are loose. People are expected to take care of themselves and their families. In "collectivist cultures" individuals join bigger groups, which protect them and they feel responsible for; most of South America countries are examples of such cultures.

Masculinity - femininity. I find this point most interesting and hence, I decided to give it more attention. Each society has, more or less an equal number of women and men. Men and women obviously differ biologically. The average man is bigger and stronger, but there are also women who are stronger than men. It can also be observed that women are more agile than men and have a faster metabolism. Biological differences between women and men are the same around the world. Each culture in the world assigns certain social roles to women and others to men. However, what is considered to be typically "masculine" or "feminine" is predominantly dependent on the culture of a particular area. In the remainder of this work I shall use the terms "masculine" and "feminine" to describe culturally determined social roles. In theory, a man can behave in a feminine way and a woman in a male way. Nonetheless, such behaviours are usually perceived as unconventional in most societies.

The division into masculine and feminine behaviour is differentiated in both traditional and modern societies. It is clearly illustrated in the role of female and male professional activities in certain jobs. For example; women constitute a substantial majority of doctors in the countries of the former Soviet Union as well as among dentists in Belgium and shop-assistants in West Africa. Men, on the other hand, represent a significant part of nurses in the Netherlands. In Japan, there are practically no women in managerial positions unlike the Philippines or Thailand where many managers are women. Yet, there are some common features, which every man is expected to have irrespective of the country of residence. Men are expected to have achievements outside home. In traditional societies, these achievements included hunting and fighting, while in modern societies, the emphasis is more about economic success. Men are expected to be assertive, competitive and tough. Women are traditionally expected to do something completely different - they should take care of home, children and interpersonal relations. Moreover, they are expected to be caring and sensitive.

Why are there such particular patterns? After all, the situation could be completely different. Actually, there is one simple reason behind this: firstly, women give birth, breastfeed and later stay at home to be close to the children. Men, on the other hand, have

relatively more freedom. Such patterns have consolidated over the centuries, as they have been passed from one generation to another. In such a way, the minds of young people are programmed for their entire lives by what has been inculcated in them by their parents and society.

IBM Company conducted a research survey which asked the following question: "If you could specify an ideal workplace, which factors do you consider the most important?" Analysis of the answers allowed the researchers to separate two of the already described pairs of notions: individualism and collectivism as well as masculinity and femininity. Hofstede obtained comparable data about culturally determined values from 50 countries and three multicultural regions, which made the dimensions of their differences, stand out quite clearly (Hofstede, 1991, p. 14).

The most common answers given by men included (Hofstede, 2000, p. 139):

1. Earnings – the ability to earn high revenue.
2. Recognition – the possibility of achieving success due to recognition for properly performed work.
3. Promotion – the possibility of promotion to higher positions.
4. Challenge – motivating and ambitious jobs.

While women emphasised mostly (Hofstede, 2000, p. 139):

1. Relations with superiors – good relations with a direct superior.
2. Cooperation – working with people focused on collaboration.
3. Place of residence – work providing the opportunity to live in a place suitable for an employee and their family.
4. Employment guarantee – a sense of security connected with permanent employment.

These results indicate that men pay attention to earnings and promotion, while women pay more attention to relations with their superiors and cooperation. The importance of earnings and promotion corresponds to the assertive and competitive social role of men. On the other hand, women's statements confirm the role of women as attentive carers who are concerned about good relations with others.

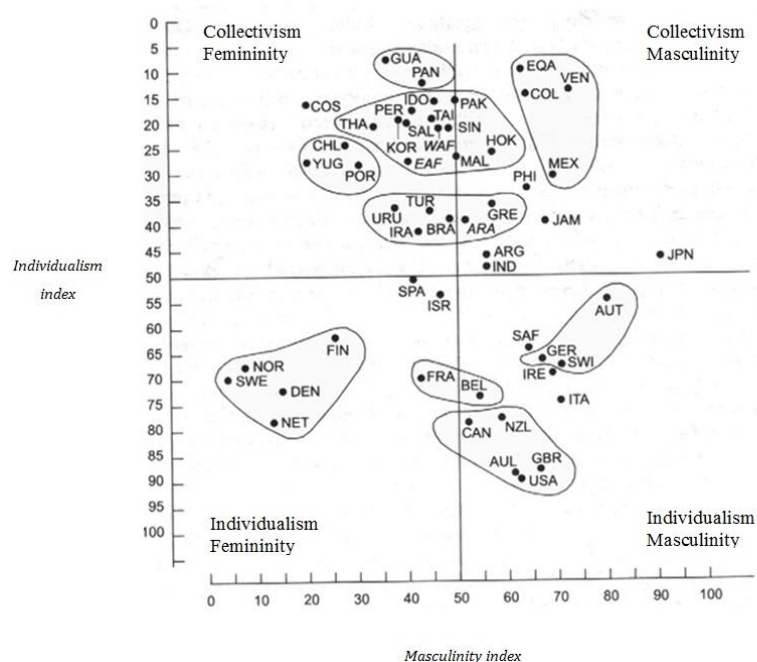
Male societies are societies in which social roles related to gender are clearly defined, which means that men are expected, as mentioned previously, to be assertive, tough and oriented towards economic success, while women are expected to be modest, sensitive and caring. "Femininity" is characterized by the societies in which social roles intersect, meaning that both women and men are expected to be modest, sensitive and caring regarding the

quality of life. Research by IBM measured the masculinity index (MAS) for 50 countries and 3 regions. A factor analysis was used which gave an automatic location of each country on the scale. The results obtained were multiplied by 20 and 50, so as to be included in a range commencing from 0, for the most feminine countries, to 100, for the most masculine countries.

The higher the masculinity rate in a particular country, the “harder” the values are for both, men and women. In the majority of “feminine” countries, such as Sweden and Norway, values stated by women and men were very similar. In Japan and Austria which are the most “masculine” societies, men demonstrated extremely masculine features while women moderately masculine. But the difference between men and women in the shared values in these countries was the most profound. Generally, values shared by women in particular countries were less diverse than men’s. Masculinity and femininity were not related to the country’s wealth. Among the rich countries there were both masculine and feminine countries.

The four most feminine countries (rated 50 to 53 - the higher the position, the more “feminine” the country) are Sweden, Norway, the Netherlands and Denmark. A high or medium level of femininity was also seen in some Latin countries: Costa Rica (48), Chile (46), Portugal (45), Guatemala (43), Uruguay (42), Spain (37), France (35). Other considerably feminine countries include: Serbia and Montenegro, Thailand (44), South Korea, East and West Africa (39 and 31 respectively), Iran (35), Taiwan (3), Turkey (32) and Indonesia (31). The most masculine countries rated were Japan (1) and some European countries: Austria (2), Italy and Switzerland (4) and Germany (9). A high rate of masculinity was also seen in several major Latin American countries from the Caribbean basin: Venezuela (3), Mexico (6), Colombia (11) and Ecuador (13) and of a slightly lower rating, Argentina (20) (Hofstede, 2000, pp. 141-142). These countries were analysed using the coordinate system, in which one axis is the individualism rate of a particular country and the other axis is the masculinity rate (Hofstede, 2000, p. 161).

Figure 5. Individualism/Collectivism – Femininity/Masculinity



Source: Hofstede, G., *Kultura organizacji i zarządzania*, W-wa 2000, p. 141

“Masculinity” and “femininity” are manifested in various areas of life including management and work. In the United States, as well as in other countries (e.g. United Kingdom and Ireland), life and work’s conflicts are often solved in accordance with the rule - may the best man win, which implies confrontation of forces. However, in feminine countries conflicts are more often solved through compromise and negotiations. Of paramount importance here, are how the trade unions co-decide the fate of a company. The role of the workplace in an employee’s life is markedly different as well. The masculine societies endorse the work ethic principle of - live to work, while feminine societies - work to live.

In feminine societies professional ambitions are irrespective of gender, which means that in responses given by women and men the need for a professional career was similar. In masculine cultures, men are expected to make progress in their careers and achieve professional success while women do not have to pursue their careers, they decide for themselves because there is not as much pressure to do so in masculine societies.

Another important element is “work humanisation”, which is again perceived differently in these two cultures. In a masculine culture it means emphasising employees’ achievements and creating greater opportunities for promotion and competition. In feminine cultures it entails creating more opportunities for interpersonal contact and mutual help

(Hopkins, 2009, p. 41). In both cultures, the model of an ideal manager is quite similar. There are however some substantial differences. A common feature is that managers should be competent, intelligent and willing to undertake initiatives. Moreover, in the masculine societies a manager should be assertive, aggressive and easily and promptly make decisions. In feminine cultures, a manager is intuitive and agreeable but less noticeable. Masculine industrialised countries are distinguished by large-scale production where their products are of high quality and quickly produced. Feminine cultures dominate in services (consulting and transport), production of customised products, highly-efficient agriculture and biochemistry.

2. Diversity

2.1. Definition of Diversity

The concept of diversity generally refers to variety or richness. For example, in ecology it expresses ecological stability of landscape and ways of landscape use (Maier, 2012, p. 119). Diversity is beneficial in the environment of organisations, because it guarantees variety of attributes relevant to work roles or tasks, but also diversity of employees in terms of their characteristics such as age, gender, nationality, social status or personality (Franková, 2011, p. 129).

This concept of diversity is important and must be studied also within scientific or educational activities. A wide range of experts are engaged in usefulness of diversity.

Diversity is of great benefit, because every nation (ethnicity, race, etc.) contributes with unique ideas to the discussions, the atmosphere of the meetings is different from discussions of only representatives of one nation (Kazdová, Strobach, 2016).

Diversity means different opinions, different perspectives in search for creative solutions, it becomes the means for finding new advantages resulting from cooperation with different groups of people. That is why the concept of diversity management was created, which is applied in corporate practices.

Diversity management means creating jobs and working conditions with regard to natural diversity of employees (Šikýř, 2014, p. 76). It is the only approach in the theory of management, which offers the solution to the issue of equal opportunities for men and women, or minorities, and this in a conceptual way. Organisations applying diversity management deliberately create teams of workers who consist of people differing in age, race, gender and nationality (or other characteristics). The purpose of this activity is to maximise the potential of the diversity of the workforce (Šnýdrová, 2006, p. 78).

The authors suggest that diversity management is becoming a trend which cannot be ignored and which will continue to develop. The next subhead provides an answer to the question: What categories of diversity exist?

2.2. Categories of Diversity

For the purposes of this thesis, as basic categories of diversity will be considered racial, ethnic, gender and age diversity.

Racial and ethnic diversity

Racial and ethnic diversity in the workplace affects workers who belong to different races or ethnicities. It is natural that enterprises who constantly expand their activities and cover increasingly large markets in terms of geography must adapt their strategies and processes to employing different races and ethnic groups.

Employment of racial or ethnic groups can significantly contribute to the implementation of highly efficient business activities, particularly those related to specific ethnic or racial characteristics. For example, advertising campaigns for specific ethnic groups, introduction of new products, improvement or redesign of existing products exactly for the purposes of specific ethnicities or races, i.e. according to the detailed and individual wishes and needs of customers. Racially or ethnically diverse teams facilitate the implementation of new methods and processes, including a higher probability of identifying and taking advantage of market opportunities (Cox, Blake, 1991).

Racial/ethnic diversity in the workplace creates a space for the establishment of a more competitive environment. This is best seen in racial diversity used by managers. Greater racial diversity provides favourable conditions for individuals who have different knowledge and thus can contribute to the exchange of findings and information. The enterprise then benefits from high-quality knowledge base in identification and taking advantage of market opportunities and in competitive fight. Basically, racial diversity helps to more efficient implementation of various activities of the enterprise (Richard et al., 2000).

Racial/ethnic diversity in TOP management leads to cost savings (ideas for innovations come from the corporate environment), improves marketing activity, increases creativity and innovativeness, flexibility of development and sale of products. (Cox, Blake, 1991). In this way, racial diversity enables enterprises to compete intensively in fast-growing industries. While the ability of companies to compete in slower-growing industries is lower, i.e. results from other sources of competitive advantages (than racial diversity). Of course, this finding can also be caused by the character of fast-growing industries, where competitive intensity stimulates enterprises to employ managers under various conditions and competitive intensity puts higher expectations on their performance (Richard et al., 2000).

Therefore it is not possible to determine directly, in what level diversity management contributes to the successes of a company. However, we can state that there is a certain positive effect, which is indicated in the outputs from other research works (outlined in the subsequent parts of the thesis). At the same time it is important to mention that there are

certain barriers preventing relevant execution of the research about the benefits of particularly ethnic diversity.

Individual ethnicities differ from each other in many complex characteristics, which complicates the research of contribution of ethnic diversity for the final work activities. Any quantification of data is rather difficult in this case (Leslie, 2014).

Still, it is desirable to monitor and evaluate the contributions of ethnic diversity.

For example, ethnic diversity is one of the dominant characteristics of workplaces in the United States. Achievement of positive results in the management of these groups then becomes one of the main challenges of present time (Leslie, 2014).

This trend can manifest increasingly in the future, therefore it will be desirable to explore ethnic diversity more thoroughly.

Gundelach (2014) notes that when examining ethnic diversity in professional circles, the factor of general trust in a diversified working group is often neglected. Also World Values Survey explored this question, especially if there is trust in persons from other nationalities and in persons from other religions. Approximately 60 % of people trust (definitely or rather) persons of another nationality or another religion (Gundelach, 2014).

The assumption that people (employees) come to the enterprise from a specific environment (their personal life) is often neglected in diversity management. However, this environment can influence to a great extent, whether diversity management will work efficiently in the enterprise. Human reactions to diversity can be fixed and stereotyped (e.g. from childhood within bringing up). Of course, then it is difficult for the company to enforce diversity. Also problematic is the examination of the views of diversity in own employees (how to identify that an employee dislikes another ethnicity? And how to eliminate this situation to prevent harm to the organisation?) These are questions that must be answered in resolving the issue of diversity management.

In his research, Gundelach (2014) came to the conclusion that ethnic diversity has a positive impact on trust in a diversified working group (or the credibility of its work results), but especially in countries where ethnic diversity is a stable national characteristic, i.e. it is common there. Mostly these are developed and prospering countries where many ethnicities migrated in the past (Gundelach, 2014).

This essentially relates to what was already stated in the previous paragraph. The outcome from Gundelach's research (2014) suggests that people in some countries are more tolerant to other ethnic groups than in other countries, which affects the results of work of ethnically diverse teams.

Racial diversity helps to efficiently implement various activities of a company. For example, racial/ethnic diversity increases its ability to recognise the possibilities of development and discuss these opportunities internally. A more significant proportion of managers from different racial and ethnic groups on every organisational level is a contribution, especially if companies operate in a highly competitive environment (Richard et al., 2000).

Specific benefits are rather based on employing different races or ethnicities, i.e. having different views of solution to various problems. Such a situation is advantageous for the enterprise.

Chrobot-Mason (2004) focuses on the management of racial diversity as a new challenge for the management in the 21st century. In her research she examined the levels and effects of racial diversity among 2 290 respondents in the United States. This author found out that race and ethnicity are an important factor which must not be neglected in the context of management. Ignoring the management of racial and ethnic diversity can cause losses to organisations. This author recommends especially “diversity training” (Chrobot-Manson, 2004).

Diversity training can be one of the tools that can be used for better implementations of diversity management in an organisation.

McKay, Avery, Morris (2008) in their research among 6 130 workers from 743 retail outlets in the United States point out that there are differences in performance between workers on the basis of their ethnicity or race. Work performance of Whites is better than of Hispanics, but not better than of Blacks. Racial and ethnic differences affect especially the performance of employees in organisations that do not implement diversity management to a large extent. Financial analysis then showed that sales of retail units grow depending on how strong is the position of diversity management in the organisation. Although this dependence is not high, it exists (McKay, Avery, Morris, 2008).

However, what is the best way to explore diversity? This question, of course, is addressed also by professional sources.

Kenny, Briner (2007) emphasise that qualitative research is the most suitable for the research of ethnic diversity and racial diversity. This type of research can better describe an individual’s behaviour, gain information about his experiences in the workplace and evaluate the impacts of the situation in the workplace on his personality and decisions. Qualitative research enables to gain a wider view of the role and experience of not only ethnically diverse staff.

Andrevski et al. (2014) examined the link between racial diversity and performance of the company (his market share gain and average stock return). It was proved within the research that there is a connection between these factors, because *“racially diverse management groups compete more intensively and perform better when they compete in munificent environments.”*

The research by Andrevski et al. (2014) confirmed the assumptions suggested by Cox a Blake (1991). In particular:

- Racially diverse organisations are able to take advantage of economies of scale and offer effective sales promotion events.
- Racially diverse companies have a better marketing activity in the area of seeking new ideas and opportunities, as well as in a more efficient communication campaign, e.g. when entering the market with new products.
- Racially diverse companies are more flexible, which accelerates product development and facilitates the launch of the new product on the market.

Gender diversity and age diversity

Hernandez-Nicola, Martín-Ugedo, Minguez-Vera (2015) put into context the issue of gender diversity (equality of sexes) with the performance of small, start-up type enterprises in Spain. As is clear from their findings, this type of companies has a lower level of debt if it is managed by a woman or if the management is gender-balanced. According to the authors, the reason can be a greater aversion of women to risk. Another conclusion was that gender-balanced top management or a woman in the position of a general director causes that the company has lower rate of interest expense, which means that financing by foreign capital is cheaper for these enterprises. This is also based on the fact that such enterprises are able to gain long-term foreign capital more easily.

A start-up enterprise is formed for the purpose of an entrepreneurial activity using an original idea, procedure or technology with hope of business success (Slavík, 2013, p. 139). Carter et al. (2010) in their research assess the benefits of involvement of women and representatives of different ethnicities in senior management of organisations (appointed to the positions in the Board of Directors) in the United States. No significant relation between the involvement of women/representatives of other ethnicities and financial performance was proven, whether positive or negative in nature. However, the effect of gender diversity and ethnic diversity can change in the course of time. The results of the research suggest that

appointing women and ethnic minorities to the Board of Directors might not be based only on factors of future financial performance.

Gender diversity has diverse causes and consequences whose specific form depends on the specifics of given enterprise and its external environment (Laible, 2013).

Political debates about the participation of women in top management emphasise primarily ethical considerations associated with the need to secure gender equality, i.e. equality between men and women. Nevertheless, there are still questions from the economic point of view, regarding the extent to which women contribute to the success of an enterprise and whether their engagement in managerial positions leads to better business performance (Laible, 2013). The researches suggest that also in terms of gender diversity there are certain connections between the performance of the organisation and representation of women in their management.

Age management becomes one of the key priorities of diversity management. Some organisations use the management concept based on individual phases of life, so that the approaches to managing people, their career and job prospects reflect the current stage of human life. The potential of age management is based on the estimation that there can be up to 5 different generations in one workplace in 2020 (Kazdová, Strobach, 2016).

Other forms of diversity

Horwitz and Horwitz (2007) in their research failed to prove any relationship between bio-demographic diversity and the performance of the team. However, these authors managed to find out that varying diversity of team members (in terms of bio-demographic diversity) leads to varying performance, therefore changing composition of the teams affects their performance correspondingly.

Team diversity has a positive impact on performance, because then unique properties are present in the team, brought by individual members of the team to their colleagues (Cox, Blake, 1991).

This chapter can be concluded with the following finding: The research of Richard et al. (2004) did not discover any U-curve between racial and gender diversity and performance of the enterprise. Nevertheless, the authors point out that there was only low level of racial heterogeneity among the respondents, so the result cannot be generalised. On the other hand, it was found out that the relation of racial diversity (in management) and productivity changes according to the level of innovativeness in the enterprise. Productivity in these (highly

innovative) enterprises is higher if the higher management level is racially diverse (Richard et al., 2004).

2.3. Benefits of Managing Diversity for Companies, its Obstacles and Difficulties

Chrobot-Mason and Aramovich (2013) talk about the following advantages of diversity management implementation in organisations. They build on the results of their own research carried out among 1,731 public sector employees). Based on the outcome of their investigation, we can conclude that as long as employees feel that they are working in an equal-opportunities environment (they have the same access to benefits as their colleagues, the same chance of career growth, are treated fairly and transparently), they are less likely to leave the organisation in the future. In order to really create an effective diverse environment in the workplace, the organisation must allocate appropriate resources and distribute them properly to the programs supporting diversity of the workforce. If the resources are well spent, diversity will affect all employees directly, which, of course, is a positive impact. Diversity management therefore has benefits and advantages for the enterprise, while at the same time it creates a certain responsibility, because organisations must not neglect diversity management, but develop and take care of this area. The extent to which an organisation deals with the implementation of diversity management practices subsequently determines the specific extent of generated advantages. An organisation's approach can therefore be the biggest problem in terms of diversity (Chrobot-Mason and Aramovich, 2013).

Also Patrick and Kumar (2012) are inclined to this opinion. They believe that it depends especially on the approach of the company if it is able to benefit from the advantages offered by diversity management. The authors have no doubt that there are specific benefits and advantages, whether it is improved relations in the workplace, better communication and other significant factors.

Galinsky et al. (2015) builds on these authors when he writes that there no doubt that diversity (whether gender, racial, cultural, ethnic) has specific advantages and benefits for organisations, communities as well as whole nations. As examples of advantages, the authors mention improved efficiency of decision-making, improved seeking and implementing of innovations, support of economic growth through deeper processing of information and complex thinking. On the other hand, according to the authors, diversity can ignite the emergence of various conflicts and problems preventing generation of real advantages and use of the whole potential offered by diversity management. According to authors (Galinsky et

al., 2015), another problem faced in the course of diversity management implementation is the case when an enterprise has no experience with other cultures, ethnicities or races, so it actually has no idea how to treat such new employees. This situation creates many threats for the future fulfilment of set objectives. In such a case, there is a risk of formation of homogeneous working groups, therefore the potential offered by diversity management would not be utilised. To eliminate these problems, the authors suggest to implement various internal regulations and motivate employees to accept the principles of diversity management.

Anderson and Metcalf (2003, p. 29) also mention that diversity in the workplace can lead to undesirable conflicts and problems in case when employees resist acceptance of employees of different age, culture, ethnicity, race or opposite sex.

Patrick and Kumar (2012) see this approach as a stereotypical barrier which prevents the implementation of diversity management and also prevents taking advantage of its benefits for the organisation. Another problem of diversity management implementation mentioned by authors (Patrick, Kumar, 2012) is the language barrier. This means that the inability of team members to speak a foreign language hinders effective diversity management, especially in multinational corporations.

Anderson and Metcalf (2003, p. 29) summarise the benefits of diversity as: gaining new perspectives on problem solving, increased efficiency based on diverse knowledge, better understanding of the potential of diverse groups of employees, improved reputation and image of an enterprise, less conflicts among employees. At the same time, authors (Anderson, Metcalf, 2003, p. 29) point out that each of the diversities (ethnic, racial, gender, age) may have different partial benefits that can be combined for the purpose to meet the objectives of an organisation. For example, ethnic diversity is associated with the advantage of achieved better results of teamwork, or the ability to solve various working problems in a more creative way (Anderson, Metcalf, 2003, p. 29).

3. Diversity Management

The question whether diverse composition of the work teams leads to better results and higher productivity is widely discussed in literature. The question is not only subject of discussions, but also of empirical studies and researches, see Horwitz, Horwitz (2007).

The reasons of this approach are mentioned in the previous chapter. It increases the significance of diversity management, moreover, enterprises operate in an increasingly competitive environment and must seek ways to streamline their internal processes. Therefore, companies see a big opportunity in diversity management.

Diversity management helps improve the image of the company as an attractive employer, leads to better growth of work productivity and improves competitiveness on the global labour market. Enterprises try to attract and keep the best employees from around the world. Different abilities, experiences and points of view then contribute to higher creativity and innovativeness of the team (Šnýdrová, 2006, p. 78).

A higher demand for implementation of diversity management arises in consequence of influence of trends in the form of growing individualisation, globalisation, heterogeneity of the markets, ethics and anti-discrimination measures. Individualisation means that increasingly many persons want to emphasise their individuality, uniqueness and unrepeatability. Belonging to a wider group is becoming a weakness. Globalisation supports the emergence of global enterprises where people of different nationalities and cultures work. This increases the requirements for intercultural competences of the managing as well as ordinary workers. Heterogeneity of the markets creates the need for a rapid reaction to the changes in demand and competition dynamics. A heterogeneous group of workers is doing better than a homogenous group of workers. Ethical code is connected with a higher demand for tolerating the differences among employees (Kislingerová, 2008, p. 175).

Diversity management sees the issue of respecting the principle of equal opportunities very broadly and purposefully promotes diversity principles in the organisation (Kunz, 2012, p. 23).

If a company wants to continue to develop, it must have diverse teams, i.e. those where different generations, genders, nationalities, mentalities and races are represented. Mixed diverse teams bring new ideas, synergies, innovations, but also enrich each other (Kazdová, Strobach, 2016).

As is evident from this quote, diversity is addressed also in professional literature in the Czech Republic, however, only to a limited extent. Foreign sources offer more detailed

views of the benefits of diversity management. Further reasons for applying diversity management can be found in this thesis.

Wholly homogeneous groups of workers cannot be competitive in the long term in a market environment where quick decisions are becoming a necessity and success is conditioned by aggressive competitive behaviour (Richard et al., 2014).

If clients (target groups) are diverse, diversity of employees is desirable too, because it enables communication with these target groups, thus achieving prosperity. Erste Bank in Austria applies the approach that clientele over the age of 50 years are taken care of exclusively by employees over 50 years of age, because they fall into the same age category, so they intimately know the needs and wishes of their customers. The same approach is applied to a special group of female employees – widows – who can best advise women in the same situation. Diversity works very well in this specific example and enables to support the competitiveness of the organisation (Kazdová, Strobach, 2016).

We can state that this example is in compliance with approach recommended by McKay et al. (2011). The climate of diversity in an enterprise is important also for customers and even more important for customers belonging to some minority. This relationship then manifests in higher customer satisfaction (McKay et al., 2011).

Diversity at the level of senior management of an enterprise can continually support the momentum for change, which is desirable for maintaining competitiveness. On the other hand, diversity can lead to conflicts and paralysis of decision-making processes, so strategic changes are not implemented, especially when the company is not doing well (Triana, Miller, Trzebiatowski, 2013).

Not only development of market environment, but also demographic trends lead to the situation that increasing number of organisations is facing the challenge in the form of implementation of effective diversity management. Organisations must create and implement policy and strategy of HR management reflecting the need to choose, hire and manage diverse groups of workers. This trend manifests the most visibly in the United States. Today, the objective of diversity management is to maintain and train workers, which is reflected in growing customer satisfaction (Weech-Maldonado et. al., 2002).

Racial diversity brings a greater space for finding alternative and creative solutions to various problems. The probability of success in competitive environment is increasing (Cox, 1991).

Ragins et al. (2012) examined in their research 2 045 workers from the United States, with a focus on the examination of diversity. The subject of the research was, to what degree

employees were racially or ethnically similar to other people in the community. Another point of focus was to determine their perception of diversity in the group. One of the findings was that when a white person worked mostly in a racially predominantly different group, he/she was inclined to leave the work sooner than when working in a predominantly white community.

Avery et al. (2007) note that there is no research examining racial differences and absence of employees. Yet, these connections are interesting for diversity management, including the fact that absence of employees at work leads to higher expenses. In this perspective, diversity can influence the performance of an organisation. The research of Avery et al. (2007) revealed that Blacks have higher rates of absenteeism, especially in organisations where little emphasis is placed on diversity.

Of course, the reasons behind this discovery can be different, but insufficiently applied diversity management can lead to the situation that they will not be a respected minority and will be inclined to absenteeism instead of going to work.

McKay et al. (2007) examined the link between racial diversity and retention of employees on a sample of 5 370 managers in the United States. The summary of the finding is that *“the results from a sample of 5 370 managers partially supported both hypotheses (H₁: pro-diversity work climate perceptions would correlate most negatively with turnover intentions among Blacks, followed in order of strength by Hispanics and Whites, H₂: organizational commitment would mediate these interactive effects of race and diversity climate perceptions on turnover intentions), as findings were strongest among Blacks”*

Many authors are engaged in the research of diversity and its effects on the company. However, there is essentially lacking some kind of superstructure which would recommend companies how to improve in this area. This can be, for example a definition of a general diversity model based on the collected data and at the same time taking into consideration the findings of expert public from executed researches. It should be a synthetic model of diversity management aimed at maximizing the effects of diversity potential. Although expert literature defines the models and concepts of diversity, they are rather old and may not be topical for the current needs of multinational corporations. Therefore, there is a certain unexplored area of the solved issue. For this reason, the author of this thesis will create his own diversity model.

3.1. Diversity Management Tools

Enterprises in the United Kingdom support diversity and gender equality (as is shown in the research of A. T. Kearney). The result is, for example, the fact that women can reach management positions more easily. The situation is different in Italy, where it is more complicated to incorporate women in top management, because this is a typically male environment there (Krobová, 2016).

The pay gap between women and men is on the level of 22 % (disfavouring women) in the Czech Republic. This situation is the third worst in the European Union. Only eight years ago, the topic of diversity management was unknown in the practical life of domestic enterprises (Kazdová, Strobach, 2016).

The situation has not improved much since then. Eger and Indruchová (2014) in their research try to answer the question: What is the current state of diversity management in companies in the Czech Republic? They worked with respondents from all types of organisations, levels of education, size of the company and different length of practice. No significant difference was detected in the perception of diversity between these groups of managers. Furthermore, the authors comment that the concept of diversity was still rather unknown for many managers.

In order to increase the level of diversity implementation in domestic workplaces, systematic educational projects, workshops etc. are needed. (Kazdová, Strobach, 2016).

