

Diversity Management in a Multinational Organization

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<p>The topic was chosen for this thesis because diversity is a current and a much-discussed subject around the world. Diversity management is becoming the watchword of the new millennium. Multinational organizations are becoming more diverse, as they aim for global markets. As a result, companies need new knowledge and approaches in order to survive increasingly fierce competition.</p> <p>This research focuses on investigating how a multinational company can attract the most diverse and optimum workforce, integrate them into their working culture and improve productivity.</p> <p>The idea for the thesis came after visiting the commissioning party, Net Entertainment Ltd. (NetEnt) in fall 2014 in Stockholm, Sweden. The company is a world-leader in developing and supplying online casino games used by some of the world's most successful gaming operators. It is a very culturally diverse multinational organization, with approximately 47 different nationalities among its employees.</p> <p>The study was conducted using a qualitative research method. It was seen as the most suitable method for the thesis because through interviews it was easier and more interesting to integrate practical knowledge into the more theoretical aspects. Five semi-structured interviews were conducted with NetEnt. The study was done during a six-month period, from September 2015 until March 2016. Five weeks were used for gathering and analyzing data.</p> <p>The results showed that NetEnt has organized integration well and the productivity of their diverse workforce is high. However, there were some areas in need for improvement that the research brought up. According to its results, NetEnt should have continuous integration training for its employees to help the communication work more efficiently between different people. It should also have more training on the management level to increase awareness of critical diversity matters among managers.</p>	
<p>Keywords diversity management, multicultural work environment, globalization, equality, integration of immigrants, productivity</p>	

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1 Introduction

This thesis is about diversity management in a multinational organization; how a multinational organization can attract the most diverse workforce, integrate them into the working culture and improve productivity.

1.1 Background to the thesis topic

Diversity management has become an important part of the new millennium. It helps the organizations to survive in the competitive global business world through resilience and flexibility. (Dickie & Soldan 2008, 33.) Moreover, the working habits, manners and methods are changing continuously and the diverse workforce is increasing in the multinational organizations. Keeping diverse workforce is really important for the companies, because they can only do business effectively in global markets if they are able to benefit and handle their employees' thoughts and behaviour. Companies have to know how to adjust to the diversities of their main markets. In the 1970's, the individual capacity became the key factor for competing in the markets. For being able to participate with the highest level, employees need to have their minimal levels of development taken care off; flexibility, for being able to balance with their work and private lives or they have specific conditions due to a disability. For being able to compete, since the 1980's, and especially since the beginning of 1990's, companies started to present a series of different policies and programs targeted at offering a flexible environment that would be able to be adapted to the members needs of the organization. (Anca & Vázquez 2007, 135.)

The global business world is changing rapidly and the increase of diverse workforce puts the diversity issues on the surface. Workplaces heralded for the future with a high diversity rate in their workforce gives new growth opportunities and possibilities. Wider perspective of diversity helps the organizations to respect, to understand and to manage diversity. Organisational training and development are the key issues between diversity and performance. (Moore 1999.) Diversity training, which will be described more specifically later in the study, helps the employees to understand each other better, increase the motivation for working more efficiently and feeling comfortable in the working environment (Anca & Vázquez 2007, 121).

Some of the important factors that have affected to the international competition are the development of information technologies, the liberalization of international commerce and the growing mobility of people. In the market where added-value has become the most important survival factor, the managers of the biggest companies are realizing better how

important diversity management is for the companies. They need to increase the diversity of their management structures and working groups for providing more innovative and creative leadership. (Anca & Vázquez 2007, 121.)

The importance of diversity is not its existence but rather to be aware how to manage it. People from different cultures, gender and personality has its own individual way of working due to their differing backgrounds. This kind of diversity can be a huge benefit for the company because it creates innovation. On the other hand, the negative side can be conflicts and tension within the diverse work groups. (Anca & Vázquez 2007, 121.) Creating diverse teams helps the company to have better results due to the people from different cultures. They can share together their knowledge and strengths; as there is a saying "other person's weakness can be another person's strength".

Diversity management helps to find the best talents in the recruiting process and retaining the employees in the organization. It helps to improve customer service and sales to minority groups and improve the corporate image. Globalization within societies is one of the most powerful trends of 21st century development of civilization. The impact is very strong especially on socio-economic, political and cultural aspects which concerns almost every country's development. (Vance & Paik 2006, 91.)