To meet these objectives, it is therefore necessary to implement a variety of tools that will support the development of diversity in the workplace. Securing equal opportunities in the workplace can be the starting point.

3.2. Equal Opportunities in the Workplace

Pauknerová (2012, p. 234) describes that the concept of equal opportunities in the workplace relates most often to ensuring equal opportunities for men and women where women are often disadvantaged. Securing of equal opportunities focuses on the absence of obstacles preventing people to participate in economy, politics and social issues on the basis of their gender.

It may seem from the research of Laible (2013) that participation of women in senior management positions in German companies has a negative effect on the performance of these enterprises. However, a closer examination of the results show that this relation (the proportion of women in managerial positions x performance of the companies) always

depends on the specific context of the company and its environment (especially in the form of international orientation, macroeconomic environment, industry) (Laible, 2013).

Gender diversity in an organisation frees men, as the CEO of a large South African company states for A. T. Kearney study. She sees diversity as an effective tool to generate new and innovative ideas when solving complex strategic and operational issues (Krobová, 2016).

The research of Triana, Miller, Trzebiatowski (2013) suggests that when the performance of an enterprise is at risk and senior management is not very experienced, then a woman in the role of a CEO has more power and the relationship between gender diversity of top management and the effectiveness of strategic changes is very positive. On the other hand, this relationship is very negative when the performance of the enterprise is low and a woman in the role of a CEO is more powerful. The results of this research suggest that gender diversity in the workplace (or in top management) is double-edged because it can fuel or eliminate the effectiveness of strategic changes. This efficiency depends on the company's performance and the level of power women have in senior management (Triana, Miller, Trzebiatowski, 2013).

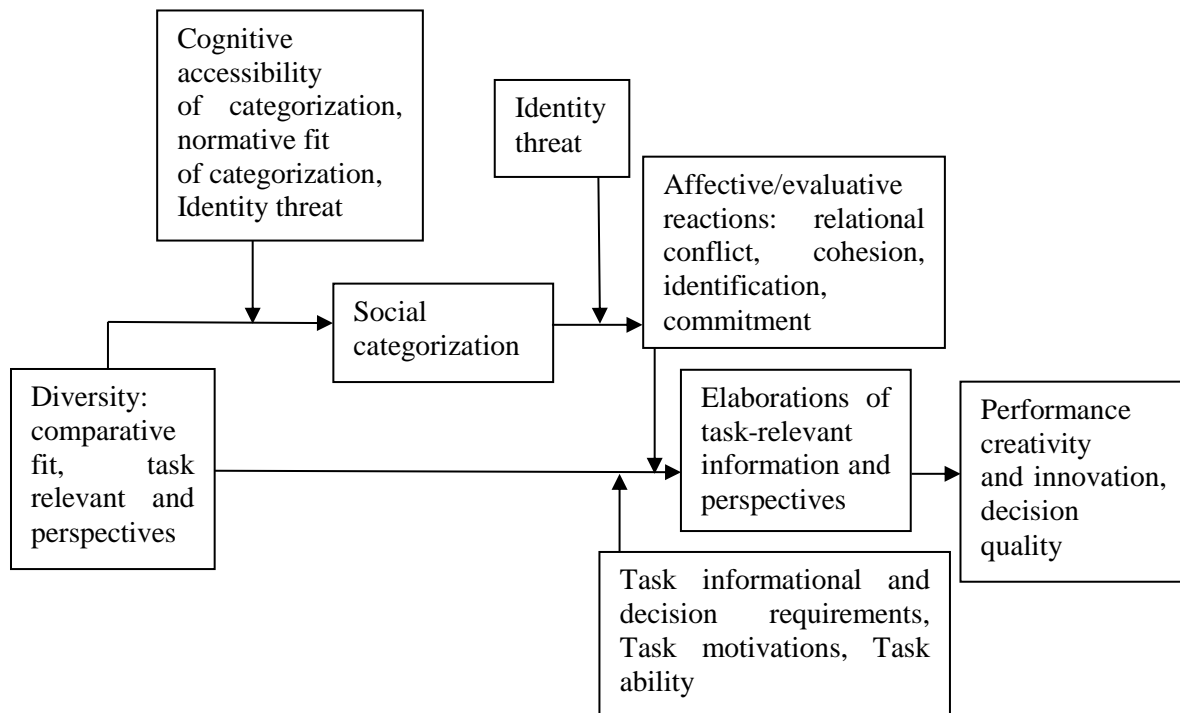
The research results show that it is highly desirable to implement a policy of equal opportunities to corporate processes.

4. Models and Concepts of Diversity

Previous chapters outlined the advantages and benefits of diversity management for enterprises. But how enterprises can achieve these benefits? Proposals of diversity implementation models do not appear often in expert literature. We can mention only two models as an example.

As a diversity model we can introduce CEM (categorization-elaboration model). The model reacts to ambiguous and inconsistent results of diversity research caused, according to Van Knippenberg, De Dreu and Homan (2004), by incorrectly used methodology of researches, insufficient sample of respondents or simplified criteria for respondents and results. The model is shown in Figure 6.

Figure 6. CEM (categorization-elaboration model).



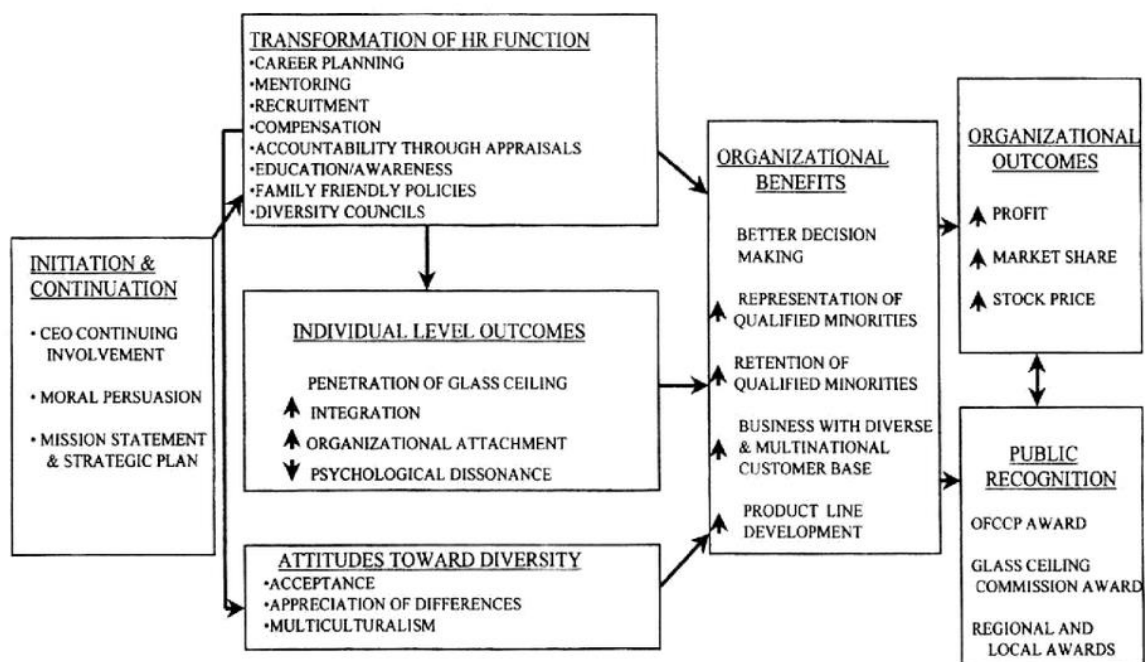
Source: Van Knippenberg, De Dreu a Homan (2004)

The model in the picture describes the relationship between diversity of a work group and productivity. It contains eight key factors that have influence and determine the final performance of the working group. At the same time it is connected with diversity of the group. Each of these factors then influences the flow of information and decision-making processes (i.e. processing of information). This model highlights the necessity to study individual diversity processes of the working group, because each of the components can

affect the performance of the entire group in a positive or negative way. (Van Knippenberg, De Dreu a Homan, 2004).

Gilbert, Stead a Ivancevich (1999) present another model of diversity. This model is shown in Figure 7. According to the model, diversity management should have a positive effect on the profitability of the company, higher market share and possibly the share price. Also indirect (non-economical) effects are positive, for example in the form of better image. According to the model, diversity management has effects for the organisation in case of better decision-making, ability to trade on global markets (with international customers), integration of minorities to corporate processes, etc. However, these effects are conditioned by the necessity of proper functioning of HR activities that influence diversity management and the attitudes of employees to diversity (accepting diversity, appreciating of diversity, multiculturalism). As key personnel activities are considered planning of the career, recruitment, mentoring, educating, etc. Each employee should benefit from these factors on an individual level. A necessity is then the commitment of senior management to diversity management, which is a prerequisite for the success of the whole concept (Gilbert, Stead, Ivancevich, 1999).

Figure 7. Diversity management model



Source: Gilbert, Stead, Ivancevich, 1999

These models try to introduce the basic approaches to implementation of diversity management into corporate practice. However, we must not forget that they are of older date and might not be beneficial for the corporate practice, because they do not copy current trends precisely. The analysis of secondary data indicated that the theme is insufficiently covered at present time, so there is space for deeper scientific exploration of the issues of diversity models within this thesis.

5. Cultural Diversity and its Management in Multinational Corporations

Despite the fact that the number of enterprises operating also abroad has been growing during the last decades, leading to creation of multinational companies, the issues of cultural diversity was often neglected. Neglected cultural diversity might hamper the efforts to integrate an enterprise on the foreign market and coordination of strategic (global) processes. (Palich a Gomez-Mejia, 1999).

Despite the increased frequency and intensity of standardised (global) interactions regardless of local conditions of national markets, there will still be certain differences between national markets, so there will hardly be one globalised market created. Enterprises, who want to be successful, have to cope with this fact and efficiently take advantage of the differences and similarities between national markets for their benefit (Meyer, Mudambi, Narula, 2011).

“Specifically, direct (market, production, technology) and indirect (knowledge-based) benefits are more difficult to exploit when cultural diversity makes activity sharing and expertise transfer less efficient. Parallel to established product relatedness theory, this thinking postulates that culturally related international firms will enjoy greater efficiencies than culturally diverse multinationals (Palich, Gomez-Mejia, 1999).”

Managers, so-called expats (people working in another country) are an important element in the transfer of knowledge and processes between the headquarters and subsidiaries in different countries. They are the linchpin for achieving the correct form of interaction between the cultural context and headquarters of the company (Fang, et al., 2010).

The ability to interact between different local contexts (most often states) is crucial for the achievement of success, whether on given local market, or in global environment. The ability to understand local context is particularly important in case of high contextual variation, i.e., when there are large psychological, cultural and economic distances (an example can be the difference in the form of market in Europe and South Africa. Meyer, Mudambi, Narula (2011).

Global enterprises respecting cultural diversity of its employees and accepting them as natural and desirable parts of operation on international markets can better take advantage of the benefits of cultural synergies, which manifests in streamlined transfer of knowledge and

maximised efficiency. Global companies can reap the benefits of their own expansion when they respect cultural diversity (Palich a Gomez-Mejia, 1999)

Nevertheless, *“analysis of 1660 foreign subsidiaries of Japanese firms over a 15-year period indicates that the number of expatriates relative to the total number of subsidiary employees (1) strengthened the effect of a parent firm’s technological knowledge (with low location specificity) on subsidiary performance in the short term, but (2) weakened the impact of the parent firm’s marketing knowledge (with high location specificity) on subsidiary performance in the long term.”* (Fang et al., 2010).

Many failures of global companies have been attributed to the fact that they did not manage to respect cultural diversity appropriately (Johnson, Lenartowicz, 2006).

Various studies on the role of cultural diversity for the success of teams give ambiguous results, which is probably caused by the immense cultural diversity in specific work teams. According to the research by Stahl et al. (2009), *“Results suggest that cultural diversity leads to process losses through task conflict and decreased social integration, but to process gains through increased creativity and satisfaction. The effects are almost identical for both levels and types of cultural diversity. The moderator’s analyses reveal that the effects of cultural diversity vary, depending on contextual influences, as well as on research design and sample characteristics.”*

Practical Part

6. Pilot study

6.1. Research objective

As intercultural diversity is playing an increasingly important role in global business, the main objective of this research was to examine the degree to which management based on culture should be implemented, and to demonstrate a change in the importance of intercultural diversity in the selected IT companies. How much attention management working in a multicultural environment should place on the local culture by studying the chosen examples of Oracle, Cisco, SAP and GeoVision.

As the topic of companies' management is relatively broad, the author chose specific objectives aimed to focus in detail on some crucial aspects concerning the research problem.

The specific objectives are, as follows:

1. To investigate what changes in perception take place within an intercultural organization from the IT sector, using the four companies from the sector/industry as examples.
2. To demonstrate the changes in the meaning of cultural diversity in the four selected companies from the IT sector.
3. To analyse / compare employee's motivation in chosen companies.
4. To analyse intercultural diversity between the four selected companies from the IT sector.

Management of cultural diversity constitutes the main research problem. Therefore, the research aimed to gather and analyse information that had been expressed directly by managers and regional managers. Among many issues connected with intercultural management, the following are considered as worth directing more attention to:

1. What are the possibilities created by cultural diversity?
2. Are there any differences between intercultural management in the analysed companies from the IT industry?
3. Has the perception of the intercultural companies from the IT industry changed over recent years?
4. What is the role of intercultural management in motivating employees?

6.2. Research questions and hypotheses

A natural consequence of establishing a particular research subject is creating research questions that should ultimately lead to the discovery of truth, which is the hidden aftermath of each scientific research. Therefore, managers working in these various companies were asked to answer the following questions:

1. To what extent does diversity affect management?
2. Is there a point in including the cultural aspect in management?
3. To what extent should management based on a cultural aspect be applied?
4. What are the benefits of cultural diversity for management?
5. Are the management aspects applied in all of the company's work?
6. In what way does culture influence your company's business processes?

Before the research was carried out, it was necessary to formulate some hypotheses that in the course of further study could be either supported or rejected. It is also noteworthy that in some cases, hypotheses which have been accurately established and supported by thorough research can with the passage of time become a theory. Thus, all the answers obtained in the course of this research substantially contributed to the final judgement about the following hypotheses:

Hypothesis no. 1: Cultural diversity increases a company's potential.

Hypothesis no. 2: There are differences in intercultural management between the four surveyed organisations.

Hypothesis no. 3: There has been a visible change in the perception of management of selected intercultural IT companies over the last few years.

Hypothesis no. 4: Diversity management plays a crucial role in motivating employees from the chosen IT companies.

6.3. Methodology

The research included management personnel and managers of four selected IT companies, since this industry is responsible for creating patterns of behaviour in business. The research involved a survey questionnaire along with the use of a structured direct interview. The author assumed that this method might arouse the respondent's interest in the research, allow them to have a more detailed insight into the nature of the questions, and increase the accuracy of given answers. To obtain reliable results of the research, an

appropriate, representative structure of the studied population was required. To achieve this, I have used the method of non-probability sampling for empirical research.

For the research he chose four leading in their sector IT companies Oracle, Cisco, SAP and GeoVision. Each of these companies' portfolio includes both hardware and software products. The hardware included among other items, routers and switches by Cisco, Oracle's Exadata, SAP HANA hardware and brown goods by GeoVision. When it comes to software, we can mention the Oracle database, FWM, Oracle Business Intelligence, Cisco Unified Communication, Cisco WebEx, SAP ERP, SAP CRM, GeoVision Video Management Software, and many more.

A more detailed description of selected companies and their product and services profiles follows:

a) American organizations:

- Cisco: mainly routers, switches, wireless systems, security systems, WAN acceleration, energy and building management systems and media aware networks, IP video and phones, TelePresence, Unified Communications, Unified Computing, Storage Networking and Cloud Computing services.
- Oracle: Oracle Exadata, Oracle Database, Business Intelligence and FMW products

b) Taiwanese:

- Geovision: IP Cameras, Surveillance Systems, Video Management Software, Access Control, LPR/ANPR and Capture Cards.

c) European:

- SAP: Customer Relationship Management (CRM), Enterprise Resource Planning (ERP), Product Lifecycle Management (PLM), Supply Chain Management (SCM), Supplier Relationship Management (SRM), and SAP HANA hardware.

When selecting companies for the research, he also took into consideration the companies' geographical origins aspect, so that the companies are located on three different continents.

He contacted the selected persons via:

- e-mail, sending a link to the questionnaire directly to the person,

- LinkedIn, sending a message with a link to the questionnaire directly to the managers of SAP company. The workers of this company are the only ones to whom I had no direct contact in the form of e-mail or telephone,
- telephone - arranging for a direct interview.

This was made possible because he had obtained contact details of the appropriate persons during years of work for three out of the four companies included in the research. This allowed him to immediately contact the proper persons in managerial positions and send them the link to the questionnaire he placed on Google Docs. Thanks to this direct contact with the management personnel of those companies he was also able to arrange for direct interviews with select persons holding senior positions. The interviews were addressed to persons working in the HR sections of the companies who could provide as comprehensive answers to the questions as possible.

6.4. Detailed description of the research methods and reasons for their choice

Two different methods were used, namely a survey and a questionnaire interview for quantitative and qualitative research. The basic advantages of a questionnaire survey were the possibility to reach all potential respondents, the use of standardized questions and the option of closed answers outweighed the negatives of other methods of data collection in the process of decision-making about the research form. Although it was not possible to obtain detailed and deeper knowledge of issues in every company, during in-depth interviews using semi-closed and closed questions and analysis of documents or observations were used. Although such deeper knowledge could not be quantitatively processed for the purpose of confirming the hypotheses it proved to be highly useful.

The empirical research in the form of a questionnaire and personal interviews executed in four companies was chosen to obtain data from four companies operating in the IT field, and originating from three different continents and cultures. The action research, which was designed to examine the degree to which management based on culture was implemented and to demonstrate change in the importance of the intercultural diversity in the IT sector.

Questionnaire for quantitative research

The survey was divided into two parts: basic questions and the core questions. The questionnaire contained six questions regarding gender, age, seniority, work position, form of employment and material status. Another part of the study referred to issues related to international culture. The core part included 15 questions. The following issues were addressed:

- essentials of human resource management,
- main premises of intercultural management,
- intercultural organization in IT,
- channels highlighting intercultural organisation in IT,
- modern perception of intercultural organization in the IT industry,
- if importance of cultural diversity in the IT sector has changed in recent years.
- advantages of using intercultural management,
- disadvantages of intercultural management,
- level of motivation
- if financial incentives constitute a greater stimulus to work more effectively
- the financial incentive system
- non-financial motivation

Questionnaire interview for qualitative research

The personal interviews were carried out in the same companies: Oracle, Cisco, SAP and GeoVision.

The main goal of carrying out those individual interviews was to find answers to the key questions posed in the quantitative research. During this time the questions were addressed specifically to the people who developed the company's operating strategy in the area; to the regional managers who have had direct influence on company management. Therefore, it was very important to determine what significance they attached to the element connected with intercultural management. However, before the proper verification of this aspect, several more general questions were asked at the beginning of the interview. This was done to determine, what from their viewpoint is vital for success of their company, and what above all occupies their attention in the management of their personnel.

The other questions contained in this part of the interview included:

- what they are guided by when making important decisions for the company?

- what problems do they face in the management of personnel?
- what causes an increase in workers' productivity? What motivates them to work intensively?
- is personnel management in an international company a difficult task?

However, the main part of the interview was concerned with how important intercultural management is for them in making decisions and how important is it for their organizations. Like their immediate subordinates, they were also asked about:

- advantages of using intercultural management,
- disadvantages of using intercultural management,

In the course of these interviews some new, interesting facts appeared, which encouraged me to make several changes and ask new questions, which had not been planned. The author learned that in those companies some initiatives for diversity management have been organized and put in place for a few years. Therefore, he added questions to the interview about the reasons for development of such initiatives and about the motives for making such decisions.

The selection of particular questions and their categorization was driven by the intention to use the most important questions that appear in literature on the subject and in various questionnaires which study the degree of diversity and areas of management. Therefore, the results obtained in this research could be used to conduct further study.

The selection of the sample for quantitative research was conscious, not random.

6.5. Quantitative research

Sixty people participated in the online survey, all belonging to the top management. Fifteen people from each of the following corporations Geovision, Cisco, Oracle and SAP participated.

The questionnaire survey was executed during the period from the beginning of February to the end of November 2014. The first phase consisted of a pilot study, during which the questionnaire was presented to chosen respondents who filled in their responses and commented on any ambiguities in the questionnaire. Based on this feedback, the questionnaire was therefore adjusted to be more comprehensive and able to record the necessary data (increasing its validity).

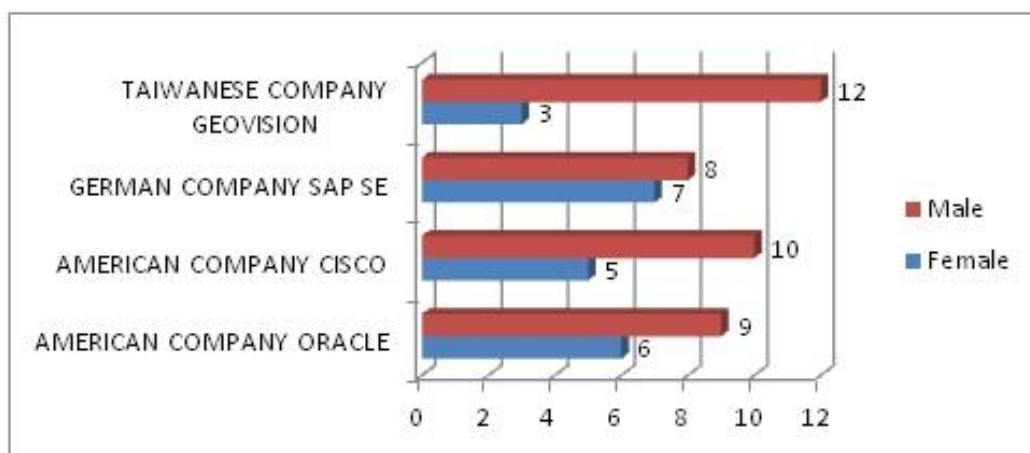
In the second phase, the questionnaire was distributed gradually to the respondents via e-mail or LinkedIn using a link to the online survey placed on Google Docs, with the

possibility to obtain data from the survey. The reason for that form of communication was cost efficiency as the geographical distance between respondents was far and the, aim was to simplify the respondent's process of responding. Fortunately, every selected respondent answered questions; from all selected managers there was not one that did not fill the survey. The whole outcome of the research was collected, analysed and presented in graphical sets.

Respondent's structure

The first part of the research sample from all companies amounted to 60 people. The respondents' sex illustrates the following figure:

Figure 8. Respondents' gender in the companies

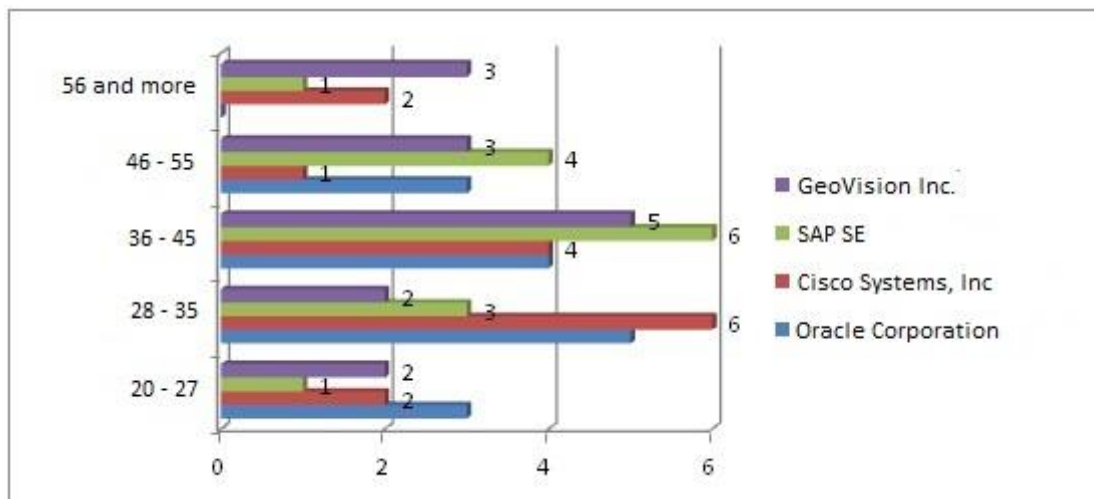


Source: own research

In the study, from the American company Oracle, 6 women participated (40%) and 9 men (60%), and from the Cisco company - 5 women (33%) and 10 men (67%). From the German company 7 women (47%) and 8 men (53%) participated. From the Taiwanese company, the group researched comprised mostly men - 12 responses (80%).

Analysis concerning the respondents' age.

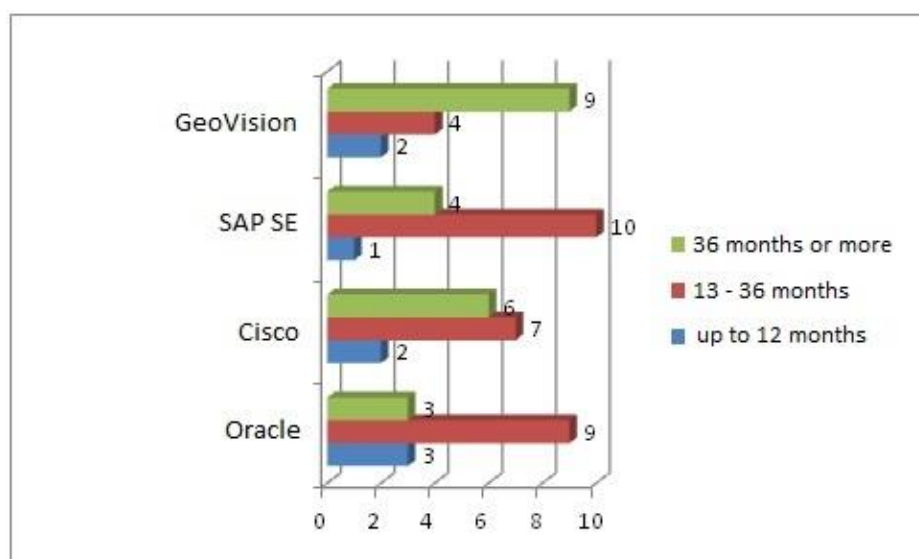
Figure 9. Respondents' age - graphics



Source: own research

The respondents' ages from the American Oracle Corporation (X1) were as follows: 20-27 years old - 3 people (20%), 28-35 - 5 people (33%), 36-45 - 4 people (27%), 46-55 - 3 people (20%). From Cisco Systems (X2): 20-27 - 2 people (13%), 28-35 - 6 people (40%), 36-45 - 4 people (27%), 46-55 - 1 person (7%) and over 56 - 2 people (13%). From the German company SAP SE (Y) the age of respondents was as follows: 20-27 - 1 person (7%), 28-35 - 3 people (20%), 36-45 - 6 people (27%), 46-55 - 4 people (27%) and over 56 - 1 person (27%). From the Taiwanese company GeoVision (Z) the respondents' ages were as follows: 20-27 - 2 persons (13%), 28-35 - 2 persons (13%), 36-45 - 5 people (33%), 46-55 - 3 people (20%) and above 56 - 3 people (20%).

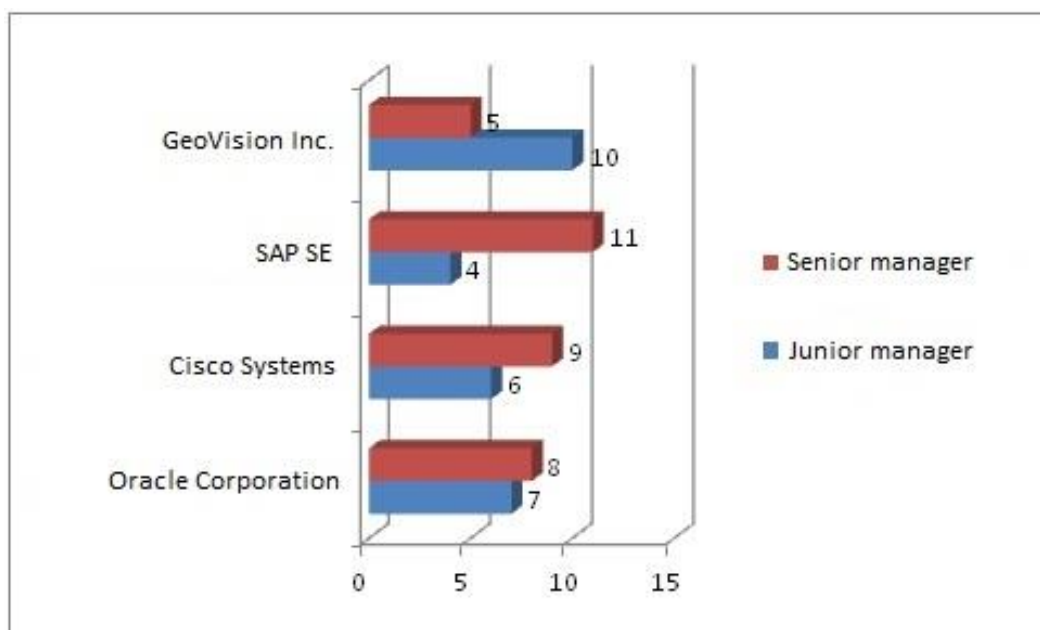
Figure 10. Seniority



Source: own research

From the American, Oracle Corporation - the employees' seniority was as follows: up to 12 months - 3 people (20%), 13-36 months - 9 people (60%) and over 36 months - 3 people (20%). From the Cisco Systems company: up to 12 months - 2 people (13%), 13-36 months - 7 people (47%) and over 36 months - 6 people (40%). From the German company, SAP SE, the respondent's seniority was as follows: up to 12 months - 1 person (7%), 13-36 months - 10 people (67%) and over 36 months - 4 people (27%). From the Taiwanese company GeoVision, the respondents' seniority was respectively: up to 12 months - 2 people (13%), 13-36 months - 4 people (27%) and over 36 months - 9 people (60%).

Figure 11. Position



Source: own research

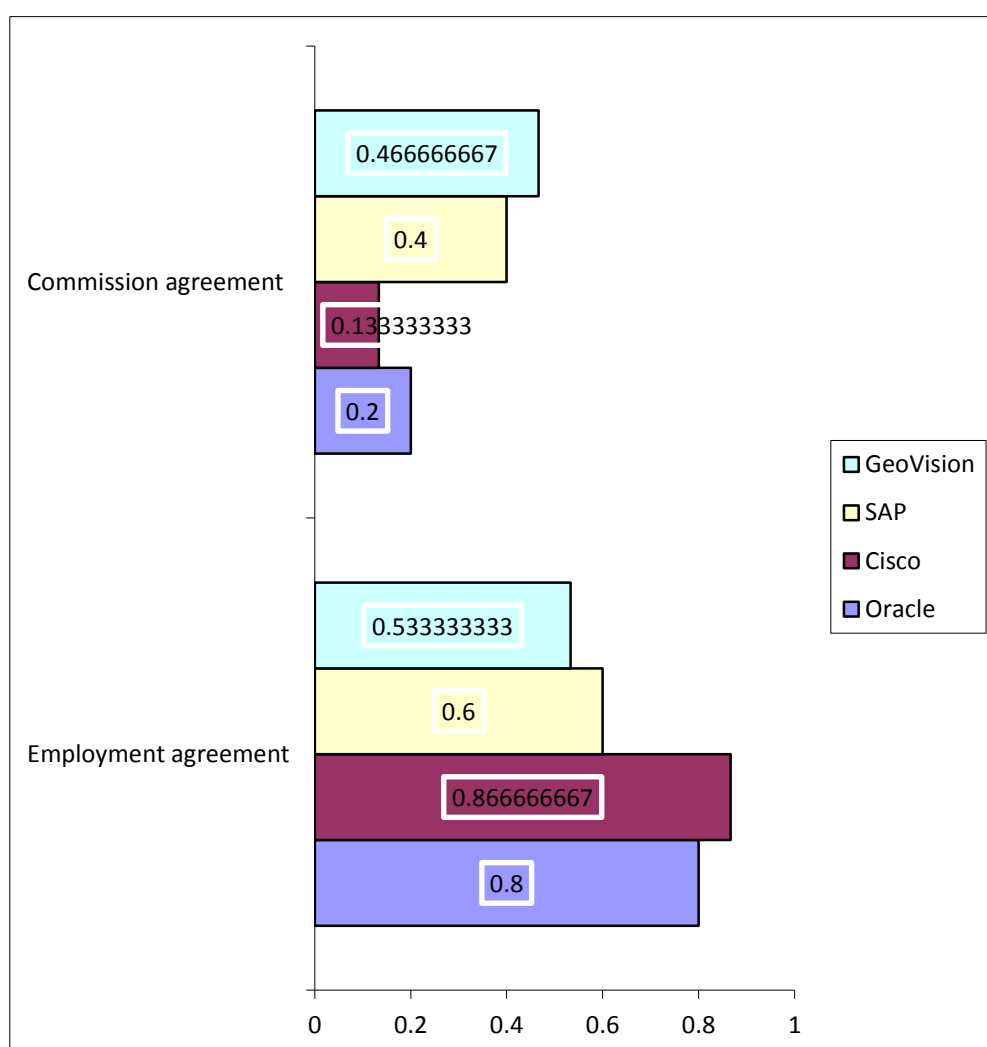
All respondents were managers, with the following distribution: Oracle Corporation: junior managers - 7 people (67%), senior managers - 8 people (33%), Cisco Systems: junior managers - 6 people (40%) and senior managers - 9 people (60%), SAP SE: junior managers - 4 people (27%) and senior managers - 11 people (73%) and GeoVision: junior managers - 10 people (67%) and senior managers - 5 people (33%).

Table 3 Employment form

Employment form	American company Oracle		American company Cisco		German company SAP SE		Taiwanese company GeoVision	
	Study group (N = 60)							
Employment agreement	12	80	13	87	9	60	8	53
Commission agreement	3	20	2	13	6	40	7	47
Total	15	100	15	100	15	100	15	13

Source: own research

Figure 12. Employment form

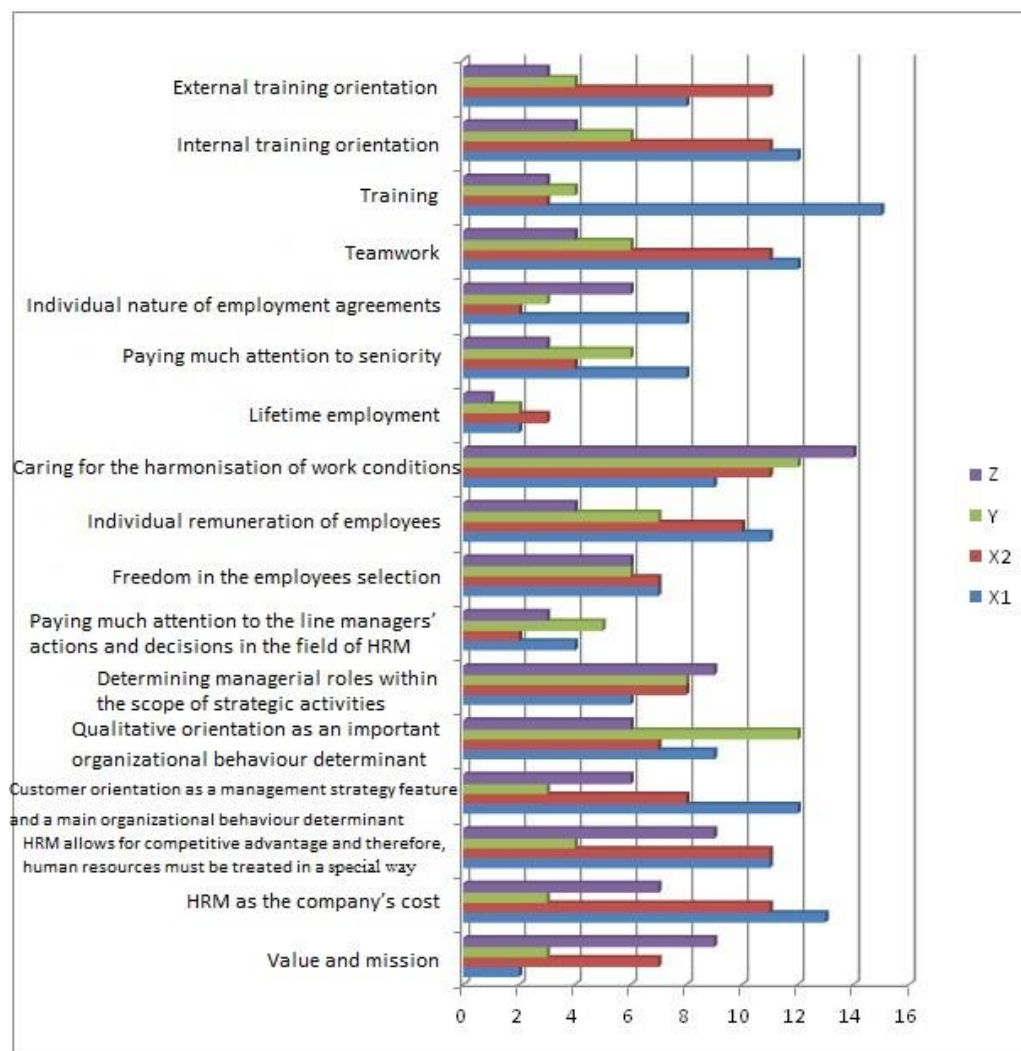


Source: own research

The respondents provided the following answers regarding their employment form: American company Oracle Corporation: employment agreement - 12 people (80%) and commission agreement - 3 responses (20%). American company Cisco Systems employs mostly under the employment agreement - 13 people (87%) and commission agreement - 2 people (13%). The German company SAP SE: employment agreement - 9 people (60%) and commission contract - 6 people (40%). The Taiwanese company GeoVision: employment agreement - 8 people (53%) and commission agreement - 7 people (47%).

Focus area

Figure 13. Key elements of human resources management



X1- Oracle, x2 – Cisco, Y – SAP, Z- GeoVision

Source: own research, a multiple choice question (here for the entire analysis the figure can be used)

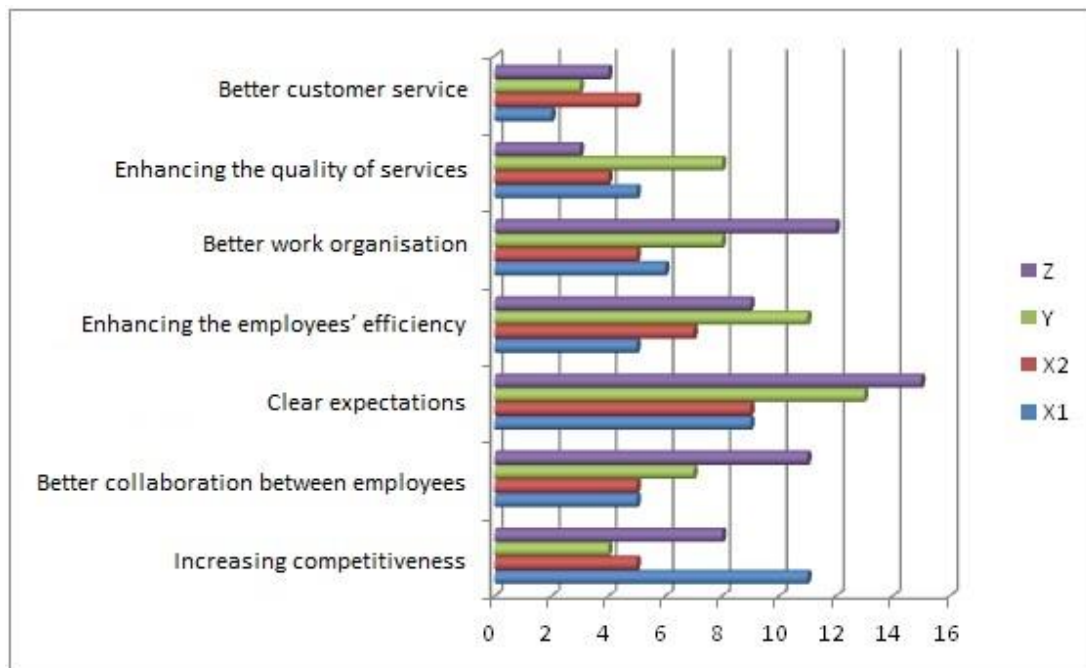
The research carried out has shown that the key elements of human resources management for all companies participating in the study include: human resources as the cost, training and orientation towards internal trainings. All of the companies take care of their employees, encourage them to participate in trainings and engage more in their work. Based on the obtained results, it can be observed that the key elements of human resource management in Oracle included human resource management as a cost, training and internal training orientation: in Cisco: internal training orientation, training and HRM as the cost of the organization. The German SAP: caring for the harmonization of working conditions and market orientation. For GeoVision importance was placed on: taking care of the work harmonization and specifying managerial roles.

What are the main premises for intercultural management?

As far as multiculturalism, the source of a company's success can also be observed by the increase of innovation which leads to a competitive advantage. International employees create links between different cultures, so that branches in different countries can more effectively address the needs of clients (including international clients). Companies that know how to take advantage of the cultural diversity capital have access to unique information about foreign markets, customers' characteristics, their behaviours and habits.

As a result of that, companies depending on the market needs can quickly respond by changing some personnel working on a task. Learning in international teams is primarily based on observation of others and sharing knowledge and information. A prerequisite is that the intercultural knowledge becomes public for individual members and then, it becomes possible to improve individual skills by analysing work experience of other people. Companies more than ever are in need of knowledgeable teams - that is, employees with high developmental potential and broad abilities that complement each other. The key competences of international teams include: responding quickly to changes, market knowledge, being complementary, resistance to stress, knowledge of foreign languages, information and communication tools, team learning and sharing knowledge.

Figure 14. Premises for intercultural management

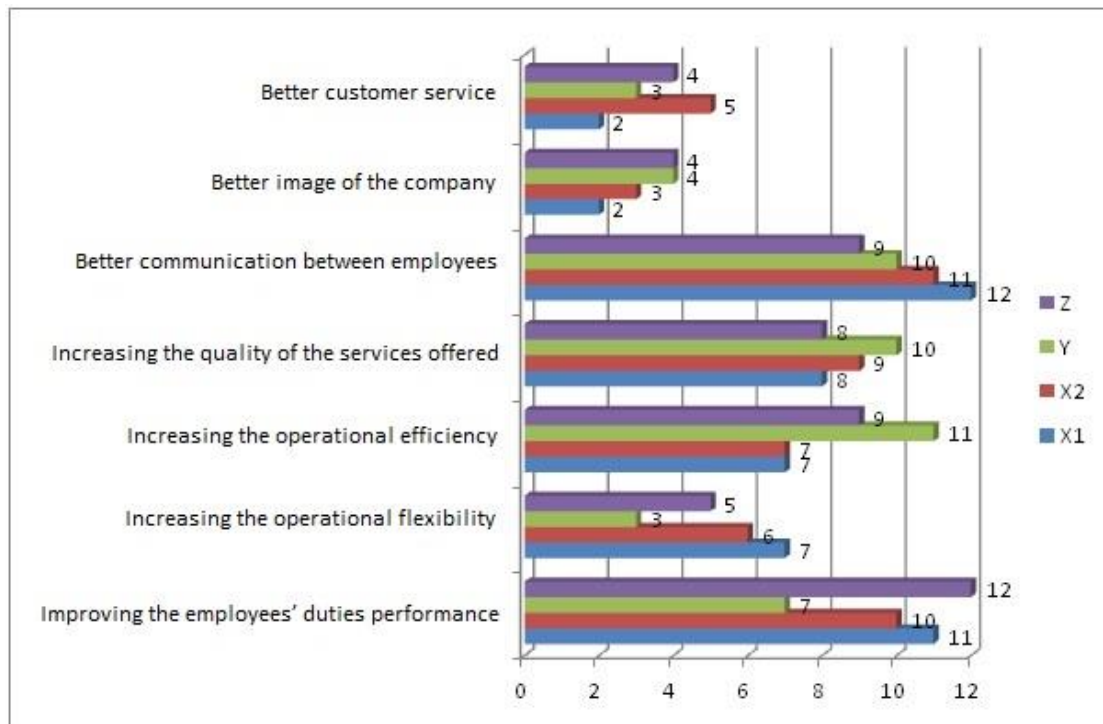


X1- Oracle, x2 – Cisco, Y – SAP, Z- GeoVision

Source: own research, a multiple choice question

The various company's management realize that human capital and cultural diversity constitute the company's potential. Predominantly, American companies consider that diversity management leads to increased competitiveness. In Oracle the premises for intercultural management included: increasing competitiveness and clear expectations as far as employees. For Cisco the priority was clear expectations and enhancing the employees' efficiency. For the German company SAP SE, clear expectations and enhancing the quality of services was the focus. As for the Taiwanese company GeoVision, it was better work organisation and clear expectations.

Figure 15. What are the advantages of implementing intercultural management?

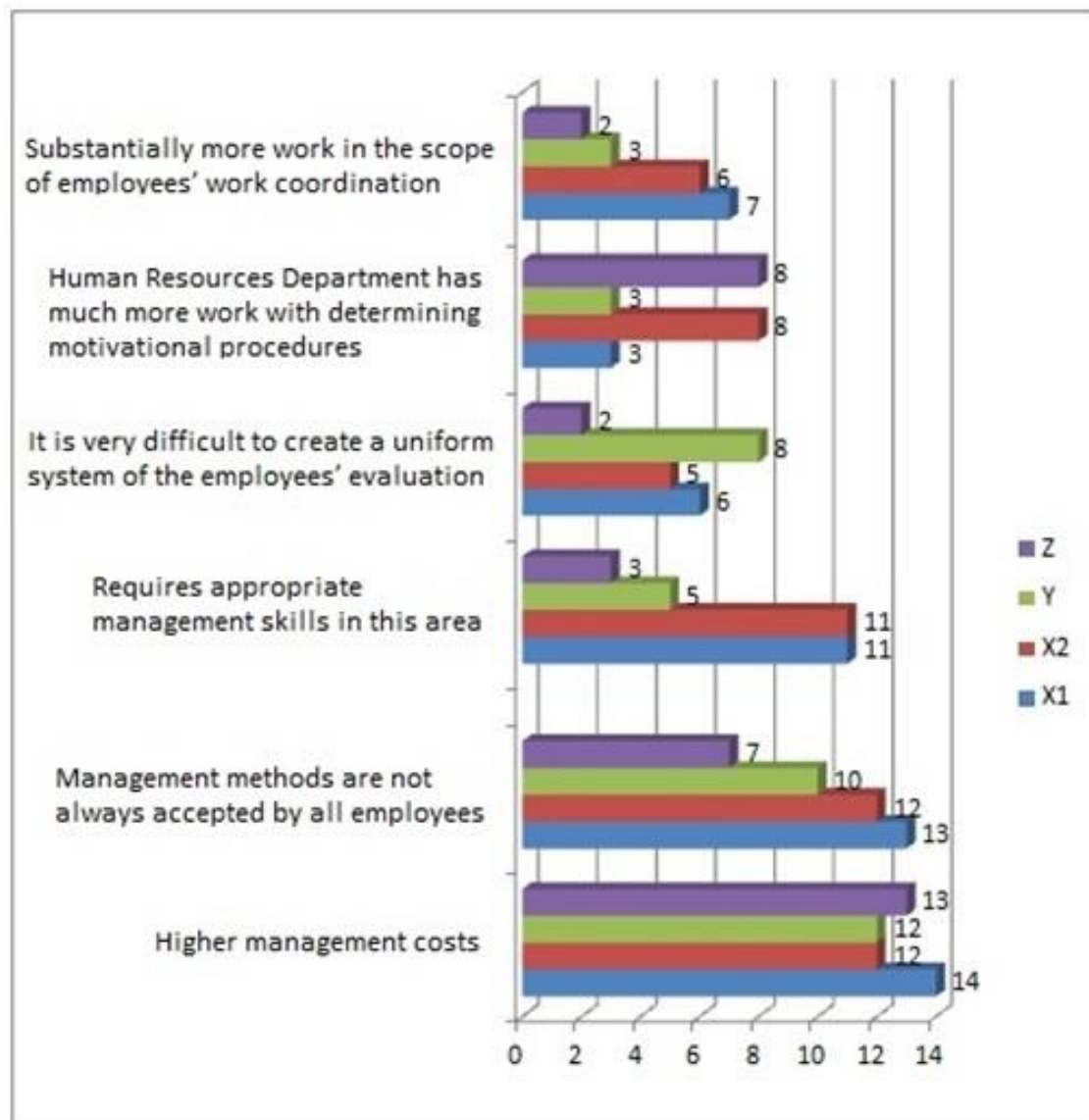


X1- Oracle, x2 – Cisco, Y – SAP, Z- GeoVision

Source: own research, a multiple choice question

A lack of knowledge about cultural differences and habits of a foreign business partner may constitute a serious obstacle in entering into international transactions. Moreover, it may even, despite observance of universal rules, lead to a breakdown of talks. For this reason, during business talks with representatives of other countries, besides basic information which needs to be collected before such discussions any kind of cultural diversity should be taken into consideration as well. American companies acknowledge advantages such as improving the employees' duties performance and better communication between employees. As for SAP the emphasis was rather increasing the quality of service, and for the Asian company GeoVision it was improving the employee's performance of duties.

Figure 16. What are the disadvantages of intercultural management?



X1- Oracle, x2 – Cisco, Y – SAP, Z- GeoVision

Source: own research, a multiple choice question

By analysing Table 16 it can be noted that the biggest drawback of international management in the analysed companies was connected to much higher management costs. This was acknowledged by the majority of responders from all four companies. Oracle – 14, GeoVision – 13, Cisco and SAP - 12 responses. Management methods are not always accepted by all employees - 13 responses in Oracle, 12 responses in Cisco, 10 responses from SAP and 7 from GeoVision. Requires appropriate management skills in this area - 11 responses from Oracle, 11 responses from Cisco, 5 responses from SAP and only 3 from the Taiwanese company - GeoVision. It is quite difficult to create a uniform system of the employees'

evaluation - 6 responses from Oracle, 5 responses from Cisco, 8 responses from the German SAP company and 2 responses from GeoVision.

Respondents also acknowledged that their Human Resources Department has much more work with *inter alia*, motivational procedures: 3 people from Oracle, 8 people from Cisco, 3 people from SAP and 8 people from GeoVision. Respondents also admitted that there is substantially more work in the scope of employees' work coordination: 7 responses from Oracle, 6 responses from Cisco, 3 responses from SAP and only 2 from GeoVision.

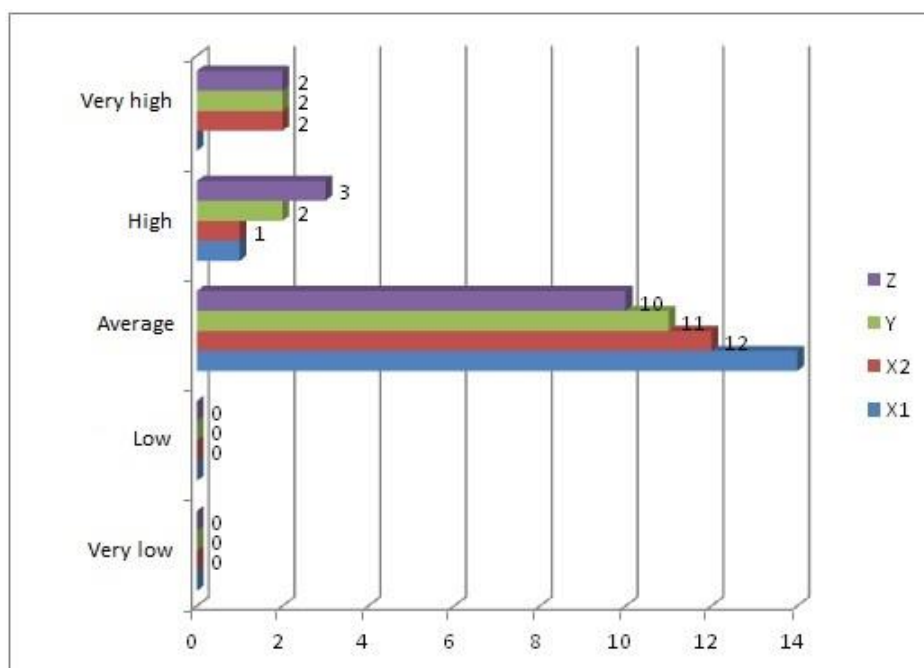
To analyze/compare employee's motivation in Oracle, Cisco, SAP and Geovision.

Many international companies face numerous problems when operating outside their country. Various tested management methods fail in foreign cultures. In particular, this applies to the method of motivating employees and the impact that culture can have on the organisation management and especially, on motivation. Local culture sometimes makes use of certain solutions unknowingly which makes the seemingly universal solutions unfit and might be ignored by employees or even bring adverse effects. It is important to avoid considering various solutions as either good or bad without taking into account cultural considerations. Rather, they should be evaluated based on how adequate they might be for a given culture and their effectiveness in a particular cultural context.

The aim of cultural diversity management is to make it easier for a company to operate on the market. Also deemed especially important was adequate motivation of employees as to their efficiency, which was on the highest possible level.

The research carried out has found that adequate cultural diversity management can positively affect employees' motivation. It is important to state that the process of creating systems or motivational strategies includes the cultural aspect so that the employee's efficiency was as high as possible. Each company aims to achieve competence and financial benefits.

Figure 17. How do you assess the motivation level at work?



X1- Oracle, x2 – Cisco, Y – SAP, Z- GeoVision

Source: own research, a multiple choice question

In American companies the level of motivation was average - 14 responses from Oracle (X1) and 12 responses from Cisco (X2). From the German company SAP SE (Y), the motivation level was also average - 11 responses and from GeoVision (Z) - 10 responses.

Financial incentives to increase work efficiency.

It is very important to mention that the process of creating systems or motivational strategies includes the cultural aspect so that the employee's efficiency was as high as possible. Each company aims to achieve competence and financial benefits. Only adequate diversity management may bring about enormous benefits, not only for employees, but also for the company.

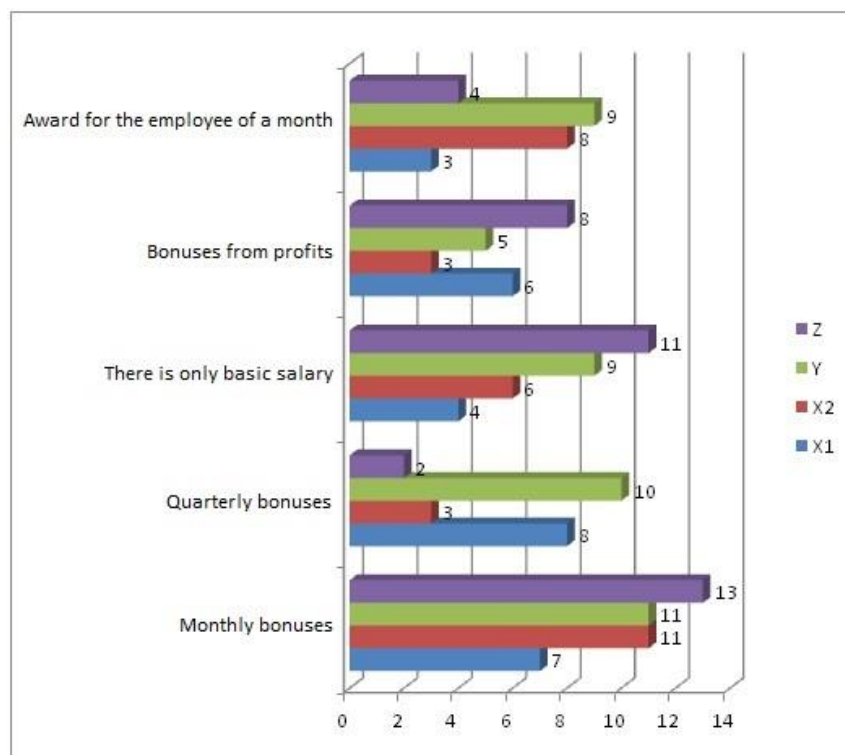
Table 4 Which financial incentives help you most to increase work efficiency?

Which financial incentives help the most to increase work efficiency?	Oracle -X1	Cisco - X2	SAP -Y	GeoVision - Z
High basic salary	9	7	14	11
Receiving bonuses, commissions, etc.	10	6	2	3
Possibility of receiving cash bonuses	8	9	11	8
Co-financing trips, etc.	3	11	9	4
Awards	5	9	10	11

Source: own research, a multiple choice question

The research carried out revealed that most respondents from all researched companies have stated that remuneration is sufficient incentive to have employees engage more in work. In the German company however, respondents additionally awards, as well as the Taiwanese company respondents. In cultures with low uncertainty avoidance the main motivator is an achievement recognition expressed in praise, financial prizes or other forms of gratification. As far as receiving bonuses and commissions: 10 responses from Oracle, 6 responses from Cisco, 2 responses from SAP SE and 3 responses from GeoVision. Regardless of the motivation measures in cultures with high uncertainty avoidance, strict codification principles of their awarding are necessary. Otherwise, employees would have a sense of unpredictability regarding their award and thus, their motivation might be lost. For this reason, in cultures with strong uncertainty avoidance it is better to base the prize granting rules on measurable incentives.

Figure 18. What type of motivation system is used by your company?



X1- Oracle, x2 – Cisco, Y – SAP, Z - GeoVision

Source: own research

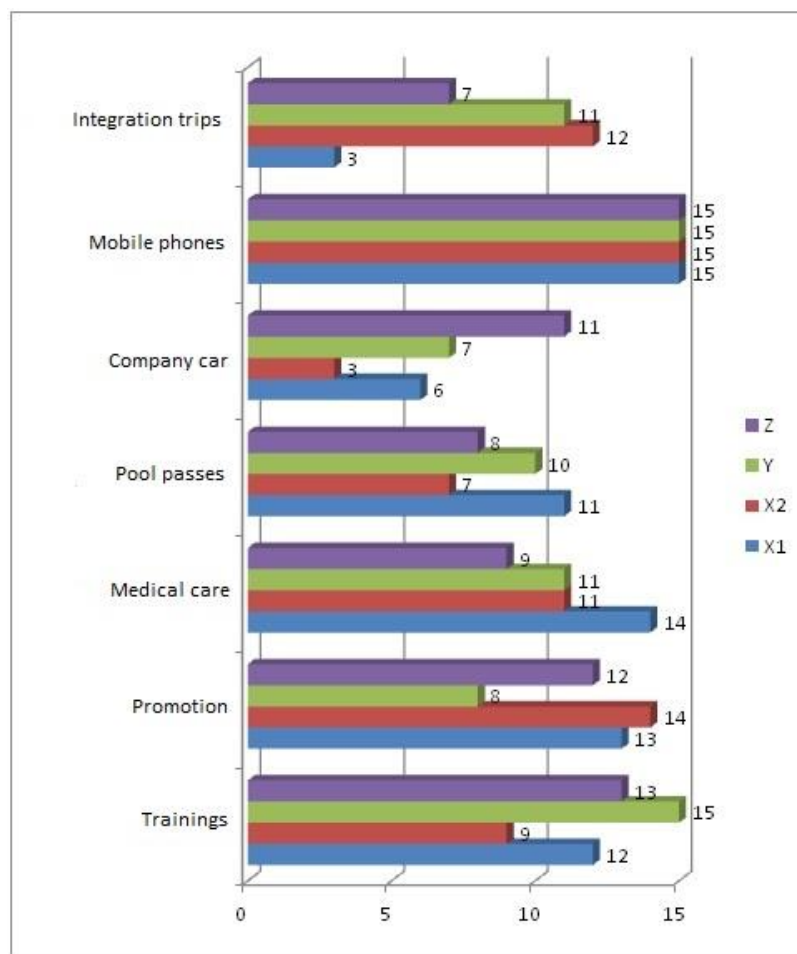
The following forms of motivation were named: bonuses - 7 responses (Oracle), 11 responses (Cisco), 11 responses (SAP SE) and 13 responses from Taiwanese GeoVision. Quarterly bonuses - 8 responses (Oracle), 3 responses (Cisco), SAP SE - 10 responses and 2 responses from GeoVision. Basic salary: 4 responses (Oracle), 6 responses (Cisco), SAP SE - 9 responses and 11 responses from GeoVision. Bonuses from profit: 6 responses (Oracle), 3

responses (Cisco) 5 responses (SAP SE) and 8 responses (GeoVision). Award for the employee of a month - 3 responses from Oracle, 8 responses (Cisco), 9 responses (SAP SE) and 4 responses (GeoVision).