1.2 Justification of the topic

The topic is relevant, because there are many big multinational companies competing of the diverse workforce as the markets are globalising. It leads to the point where businesses have to communicate, manage and negotiate with people from different cultures. It is becoming essential to integrate diversity management into business strategies and processes. Organizations have to be aware of the differences between language, culture, processes and business practices for being able to compete successfully in diverse markets. (Dickie & Soldan 2008, 46.) It is important that diverse employees feel themselves comfortable in the working society to keep the motivation high, leading into better results and pleasant working environment.

The main reason for choosing diversity management in a multinational organization as a topic, was the growing interest towards the globalization and the well-being of the diverse workforce and how it affects to the employees' productivity and satisfaction to their work. Diversity management is a very current topic in today's contemporary changing business world and it can be investigated from many different angles. In my study I want to focus on discovering how a multinational company can attract the most diverse and optimum work-

force, integrate them into their working culture and improve productivity. Questions about cultural differences, integration of the foreign employees and advantages what comes to managing diversity, are very interesting for analysing because of their versatility.

1.3 Objectives and limitations of the research

My commissioning party is called Net Entertainment Ltd (NetEnt). The company is a world leader in developing and supplying online casino games used by some of the world's most successful gaming operators. The company was chosen as the commissioning party because it is a very culturally diverse and has men and women employees from approximately 47 different nationalities among its employees.

For succeeding in the global markets, a multinational company needs to be able to keep the skillful workforce and attract new employees from the most diverse and optimum backgrounds. Integrating employees into the working culture is important for making the employees feeling comfortable in the working environment and keeping the motivation high which increases productivity.

The objective of the research is to discover ways how a multinational company can attract the most diverse and optimum workforce, integrate them into their working culture and improve productivity.

The research always includes some limitations as well. There was one limitation in this research, regarding the length of the interviews. Some of the interview answers were not so comprehensive, the reason might have been interpreting some of the questions or due to the amount of knowledge of the topic.

1.4 Structure and chapters of the thesis

The research process was conducted in five phases. First included gathering, reading and selecting relevant theories on diversity management in a multinational organization. During the second phase the available empirical materials was gathered and the interviews were planned, conducted, recorded and transcribed for the thesis purposes. The third phase included analysing of the interviews and reflecting the answers with the theory. The fourth phase included the conclusions of the whole process and final phase, the fifth phase, the development ideas for Net Entertainment.

The thesis consists of seven chapters. The first part, the introduction chapter provides background information and justification of the topic and describes the objectives and limitations of the research. The theoretical part of the thesis is divided into four separate chapters. The second chapter introduces the commissioning party, Net Entertainment Ltd. The third chapter discusses about diversity management and the key concepts. The fourth chapter presents the challenges and opportunities for multinational organizations; what kind of conflicts and benefits a diverse work environment can create.

The fifth chapter presents diversity management paradigms, including performance management. The sixth chapter describes how the research has been conducted; it describes the methods used for the interviews and the reliability and validity of the research. The interview results are presented on the seventh chapter. It presents the results from the interviews conducted with the Communication Director, Project Delivery Manager, Development Manager, Team Coach and the Information Manager. In the last part, the final conclusions are discussed and development ideas provided for Net Entertainment.

2 Net Entertainment Ltd.

Net Entertainment Ltd (NetEnt) is a world leader in developing and supplying online casino games used by some of the world's most successful gaming operators. (NetEnt 2016a.)

Online gaming has become successful and profitable business which attracts many people, from young till old generation, and includes a lot of diversity where people from different cultures can share their knowledge and experiences. The company has men and women employees from approximately 47 different nationalities. (NetEnt 2016a.) They started as a small company and it has grown fast. Cultural diversity is a key to NetEnt's success and they are very proud of it.

NetEnt was born from the heritage from one of Scandinavia's leading online casino operators, in 1996. The company is one of the original pioneers of online gaming and is listed on OMX Stockholm. They are following continuously the emerging industry trends. NetEnt invests a lot in its people and its products to bring commitment without rival, passion and innovation to the world of digital gaming. It is a really culturally diverse company and has operations in Sweden, Poland, Malta, Ukraine, Gibraltar and in the United States. They have more than 500 highly skilled full-time employees based on various locations in Europe and the United States. All the employees have a passion for delivering the very best in gaming. (NetEnt 2016b.)

NetEnt is a premium, world-leading B2B supplier of digitally distributed casino systems and games which many of the industry's most successful operators use. The key for NetEnt's success are relationships built on trust and solutions built on innovation. They deliver first-class gaming products and services. (NetEnt 2016c.) Diversity management has an important role in the Company due to the amount of people from different ethnical backgrounds and the well-being of their workers.

Corporate culture is an important success factor of NetEnt. A strong corporate culture that promotes self-directed employees and effective processes is vital to sustained rapid growth. NetEnt operates in an international industry which is rapidly changing, it puts strict demand on creativity, innovation, ability to cooperate and technical specialist expertise. (NetEnt Annual Report 2013, 22-23.)

NetEnt has an opportunity-focused corporate culture. It is characterized by creativity, quality and passion for entertainment and gaming where shared values are a determining fac-

tor. Employees share the qualities of being driven, determined and curious with an approach to the future and an open-mind who succeed in a fast-growing, international working culture. Most of the employees at Net Entertainment have backgrounds in various areas, such as from the computer gaming and the IT industries to the telecom and financial sectors. The main focus areas at NetEnt are development, responsibility and team spirit. Experience and innovation from different organizations and cultures affects positively to the development of the company. Many employees build a career by growing with the company. Internal recruitment is many times prioritized. (NetEnt Annual Report 2013, 22.)

The company has a major need to recruit skilled employees and there has been an increasing number of applications as the company has become more visible and successful. The five core values of NetEnt are:

- Think ahead, be ahead
- Passion for gaming
- We act speedsmart
- Simplicity in all we do
- Together we win

These core values fulfill all of the company's decision-making processes – as a tool of management, in progress reviews and in recruitment. Job interviews are based on the company's core values, and besides the expertise and experience, also an attitude and personality of the candidate affects significantly. (NetEnt Annual Report 2013, 22-23.)

For Net Entertainment, leadership is about responsibility for leading the operations forward according to the company's vision, goals and strategy. Net Entertainment has managers with varying age and experience. They are connected with a shared ambition and interest for developing themselves, their leadership and their employees. The first manager training program started in September 2012 based on the company's values, it is called NetEnt Academy. The NetEnt Academy strengthens the organization through discussions and workshops created to increase understanding and knowledge of all parts of the operations. The ambassadors are trained in the company's core values and the technique for presentations and communication in order to be able to act as role models and spokespersons of the company. The program help to constantly strengthen the internal corporate culture and the external brand as an employer, for example at employer presentation days at universities and colleges, and at industry days and in market activities. (NetEnt Annual Report 2013, 22-23.)

The following organization chart (Figure 1) shows how the organizational levels have been divided.