Which non-financial motivational incentives are used by your company?

The main motivator in societies with strong uncertainty avoidance is providing a sense of security. In practice, this could translate into longer contracts, steadily increasing salary (seniority bonus) and awards. In figure no. 19 we can see which awards that the responders choose:

Figure 19. Which non-financial motivational incentives are used in your company?



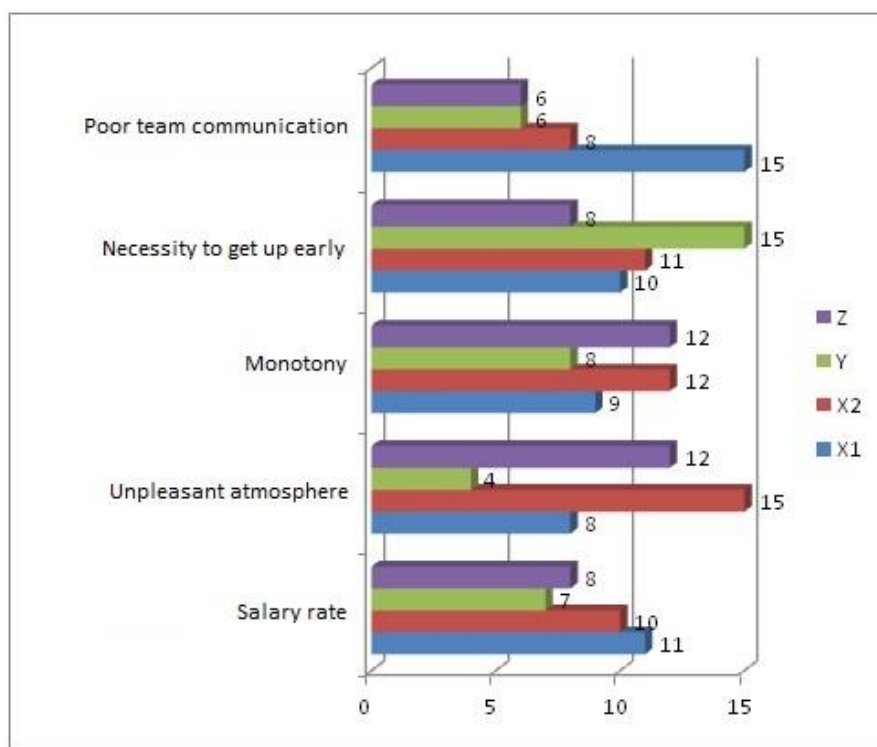
X1- Oracle, x2 – Cisco, Y – SAP, Z - GeoVision

Source: own research, a multiple choice question

Non-financial motivational incentives include: trainings: 12 responses (X1 - Oracle), 9 responses from Cisco (X2), 15 responses from SAP SE (Y) and 13 responses from the Taiwanese company GeoVision (Z). Promotion: 13 responses (Oracle), 14 responses (Cisco), 8 responses from SAP and 12 responses from GeoVision. Medical care: 14 responses from

Oracle, 11 responses from Cisco, 11 responses from SAP and 9 responses from GeoVision. Pool passes: 11 responses (Oracle), 7 responses (Cisco), 10 responses (SAP) and GeoVision - 8 responses. Company car: 6 responses from Oracle, 3 responses from Cisco, 7 responses from SAP and 11 from GeoVision. Integration trips: Oracle – 3, Cisco – 12, SAP – 11, and GeoVision – 7. All respondents provided mobile phones.

Figure 20. What is most demotivating at work?



X1- Oracle, x2 – Cisco, Y – SAP, Z - GeoVision

Source: own research, a multiple choice question

On the question - What is most demotivating at work? - the following answers were provided: salary rate: 11 responses from Oracle, 10 responses from Cisco, 7 responses from SAP and 8 responses from GeoVision. Unpleasant atmosphere: 8 responses - Oracle, 15 responses - Cisco, 4 responses - SAP and 12 responses from GeoVision. Monotony: 9 responses (Oracle), 12 responses (Cisco), 8 responses (SAP), and 12 responses from GeoVision. Necessity to get up early: 10 responses - Oracle, 11 responses - Cisco, 15 responses from the German company SAP and 8 responses from GeoVision.

Intercultural organisation and the IT industry.

Most organisations are set in national cultures, even if they operate on a global scale. In this sense, CISCO and Oracle are American companies, SAP German and GeoVision is Taiwanese. There are very few truly ‘multinational companies’. But author believes that at least three out of these four: Oracle, Cisco and SAP could be considered to be so.

The author believes an important question that responders had to answer was; if the organisation they work for considers itself as intercultural organisation? Based on the answer author continued with the research and analysis of what does cultural diversity mean for them? In order to establish an impact on their business and whole IT sector.

Table 5 Does the company underline the fact it is an intercultural IT enterprise?

Study group (N =60)

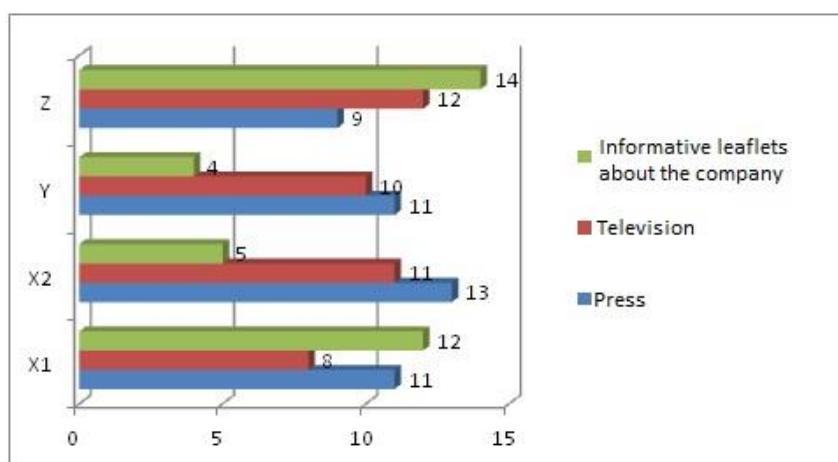
Does the company underline the fact it is an intercultural IT enterprise?	Oracle		Cisco		SAP		GeoVision	
	N	%	N	%	N	%	N	%
Yes	15	100	15	100	15	100	15	100
No	0	0	0	0	0	0	0	0
Total	15	100	15	100	15	100	15	100

Source: own research

When there are only "yes" answers, research correlation has no point.

All companies underlined the fact that they are intercultural enterprises.

Figure 21. Where does the company underline that it is an intercultural enterprise?

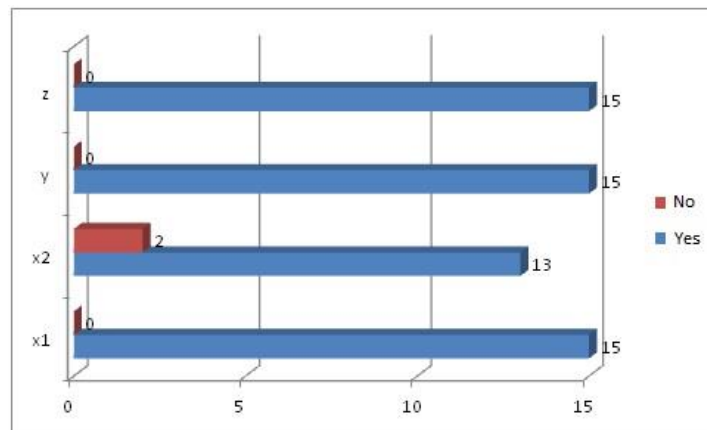


X1- Oracle, X2 – Cisco, Y – SAP SE, Z – GeoVision

Source: own research, a multiple choice question

How the companies underline the fact that they are intercultural enterprises: press: Oracle - 11 responses, Cisco - 13 responses, SAP - 11 and GeoVision - 9 responses. Television: Oracle - 8 responses, Cisco - 11 responses, SAP - 10 responses and GeoVision - 12 responses. Informative leaflets about the company: Oracle - 12 responses, Cisco - 5 responses, SAP - 4 responses and GeoVision - 14 responses.

Figure 22. Has the meaning of cultural diversity in the IT sector changed in recent years?

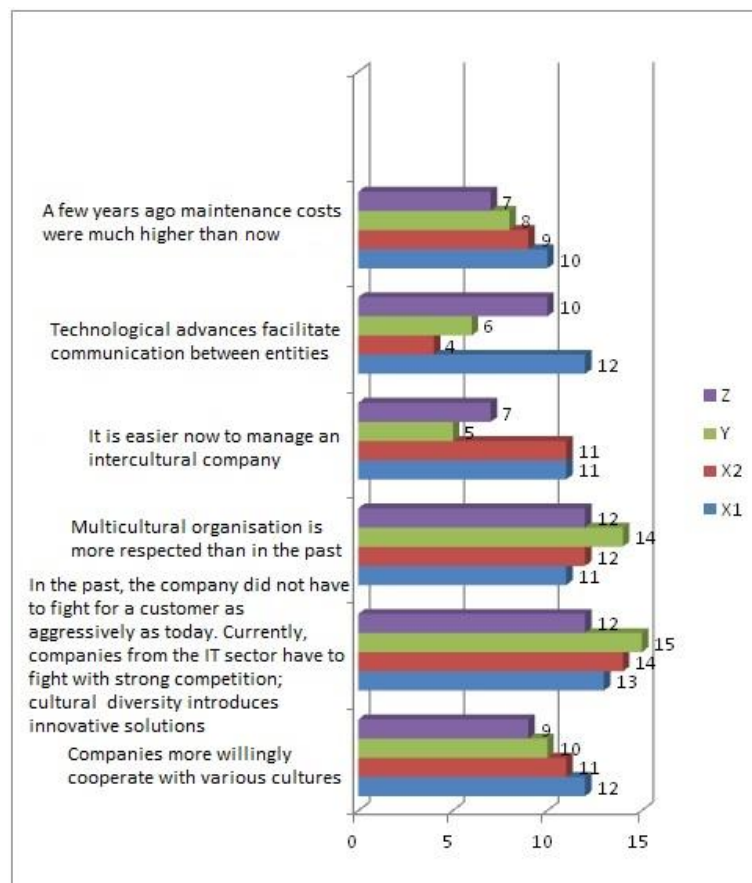


X1- Oracle, X2 – Cisco, Y – SAP SE, Z – GeoVision

Source: own research

On the question - Has the meaning of cultural diversity in the IT sector changed in recent years? - most companies from the IT sector said yes.

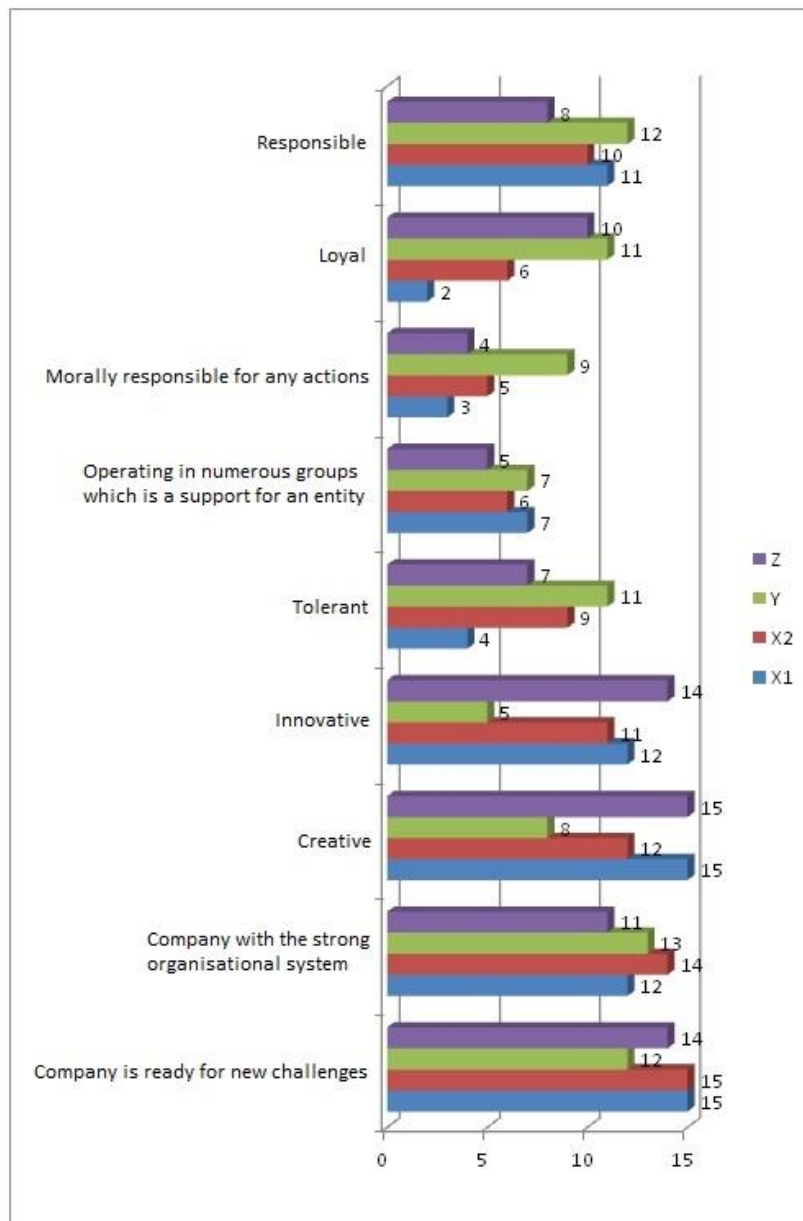
Figure 23. Changes in perception of intercultural diversity in the IT sector



X1- Oracle, X2 – Cisco, Y – SAP SE, Z – GeoVision

Source: own research, a multiple choice question

Figure 24 What is the current perception of intercultural companies in the IT field?



X1- Oracle, X2 – Cisco, Y – SAP SE, Z – GeoVision

Source: own research

6.6. Qualitative research

Eight regional managers took part in the interview, two from each of the Oracle, Cisco, SAP and GeoVision companies. The author met with each participant personally to carry out the interviews. At that time, the managers responsible for Oracle's Prague office were in Ireland. Therefore, in order to complete interview, he travelled to Oracle's head office for Europe in Dublin, where in July 2014 he spent two weeks in conversations, learning the

culture of the organization. As a result, the entire research has been enriched by this unplanned visit and consequent observation.

As a supplement to the image of organization culture and being able to approach the American managers as to the diversity aspects of the company's management processes, individual conversations were carried out with two representatives acting as Regional Directors. After his return from Dublin, author continued in the same way when he visited head offices of Cisco, SAP and GeoVision in Prague.

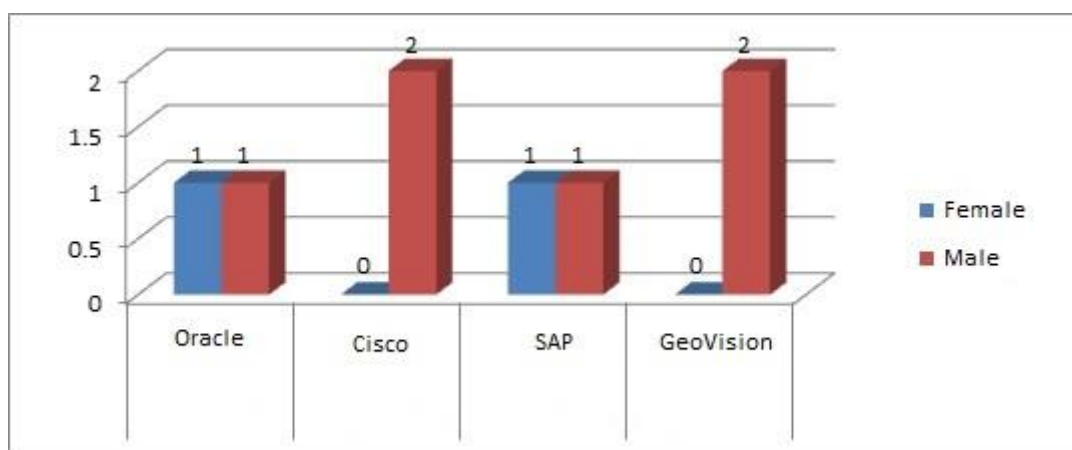
In this research a questionnaire survey has also been used. The research was in form of an interview with the management personnel – regional managers. The research sample comprised eight persons from four companies, including:

- X1 - Oracle – 2 persons
- X2 – Cisco - 2 persons
- Y – SAP – 2 persons
- Z - GeoVision – 2 persons

Respondents structure

Interviewed people by gender:

Figure 25. Gender of the respondents



Source: Own research

Men accounted for the majority of the participants. Answers to the questions were provided by one man and one woman in Oracle, two men in Cisco, one man and one woman in SAP, and two men in the Taiwanese company GeoVision.

The next question in the questionnaire was about the age of the workers in management personnel.

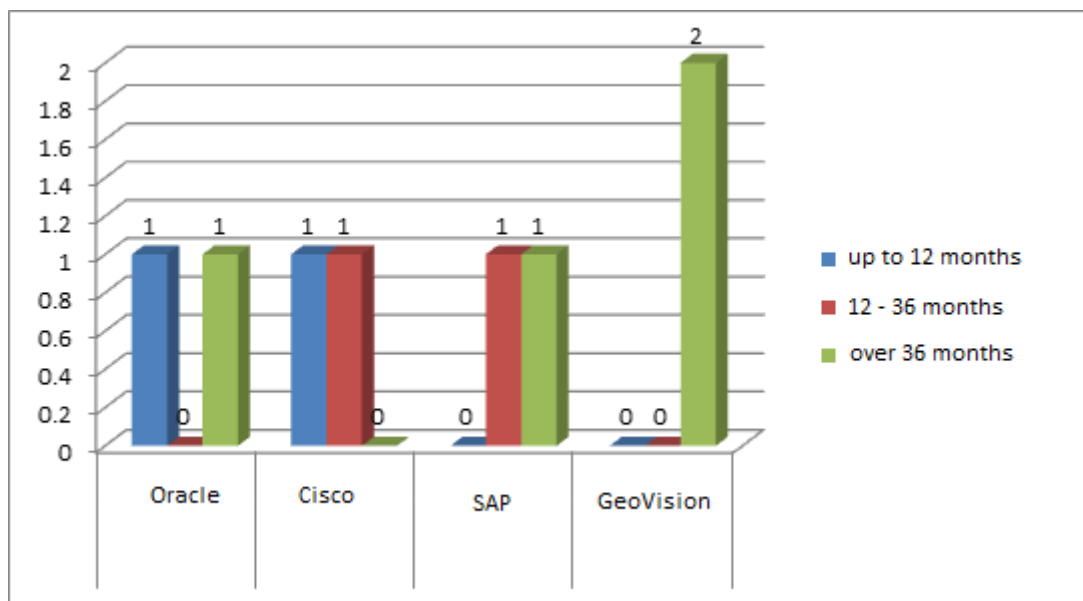
Table 6 Respondents' age

Age	Oracle	Cisco	SAP	GeoVision
Study group (N =8)				
27	0	1	0	0
29	0	0	1	0
38	0	0	1	1
39	1	0	0	0
47	1	0	0	0
55	0	1	0	1
Total	2	2	2	2

Source: Own research

In the American company, Oracle, the respondents' answers were 39 and 47, Cisco: 27 and 55, SAP: 29 and 38, GeoVision: 38 and 55.

Figure 26. Seniority



Source: own research

With reference to seniority: in Oracle one person had worked for less than 12 months, and the other for more than 36 months; in Cisco one person has worked for less than 12 months, and the other for more than 36 months; in the German SAP company one person has worked from between 13 and 36 months, and the other for more than 36 months; in GeoVision two persons had worked for more than 36 months.

Important questions related to company policy and strategy

Table 7 What does the company pay attention to in international management?

What does the company pay attention to in international management?	Oracle	Cisco	SAP	GeoVision
	Study group (N =8)			
Ensuring proper level of training	0	0	1	1
Providing an incentive motivation system	0	1	0	0
Teamwork	1	1	0	1
Clear definition of workers' responsibilities	1	0	1	0
Total	2	2	2	2

Source: own research

The answers given by the directors of the companies are as follows: the American company Oracle pays attention to teamwork and a clear definition of workers' responsibilities; Cisco – ensures a proper motivation system and teamwork; the German SAP – ensures a proper level of training and clear definition of workers' responsibilities; the GeoVision company – ensuring proper level of training and teamwork.

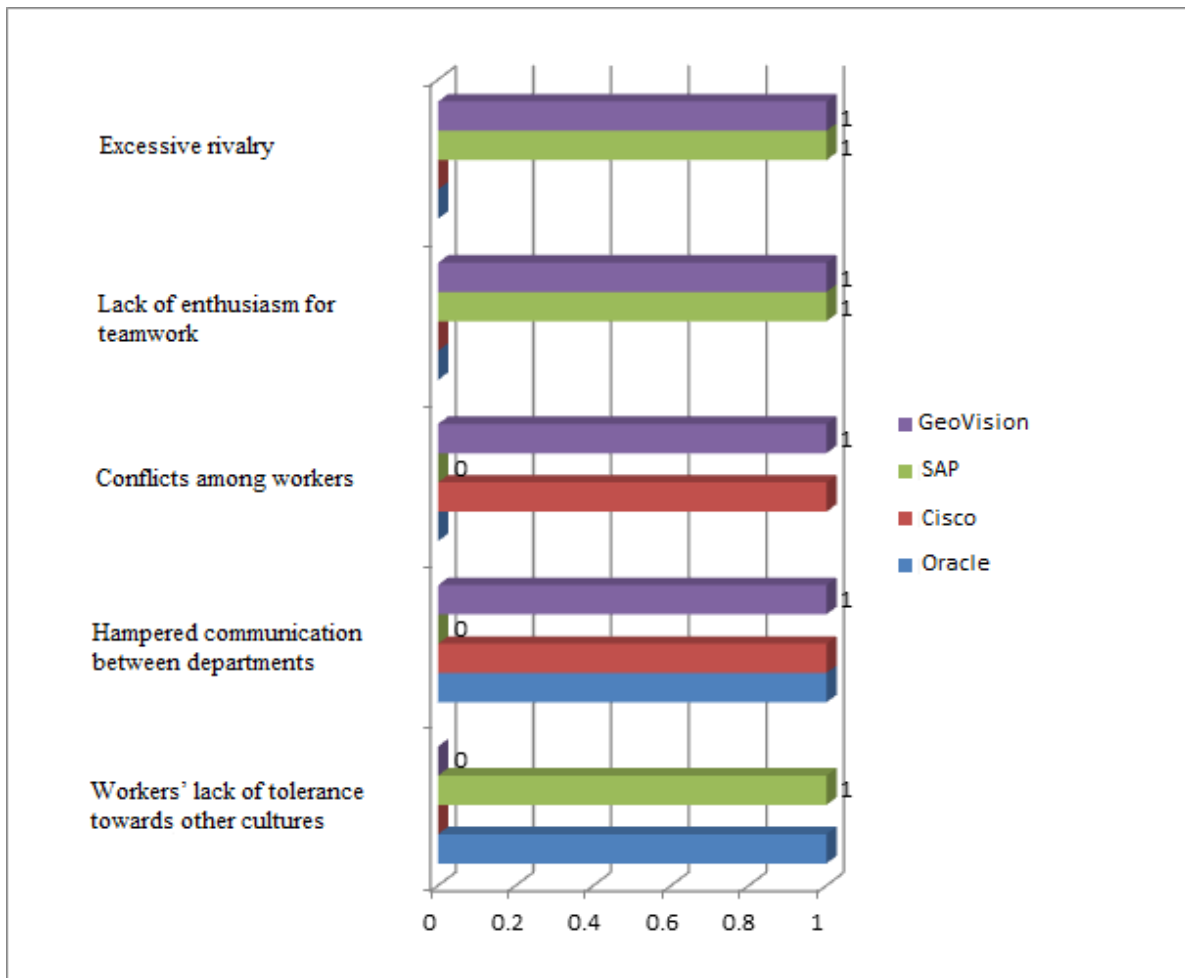
Table 8 What is the company guided by in human resource management?

What is the company guided by in human resource management?	Oracle	Cisco	SAP	GeoVision
	Study group (N =8)			
Efficient organisation of work	1	1	1	0
Better results of the company on the international market	0	1	1	1
High level of workers satisfaction	1	1	0	0
Efficient transfer of information between departments	1	0	1	1
Ensuring high quality service	0	1	1	0
Creating strong corporate image on the market	1	0	1	0

Source: own research

The next question was to determine what factors guide the companies as far as human resource management. The respondents from the American company Oracle said that they are guided by efficient organization of work, a high level of workers satisfaction, efficient transfer of information between departments and creating a strong corporate image on the market. Similar answers were given by the respondents from Cisco: efficient organization of work, better results of the company on the market, high level of workers satisfaction and ensuring high quality service. The managers from SAP mentioned more efficient organization of work, better results of the company on the international market, high level of workers satisfaction, ensuring high quality service and creating strong corporate image on the market. GeoVision reported they pay particular attention to better results of the company on the market and efficient transfer of information between departments.

Figure 27. What problems do the directors face in human resource management?

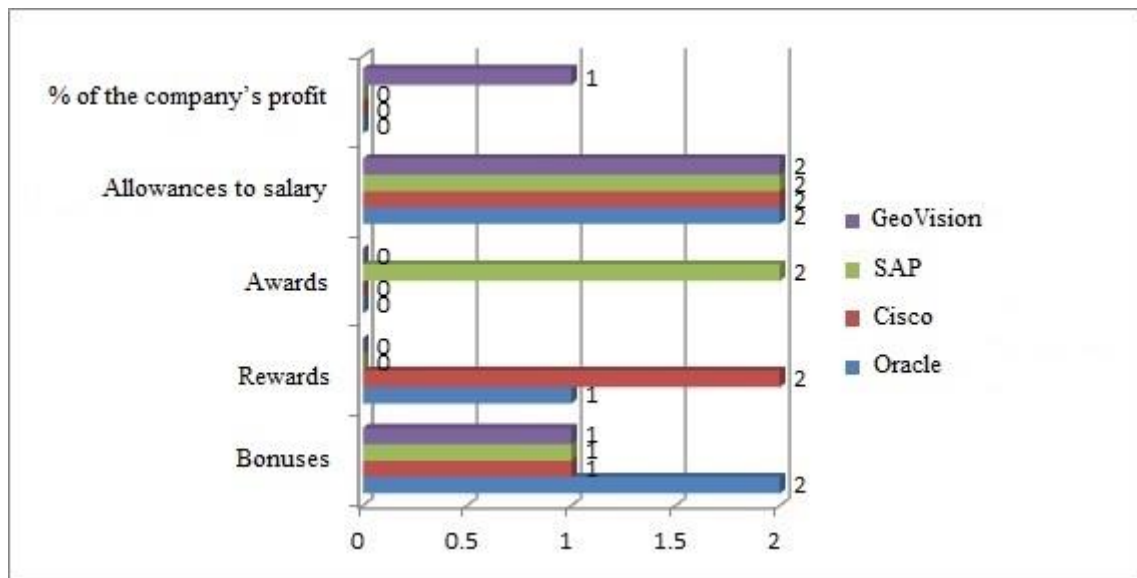


Source: own research

Every international company faces problems connected with human resource management. The directors from Oracle said that they are faced with intolerance and hampered communication between departments. The Cisco company respondents mentioned hampered communication between departments and conflicts among workers. SAP directors emphasised workers' lack of tolerance towards other cultures, lack of enthusiasm for teamwork and excessive rivalry. The Taiwanese managers complained about conflicts among workers, hampered communication between departments, lack of enthusiasm for teamwork and excessive rivalry.