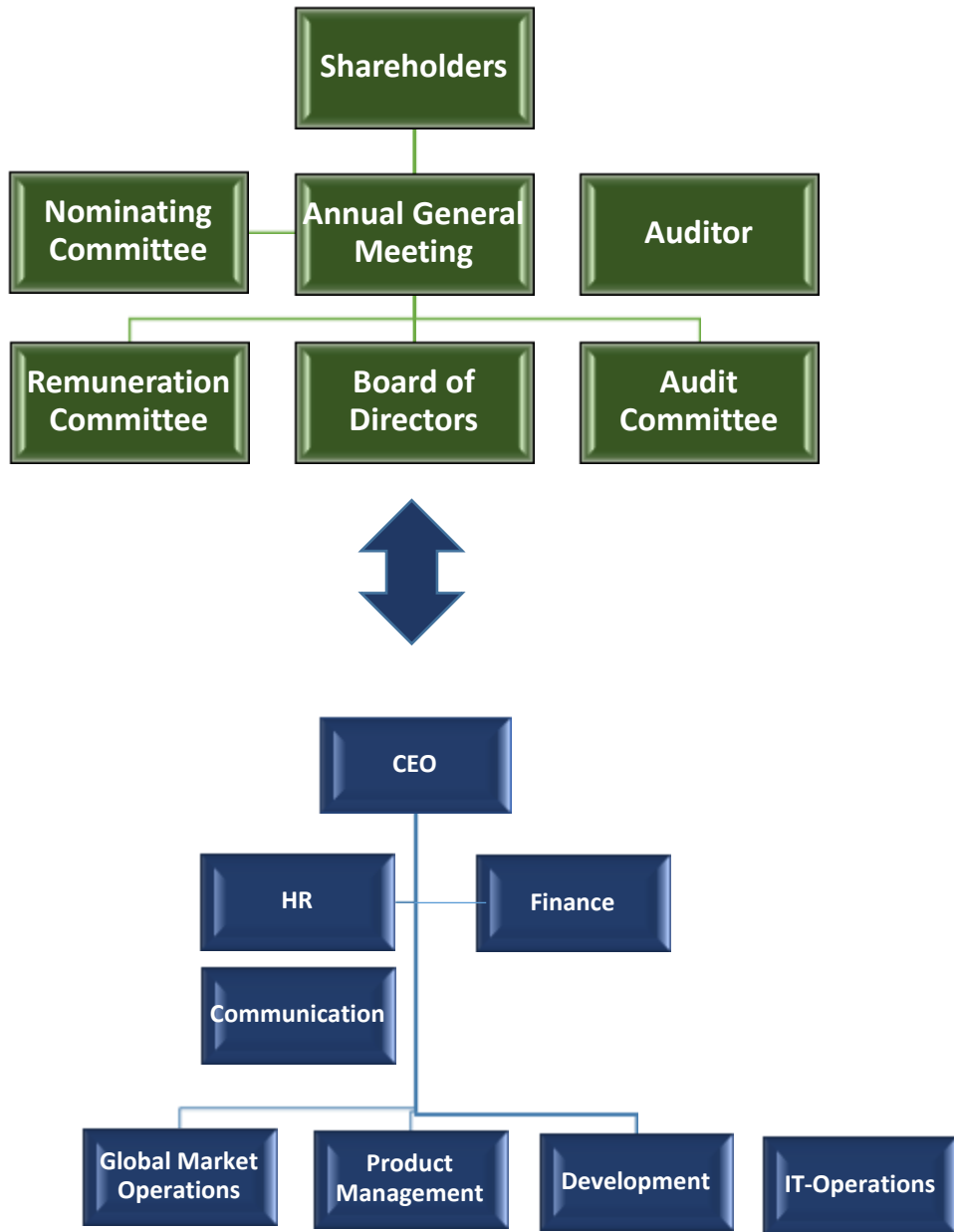


Figure 1. Net Entertainment Corporate Governance Model (NetEnt Annual Report 2013, 48)

3 Diversity management

Diversity management helps to recognize cultural differences between employees and create control and equality. The term diversity management is originated in the United States. Organizations have been managing diverse workforce since 1970's and even before that. The term diversity management have been originated in North America in 1970 and it has slowly taken hold in other regions and countries of the world. It is essential to implement diversity management in multinational organizations for keeping the control of the workforce. Culturally diverse workplace encourages employees to work with each other with full potential and to build more creative, motivating and productive working culture. Diversity management include aspects such as training, communication, mentoring and teamwork. (Anca & Vázquez 2007, 135.)

“If we can get a disproportionate share of the most talented people in the world, we have a chance of holding a competitive edge. That is the simple strategic logic behind our commitment to diversity and the inclusion of individuals – men and women regardless of background, religion, ethnic origin, nationality or sexual orientation. We want to employ the best people, everywhere, on the single criterion of merit. The importance of that goal as part of our overall business strategy has grown as competition has intensified.” Group Chief Executive from BP plc (Anca & Vázquez 2007, 121.)

More and more of the workforce in twenty-first century is getting more diversified. There are continuously people presenting different ethnic and national backgrounds. The legal recognition will increase to allow people to have differing sexual orientations, religious affiliations and family structures. In the open labour market the increase of age limits and cumulative effects will increase the diversified workforce. In Europe remarkably grown legal rights are instituted by the European Union (EU) and will help the minority groups to stand out who have usually been in powerful and influential positions. For the managerial level, such as executives and managers, their contacts from different backgrounds will grow even more rapidly than the contacts among colleagues because of the growing globalization. (Guirdham 2005, 12.)

As a result of the growing diversity in the workforce around the world, many companies have created certain policies and programs to improve recruitment, inclusion, promotion, and retention of employees and keeping the employees who are different from the privileged levels of society. Even equal rights legislation and affirmative/positive action policies have helped minority groups maintain access to different jobs which has not been open to them before, it is their exclusion from circles of influence in work organizations that has

hold them from completely participating to and benefiting from their participation in the workplace. The policies and programs of diversity management are made to create a welcoming to the organizational environment to groups that has not had the opportunity before and through the present to access to employment in general and in particular to more producing jobs. (Michálla & Mor 2014, 217-218.)