Figure 28. Tools that improve work productivity

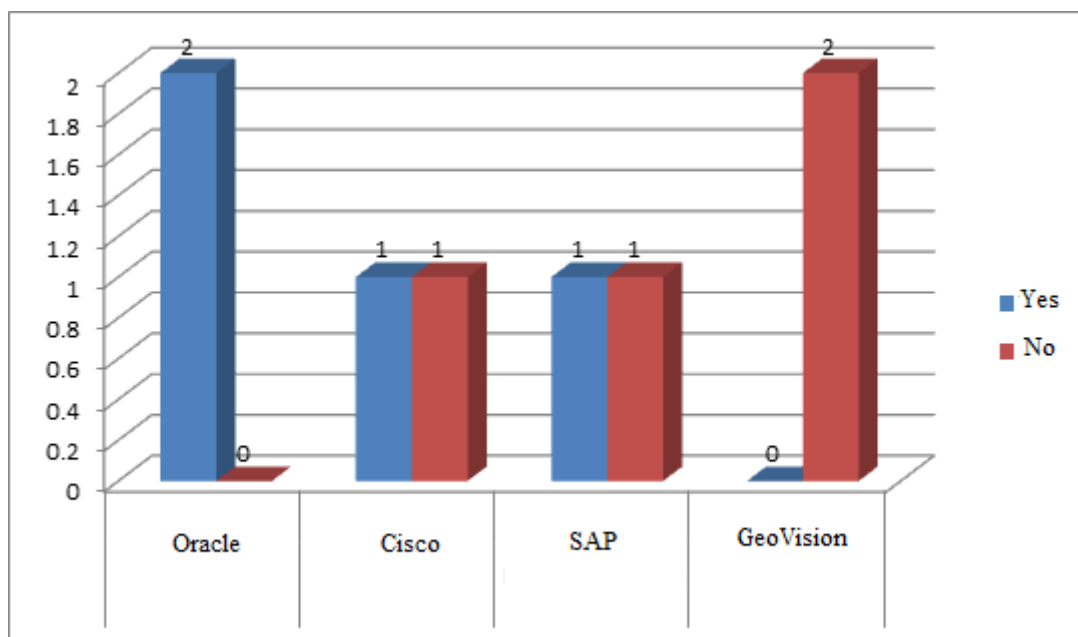
(What causes an increase in workers' productivity and efficiency?)



Source: own research

For Oracle, the increase in motivation is caused by bonuses, rewards and allowances. In Cisco the respondents mentioned bonuses, rewards and allowances. In the German SAP company bonuses, awards and allowances. In the Taiwanese GeoVision – bonuses, allowances and a percentage of the company's profit.

Figure 29. Is human resource management in an international company a difficult task?



Source: own research

The question - is it difficult to manage human resources? - was answered as follows: respondents from Oracle said that it is difficult, in Cisco - one respondent said that is it difficult, in SAP - it was difficult for one person but not for the other respondent. Respondents from the Taiwanese company GeoVision stated that managing human resources is not complicated.

Table 9 Why is human resource management in an international company difficult?

Why is human resource management in an international company difficult?	Oracle	Cisco	SAP	GeoVision
	Study group (N =8)			
Due to the distance between branches	1	1	1	1
Due to inappropriate culture matching	1	1	1	1

Source: own research

It is difficult to manage human resources due to the distance between branches and inappropriate culture matching.

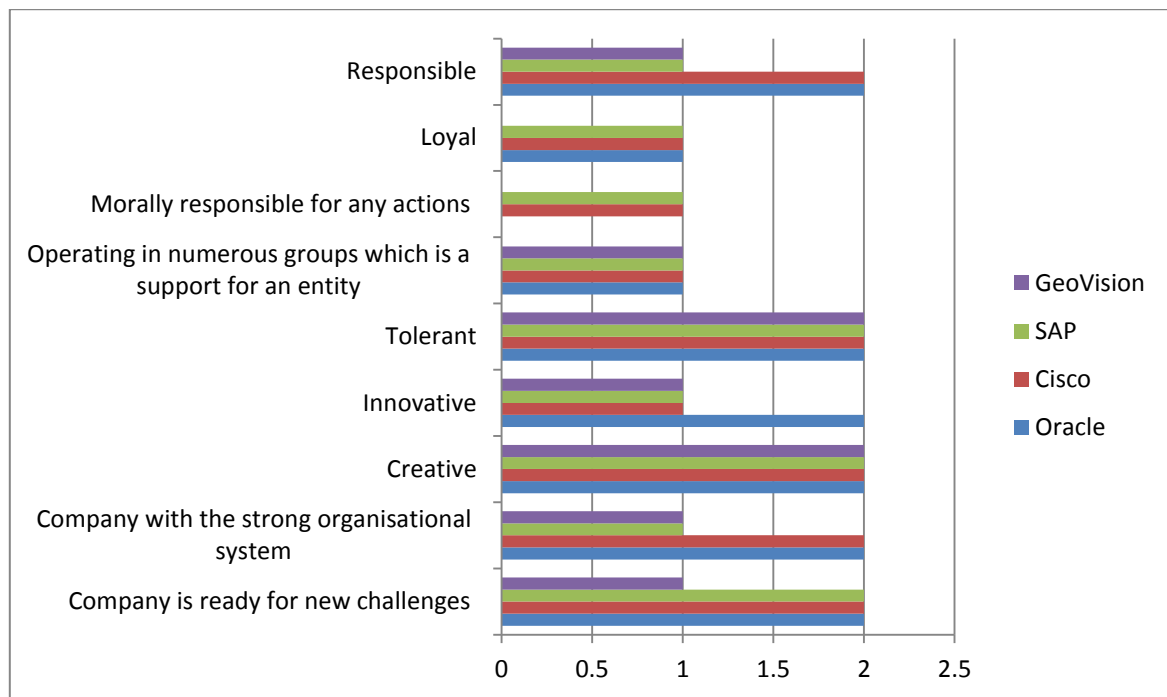
Focus area

Interviews conducted with directors made it possible to enlarge the spectrum of diagnosed issues while performing quantitative research. These interviews made it possible to see elements which managers from other companies were not aware of, i.e. such as in the approach to cultural differences and its influence on the management of firms.

The directors confirmed that the approach to cultural differences in their companies has changed as cultural diversity in the IT sector has changed. This is mostly connected with a greater respect towards multicultural companies. The positive reception of this issue in today's world by managers as well as by modern society has resulted in using cultural differences more naturally in constructing company strategies. None of the directors consider this to be an unnecessary, additional cost for the company.

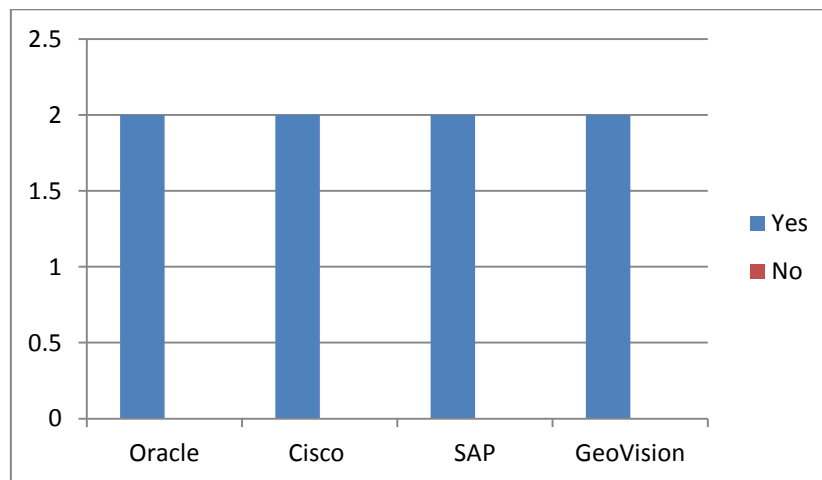
Below the answers that were given by directors who work for Oracle, Cisco, SAP and GeoVSION:

Figure 30. What is the current perception of intercultural companies in your organisation?



Source: own research

Figure 31. Has the meaning of cultural diversity in your organisation changed in recent years?



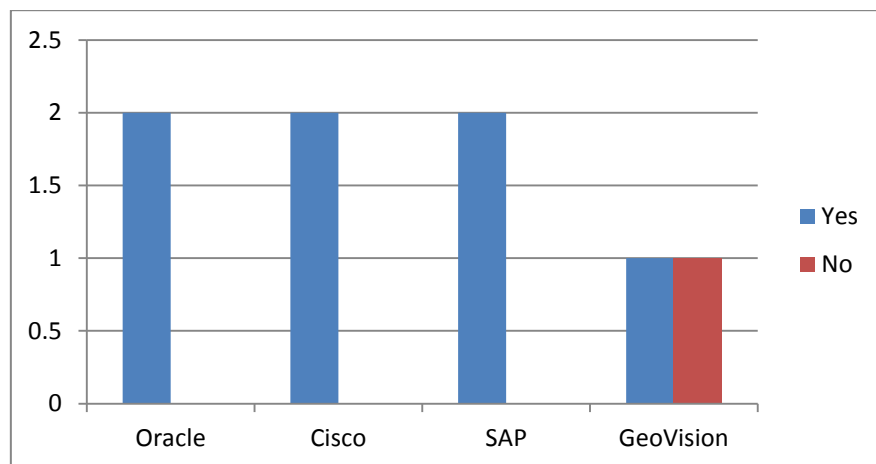
Source: own research

Figure 32 What exactly has changed?



Source: own research

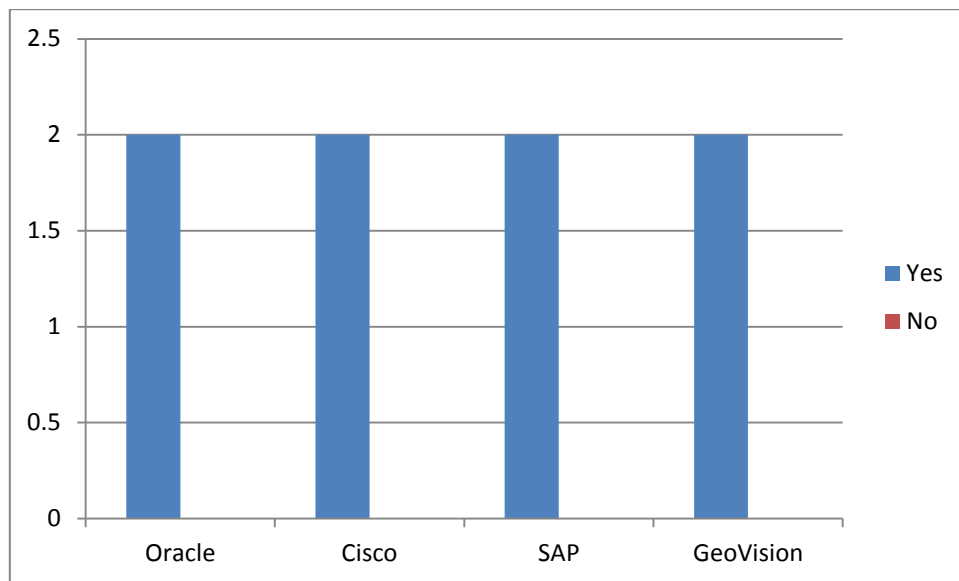
Figure 33. Do you see the necessity to apply intercultural management in the company?



Source: own research

Seven of the eight directors confirmed that they consider it necessary to apply intercultural management in the company. Only one of the directors of the GeoVision company didn't see such a need.

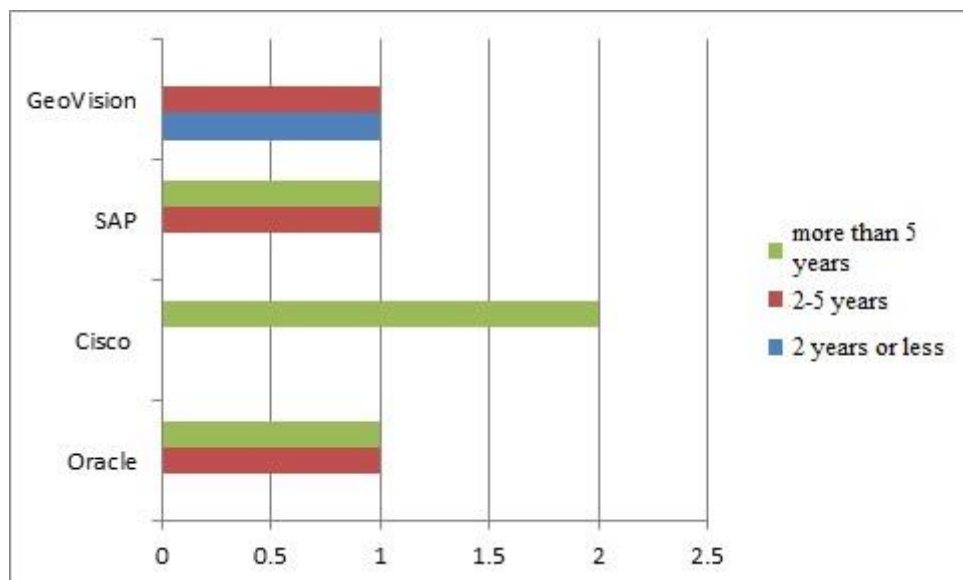
Figure 34. Has a model based on diversity already been introduced in the company?



Source: own research

All four companies have already introduced specific programs which made it possible to use diversity within these companies.

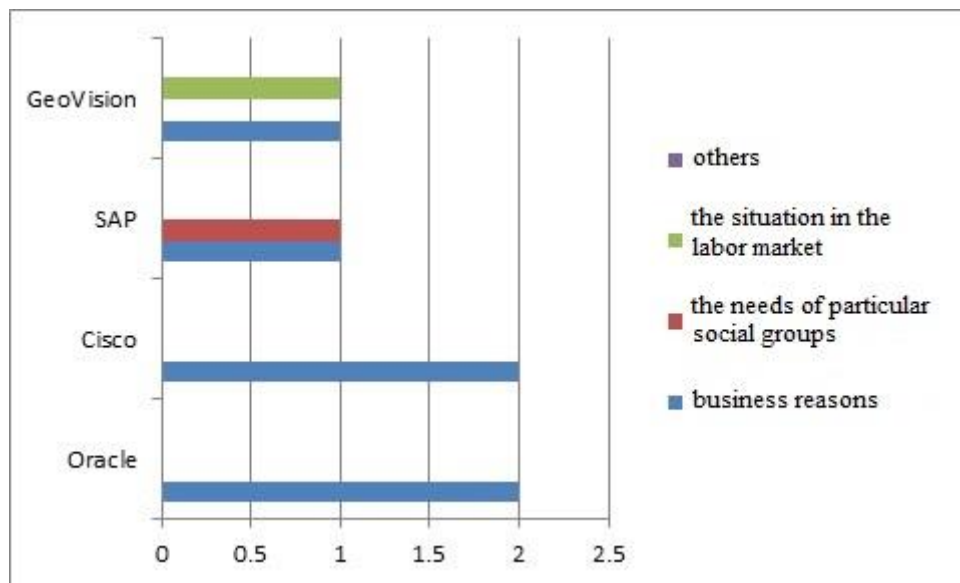
Figure 35. For how many years have initiatives for intercultural management been organized?



Source: own research

These programs have been functioning for the past few years. Oracle, Cisco and SAP have introduced that more than two years ago. Below the reasons behind that decision:

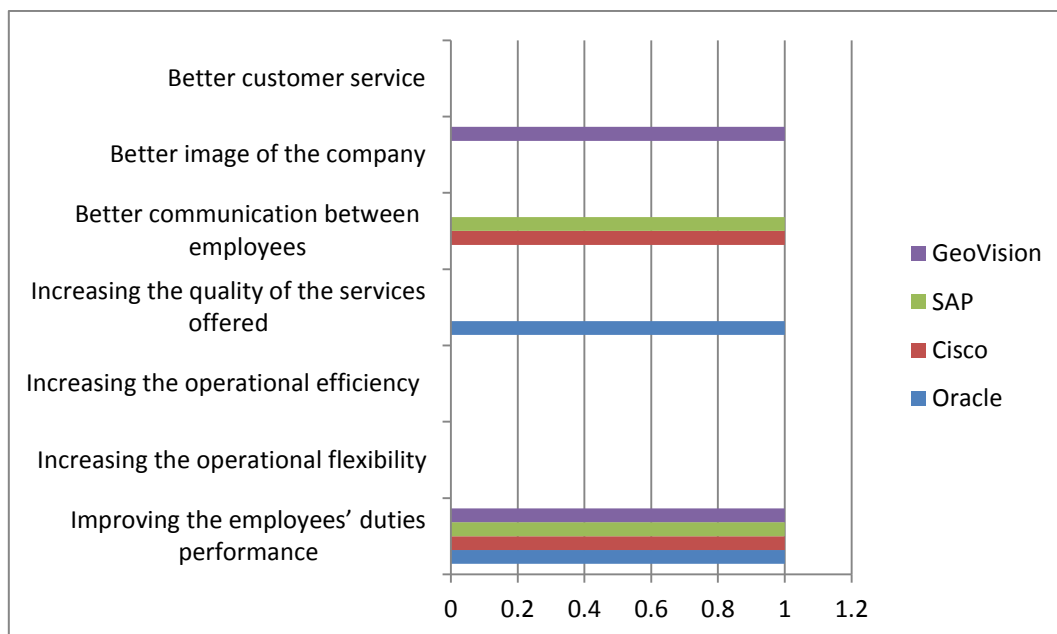
Figure 36. What were the motives for this decision?



Source: own research

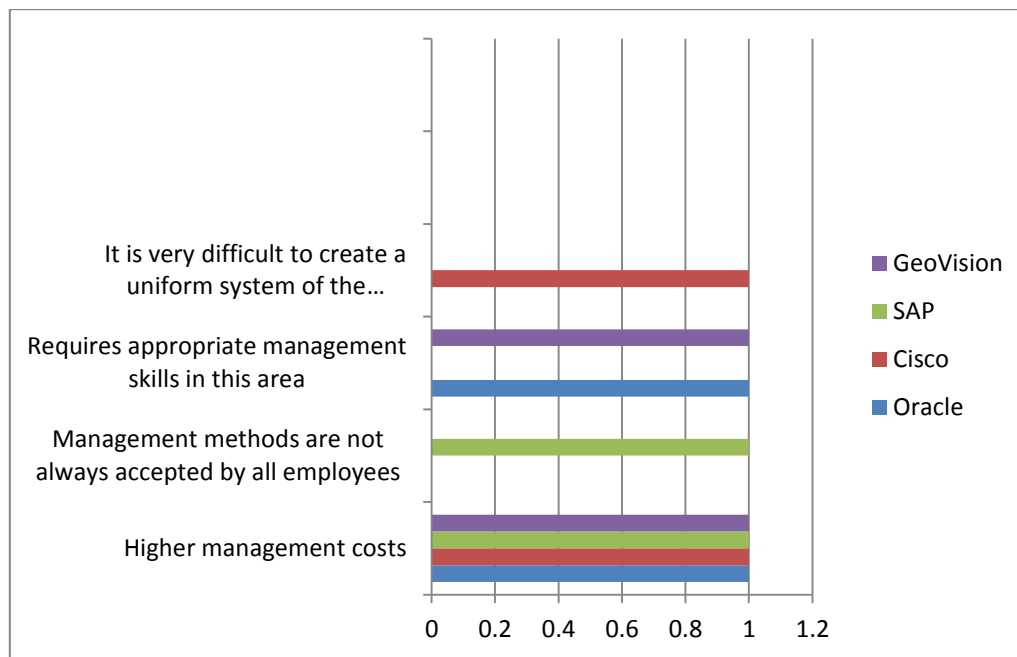
In the end the directors were asked what are the advantages and disadvantages of implementing intercultural management. Below are the results:

Figure 37. What are the advantages of implementing intercultural management?



Source: own research

Figure 38. What are the disadvantages of intercultural management?



Source: own research

6.7. Summary and data analysis

Cultural diversity increases a company's potential

Proper use of cultural diversity involves a complex system of relationships. In a standard approach, a manager aware of the importance of the cultural aspect of business management and of the possibility to create a competitive advantage through its use will make improvement of human and structural capital efficiency business priorities. This involves selection of optimal methods of human capital management, which will increase the effectiveness of employment and development of this capital. Application of such methods provides a way to determine the influence of diversity on business performance and workers motivation.

The statement regarding the significant influence of cultural diversity on effective management was also confirmed in the operations of the studied transnational corporations. All companies' regulations concerning business operations guarantee respect for different cultures, beliefs, attitudes and values. The results of the studies have proven that the benefits of proper use of cultural diversity in the studied companies was found to be satisfactory from the perspective of building competitive advantage as well as having a positive influence on worker's motivation.

Differences in intercultural management in the four companies analysed from the IT industry

At the beginning of employment in both Oracle and Cisco each worker is required to pass a written test as far as knowledge in respect to local customs, as well as cultural, religious, sexual and other differences. Such employees are recognized as not only being representatives of the corporation upon whose behalf they act, and are at the same time members of the local society and intuitively interpret any subtle cultural signals they may project. Thanks to an understanding of these principles any misunderstandings in day-to-day human resource management can be avoided. The principles of respect and diversity are also mirrored in the workers' employment, motivation and developmental policies. Companies employ workers from the local job markets, in which they operate who greatly appreciate freedom in developing their own working style. Respect for religious, ethnic, political, cultural or social groups is also mirrored in the company's communication strategy. A deeper understanding and respect for the local cultures can involve everything from customs to eating habits.

At GeoVision respect for cultural differences is one of the important principles of the company as they strive to be regarded as a company having an understanding of the local needs and mentalities. Their regional managers even visited foreign countries in order to become familiar with the local culture, language, customs and lifestyle of the inhabitants.

All four companies' management realize that human capital and cultural diversity constitute the company's potential. The research carried out has shown that there are common elements of human resources management employed by all companies participating in the study which include: human resources as a cost, training and orientation towards internal trainings. All of the companies reportedly take care of their employees, encourage them to participate in trainings and engage more in their work. All companies reported that raising qualifications and acquiring new knowledge positively affect work performed by employees. Each of the companies participating in the research pointed out that employees should have an adequate motivational system. As the aim of each company is to prosper and reap economic benefits, their being able to outdo the competition directly translates into financial benefits.

When analysing cultural patterns of specific countries two aspects should be borne in mind. The first is that every country has a diverse internal structure which means that one country may embody several diverse cultures. The second aspect is that each person has a unique personality. For that reason learning about cultural differences is extremely useful, yet it should be remembered to avoid stereotyping individuals of any given country.

To summarize, in companies like Oracle, Cisco and SAP the main residence of the company (headquarter) does not influence their intercultural management style as they all operate within the same set of standards worldwide. However, the influence of the Taiwanese culture on GeoVision's operations, was much more noticeable than in the cases of the influence of the home countries on the other three companies researched. Although there is no doubt that GeoVision is a company strongly connected with its country of origin, they are adopting a global perspective as their *modus operandi*.

The perception of the intercultural in all four companies has changed in recent years.

Nowadays, intercultural companies in the IT market are perceived as trustworthy, innovative and fighting for customers. It should also be noted that attitudes towards interculturalism have changed. Only a few years ago intercultural solutions were related to high costs whereas presently they are related to improved communication and the ability to cover large distances. Today, companies acknowledge the need for cooperation with representatives of various cultures. With each passing year, companies have to fight more and more aggressively for customers. Intercultural companies are presently perceived as innovative enterprises ready to take on new challenges as well as being considered as tolerant and embracing multifaceted management. As published in newspapers and advertised on TV, companies now consider interculturalism as an asset. The research results below substantiate these conclusions.

Each respondent interviewed admitted that in recent years there have been changes in the perception of intercultural diversity in all four organisations as verified by responses to the following research questions: Currently, those companies have to struggle with strong competition and cultural diversity introduces innovative solutions: Oracle - 13 responses. Companies more willingly cooperate with various cultures; Oracle - 12 responses and technological advances facilitate communication between entities - 12 responses. For Cisco - cultural diversity introduces innovative solutions - 15 responses, SAP - 15 responses and GeoVision - 12 responses. From the Taiwanese company's point of view - cultural diversity introduces innovative solutions - 12 responses. The responses confirm the hypothesis.

A few more interesting conclusions were brought out in Cisco's *Workforce Transformation in the Digital Vortex*, a report prepared by the Center for Digital Business Transformation (DBT Center), which is a joint initiative of Cisco and the International Institute of Management Development (IMD) in Lausanne.

The report indicates steps which the organizations should take to digitalize business processes involving workers in order to build more efficient, innovative and engaged teams, and therefore effectively bring more value to the customers, partners and workers. Cisco predicts that by the year 2020, 50 billion devices will be connected to the Internet, generating enormous data streams. In light of this predicted change, organizations will have to provide their workers with the possibility to fully exploit these new forms of communication and new sources of valuable data and information. Only then will companies be able to realize the vast potential of advantages offered by common digitization. The authors of the report highlight the fact that technological solutions alone are an insufficient response to the challenges of digital transformation. The effective use of technology must go hand in hand and in accordance with changes in business processes comprising all aspects of business operation which will allow the effective competition in the increasingly digitalized era that is to come. Moreover, these changes will require constant engagement on the part of the management of the companies.

Intercultural management in motivating employees in chosen IT companies.

To investigate to what extent culture influences worker's motivation, motivation systems of all four companies were examined. The research was conducted with the use of an anonymous survey (a research instrument) and personal interview. The questions included in the questionnaire helped understand what according to the managers themselves are the best motivation factors which work in their companies. The table no. 4, figure no. 18 and 19 along with the results of the research present the managers' assessments regarding the significance of any given motivation factor. The research carried out uncovered that adequate diversity management can positively affect employees' motivation. What stood out of key importance was the process of creating systems or motivational strategies which included cultural aspects so that the employee's efficiency was as high as possible as each company strives to achieve competence and financial benefits. Only adequate diversity management brings about enormous benefits, not only for employees, but also for the company. The research has shown that taking into consideration the cultural aspects significantly improves employees' motivation.

Also, remuneration and opportunities to receive monthly bonuses were top-rated by every company and deemed as very important for the motivation of the workers, and rated as one of the most significant motivation factors. The workers in Cisco and SAP also appreciate getting recognition for a job well done from a supervisor (employee of the month). This factor

has been recognized by the respondents as one of the most important elements influencing the increase in motivation to work. An interesting outcome is that German respondents additionally mentioned that clearly specified expectations and increasing the quality of services were of importance, and respondents from the Taiwanese company Geovision mentioned better work organisation and clear expectations.

6.8. Research limitations

Like all research, this one has its limitations as well. The main limitations result from the selected research methods, while other limitations are caused by the phase of research and the current state of knowledge of these issues and by limited interpretation of the collected data. The selected method, *i.e.* a questionnaire, has to rely on the truthfulness of the answers from the respondents; it was not possible to verify such data, or to obtain directly measured, observed and completely objective data in this way. However, the personal interviews somehow compensated for this uncertainty. Each survey was influenced by many circumstances. The most significant factor affecting the research can be considered the selection of the respondents in both the quantitative and the qualitative part of the research. In both cases, *i.e.* in quantitative as well as qualitative research, the respondents were chosen intentionally in such a way that the most important managers and directors were represented proportionally.

6.9. Fulfilment of the set objectives

The original goal has been fulfilled that this research will be looked upon as a contribution to new knowledge for science and professional practice in this field. Most importantly, is that the findings will be found to be a contribution to assuring that employees working in intercultural companies are well managed. Appropriate motivation and management systems lead to tangible benefits. Taking professional practice into consideration, executives and managers have received knowledge which will enhance human capital management. Therefore, the author concludes that the objectives of the thesis were met, and he can confirm that management based on culture should be implemented.

Additionally, the research demonstrates a change in the importance of intercultural diversity in these IT organisations. It also explored what specific roles management plays in multicultural companies as taken from the selected examples of these large IT organisations.

6.10. Contribution of that research for science and practice

An innovative solution for managing international companies was introduced by Vineet Nayar, CEO of HCL Technologies, who states that the employee should always be first, whereas the customer second. This idea somehow covers many issues analysed and discussed in this thesis. Indeed, strengthening cultural diversity, motivating and rewarding workers, creating opportunities for personal development and knowing employees' needs are nothing more than putting the employee in first place. This kind of approach guarantees that employee's satisfaction will result in customer satisfaction and ultimately potential benefits for the company. In order to achieve this goal Mr. Vineet Nayar emphasises trust between managers and employees as well as the fact that all branches of the company should be employee-friendly. I am convinced that implementing this kind of theory in practice would be synonymous with success.

From a scientific (theoretical) standpoint, this research will be looked upon as a considerable contribution, since it introduces the theme of cultural diversity in a coherent way. Besides the general view of the topic of cultural diversity management, the research discusses the issues of cultural diversity management in four different IT organisations, similar research has so far been addressed only by a limited number of studies that were rather non-conceptual and fragmented in thematic focus. Nowadays, when the world experiences many political, sociological and economic upheavals there is a greater need for stability which may be in part guaranteed by international companies. The perception of global IT companies has positively changed. This invaluable capital of trust, professionalism and modernity, should be used as a tool to make a step further. Each manager should combine cultural diversity and innovation in order to provide fulfilment for his or her workers, satisfaction for customers and benefits for business owners as well as stability for the global economy. The author believes that the research conducted for the purpose of this thesis, will be helpful for managers and companies.

When it comes to the contribution of this thesis in practice, describing cultural diversity management in all four IT organisations can be seen as something enriching. The reason being is that contemporary management books do not approach much this dimension of diversity. There are few articles available that could be a help to managers employed in IT companies who oversee teams. As the research performed demonstrated, all four organisations are already trying to address some of the problems resulting from cultural differences of their employees. This research provides publicly accessible and practical

instructions of how to deal with diversity management. The research now makes it possible to suggest optimal personnel management methods managing and motivating talented employees in the IT sector.

6.11. The work as a direction for further research

After the first research and talks with the management author has noticed that in the surveyed organizations not only are there cultural differences between managers and employees. There are far more other factors that differentiate them. These factors are equally important, if not more important, and have a major impact on the functioning of the organization and its financial performance. He thinks here particularly of gender differences and age diversity, among other differences. Further research will refer to the earlier studies - it will be the continuation and expansion of my prior work. The aim will be to examine these remaining differences.

7. Main research: Profile of the Surveyed Organisation

7.1. Research objectives

The primary objective of the thesis is to create a graphical model of diversity management for multicultural organisations operating in the field of information technology.

The secondary objective is to identify, through expert literature research, the current approaches to diversity management and to clarify its benefits. Another secondary objective is to identify the specifics of the use of diversity management in global IT companies that are characterised by a multicultural work environment.

7.2. Research hypotheses

The practical part presents the quantitative and qualitative research carried out among managers in 10 selected enterprises applying diversity management in varying degrees. Qualitative research takes the form of in-depth interviews with employees responsible for diversity management in these organisations.

Based on this qualitative research, the following hypotheses were formed:

- H_1 : *Managers abroad use diversity management to a greater extent than managers in the Czech Republic.* This hypothesis assumes that approach to diversity management issues is at a more advanced level in foreign organisations, which is reflected in the fact that diversity management is used more often there. The hypothesis will be confirmed or refuted during the evaluation of respective questions in quantitative research.
- H_2 : *Older managers have an increasingly positive attitude to using diversity management.* The hypothesis posits that understanding the importance of diversity management for organisation is related to age, or in other words, to work and life experience. Older managers are better able to distinguish what is really important and what leads to more achievements of an enterprise. Diversity can account for such factor (at least according to this hypothesis). The hypothesis will be confirmed or refuted by evaluation of the respective issues in the quantitative research.
- H_3 : *Managers in enterprises with a higher number of employees (more than 20,000 people) put greater emphasis on diversity management.* This hypothesis implies that companies with a higher number of employees (in this case 20,000 persons) have a more positive approach to diversity management. The limit of 20 000 employees in a

company was selected on the basis of a subjective consideration and approach used by some experts..Chambers (2011, p. 51) comments that this type of companies (with more than 20 000 employees) as typical for large multinational organisations whose internal environment is highly varied. Perkin (2002, p. 45) points out that this limit is used in the research of multinational organisations, and also that it is common for multinational organisations to have a number of employees exceeding 20 000 persons. The assumption stems from the fact that probably various cultures and ethnicities are working in such enterprises, so it is necessary to implement a more sophisticated management. The hypothesis will be confirmed or refuted by evaluation of the respective issues in the quantitative research.

- H₄: *The greatest attention from the side of managers is paid to the issues of gender diversity, but according to the subjective impression of the respondents, racial and ethnic diversity is crucial for proper functioning of the working team, and fulfilment of the team's objectives.* This hypothesis assumes that gender diversity is the biggest trend in terms of diversity management. However, based on subjective impressions, racial or ethnic diversity has the greatest impact. The hypothesis will be confirmed or refuted by evaluation of the respective issues in the quantitative research.
- H₅: *Managers in financially more efficient organisations undergo a higher number of projects related to diversity management.* As financially more efficient is understood an organisation which achieves profit. This assumption studies the possibility that high-performance organisations apply diversity management more often than enterprises whose performance is not on such a high level. Profit (EBIT) is considered as the main performance indicator. The hypothesis will be confirmed or refuted by evaluation of the respective questions in quantitative research and comparison of outputs from financial performance indicators.

These hypotheses are subsequently verified by the quantitative research conducted among managers of selected companies. The outcome of the entire work is then creation of a diversity management model.

The practical part therefore has empirical character, as it investigates a specific level of application of diversity management in organisations with multicultural environment. This investigation is carried out using quantitative and qualitative data collection.

7.3. Research questions

The fundamental research questions in the thesis elaboration are:

- *How the concept of diversity management is understood?* This is the basic question which determines all further research in this area. The concept of diversity management must be defined so that it is possible to process it further. The answer will be obtained by analysis of secondary and primary data.
- *How diversity management is applied in corporate practice?* The answer to this question will reveal, to what extent diversity management is applied in the selected organisation. It is assumed that the approach to diversity management will be varied, for example according to the size of the organisation or a place of origin (or operation) of the organisation. The answer will be obtained by analysis of secondary and primary data.
- *Are there differences in applying diversity management in domestic and international business environment?* This question is related to the previous one, in trying to find if there are specific differences in the application of diversity management in the Czech Republic and abroad. The answer will be obtained by analysis of secondary and primary data.
- *What are the barriers and benefits of diversity management for business practices?* The question defines the basic barriers preventing the adoption and implementation of diversity management, but also identifies the key benefits of the whole area. The answer will be obtained by analysis of secondary and primary data.
- *Who is responsible for the implementation of diversity management in particular, and what the processes related to diversity management in global IT companies look like?* The question investigates the specifics of diversity management in IT field more closely, particularly in global IT companies. The answer will be obtained by analysis of secondary and primary data.

7.4. Methodology

7.4.1. Description of the Research Design

The subject of the executed research is diversity management in multicultural environment and its application in selected enterprises. The research should identify not only

the character of diversity management application in these enterprises, but also generally in business environment or IT field (in which the investigated organisations operate).

This field of research is given by the context of this thesis, whose objective is to create a diversity management model. The research is preceded by literary reviews examining the opinions of experts in diversity management, in particular the outputs from secondary research that deal with the solved issue.

Due to the objective of the thesis, the research purpose is to obtain a sufficient amount of data so that a graphic model of diversity management could be created. As another ambition author mentions the attempt to answer research questions and hypotheses (see the introduction of the thesis).

The research takes the form of primary data collection, which is dual in nature, i.e. using qualitative as well as quantitative methods of data collection. Combination of these methods and the overall utilisation of the primary research were used to secure that the acquired data are applicable, precise and topical, i.e. such that they will be beneficial for the ambition of the fulfilment of the thesis objective.

Qualitative research serves as an information base for the quantitative research. This means that qualitative research will disclose the specifics and characteristics of diversity management in selected companies. On the basis of the outputs, a tool for collection of data for quantitative research – questionnaire – will be prepared.

The graphic model of diversity management will be created (not only) on the basis of results of qualitative and quantitative research, fulfilling the thesis objective. Throughout the research, priority emphasis was placed on the securing of anonymity for the respondents.

Qualitative research (in-depth interviews) took place on 3rd to 5th November 2016. Quantitative research was then conducted from 10th November to 16th December 2016.

7.4.2. Sample description

As was indicated, the research file is of dual character. Within the qualitative research, a different group of respondents was interviewed than within quantitative research (different in terms of specific persons).

In-depth interviews were carried out with purposefully chosen four managers in selected multicultural IT enterprises. The selection of respondents for this qualitative research was influenced by the willingness of respondents to participate in the research. Four

companies expressed voluntary willingness to participate and provide data, the same applies to respondents.

Examined organisations operate in the field of information technology. In their selection, emphasis was placed on their geographic diversity so that different approaches to diversity management across different geographical areas can be compared. However, it may happen that it will show up that there are no differences. This can be caused, for example, by the centralisation of the management of the parent company and similar factors.

A company from the United States, from South Korea, from Germany and from the Czech Republic were deliberately chosen for the qualitative research.

Quantitative research was carried out in ten different companies that also come from the area of information technology.

All enterprises were guaranteed anonymity, so they are referred either by letters (A, B, C, D) or words: American company, Czech company, German company, Korean company.

Adjectives “American”, “Czech”, “German” and “Korean” are used solely for clarity within the work. In no case it is an attempt to generalise the obtained outcomes to the entire United States, Czech Republic, Germany and Korea.

The selection of these organisations was influenced by their willingness to cooperate. In the beginning, many different companies or managers were contacted, but the need to provide sensitive corporate data and talk about their internal environment turned out to be a problematic issue. Only the above-listed organisations agreed to provide relevant data. However, it was necessary to emphasise the commitment to preserve anonymity in the course of the entire communication and to convince the interviewed persons that the research was carried out solely for the purpose of this dissertation.

These companies were also selected because they operate in IT industry, which was targeted during the research. The field of IT belongs to the most progressive industries in the world, which means that the rivalry between individual competitors is immense. The theoretical part of the thesis suggests that efficient diversity management can become a competitive advantage.

Another condition for inclusion in the research was that the enterprises belong to the category of multinational organisations. The condition was fulfilled in the selected companies. This condition was set because creation of multinational companies is one of contemporary and significant trends in the business environment. In addition, these companies are more likely to really engage in diversity management because they employ people of diverse age, gender, ethnicity as well as race.

This approach led to the final selection of respondents participating in the questionnaire survey. These multinational companies from IT industry were willing to provide internal information and carry out the questionnaire survey in their internal environment, which essentially meets the reasons for the selection of these companies/respondents.

Detail description of selected companies for Qualitative research

Organisation from the United States of America

This American organisation provides IT services in e-commerce sector worldwide. The company makes payment systems and solutions for the creation of e-shops and mediation of online sale. The company is headquartered in Silicon Valley and employs more than 13 000 people worldwide. It offers a solution designed for companies which want to sell effectively through the internet. It's a professional on-line trading system that offers a full range of essential features needed for effective sales ensuring a full integration with other sales and payment systems. Through the integration, information on product, orders and customers is automatically transferred from an e-shop to the system. The service is provided in real time and automatically updates information on a product and offers a quick order handling. By expanding commercial processes with e-store functionality, the company can easily increase revenue and customer satisfaction with minimal sales costs. The application runs on customer's devices. Software offered by the company does not impose restrictions on the number of products or orders. It contains interfaces suitable to the most commonly used payment systems.

The basic values of the organisation include a focus on continuous improvement and innovation, which requires flexibility and ability to react quickly to changes in the global market environment. All activities of the organisation are planned in the long term and bring space for discovery of new technologies and processes for improvement. The organisation's values include care for its employees and emphasising their role for the company.

Financial performance

The financial performance of the company is very good. The organisation has been generating profit in the long-term and managing to meet its financial objectives. The volume of sales has an upward trend and exceeded the level of 8 592 million US dollars in 2015. The profit before tax was 6 821 million US dollars.

Diversity Management in the US Organisation

This organisation originally comes from the United States of America. More than 95 % of workers is employed in the company headquarters in Silicon Valley. Others work in branches in Ireland, Spain, China, Australia, France, South Africa, Germany and Argentina.

Priorities in the organisation's diversity management are especially gender and ethnic diversity. According to the latest information, 25 % of employees are of Asian origin, 8 % of Black origin and 5 % of Hispanic origin. The rest of the employees are white.

The top management adopted and communicated a very strong commitment to maintain diversity in the workplace. According to this policy, integration of various minorities into work teams leads to better performance of the organisation. Support of diversity is becoming one of the organisation's priorities and progress is monitored using quantitative statistical data.

In the past, among others, the organisation implemented the project to improve gender diversity during which the number of women in leading positions was doubled. The current projects focus on the support of other types of diversity.

There are 72 % of Whites and 23 % of Asians working in top management, the remaining 5 % consists of Blacks and Hispanics.

A special human resources department directly deals with the implementation of diversity programs.

Organisation from Korea

The Korean company is engaged in the creation and sale of software programs that serve primarily for the protection and backup of data and computers against viruses or unwanted software. Its customers include financial institutions all around the world, that use advanced software solution to protect their data and sensitive corporate data. The clientele of the company comes from 23 different countries from all continents.

There are 5 500 employees working in the organisation. The company is headquartered in South Korea where also 98 % of its employees work.

The company is a response to the challenges of data protection, being a comprehensive and easy-to-manage service performing data backups of any source and restoring them in any destination or system. Management in the cloud, accessible from a browser, reduces the IT department workload, sparing time for other activities in the company. The company offers a solution for companies offering continuous data protection for specific corporate systems: workstations, servers, virtual machines or important enterprise applications. It provides multi-

system protection, which can be managed by a simple-to-use central management console. Advance products are ideal for larger corporate environments and can work individually or together as a single platform. All products for making backups provide access to the cloud. Recovery solution is a comprehensive hybrid cloud solution which ensures the business continuity.

Scope of services:

- Data protection
- Management in the cloud
- Software creation and development
- Advising on IT projects
- IT analysis and design solutions
- Maintenance and optimization of existing systems

Financial performance

The organisation's financial situation is stabilised. The enterprise manages to generate profit, although it fluctuates on a yearly basis. For example, its profit before tax was 1 210 million US dollars in 2013. In 2015, it was on the level of 150 million US dollars.

Diversity management in the Korean Organisation

The Korean organisation comes originally from South Korea. When looking at more detailed statistics about employees, it is obvious that the organisation employs especially workers from South Korea (there are approximately 90 % of them working in the enterprise). Other nationalities are represented in the remaining ten percent.

Also this organisation committed to the management of diversity of employees. Although the number of workers from other cultures is lower, it is necessary to care for their integration into the collective.

The management in its commitment to diversity management declares that diversity in the workplace contributes to the generation of new idea and creation of better relations with the customers and other interest groups. The global program of diversity is focused on the area of gender diversity management in the enterprise. The objective of the enterprise in this area is to achieve a more balanced ratio between men and women in managing positions. Other types of diversity are supported by various related sub-projects.

Central human resources department takes care of diversity management, there is no specialised department that would deal only with the issues of diversity.

Organisation from Germany

The German company is engaged in the production of software solutions for the segment of B2B enterprises, in the area of creation of intranet computing systems. The company is headquartered in Germany, but executes its activities especially through more than 140 regional offices in different parts of the world. There are only 32 % of employees working at the headquarters. The total number of employees exceeds 32 000 persons.

The company offers comprehensive IT tools for building and managing customer loyalty and provides a wide range of consulting services in the field of relationship marketing. They help at every stage of building the customer loyalty program, offering solutions for maintaining the existing and acquiring new customers. They also create custom software or dedicated applications supporting business processes in the client's company as well as internet marketing, audit and advisory services in the field of web projects and moreover, programming and graphics services, SEO. Programming is performed from scratch, as well as modernizing existing systems. Their competencies include software development, CRM and ERP systems, intranets, generators and all kinds of scripts. The company creates high-quality web pages, efficient online shops and e-marketing campaigns. Their program database systems, create mobile applications and we are savvy in social media. The company provides consulting services and audit and also runs web and IT projects. Another service includes web positioning in search results and running Google Adwords campaigns. Websites and online shops designed by the company are of high quality and are characterized by interesting design and are based on the latest programming languages.

To sum up, the company offers comprehensive brand service in the field of marketing, advertising and public relations on the internet and beyond. It provides the following services:

- Creating tools used to build relations with customers
- Creating applications supporting business processes
- Applications, CMS, CRM, ERP, etc.
- Helping companies in developing PR strategies
- Helping with creating marketing campaigns in social media

Financial performance

The total sales of the German company reached the level of 1 435 million US dollars in 2015. However, no profit has been generated before tax since 2012, when the enterprise was regularly at loss. This result is caused by the high level of annual investments.

Diversity Management in the German Organisation

This organisation comes originally from Germany, however, as was said, it is operating worldwide. For this reason, the management is actively engaged in diversity management in the workplace. According to the commitment of senior management, creation of diverse work environment is an opportunity to create a better organisation and get inspiration for innovations. Diversity leads to the creation of new experiences that enable the achievement of success in fast-changing world. The commitment to diversity in the workplace plays the key role in the achievement of success. There are more than 150 different nationalities working in the company, whose authenticity must not be suppressed in any way. Within the diversity management program, the organisation focuses on gender diversity, cultural diversity, racial diversity, ethnic diversity, age diversity, physical and psychic condition and the current life situation. The enterprise believes that if people can freely express their personality, culture and origin, the results of the enterprise are better. Cooperation with different people then leads to gaining new perspectives of work problems, generation of new ideas and innovations. Currently, there are many projects supporting diversity in the organisation, mostly covering gender diversity, intergenerational diversity, cultural diversity, integration of persons with health problems and handicapped people. The company's emphasis placed on diversity naturally results from having customers in different countries and cultures, so it is necessary to adapt to them. Diversity projects are managed by a special department for diversity management, which is part of the top management in the organisation.

Organisation from the Czech Republic

The primary activity of the Czech organisation is the development of tailored software solutions, which involves hundreds of related activities, whether software development, implementation, testing, support or service. The company belongs among the largest organisations of this type in the Czech Republic and has a strong and stable position on the European market. It supplies its products to more than 23 countries of the world.

The company's solutions provide the highest level of protection for sensitive data. They enable generating and storing of cryptographic keys in a protected, isolated environment. This increases security in the structure of companies where these solutions were implemented. The Czech company's products allow secure remote access to corporate networks and data. This is possible by using a two-step authorization protection feature with one-time passwords made available through mobile devices. Disposable randomly generated

passwords prevent fraudulent attempts. Additionally, the company specializes in auditing, software development and in activities aimed at verifying and supporting the security of websites and companies. It audits, advises and also implements projects in a comprehensive manner, offering customers safe and well-functioning systems. Some of the important customers include Insurance companies, electricity distributors, publishers, state institutions and hospitals.

Financial performance is stable. The turnover exceeds 100 million Euro and profit before tax has been in the range of 5 to 10 million Euro in the last three years.

Diversity management in Czech company

This organisation comes originally from the Czech Republic. Human Resources department manage diversity, two employees in the subunit care for diversity in the organisation. The approach to diversity is very active and the enterprise continuously tries to implement various programs integrating representatives of minorities to the enterprise. Rather than long-term diversity strategy, there are different operative projects and programs of diversity.

Within diversity management, attention is focused on the area of gender diversity and cultural diversity. In recent years, the company has been supporting the employment of disabled and handicapped persons.

The enterprise does not have accurate statistics about the proportion of employees coming from different cultures, races, ethnicities, etc. The company only monitors the number of women in the leading positions. It promotes cultural diversity by respecting cultural differences among employees. However, it does not use any quantifiable statistics in its management.

The sample for quantitative research - consists of managers in selected organisations, which means that in the database of global IT companies created by the author, which contained 25 companies, 10 organisations were randomly selected and asked for participation. The maximum number of respondents was not limited. To secure the relevancy of the examined data, it was determined that the minimum number of respondents will be on the level of 150 managers. This number was determined on the basis of subjective intuition of the author, in other words, by blind estimation.

7.4.3. A more detailed description of data collection and analysis

Data collection within qualitative research was carried out using a recording technical device when each reply of a respondent was entered to computer via transcript by the author

(interviewer). In-depth interviews were carried out via Skype, a software enabling communication on the basis of telephone connection. All communication was in English language.

Collection of data within the quantitative research was executed using paper questionnaires that were sent by post to the headquarters and branches of the selected global IT companies. There was a person responsible for distribution of the questionnaires, their collection and sending back to the interviewer (author of this thesis). There were 180 managers on the middle and senior levels working in the selected enterprises. The questionnaire was completed by 155 of them, therefore the return rate was 86.11 %.

Outcomes from the questionnaire survey are summarised in tables that contain information about absolute and relative frequency of individual answers.

7.5. Qualitative Research

Qualitative research uses the method of in-depth interviews with representatives of 4 enterprises (outlined in the previous chapter).

Within the primary data collection, qualitative research was conducted, which consisted of executed in-depth interviews with representatives of four global IT companies. The results show that diversity management is an important part of global organisations. Employees of different ethnicities, races, cultures, ages or gender work in each of the examined companies, therefore it is necessary to manage such groups of workers specifically. For these reasons, in all examined organisations, diversity management programs are applied, albeit in varying degrees. Moreover, racial and ethnic diversity are neglected in some organisations. This is particularly true about companies that have a strong background in some country (particularly in South Korea and the Czech Republic). Naturally, we cannot generalise this result because of the small sample size. Promoting diversity in the workplace provides employees with better self-realisation. According to the participants, additional contributions include in-depth

Questions for qualitative research:

- 1) Does your company employ a diverse staff (in terms of ethnicity or race)? How do you support their implementation and integration into the collective?
- 2) What benefits cooperation with diverse work team has for you personally? How ethnic and racial diversity is beneficial in the workplace? For the entire company?

- 3) How diversity management is implemented in your organisation? What prevents its development? On the contrary, how it contributes to its development? How exactly do you promote diversity of work teams?
- 4) What do you consider the most challenging aspect in diversity management? How the problem can be solved?
- 5) What must not be omitted in the implementation of diversity management?
- 6) Have you experienced a situation when your colleague had to leave the workplace due to poor diversity management?
- 7) What tools, programs and projects of diversity management do you implement? How they are secured technically, administratively, financially, in terms of personnel?
- 8) Do you think that having diverse ethnicities or races represented in the work team brings any special advantages (compared to a team members coming from only one ethnic group or race)? If yes, why?

Answers of the respondents are summarised in the following paragraphs:

- 1) *Does your company employ a diverse staff (in terms of ethnicity or race)? How do you support their implementation and integration into the collective?*

This question was rather for verification. Each of the respondents said that there are workers of different ethnicities, races, cultures, age and gender. The American company is using advanced programs of diversity management to secure equal relations in the workplace. The same applies to the German company, which also takes advantage of various programs and projects for integration of different groups of employees into the life of the company. Programs and projects of the two companies are focused on the racial and ethnic diversity because many workers of different ethnicities work in the workplace. On the contrary, this does not apply for the Korean and Czech company and attention is paid to other types of diversity. All companies agree that it is necessary to give the same space for self-realisation to all employees, and diversity, as well as programs of its management, are suitable for this task.

- 2) *What benefits cooperation with diverse work team has for you personally? How ethnic and racial diversity is beneficial in the workplace? For the entire company?*

The responses show that diversity has various benefits for the organisation, whether in the form of new ideas, or other points of view of the work problems, leading to higher satisfaction of employees and customers. The German company uses diversity management to

facilitate their operation on foreign markets. The Czech company uses diversity management for higher productivity of workers. Personal experience of the respondents indicates that diversity leads to new ideas and facilitates understanding of differences on the markets, thus making operation on new, different markets easier.

3) How diversity management is implemented in your organisation? What prevents its development? On the contrary, how it contributes to its development? How exactly do you promote diversity of work teams?

The German company applies diversity management through various programs and projects. The company tries to quantify the results to be able to measure them. According to a representative of the company, especially employees as participants in these programs contribute to the development. Also the commitment of top management, which sets example to other employees, has a very positive effect (a representative of the American company mentioned a similar fact). This representative also said that diversity management is applied through various programs and projects. This is essentially connected with the statement of the representatives of the Czech and Korean company. Specific measure in the form of prescribed composition of a work team is not applied in any of the investigated organisations. Surprisingly, as all four representatives commented, employees currently working in given organisations present an obstacle too. They do not need to understand the meaning and purpose of projects supporting diversity, see their implementation as unnecessary or meaningless. This barrier can be eliminated by the approach of senior management, or an information campaign.

4) What do you consider the most challenging aspect in diversity management? How the problem can be solved?

As the most challenging aspect, the representative of the American company sees the harmonizing of the interests of employees coming from different backgrounds with the interests of the organisation, and creating an ideal environment for the development of diversity in the workplace. This task is becoming increasingly difficult with the increasing number of employees. The solution is in permanent monitoring of the effectiveness of the implemented programs.

The representative of the Korean company explained, that it is demanding to find an optimal approach to promote a strong culture of the parent company, while respecting minorities of employees from different cultures.

An opinion heard in the German company was, that it is complicated to remove communication barriers among employees from different cultures, ethnicities and races, but there are also differences between communication of opposite genders or of different generations. That is why it is necessary to look at diversity management in a complex way, which is very difficult. The solution is a constant monitoring of the feedback from the staff and interest groups.

According to the representative of the Czech company, finding an optimal way for diversity management is the most demanding task. It is necessary to find proper procedures and processes of its implementation. The solution is to try new approaches and get inspiration from the opinions of minorities in the workplace.

5) What must not be omitted in the implementation of diversity management?

According to the representative of the American company, interests, objectives and sources of the organisation must not be omitted, but, of course, also opinions and attitudes of employees and customers are important too. Diversity must not become just a question of image, but also philosophy and a really supported factor with real effects.

The representative of the Korean company described that interests and objectives of the company must not be omitted. Moreover, diversity must not restrict individual interests of employees; quite the contrary.

The representative of the German company said that basic differences between employees of the company must not be omitted. Any hint of discrimination in the workplace has dire consequences which cannot be risked.

The representative of the Czech company said that diversity management is necessary, and a kind of obligation. It cannot be omitted in the creation of the corporate culture.

6) Have you experienced a situation when your colleague had to leave the workplace due to poor diversity management?

Employees leave their jobs for all kinds of reasons, but according to the answers of the respondents, the reason is not poor management of diversity, or at least nobody admitted it.

7) What tools, programs and projects of diversity management do you implement? How they are secured technically, administratively, financially, in terms of personnel?

The form of programs and projects in individual organisations was suggested. Strategic approach to creating diversity management strategy was recorded in the American

and German company. The reason is the high number of employees from different cultures, races and ethnicities, which cannot be underestimated, just the contrary. Diversity management is the theme of training programs and special developing events for managers in both of these companies.

Budgets for diversity management are created in all companies for the purpose to implement projects and programs. According to these budgets, resources are allocated to the programs. Support of diversity management is then solved through intranet computing system.

8) *Do you think that having diverse ethnicities or races represented in the work team brings any special advantages (compared to a team members coming from only one ethnic group or race)? If yes, why?*

All representatives agree that different ethnic groups and races are beneficial because they create diverse workplaces. There is no monotonous view to solving work problems, but there are differing views and opinions. As was mentioned in previous text, then this situation is beneficial for the company.

The summarised outcomes of qualitative research are available in chapter Methodology – the Results of Data Analysis.

7.6. Quantitative Research

To meet the objective of the thesis (creation of a diversity management model), there are no sufficient secondary data. Available data are outdated, which makes it impossible to create a functional diversity model for the needs of the current market environment.

A brief description of organisations where quantitative research took place is the following:

- Organisation A – see the previous text, it is the same company.
- Organisation B – see the previous text, it is the same company.
- Organisation C – see the previous text, it is the same company.
- Organisation D – see the previous text, it is the same company.
- Organisation E – provider of global internet services headquartered in Europe.
- Organisation F – producer of software for financial institutions headquartered in the United States of America.
- Organisation G – producer of software for end users located in China.

- Organisation H – mediator of financial transactions during online purchases headquartered in Europe.
- Organisation I – producer of antivirus software headquartered in Africa.
- Organisation J – producer of security software headquartered in the United States.

Quantitative research is executed in order to confirm or refute the suggested hypotheses.

These hypotheses are as follows:

- H₁: Managers abroad use diversity management to a greater extent than managers in the Czech Republic.
- H₂: Older managers have an increasingly positive attitude to using diversity management.
- H₃: Managers in enterprises with a higher number of employees (more than 20,000 people) put greater emphasis on diversity management.
- H₄: The greatest attention from the side of managers is paid to the issues of gender diversity, but according to the subjective impression of the respondents, racial and ethnic diversity is crucial for proper functioning of the working team, and fulfilment of the team's objectives.
- H₅: Managers in financially more efficient organisations undergo more projects related to diversity management.

The questionnaire survey was carried out without major problems, readers can see the obtained results in chapter Methodology – the Results of Data Analysis.