“Diversity management refers to the voluntary organizational actions that are designed to create greater inclusion of employees from various backgrounds into the formal and informal organizational structures through deliberate policies and programs” (Michálla & Mor 2014, 218).

Diversity management operates at strategic- managerial- and operational level. **In the strategic level the key issues are:**

- Clarifying and creating an attractive organisational culture
- Making the management systems work better
- Developing better leaders for the future
- Making a business strategy depending of the nature of the population and changes in the workforce

For creating strategic diversity management, leaders have to collect information in three dimensions: the nature of the existing organisational culture; the parameters of the desired culture; and the way from which the ‘roots’ of the existing culture prevents the development of the desired culture. (Dickie & Soldan 2008, 33).

In the managerial level, support of the philosophical principles of diversity management can be executed by creating and integrating the policies of human resource, for example: by building rapport; by supporting development; by acknowledging value; and by recognising individuality (Dickie & Soldan 2008, 33).

The policies of human resource management can include:

- Employment structures and working hours
- Recruitment and selection procedures and criteria
- Career paths
- Promotion procedures and criteria
- Performance management systems (performance indicators)

- Training and development procedures and criteria
- Mentoring procedures
- Communication and difference management procedures
- The nature of competencies
- Reward systems
- Succession planning; and
- Support services (e.g. employees' assistance programs) (Dickie & Soldan 2008, 34).

At the operational level, diversity management is involved with precisely selected and appointment of supervisors and managers who are able to understand the meaning of diversity, are fully committed to diversity management, are capable of building a culture that values diversity and utilize policies and programs, acts as educators, trainers, role models, mentors and change agents (Dickie & Soldan 2008, 34).

The following figure (Figure 2) shows the issues and activities what comes to hiring and effective utilization of employees from different cultural backgrounds.

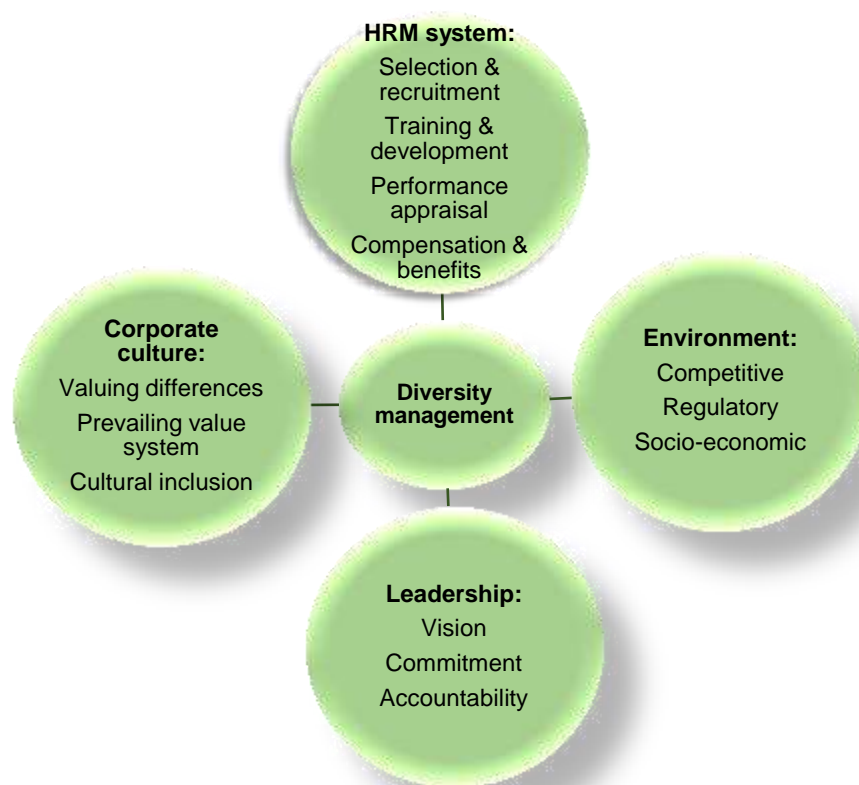


Figure 2. Model for diversity management (Dickie & Soldan 2008, 35)

3.1 Trends in diversity management

Only highly diverse companies are able to maintain the best necessary skills for remaining the competitiveness (Wentling & Palma-Rivas 1998, 236). Demographic trends are targeted to create never seen tensions within the workforce. As an example the United Nations expects that the population in the working-age in more developed countries will hardly grow because of the low fertility rates. Countries such as Germany, Italy, Japan, or the Russian Federation, the United Nations expects less people between ages 15 to 64, based on projections of the population for 2025 and 2050. Even the fertility rates would increase in these countries, immigration is the only opportunity to replace the lack of young people. (Dickie & Soldan 2008, 4.)