Evaluation of the questionnaire survey

Table 10 Importance of DM for the success of the company

1. Do you think diversity management is important for the success of the company?	Absolute frequency	Relative frequency
Definitely yes	101	65.16%
Rather yes	27	17.42%
Neutral	16	10.32%
Rather not	8	5.16%
Definitely not	3	1.94%

Source: Own elaboration according to the results of primary data collection

Table 11 Benefit of DM for the organisation

2. If yes (definitely or rather), how it is beneficial for the organisation the most?	Absolute frequency	Relative frequency
New ideas to improve solutions of work problems	94	60.65%
Increases work commitment, motivation	76	49.03%
It prevents needless conflicts	33	21.29%
It leads to better mutual understanding	22	14.19%
It increases the performance of the work team, and therefore of the entire organisation	8	5.16%
It increases customer satisfaction	35	22.58%
It facilitates adaptation of the enterprise on new markets	31	20.00%
Another advantage	11	7.10%

Source: Own elaboration on the basis of results from the primary data collection

Table 12 Program of support of diversity in the organisation

3. Is there a program of diversity support in your organisation?	Absolute frequency	Relative frequency
Yes	155	100.00%
No	0	0.00%

Source: Own elaboration on the basis of results from the primary data collection

Table 13 Type of diversity which is supported

4. If yes, what type of diversity (mark all present variants):	Absolute frequency	Relative frequency
Gender diversity	155	100.00%
Racial diversity	102	65.81%
Age diversity	58	37.42%
Ethnic diversity	102	65.81%
Other diversity	8	5.16%
I do not know	0	0.00%

Source: Own elaboration on the basis of results from the primary data collection

Table 14 Participation in DM education

5. Do you undergo training, educational events etc. with the theme of diversity management?	Absolute frequency	Relative frequency
Definitely yes	114	73.55%
Rather yes	30	19.35%
Neutral	1	0.65%
Rather no	7	4.52%
Definitely no	3	1.94%

Source: Own elaboration on the basis of results from the primary data collection

Table 15 Critical factors for the success of DM

6. What are the critical factors securing success of diversity management in your opinion (mark 3 from the selection):	Absolute frequency	Relative frequency
Support of top management	142	91.61%
Support of managers and key workers	96	61.94%
Support of employees	91	58.71%
Proper motivation for compliance with diversity management rules	55	35.48%
Diversity management training system	48	30.97%
Form of diversity management projects	18	11.61%
Approach of workers	15	9.68%
Other factors		0.00%

Source: Own elaboration on the basis of results from the primary data collection

Table 16 HR activities supporting DM

7. As core HR activities supporting diversity management I consider:	Absolute frequency	Relative frequency
Career planning	12	7.74%
Training and development	50	32.26%
Recruitment	11	7.10%
Rewarding of workers	5	3.23%
Care for workers	38	24.52%
System of motivation	15	9.68%
Career management	2	1.29%
System of employee benefits	4	2.58%
Mentoring (the same ethnicity, race, gender, age)	15	9.68%
Another activity	3	1.94%

Source: Own elaboration on the basis of results from the primary data collection

Table 17 Proportion of workers involved in DM activities

8. What % of your colleagues is involved in activities of diversity management in your estimation?	Absolute frequency	Relative frequency
I cannot judge, I do not know	11	7.10%
Approx. 0 % to 20 %	7	4.52%
Approx. 21 % to 40 %	21	13.55%
Approx. 41 % to 60 %	38	24.52%
Approx. 61 % to 80 %	44	28.39%
Approx. 81 % and more	34	21.94%

Source: Own elaboration on the basis of results from the primary data collection

Table 18 Gender diversity - advantage

9. Do you think that gender-balanced work teams bring advantage for the organisation, in comparison with a situation when such balance is not secured?	Absolute frequency	Relative frequency
Definitely yes	57	36.77%
Rather yes	33	21.29%
Neutral	30	19.35%
Rather not	21	13.55%
Definitely not	14	9.03%

Source: Own elaboration on the basis of results from the primary data collection

Table 19 Racial diversity - advantage

10. Do you think that racially balanced work teams bring advantage for the organisation, in comparison with a situation when such balance is not secured?	Absolute frequency	Relative frequency
Definitely yes	36	23.23%
Rather yes	55	35.48%
Neutral	47	30.32%
Rather not	15	9.68%
Definitely not	2	1.29%

Source: Own elaboration on the basis of results from the primary data collection

Table 20 Ethnic diversity – advantage

11. Do you think that ethnically balanced work teams bring advantage for the organisation, in comparison with a situation when such balance is not secured?	Absolute frequency	Relative frequency
Definitely yes	37	23.87%
Rather yes	50	32.26%
Neutral	48	30.97%
Rather not	20	12.90%
Definitely not	0	0.00%

Source: Own elaboration on the basis of results from the primary data collection

Table 21 Age diversity - advantage

12. Do you think that age-balanced work teams bring advantage for the organisation, in comparison with a situation when such balance is not secured?	Absolute frequency	Relative frequency
Definitely yes	78	50.32%
Rather yes	31	20.00%
Neutral	30	19.35%
Rather not	11	7.10%
Definitely not	5	3.23%

Source: Own elaboration on the basis of results from the primary data collection

Table 22 Gender diversity – differences in performance

13. Have you noticed differences in the work approach of members of your team in terms of gender diversity?	Absolute frequency	Relative frequency
Definitely yes	54	34.84%
Rather yes	69	44.52%
Neutral	24	15.48%
Rather not	7	4.52%
Definitely not	1	0.65%

Source: Own elaboration on the basis of results from the primary data collection

Table 23 Age diversity – differences in performance

14. Have you noticed differences in the work approach of members of your team in terms of age diversity?	Absolute frequency	Relative frequency
Definitely yes	84	54.19%
Rather yes	53	34.19%
Neutral	11	7.10%
Rather not	4	2.58%
Definitely not	3	1.94%

Source: Own elaboration on the basis of results from the primary data collection

Table 24 Racial diversity – differences in performance

15. Have you noticed differences in the work approach of members of your team in terms of racial diversity?	Absolute frequency	Relative frequency
Definitely yes	66	42.58%
Rather yes	44	28.39%
Neutral	26	16.77%
Rather not	11	7.10%
Definitely not	8	5.16%

Source: Own elaboration on the basis of results from the primary data collection

Table 25 Ethnic diversity – differences in terms of ethnic diversity

16. Have you noticed differences in the work approach of members of your team in terms of ethnic diversity?	Absolute frequency	Relative frequency
Definitely yes	74	47.74%
Rather yes	54	34.84%
Neutral	25	16.13%
Rather not	2	1.29%
Definitely not	0	0.00%

Source: Own elaboration on the basis of results from the primary data collection

Table 26 Number of DM projects in the organisation

17. How many projects of diversity management have you noticed in the organisation?	Absolute frequency	Relative frequency
1 to 3 projects	8	5.16%
4 to 6 projects	49	31.61%
7 to 10 projects	64	41.29%
11 and more projects	34	21.94%

Source: Own elaboration on the basis of results from the primary data collection

Table 27 Use of DM by competing enterprises

18. Are your competitors using diversity management actively?	Absolute frequency	Relative frequency
Definitely yes	142	91.61%
Rather yes	8	5.16%
Neutral, I cannot judge	5	3.23%
Rather not	0	0.00%
Definitely not	0	0.00%

Source: Own elaboration on the basis of results from the primary data collection

Table 28 Cases of discrimination in IT industry

19. What form of discrimination can be encountered the most often in IT industry?	Absolute frequency	Relative frequency
Gender discrimination	11	7.10%
Age discrimination	17	10.97%
Racial discrimination	2	1.29%
Ethnic discrimination	1	0.65%
Another form of discrimination	4	2.58%
No discrimination	120	77.42%

Source: Own elaboration on the basis of results from the primary data collection

Table 29 Negative manifestations of DM

20. Does diversity manifests itself negatively in the workplace? If yes, in what way?	Absolute frequency	Relative frequency
It causes communication problems	48	30.97%
Discrimination	18	11.61%
It increases costs	11	7.10%
Increased risk of stress	8	5.16%
It results in conflicts	34	21.94%
It leads to poor performance	28	18.06%
Other manifestations	8	5.16%

Source: Own elaboration on the basis of results from the primary data collection

Table 30 Level of contact with people of different race

21. How often are you in contact with people of different race:	Absolute frequency	Relative frequency
Every day	135	87.10%
Less often	20	12.90%

Source: Own elaboration on the basis of results from the primary data collection

Table 31 Level of contact with people of different ethnicity

22. How often are you in contact with people of different ethnicity:	Absolute frequency	Relative frequency
Every day	148	95.48%
Less often	7	4.52%

Source: Own elaboration on the basis of results from the primary data collection

Table 32 Region, where the respondent works

23. In what part of the world are you currently working?	Absolute frequency	Relative frequency
Asia	46	29.68%
North America	52	33.55%
South America	15	9.68%
Europe	18	11.61%
Australia	4	2.58%
Africa	20	12.90%

Source: Own elaboration on the basis of results from the primary data collection

Table 33 Region of origin of the company's owner

24. What part of the world the owner of the enterprise comes from?	Absolute frequency	Relative frequency
Asia	41	26.45%
North America	68	43.87%
South America	4	2.58%
Europe	37	23.87%
Australia	1	0.65%
Africa	4	2.58%

Source: Own elaboration on the basis of results from the primary data collection

Table 34 Age of the respondent

25. What is your age?	Absolute frequency	Relative frequency
27 years and less	0	0.00%
28 to 39 years	36	23.23%
40 to 50 years	69	44.52%
51 years and more	50	32.26%

Source: Own elaboration on the basis of results from the primary data collection

Table 35 Number of employees in the organisation

26. What is the number of employees in your organisation?	Absolute frequency	Relative frequency
Up to 20 000 employees	11	7.10%
20 001 to 40 000 employees	35	22.58%
40 001 to 80 000 employees	45	29.03%
80 001 employees and more	64	41.29%

Source: Own elaboration on the basis of results from the primary data collection

Table 36 Financial performance of the respondent's enterprise

27. What is the financial performance of the enterprise in which you work?	Absolute frequency	Relative frequency
Profit in 2015	82	52.90%
Balanced in 2015	54	34.84%
Loss in 2015	19	12.26%

Source: Own elaboration on the basis of results from the primary data collection

Table 37 Control question

28. Are you a manager (control question)?	Absolute frequency	Relative frequency
Yes	155	100.00%
No	0	0.00%

Source: Own elaboration on the basis of results from the primary data collection

Table 38 Number of members in the team of the responding manager

29. How many members your team of subordinates has?	Absolute frequency	Relative frequency
1 to 5 persons	15	9.68%
6 to 10 persons	36	23.23%
11 to 15 persons	51	32.90%
16 to 21 persons	15	9.68%
22 to 30 persons	20	12.90%
31 persons and more	18	11.61%

Source: Own elaboration on the basis of results from the primary data collection

Correlation Analysis

Within the statistical verification of the results, correlation analysis can be used to show the relationships between individual variables.

H_{k1} hypothesis: The positive understanding of the importance of diversity management for the success of an enterprise is related to the participation in educational events of diversity management.

According to the hypothesis, understanding of the importance of diversity management affects whether managers participate in educational events of diversity management.

Result of the correlation

Table 39 Evaluation of H_{k1} hypothesis

H _{k1} hypothesis				
	Importance	Participation at educational events	Correlation coefficient	0.988982404
Definitely yes	101	114		
Rather yes	27	30		
Neutral	16	1		
Rather not	8	7		
Definitely not	3	3		

Source: Own elaboration

Correlation coefficient of 0.988982404 confirms that the relation between these values is strong. The relation is almost direct.

H_{k2} hypothesis: There are strong correlations in understanding the importance of diversity management and understanding the importance of individual types of diversity. This hypothesis tries to find out between what types of diversity the correlations are the strongest in relation to the perceived importance and advantageousness in general.

The correlation result: The strongest correlation is reflected in understanding the importance and advantageousness of diversity management for an organisation. Further, in understanding the importance of diversity management for the success of the organisation in relation to understanding age diversity as an advantage for the enterprise. Very strong correlations exist also between individual types of diversity. For example, between understanding age diversity as an advantage for the enterprise and understanding of gender diversity as an advantage. This is similar about the relation between racial diversity and ethnic diversity.

Table 40 Evaluation of Hk2 hypothesis

	Perceived importance	Gender diversity is an advantage	Racial diversity is an advantage	Ethnic diversity is an advantage	Age diversity is an advantage
Perceived importance	1				
Gender diversity is an advantage	0,963892987	1			
Racial diversity is an advantage	0,336223114	0,563642121	1		
Ethnic diversity is an advantage	0,358203446	0,591822382	0,98619	1	
Age diversity is an advantage	0,975636767	0,994610793	0,51027	0,53561	1

Source: Own elaboration

H_{k3} hypothesis:

There are differences and correlations in the evaluation of the approach of members of the team of the interviewed manager, depending on the type of diversity.

Correlation result

The existence of differences was confirmed already during the evaluation of relative and absolute frequencies. It is now possible to evaluate the correlations that are mutually very strong. Different approaches in work of the members correlate to their relation to ethnic and racial diversity.

Table 41 Evaluation of Hk3 hypothesis

	Gender	Racial	Ethnic	Age
Gender	1			
Racial	0.87373	1		
Ethnic	0.91947	0.99387	1	
Age	0.86306	0.97962	0.97248	1

Source: Own elaboration

Subsequently, we can analyse the relations (correlations) between age diversity and gender diversity.

It follows from the following table that there is a very strong and direct correlation between understanding how age and gender diversity are beneficial for the enterprise.

Table 42 Correlation between age diversity and gender diversity in terms of benefits

Correlations between age diversity and gender diversity in terms of benefits			
Benefit of age diversity	Benefit of gender diversity	Correlation coefficient	0.99461
78	57		
31	33		
30	30		
11	21		
5	14		

Source: Own elaboration

The following table shows that there is a very strong and almost direct correlation between perception of how age and gender diversity benefit the enterprise.

Table 43 Correlation between age diversity and gender diversity in terms of different approaches to work

Correlation between age diversity and gender diversity in terms of different approaches to work			
Different approaches in age diversity	Different approaches in gender diversity		
84	54	Correlation coefficient	0.86306
53	69		
11	24		
4	7		
3	1		

Source: Own elaboration

The table shows that there is a strong and almost direct correlation between perception of how age and gender diversity in terms of different approaches to work.

7.7. Results of the data analysis

The results of data analysis show that diversity management definitely affects the success of the organisation (according to 65.16 % respondents), which brings especially new ideas for the improved solutions of work problems, increases work engagement and motivation. This is probably the reason why all contacted organisations use programs supporting diversity management. The most addressed areas are gender diversity, racial diversity and ethnic diversity. It is common that managers undergo training and educational events (73.55 % of respondents definitely, 19.35 % rather). Critical factors of success of diversity management include the support of top management (according to 91.61 % of respondents), support of managers and key workers (according to 61.94 %) and support of employees (according to 58.71 %). In terms of personal activities, diversity management supports primarily activities

in the form of educating, developing and caring for workers. Moreover, many employees (approx. 61 % to 80 % in the largest share of respondents) are engaged in activities (projects) of diversity management in many enterprises. According to the opinions of most respondents, gender-balanced teams really bring advantages to organisations (compared to situations when such balance is not secured), and this in 58.06 % (entered replies “definitely yes” and “rather yes”). Majority of respondents positively evaluate also the benefits of racially balanced team for an organisation (58.71 % of respondents entered the option “definitely beneficial” or “rather beneficial”). Ethnically balanced work teams then give advantage to an organisation according to 56.13 % of respondents (sum of replies “definitely yes” and “rather yes”). The biggest agreement is in the area of age diversity, which is advantageous according to 70.32 % of respondents (in the sum of replies “definitely yes” and “rather yes”). Further it was found out that there are differences in the approach to work between members of the work team according to diversity, mostly in terms of age diversity for 88.39 % respondents (with reply “definitely yes” or “rather yes”). The same holds true for ethnic diversity with 82.58 % of replies of this type. Significant differences are generated also in gender diversity of work teams (79.35 % of respondents with reply “definitely yes” or “rather yes”). Racial diversity creates differences in work performance according to 70.97 % of respondents (sum of replies “definitely yes” and “rather yes”).

According to respondents, usually 7 to 10 projects connected with diversity management are implemented in organisations (this option was selected by the largest number of respondents, i.e. 41.29 %). In competitive subjects (i.e. in IT field on global level), active use of diversity management is quite common (according to 91.61 % of respondents, some competing enterprises use them). As for discrimination, we cannot say that it is widely present in global IT companies (at least according to the results of the research). According to 10.97 % of respondents, the most common problem is age discrimination or, according to 7.10 %, gender discrimination.

Diversity in the workplace does not only have positive effects, but of course, it can also lead to problems and generally have a negative impact. The most common problem is that it causes communication problems (according to 30.97 % of respondents) and leads to conflicts (according to 21.94 %) or to poor performance (according to 18.06 %). On the contrary, it only slightly increases the risk of stress (according to 5.16 % of respondents) or expenses (according to 7.10 % of respondents). Diversity management is a necessity for vast majority of managers in global multinational IT corporations, because they come into work contact

with a different race (87.10 % of respondents) and to a larger extent work with a different ethnic group on a daily basis (95.48 %).

In terms of age structure of respondents (surveyed managers in IT companies), it is obvious that there are people of age ranging from 28 to 51 years working in these conditions, therefore it is necessary to apply age diversity).

Questions about race and ethnicity of respondents were not included in the survey because there are ethnic problems connected with this division.

7.8. Discussion and Synthesis of the Findings (confrontation with existing findings with respect to previously conducted literature review)

- **H₁: Managers abroad use diversity management to a greater extent than managers in the Czech Republic.**

The objective of this hypothesis was to evaluate whether managers in the examined multinational companies from the Czech Republic use diversity management to a more limited extent than managers in examined foreign companies. Confirming or refuting the hypothesis can become a future foundation for further examination of the reasons, why managers, for example in the Czech Republic, do not implement diversity management as much. Another ambition of this hypothesis was to find out if there can be any differences in the application of diversity management depending on the approach of the manager. This hypothesis was confirmed. Not only comparison of the companies, but also the theoretical part suggests that diversity management is applied in domestic organisations to a lesser extent.

Utilisation of diversity management is given by different factors, especially by the extent of multinationality of the respective organisation (number of countries where it operates, number of diverse groups of workers the organisation employs).

Another indicator of utilisation of diversity management can be the number of internal projects of diversity management carried out in the respective companies. It is possible to get the following information during the mutual comparison of the numbers in the examined companies:

- Organisation from the USA – implements 22 projects of diversity management
- Organisation from Germany – implements 24 projects of diversity management.

- Organisation from the Czech Republic – implements 3 projects of diversity management.
- Organisation from South Korea – implements 5 projects of diversity management.

The internal statistics therefore confirms the hypothesis. The number of projects of diversity management is the lowest in the organisation based in the Czech Republic. The number of projects, of course, need not be a decisive indicator, because it would be appropriate to evaluate the projects according to their quality, but no other quantitative data is available for comparison between the enterprises. Other companies did not provide such detailed information for the purposes of their processing.

- **H₂: Older managers have an increasingly positive attitude to using diversity management.**

The objective of this hypothesis was to confirm or refute the assertion that managers of older age understand more easily the benefits of diversity management, because they already know its effects on the enterprise, have positive experience with it and believe in this concept. In such a case, they engage in activities of diversity management more.

This hypothesis was confirmed. The primary investigation shows that managers of older age are more inclined to use diversity management and believe that diversity management contributes to the success of the company.

The examined companies keep records of the number of employees and managers who are engaged in diversity management. As activity of diversity management is understood an involvement in diversity management projects. In the course of elaboration of this dissertation, the companies also provided records about their employees' age (however, the age range in individual companies is diverse, which is why the age limit of 40 years was determined for the designation of older managers. That limit of 40 years divides the study group into two smaller, almost equal groups). On the basis of this statistical data, we can state that the hypothesis was confirmed. The results indicate the following:

- Organisation from the USA – 88% of managers aged over 40 are involved in diversity management activities. Although the ratio is more than half in other age groups, it does not exceed 88 %.
- Organisation from Germany – most of the managers aged over 40 are actively involved in diversity management programs, i.e. 82 %. It is obvious that this ratio is increasing with the age of the managers.

- Organisation from the Czech Republic –56 % of managers aged over 40 are involved in activities of diversity management.
- Organisation from South Korea – 67% of managers aged over 40 are involved in diversity management activities in this company.

An assumption that diversity management contributes to the success of the company was mentioned by managers within the qualitative survey. Other companies did not provide such detailed information for the purposes of elaboration of the thesis.

- **H₃: Managers in enterprises with a higher number of employees (more than 20,000 people) put greater emphasis on diversity management.**

The objective of the hypothesis was to confirm or refute the assumption that it is necessary to place greater emphasis on diversity management in enterprises with a higher number of employees, because there is a very diverse group of employees, in terms of numbers. A higher number of workers increase the probability that they will include representatives of different age, ethnicities, races, gender etc. In such a case the application and implementation of diversity management is a logical step.

This hypothesis was confirmed. Managers in enterprises with more than 20 000 employees implement more of diversity management projects in their organisations, which means that such organisations care about diversity management more.

The organisation from Germany, as the only one from the surveyed companies, exceeds this set number of employees. The number of diversity management projects is also the highest here (see hypothesis No. 1). Moreover, eleven and more diversity management projects involve the highest proportion of managers in this company – according to the questionnaire survey. Other companies did not provide such detailed information for the purposes of elaboration of this dissertation, therefore it is not known how many diversity management projects they have, but the number probably is not small.

- **H₄: The greatest attention from the side of managers is paid to the issues of gender diversity, but according to the subjective impression of the respondents, racial and ethnic diversity is crucial for proper functioning of the working team, and fulfilment of the team's objectives.**

The objective of this hypothesis was to find out which type of diversity is given the highest attention from the side of organisation and what type of diversity is praised the most by the

managers. This hypothesis would confirm or refute whether the type of diversity is the same or whether the views differ.

This hypothesis was not confirmed. Gender diversity is addressed in all surveyed companies. Also according to 36.77 % of managers, gender-balanced work teams bring certain advantages to the organisation. This ratio is 23.23 % in racially balanced teams and 23.87 % in ethnically balanced teams.

To evaluate this hypothesis, internal statistical information from enterprises was used, in particular the ratio of diversity management projects depending on the character of their orientation. Organisation from the USA implements 22 projects, organisation from Germany 24 projects, organisation from the Czech Republic 3 projects, and organisation from South Korea 5 projects. In total, 54 projects of diversity management. It follows from the overall provided data (from enterprises A, B, C and D) that most of the projects are focused on diversity issues in general, or on gender diversity (i.e. 17 projects in each category, or 31.48 %), another 16.67 % of projects addresses racial diversity, 12.98 % of projects deal with ethnic diversity, and the last 7.41 % of projects solve age diversity.

Therefore, the synthesis of data does not confirm this hypothesis. Gender diversity is given the greatest attention in the enterprises and in the projects of diversity management. Moreover, according to managers it is more beneficial than other forms of diversity. Other companies did not provide such detailed information for the purposes of elaboration of this dissertation.

- ***H₅: Managers in financially more efficient organisations undergo more projects related to diversity management.***

The objective of this hypothesis was to find out if there is any connection between financial performance of organisation and diversity management. According to some theoretical outputs, diversity management positively influences the financial performance, so this hypothesis was set to confirm or refute this assumption.

This hypothesis was not confirmed.

As financially more efficient is understood an organisation which achieves profit. This is true for enterprises from the United States of America, South Korea and Czech Republic. It follows from internal statistical information that managers engage themselves in activities of diversity management in all companies similarly, regardless of their profitability. The enterprise from the United States of America has 64 % of engaged managers, the enterprise from Germany has 67 %, the enterprise from the Czech Republic 35 % and the enterprise

from South Korea 42 %. Other companies did not provide such detailed information for the purposes of the dissertation elaboration.

The basic research questions in the elaboration of the theses included:

- *How the concept of diversity management is understood?* Diversity management creates work opportunities and conditions while respecting natural diversity of the employees in a conceptual, i.e. targeted way. The reason is an effort to maximise the potential of diversity of the workforce (Šikýř, 2014 and Šnýdrová, 2006).
- *How diversity management is applied in corporate practice?* Diversity management is applied in corporate practice through various programs and projects, but of course, there are companies that do not implement diversity management at all.
- *Are there differences in the application of diversity management in domestic and foreign business environment?* Yes, qualitative survey carried out in Czech and foreign enterprises proved that there is a difference in this specific case (among the respondents). However, also expert sources point out the lower level of application of diversity management, or a more detailed examination of these issues is missing in the domestic literature.
- *What are the barriers and benefits of diversity management for business practices?* Racial and ethnic diversity provides favourable conditions for individuals with all kinds of knowledge, which is used in competitive fight and innovation (Andrevski et al., 2014, Richard et al., 2000). Furthermore, it leads to cost savings, achievement of economies of scale, improved marketing activity, higher flexibility (Cox, Blake, 1991). The research by Chrobot-Mason (2004) reported the finding that non-emphasising racial and ethnic diversity can cause losses to the organisations. Racial as well as ethnic differences influence performance of employees especially in organisations where diversity management is not implemented strongly (McKay, Avery, Morris, 2008). However, it is always necessary to view the advantages of diversity in a more complex way. The generated advantages are very often resulting from several factors, not only by use of diversity management in the company. Richard et al. (2000) mention, for example the nature of the fast-growing industry as one of these factors. McKay, Avery, Morris (2008) proved that there are differences between performance of workers on the basis of their belonging to an ethnicity or race. But, according to these authors, it is not possible to define or quantify given benefits

directly. That is, difficult quantification of the specific level of influence is rather problematic, limiting factor in this area. As another limitation we can mention the approach of people to different ethnic groups, genders, races, of older/younger age. They bring their attitudes from private life, which can be a problem with which the organisation cannot cope easily. As another barrier, Triana, Miller, Trzebiatowski (2013) mention conflicts and paralysis of decision-making processes, which can be caused in connection with diversity management.

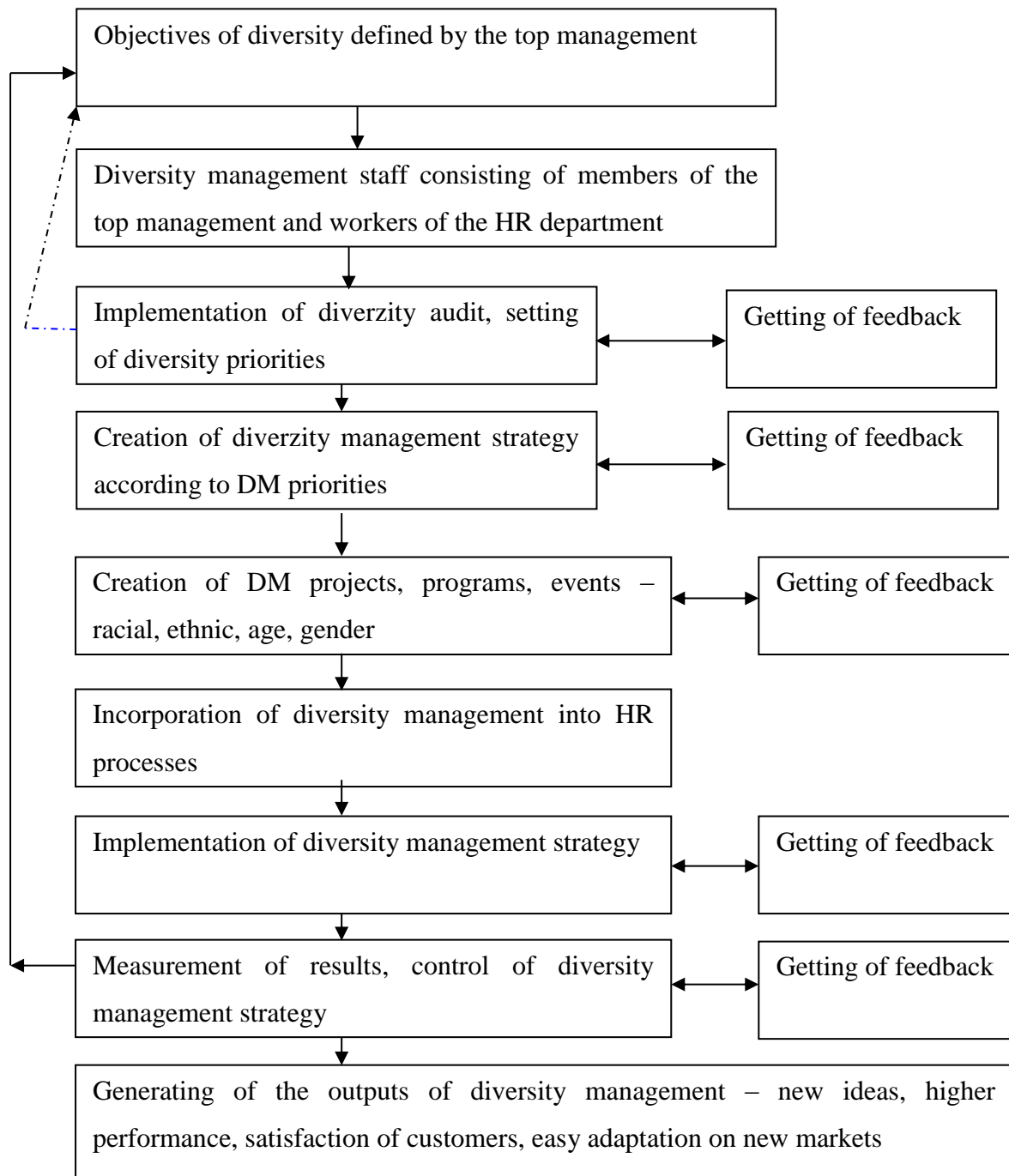
- Who is responsible for the implementation of diversity management in global IT companies? In most cases, the human resources department, or a team incorporated within this department, is responsible for diversity management in an organisation. In terms of diversity implementation, the support of senior management is important, which is then responsible for the processes connected with diversity management.

Discussion about Possible Restrictions Resulting from the Applied Research Design and Implications

As the first restriction it is necessary to note that the research was carried out only among companies in the area of information technology. This orientation naturally has certain limitations and can lead to biased results which cannot be applied to all industries. Another limitation is that primarily the approach of organisations and workers at the middle and top level were examined, which can lead to biased results again.

7.9. Diversity Model

Based on the information presented in this thesis, it is possible to put together the following diversity management model.



Diversity objectives defined by the top management

Diversity management must fulfil certain objectives. Otherwise it is not efficient. The necessity of senior management's support of diversity is reflected throughout the thesis. The company's top management must define the objectives, so that it is clear that the commitment to implement it comes from the highest levels.

Diversity management staff consisting of members of top management and HR workers

Subsequently, a kind of diversity management department should be created, which will take care of the development and the entire management of diversity in the organisation. Members of this department must be recruited from the top management and workers of the human resources department, so that there is connection between top management and HR activities. This team must meet regularly and address the process of implementation and development of diversity management in the organisation.

Implementation of diversity audit and setting of diversity priorities

The current state of diversity management in the organisation is evaluated with this instrument, in order to enable finding the priorities of future development of the whole area. Priorities in the basic view can be searched in the area of gender diversity, age diversity, racial diversity and ethnic diversity. This activity should be supported by feedback from interest groups, especially from employees (like other selected activities). The objective of the feedback is to get a relevant view of the addressed issue.

Creation of diversity management strategy according to diversity management priorities

On the basis of audit and identified diversity priorities it is possible to create a diversity management strategy which the enterprise will apply.

Creation of diversity management projects, programs and events

On the basis of the suggested strategy, it is possible to determine individual steps that will lead to the fulfilment of diversity management objectives in the organisation. Projects can be focused, among others, on informing workers about benefits of diversity management, educational events and training for employees.

Integration of diversity management into HR processes

It is necessary to incorporate diversity management into HR processes. For example, into the process of care for employees as well as to other processes (motivational programs, educational and development programs).

Implementation of diversity management strategy

Diversity management strategy can focus, for example, on the elimination of communication problems and elimination of negative conflicts that are occurring in diverse work teams frequently.

Measurement of results and control

Every strategy must be controlled and measured to continue in the improvement. This applies also to strategy of diversity management.

Generation of outputs from diversity management

Implementation of effective management should lead to new ideas, higher performance, satisfaction of employees and easier adaption of the enterprise on new markets.

Diversity in an enterprise starts with defining the objectives by the company's top management. For the company's management, this step presents an opportunity for mutual discussion about the possibilities of diversity management implementation, about the vision and mission of diversity management. Generally speaking, the basic concept of diversity management is defined. Of course, top management can also use quantitative data about employees or data of qualitative nature (such as reporting of incidents and conflicts between employees). Collection of secondary information is connected with the next step, which is the creation of the diversity staff, consisting of members of senior management and workers of HR department. The staff, which is subordinate to the top management, will emphasise the commitment of top management to fully implement functional diversity management in the organisation. It is necessary that the staff includes HR workers experienced in core HR activities of diversity management (according to the questionnaire survey, this is educating, developing and caring for employees). The staff must be able to come with relevant suggestions how to support the development of diversity management in an organisation through (not only) these HR activities. For this purpose, it is very convenient to take advantage of possibilities offered by implementation of diversity audit and setting of diversity

priorities. This activity is naturally included also in the proposed diversity model. For the first time, feedback is collected within the entire model, in particular from employees, but of course also other interest groups can be included. Based on the audit, the key priorities of diversity management should be defined. For example, the enterprise may find out that salary of women in the same positions is 20 % lower, and set the objective to balance the differences in wages until a specific date. There are many possibilities of improvement, it depends on the particular enterprise. A big advantage is that top management will cooperate with HR department in diversity audit, while communicating with employees and other interest groups. Practically every person working in the company will be involved in the audit process. Opinion of each person must be treated equally and must not be underestimated. The interest of the enterprise to implement an effective diversity management must be expressed already during the audit. It can be expected that enterprises of global character or with a high number of workers will identify hundreds of different suggestions for improvement. Then it is up to the members of diversity management staff to choose the really essential priorities. Another option is to create a database of suggestions which they can use continually when seeking new possibilities of improvement. Of course, in this phase of implementation it is necessary to reconsider the set objectives. It might happen that the original objectives (set only by the top management) will not be relevant to the priorities and the actual situation. Therefore the objectives can be re-examined.

On the basis of existing priorities and objectives, it is possible to proceed to the creation of diversity management strategy (priorities match the objectives, as is discussed in the previous text). It is necessary to get feedback to the strategy (or its proposal), again especially from the employees of the enterprise.

When a diversity management theory is created, nothing obstructs the creation of projects, programs and events of diversity management. Their form and appearance can differ; it always depends on the particular enterprise, its sources and current situation, with regard to the implementation of diversity management. However, author recommends that the enterprise takes care of all main types of diversity, whether racial, ethnic, age or gender diversity. Like every activity of an enterprise, also projects, programs and events of diversity management must be evaluated. It is possible to get feedback for nonfinancial evaluation, especially from customers and other interest groups. After the creation of the proposal of projects, programs and events, it is of course desirable to incorporate diversity management into HR processes. The specific form of this incorporation depends on the specific established processes in given enterprise again. The model shows that diversity management strategy can

be implemented after this step. Getting feedback, especially from employees, is included in the following step too. However, everything might not come out as planned within implementation, therefore the model also suggests measurement of the results and control of diversity management strategy, which will again require getting feedback. The system of internal control is different in every enterprise. Subsequently, on the basis of control activities, the enterprise must suggest future improvements. Thus the entire process returns to the beginning and the first step – definition of diversity objectives by the top management. When the strategic phase is over, it will be possible to generate outputs from diversity management. Efficiently implemented steps will lead to improvements in the form of new ideas, increased efficiency, customer satisfaction and adaptation on new markets.

The entire model is interconnected to bring a complex solution for each organisation interested to implement diversity management.

7.9.1. Comparison of the proposed model with other diversity models

Two diversity models were introduced within the dissertation – the model by van Knippenberg, de Dreu and Homan (2004), and the model by Gilbert, Stead and Ivancevich (1999). These models can be compared with the proposed model and the advantages of the new model (in addition to advantages mentioned in previous text) can be determined. The model by van Knippenberg, de Dreu and Homan (2004) is not so complex and uses only relation between diversity of the work group and performance. The model proposed in this work takes into consideration various correlations (not only the mentioned relation). Of course, it is possible to build on the model by van Knippenberg, de Dreu and Homan (2004) during diversity management. However, with the implementation of the model proposed in this dissertation, the enterprise gets a more complex approach. The model by Gilbert, Stead and Ivancevich (1999) is noticeably more elaborate than the model by van Knippenberg, de Dreu and Homan (2004). For this reason, the model by Gilbert, Stead and Ivancevich (1999), is more suitable for the elaboration of the dissertation. Nevertheless, the diversity model proposed in this thesis is more up-to-date and relevant, as it reacts to the contemporary market environment better. Also significant is the necessity of continuous collection of feedback within the proposed model. Much has changed since 1999. It is possible to find points of conformity in both models (in the proposed as well as in the model designed by Gilbert, Stead and Ivancevich, 1999) – for example, that top management must support the implementation of diversity management.

7.9.2. Model validation

After its creation, the diversity model proposed within this work was discussed with the managers of diversity in the examined companies (A, B, C and D). A discussion about possible problems of diversity implementation and the probability of its correct functioning could be regarded as a validation, because (at the beginning) no organisation has been willing to implement the model in its real environment. Therefore, it was possible to validate the proposed model on the basis of specific real data.

The validation result was that all interviewed persons agree with the form of the model, but deem it fundamental to adapt it to the specific conditions in their organisations.

However, the representative of the Czech IT company agreed to suggest the model implementation to the top management. The managers agreed with its implementation so it is possible to describe the actual process:

The top management of the organisation defined the objective of diversity: To facilitate the integration of workers into the corporate culture, with regard to gender diversity, cultural diversity and any other possible disadvantagedness of the workers. The corporate management aimed for a systematic approach because at the system in use was not coordinated systematically in any way; these were rather one-time events and projects.

Subsequently, the diversity staff was appointed. The staff members included workers of HR department (who were currently engaged in diversity management), the top manager responsible for HR area, the top manager responsible for international branches and three administrative workers. This staff of workers then carried out a diversity audit and identification of diversity priorities. Gender diversity and cultural diversity were determined to be priorities. From the beginning, the execution of audit turned out to be the problem. First, the staff of diversity management did not know how to approach the audit, but a proper method of audit was found during common meetings. This problem does not mean that the model is insufficient. On the contrary, the functionality of the model is conditioned by the necessity to adapt individual steps to the specific conditions of the organisation. In addition, part of other employees was engaged in the audit, that is why feedback was gained on a continuous basis.

The audit results showed that the area of diversity management has its weak points. For example, in what way specifically cultural diversity is supported or what gender diversity should look like (for example, what is the desired minimal share of women at managerial positions). Based on these findings, diversity management strategy was created. Specific strategic conclusions were discussed with the management of the enterprise. In this phase,

greater emphasis could be placed on the discussion of real benefits and feasibility of the strategic objectives. This was partially fulfilled by the fact that the objectives were defined by the SMART methodology, however, a specific point emphasizing the discussion is missing. This is not a significant drawback which would obstruct the implementation of the model in practice.

In the following step, projects, programs and events of diversity management were created. The plans were prepared by the diversity staff after consulting the involved groups of employees (for example, the project in branches abroad was consulted with the respective foreign branch, etc.)

After the approval of the projects, programs and events, diversity strategy was implemented. During its implementation, the feedback from the involved workers was monitored continuously. The proposed model emphasized the ways of monitoring of the feedback in this phase. Both online and offline tools could be used for this purpose.

Within the implementation, several problems, whether of smaller or more serious character, were encountered. Their solution was implemented already during this phase, or recorded for the future use of this experience. This activity was the subject of the phase of the measurement of results and the control of diversity management strategy. In this phase, the feedback was executed through the primary collection of data among employees – a questionnaire survey. The form of the questionnaire survey was determined, so that it could be repeated annually to evaluate the success of the diversity management implementation. This collection could be done already in the initial phase of diversity management implementation, to evaluate the results.

Further, specific outputs from diversity management were generated in the form of proposals for improvement of other projects of diversity management. On the basis of the results, the top management decided that the staff of diversity management will continue to work in the organisation. This prepared a space for the revision of the objectives, or setting of new objectives. In this way, the whole model can be implemented again.

On the basis of this information, we can state that the model was verified in practical implementation, i.e. validated. In the respective organisation, it proved to be a suitable solution for the implementation of the systematic approach to diversity management.

Validation can be executed not only on the level of the proposed model, but also of the entire dissertation. It was consulted with the representatives of the analysed companies and there was no fundamental objection against its content.

8. Contribution of the thesis

8.1. Contribution for the theory as well as practice

This thesis was elaborated in order to explore the yet uncharted issues of diversity management, i.e. areas that have not been examined in detail till today. After analysing secondary data, as the most suitable approach proved to be the focus on the issues connected with creation of a diversity management model, because this particular area has remained rather neglected in the existing expert literature. It is true that there are diversity models described in the sources, however, these models are already outdated. Market environment is constantly developing and it is desirable to create innovated views of previous management paradigms, especially with regard to the development of information and communication technology. This applies even more to diversity management because globalisation is fuelled by the fast development of information and communication technology and diversity management is a direct consequence of globalisation. An increasing number of global enterprises are turning to diversity management as to a way to manage workers from different cultures, ethnicities, races, genders and age. This is a natural development which will continue in the coming years. The theoretical as well as practical part of the thesis confirmed that diversity management is meaningful and brings many positives; any negatives can be eliminated by a complex and systematic approach. Moreover, the research confirmed that diversity management cannot be omitted. Global companies are aware of this fact and most of them use this concept actively.

This thesis brought insights that may be used by other authors in their own research of this theme. Readers are offered a comprehensive overview of professional sources dealing with diversity management. Of course, a summary of the most fundamental knowledge about these issues is available. The thesis also incorporated expert treatises by authors from the Czech Republic because foreign sources seldom quote them. However, the research confirmed that the issues of diversity management are not reflected much in Czech expert literature, while it has been addressed by experts abroad for more than 20 years.

Corporate practice can get inspired by the proposed diversity management model and other findings too. The proposed model can be implemented directly into the corporate processes, depending on the possibilities and resources of individual companies. The author of this work strived to create a model which will be generally applicable to every company. However, it must be taken into account that the model is based especially on primary collection of data,

which involved organisations in IT field. Implementation in another industry might not be smooth. Which opens possibilities for future orientation of the further research.

Other findings result from hypotheses that were verified:

Managers in financially more efficient organisations undergo a higher number of projects related to diversity management. This fact suggests a connection between diversity management and the financial performance of the organisation.

Managers in enterprises with a higher number of employees (more than 20,000 people) put greater emphasis on diversity management. This can be understood as a signal that with growing number of employees their diversity increases as well, which must be reflected in the management of given company.

Older managers have an increasingly positive attitude to using diversity management. Older (presumably also more experienced) managers support diversity management, which indicates that their experience with diversity management is very positive and that is why they support this concept.

Managers abroad use diversity management to a greater extent than managers in the Czech Republic. This fact was disclosed already in the analysis of secondary sources of data. The hypothesis only confirmed that implementation of diversity management is still a long-term matter for enterprises in the Czech Republic.

8.2. Contribution to education

The dissertation mapped the characteristics of diversity management. The differences in understanding of these concepts were described in a well-arranged way and possibilities of application of diversity management were proposed in the context of multinational IT companies, as well as the identification of contemporary approaches to the issues of diversity in these companies. The primary objective of the work was to create a graphic model of diversity management for multicultural organisations operating in the field of information technology. The model can be used within pedagogical activities during preparation of students for leading positions already during their studies.

Within the pedagogical activities, the findings can be used for understanding the concept of diversity management in the environment of multinational IT companies, to enable students penetrate the issues of diversity, diversity management, and to prepare them for the future role of successful managers.

9. Limitations of the dissertation

Of course, the dissertation has its limits, which were noticeable in the course of its elaboration. Firstly, although the work was based on the findings from many expert sources and also the recognized Web of Science database was utilised, it might have happened that some relevant sources have been omitted. Secondly, it was not possible to include the issues of diversity management implementation in small and medium-sized enterprises. It can be expected that implementation of diversity management has its specifics and special characteristics in these organisations too, therefore it is desirable to examine them for the purpose of continuous improvement of diversity management implementation. Thirdly, the research was carried out only on a small sample of respondents (compared to the high number of existing multinational corporations and their managers) and only in one of dozens of possible industries.

10. Future orientation and recommendation of the research

In the future, the research can continue in two directions. This means that an extensive quantitative research among global companies can be carried out – regardless of industry, number of employees and regional origin. On the basis of these outcomes, it will be possible to get a complete overview of the application of diversity management in contemporary global companies. It is possible to adapt the methodology of the research executed within this thesis. Based on this quantitative research, it will be possible to prepare a diversity model which would be more responsive to the needs of global organisations. Or, the proposed diversity management model can be used to find out whether it is suitable for the organisations or whether any alterations are needed to improve it for their needs.

The second direction of future research is to repeat the qualitative research with a larger number of respondents, using the same method as the one deployed in this thesis, i.e. in-depth questioning. This variant can include respondents from different industries and companies.

There is one more option for further research, which is, of course, a combination of previous two orientations of the research (i.e. quantitative as well as qualitative).

11. Conclusion

The primary objective of the thesis was to create a graphical model of diversity management for multicultural organisations operating in the information technology industry. The draft of diversity management model contains the following elements: diversity objectives defined by the top management, diversity staff, diversity audit implementation and search for diversity priorities, creation of diversity management strategy, creation of diversity management tools, incorporation of diversity management into HR processes, implementation of diversity management strategy, measurement of the results, control of strategy, feedback and generation of outputs from diversity management. The whole process starts with setting of objectives while at the end of the process, the enterprise generates new ideas, higher performance, increased customer satisfaction and better adaptation for new markets. Of course, to achieve this, the company must take advantage of the potential of diversity management and manage efficiently all component parts of the diversity management model. A secondary objective was to identify, through expert literature review, contemporary approaches to diversity management and to clarify its advantages. Another secondary objective was to identify the specifics of using diversity management in global IT companies that are characterised by a multicultural working environment.

The importance of examining racial diversity was confirmed, among others, by the research by Chrobot-Mason (2004), which confirmed that race and ethnicity are an important factor which must not be neglected. This finding can be applied to other diversity categories too, which must be examined and their effects evaluated.

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List of Tables

Table 1: Evolution of views on management - school of management	14, 15
Table 2: Tasks implementation variants in the Harvard Model	25
Table 3: Employment form	71
Table 4: Which financial incentives help you most to increase work efficiency?	79
Table 5: Does the company underline the fact it is an intercultural IT enterprise?	83
Table 6: Respondents' age	87
Table 7: What does the company pay attention to in international management?	88
Table 8: What is the company guided by in human resource management?	89
Table 9: Why is human resource management in an international company difficult?	92
Table 10 Importance of DM for the success of the company	120
Table 11 Benefit of DM for the organisation	121
Table 12 Program of support of diversity in the organisation	121
Table 13 Type of diversity which is supported	121
Table 14 Participation in DM education	121
Table 15 Critical factors for the success of DM	122
Table 16 HR activities supporting DM	122
Table 17 Proportion of workers involved in DM activities	122
Table 18 Gender diversity – advantage	123
Table 19 Racial diversity – advantage	123
Table 20 Ethnic diversity – advantage	123
Table 21 Age diversity – advantage	123
Table 22 Gender diversity – differences in performance	124
Table 23 Age diversity – differences in performance	124
Table 24 Racial diversity – differences in performance	124
Table 25 Ethnic diversity – differences in terms of ethnic diversity	124
Table 26 Number of DM projects in the organisation	125
Table 27 Use of DM by competing enterprises	125
Table 28 Cases of discrimination in IT industry	125
Table 29 Negative manifestations of DM	125
Table 30 Level of contact with people of different race	126
Table 31 Level of contact with people of different ethnicity	126
Table 32 Region, where the respondent works	126

Table 33 Region of origin of the company's owner	126
Table 34 Age of the respondent	126
Table 35 Number of employees in the organisation	127
Table 36 Financial performance of the respondent's enterprise	127
Table 37 Control question	127
Table 38 Number of members in the team of the responding manager	127
Table 39 Evaluation of Hk1 hypothesis	128
Table 40 Evaluation of Hk2 hypothesis	129
Table 41 Evaluation of Hk3 hypothesis	129
Table 42 Correlation between age diversity and gender diversity in terms of benefits	130
Table 43 Correlation between age diversity and gender diversity in terms of different approaches to work	130

List of figures

- Figure 1. Human capital components 21
- Figure 2. Human resource cycle in the Michigan Model 23
- Figure 3. Elements of international management process 33
- Figure 4. 7-S Framework of McKinsey 38
- Figure 5. Individualism/Collectivism – Femininity/Masculinity 43
- Figure 6. CEM (categorization-elaboration model) 58
- Figure 7. Diversity management model 59
- Figure 8. Respondents' gender in the companies 69
- Figure 9. Respondents' age – graphics 70
- Figure 10. Seniority 70
- Figure 11. Position 71
- Figure 12. Employment form 72
- Figure 13. Key elements of human resources management 73
- Figure 14. Premises for intercultural management 75
- Figure 15. What are the advantages of implementing intercultural management? 76
- Figure 16. What are the disadvantages of intercultural management? 77
- Figure 17. How do you assess the motivation level at work? 79
- Figure 18. What type of motivation system is used by your company? 80
- Figure 19. Which non-financial motivational incentives are used in your company? 81
- Figure 20. What is most demotivating at work? 82
- Figure 21. Where does the company underline that it is an intercultural enterprise? 83
- Figure 22. Has the meaning of cultural diversity in the IT sector changed in recent years? 84
- Figure 23. Changes in perception of intercultural diversity in the IT sector 84
- Figure 24. What is the current perception of intercultural companies in the IT field? 85
- Figure 25. Gender of the respondents 86
- Figure 26. Seniority 87
- Figure 27. What problems do the directors face in human resource management? 90
- Figure 28. Tools that improve work productivity 91
- Figure 29. Is human resource management in an international company a difficult task? 91
- Figure 30. What is the current perception of intercultural companies in the IT field? 93
- Figure 31. Has the meaning of cultural diversity in the IT sector changed in recent years? 93
- Figure 32. What exactly has changed? 94

Figure 33. Do you see the necessity to introduce intercultural management in the company?
94

Figure 34. Has a model based on diversity already been introduced in the company? 95

Figure 35. For how many years have initiatives for intercultural management been organized?
95

Figure 36. What were the motives for this decision? 96

Figure 37. What are the advantages of implementing intercultural management? 96

Figure 38. What are the disadvantages of intercultural management? 97

Appendices

Appendix 1

The aim of the research is to compare the cultural differences in the management process. The survey is anonymous and the information collected will be used for research purposes only.

1. What are the key elements of human resource management?

- Value and mission
- HRM at the company's cost
- HRM allows for competitive advantage and therefore, human resources must be treated in a special way
- Customer orientation as a management strategy feature and a main organizational behaviour determinant
- Qualitative orientation as an important organizational behaviour determinant
- Determining managerial roles within the scope of strategic activities
- Paying much attention to the line managers' actions and decisions in the field of HRM
- Freedom in employee selection
- Individual remuneration of employees
- Caring for the harmonisation of work conditions
- Lifetime employment
- Paying much attention to seniority
- Individual nature of employment agreements
- Teamwork
- Training
- Internal training orientation
- External training orientation

2. What are the main premises for intercultural management?

- Increasing competitiveness
- Better collaboration between employees
- Clear expectations
- Enhancing the employees' efficiency
- Better work organisation
- Enhancing the quality of services

- Better customer service

3. What are the advantages of implementing intercultural management?

- Improving the employees' performance of duties
- Increasing operational flexibility
- Increasing operational efficiency
- Increasing the quality of the services offered
- Better communication between employees
- Better company image
- Better customer service
- What are the disadvantages of intercultural management?
- Higher management costs
- Management methods are not always accepted by all employees
- Requires appropriate management skills in this area
- It is very difficult to create a uniform system of employee evaluation
- Human Resources Department has much more work with determining motivational procedures
- Substantially more work in the scope of employees' work coordination

4. How do you assess the motivation level at work?

- Low
- Very low
- Average
- High
- Very high

5. Which financial incentives help you most to increase work efficiency?

- High basic salary
- Receiving bonuses, commissions, etc.
- Possibility of receiving cash bonuses
- Co-financing trips, etc.
- Awards

6. What type of motivation system is used by your company?

- Monthly bonuses
- Quarterly bonuses
- Only basic salary
- Bonuses from profits
- Award for the employee of a month

7. Which non-financial motivational incentives are used by your company?

- Trainings
- Promotion
- Medical care
- Pool passes
- Company car
- Mobile phone
- Integration trips

8. What is most demotivating at work?

- Salary rate
- Unpleasant atmosphere
- Monotony
- Necessity to get up early
- Poor team communication

9. Does the company underline the fact it is an intercultural IT enterprise?

- Yes
- No

10. Where does the company underline that it is an intercultural enterprise?

- Monthly bonuses Press (internet)
- Television
- Informative leaflets about the company

11. Has the meaning of cultural diversity in the IT sector changed in recent years?

- Yes
- No

12. What has changed in the perception of intercultural diversity in the IT sector?

- Trainings Companies more willingly cooperate with various cultures
- In the past, the company did not have to fight for a customer as aggressively as today. Currently, companies from the IT sector have to fight with strong competition; cultural diversity introduces innovative solutions
- Multicultural organisations are more respected than in the past
- It is easier now to manage an intercultural company
- Technological advances facilitate communication between entities
- A few years ago maintenance costs were much higher than now

13. What is the current perception of intercultural companies in the IT field?

- Company is ready for new challenges
- Company with a strong organisational system
- Creative
- Innovative
- Tolerant
- Operating in numerous groups which is a support for an entity
- Morally responsible for any actions
- Loyal
- Responsible

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14. Gender:

- Female
- Male

15. Age of interviewees:

- 20-27
- 28-35

- 36-45
- 46-55
- over 56

16. Seniority:

- Up to 12 months
- 13-36 months
- Over 36 months

17. Position:

- Junior Manager
- Senior Manager

18. What is the form of your employment?

- Contract of employment
- Commission contract

Appendix 2

1. Gender

- Female
- Male

2. Respondents' age

- 27
- 29
- 38
- 39
- 47
- 55

3. Seniority

- Up to 12 months
- 13-36 months
- Over 36 months

4. What does the company pay attention to in international management?

- Ensuring proper level of training
- Providing an incentive motivation system
- Teamwork
- Clear definition of workers' responsibilities

5. What is the company guided by in human resource management?

- Efficient organisation of work
- Better results of the company on the international market
- High level of workers satisfaction
- Efficient transfer of information between departments
- Ensuring high quality service
- Creating strong corporate image on the market

6. What problems do the directors face in human resource management?

- Workers' lack of tolerance towards other cultures
- Hampered communication between departments
- Conflicts among workers
- Lack of enthusiasm for teamwork
- Excessive rivalry

7. Tools that improve work productivity

- % of the company's profit
- Allowances to salary
- Awards
- Rewards
- Bonuses

8. Is human resource management in an international company a difficult task?

- Yes
- No

9. Why is human resource management in an international company difficult?

- Due to the distance between branches
- Due to inappropriate culture matching

10. What is the current perception of intercultural companies in the IT field?

- Company with a strong organisational system
- Company is ready for a new challenge
- Creative
- Innovative
- Tolerant
- Operating in numerous groups which is a support for an entity
- Morally responsible for any actions
- Loyal
- Responsible

11. Has the meaning of cultural diversity in the IT sector changed in recent years?

- Yes
- No

12. What exactly has changed?

- Companies more willingly cooperate with various cultures
- In the past, the company did not have to fight for a customer as aggressively as today
- Multicultural organisations are more respected than in the past
- It is easier now to manage an intercultural company
- Technological advances facilitate communication between entities
- A few years ago maintenance costs were much higher than now

13. Do you see the necessity to introduce intercultural management in the company?

- Yes
- No

14. Has a model based on diversity already been introduced in the company?

- Yes
- No

15. For how many years have initiatives for intercultural management been organized?

- 2 years or less
- 2-5 years
- more than 5 years

16. What were the motives for this decision?

- Business reasons
- The needs of particular social groups
- The situation in the labor market
- Other

17. What are the advantages of implementing intercultural management?

- Improving the employees' duties performance
- Increasing the operational flexibility
- Increasing the operational efficiency
- Increasing the quality of the services offered
- Better communication between employees
- Better image of the company
- Better customer service

18. What are the disadvantages of intercultural management?

- Higher management costs
- Management methods are not always accepted by all employees
- Requires appropriate management skills in this area
- It is very difficult to create a uniform system of employee evaluation
- Human Resources Department has much more work with determining motivational procedures
- Substantially more work in the scope of employees' work coordination

Appendix 3

Questionnaire - form

Evaluate the level of application of diversity management in your organisation:

1. In your opinion, is diversity management important for the success of the company?

- Definitely yes
- Rather yes
- Neutral
- Rather not
- Definitely not

2. If yes (definitely or rather yes), how it is beneficial for the organisation?

- New ideas to improve solution of work problems
- Increased work commitment, motivation
- Prevention of needless conflicts
- Better mutual understanding
- Better performance of the work team, organisation
- Higher satisfaction of customers
- Facilitated adaptation of the enterprise on new markets
- Another advantage

3. Is there any program for support of diversity in your organisation?

- Yes
- No

4. If yes, what type of diversity it involves (mark all present variants):

- Gender diversity
- Racial diversity
- Age diversity
- Ethnic diversity
- Other diversity
- I do not know

5. Do you undergo diversity management-themed training, educational events etc.?

- Definitely yes
- Rather yes
- Neutral
- Rather not
- Definitely not

6. What are the critical factors securing success of diversity management in your opinion (mark 3 from the selection):

- Support of top management
- Support of managers and key workers
- Support of employees
- Proper motivation for compliance with diversity management rules
- Diversity management training system
- Form of diversity management projects
- Approach of workers
- Other factors

7. As core HR activities supporting diversity management I consider:

- Career planning
- Training and development
- Recruitment
- Rewarding of workers
- Care for workers
- System of motivation
- Career management
- System of employee benefits
- Mentoring (the same ethnicity, race, gender, age)
- Another activity

8. What % of your colleagues is involved in activities of diversity management in your estimation?

- I cannot judge, I do not know
- Approx. 0 % to 20 %
- Approx. 21 % to 40 %
- Approx. 41 % to 60 %
- Approx. 61 % to 80 %
- Approx. 81 % and more

9. Do you think that gender-balanced work teams bring advantage for the organisation, in comparison with a situation when such balance is not secured?

- Definitely yes
- Rather yes
- Neutral
- Rather not
- Definitely not

10. Do you think that racially balanced work teams bring advantage for the organisation, in comparison with a situation when such balance is not secured?

- Definitely yes
- Rather yes
- Neutral
- Rather not
- Definitely not

11. Do you think that ethnically balanced work teams bring advantage for the organisation, in comparison with a situation when such balance is not secured?

- Definitely yes
- Rather yes
- Neutral
- Rather not
- Definitely not

12. Do you think that age-balanced work teams bring advantage for the organisation, in comparison with a situation when such balance is not secured?

- Definitely yes
- Rather yes
- Neutral
- Rather not
- Definitely not

13. Have you noticed differences in the work approach of members of your team in terms of gender diversity?

- Definitely yes
- Rather yes
- Neutral
- Rather not
- Definitely not

14. Have you noticed differences in the work approach of members of your team in terms of age diversity?

- Definitely yes
- Rather yes
- Neutral
- Rather not
- Definitely not

15. Have you noticed differences in the work approach of members of your team in terms of racial diversity?

- Definitely yes
- Rather yes
- Neutral
- Rather not
- Definitely not

16. Have you noticed differences in the work approach of members of your team in terms of ethnic diversity?

- Definitely yes

- Rather yes
- Neutral
- Rather not
- Definitely not

17. How many projects of diversity management have you noticed in the organisation?

- 1 to 3 projects
- 4 to 6 projects
- 7 to 10 projects
- 11 and more projects

18. Are your competitors using diversity management actively?

- Definitely yes
- Rather yes
- Neutral, I cannot judge
- Rather not
- Definitely not

19. What form of discrimination can be encountered the most often in IT industry?

- Gender discrimination
- Age discrimination
- Racial discrimination
- Ethnic discrimination
- Another form of discrimination
- No discrimination

20. Does diversity manifests itself negatively in the workplace? If yes, in what way?

- It causes communication problems
- Discrimination
- Increased costs
- Increased risk of stress

- It results in conflicts
- It leads to poor performance
- Other manifestations

21. How often are you in contact with people of:

Different race:

- Every day
- Less often

Different ethnicity:

- Every day
- Less often

22. In what part of the world are you currently working?

- Asia
- North America
- South America
- Europe
- Australia
- Africa

23. What part of the world the owner of the enterprise comes from?

- Asia
- North America
- South America
- Europe
- Australia
- Africa

24. What is your age?

- 27 years and less
- 28 to 39 years

- 40 to 50 years
- 51 years and more

25. What is the number of employees in your organisation?

- Up to 20 000 employees
- 20 001 to 40 000 employees
- 40 001 to 80 000 employees
- 80 001 employees and more

26. What is the financial performance of the enterprise in which you work?

- Profit in 2015
- Balanced in 2015
- Loss in 2015

27. Are you a manager (control question)?

- Yes
- No

28. How many members your team of subordinates has?

- 1 to 5 persons
- 6 to 10 persons
- 11 to 15 persons
- 16 to 21 persons
- 22 to 30 persons
- 31 persons and more