Business trends that drive diversity management (Figure 3) helps to understand how the interest in diversity as a topic of organizational enquiry – due to diversity drivers that influence an organization’s productivity and success is relatively recent.



Figure 3. Business trends that drive diversity management (Dickie & Soldan 2008, 4)

The globalization puts diversity on the top of the agenda. Immigration, migration at work, gender and ethnic differences are changing the workforce. Through this fact, the demand of equal rights is increasing for these workers. Even globalization would not exist, according to population projections the trend of diverse workforce will strengthen in the coming decades. (Michálle & Mor 2014, 3.)

Gender diversity is an important matter in today's multinational organizations. The masculine gender shows to the company an intellectual activity which carries a risk of missing the point of life and leaving only pure, general concepts that are empty. There are two types of knowledge: abstract knowledge and experiential knowledge. The masculine gender tends to value abstract knowledge more than experiential knowledge. For masculine gender there is a need to rationalize the knowledge for understanding them. (Anca & Vázquez, 74-75.) Companies need feminine and masculine knowledge and experiences in order to make solutions and solve problems from different perspectives.

The economic, social and demographic trends build an environment that is a fruitful ground for multicultural misunderstanding, miscommunication and conflicts within the groups (Michálle & Mor 2014, 89).

“Global managers have exceptionally open minds. They respect how different countries do things, and they have the imagination to appreciate why they do them that way.... Global managers are made, not born.” Percy Barnevik, CEO of Swedish-based Asea Brown Boveri (Michálle & Mor 2014, 237.)

Economic integration and societal globalization makes the world's workforce more diversified in new ways, global demographic trends strengthens this development. The working-age population is booming in the least-developed countries. Their fast growing number of young people will continue to increase the selection of new workers in the developing world. On the other hand, the world's more developed countries experience decrease in population growth. The lack of young people, mixed with improved health in mind- and later life, is sloping their working-age populations toward mature age groups. (Michálle & Mor 2014, 78.)

The global economic integration is based in part on differences in labor costs, is strengthening the role of migration in balancing labor demand and supply. Like it has been in the past, workers continue to migrate to find employers, however with global integration, also employers migrate to find workers. As a result, people with diverse backgrounds, with

diverse human capital and diverse expectations, are more often facing each other in the workplace. This diversity is emphasized by changes within national populations that are growing the proportion of the workforce that is made up of non-traditional native-born workers – especially women but older people as well, people with disabilities, and people with non-traditional sexual orientations. (Michálle & Mor 2014, 78.)

3.2 The history of diversity management

Diversity management expanded enormously in the 1970's. At that time diversity did not have a meaning. Women were not able to enter the workplace similarly in every country and most of the women were working in the field of administration. There were really few women who were in high positions, such as in a managerial level, especially in senior management positions. Ethnic minorities and immigrants were suffering of the same issue. They started to work in the companies in the 20th century, specifically in the multinational companies but most of them were not working in the senior management positions. (Anca & Vázquez 2007, 53.)

The diversity policies in the United States changed in the companies in the 1970's. The new civil right laws came into force and made the penalties for gender or racial discrimination stricter at work. For agreeing with the laws against discrimination, companies accepted positive measures of discrimination. The goal was to change the negative attitudes towards certain groups. (Anca & Vázquez 2007, 53.)

The general focus looked at the way of managing diversity as a way of turning the injustices from the past into right. Due to historic reasons, equal opportunities were not right towards women and ethnic minorities. The result of eliminating the prejudices against these groups and other associated practices would lead into opportunities for equality. (Anca & Vázquez 2007, 53.)

3.3 Why organizations manage diversity

There are four reasons according to diversity experts interviewed, why organizations should manage diversity: *improving productivity and remaining competitive*, with all experts mentioning (100 percent); *forming better work relationships among employees*, with eight mentioning (67 percent); *enhancing social responsibility*, with six mentioning (50 percent); and *addressing legal concerns*, with five mentioning (42 percent). The main reason why organizations are managing diversity is to improve productivity and remain competitive. Examples of improving productivity and remaining competitive are being more

profitable and cost-effective, which means having more skilful employees to choose from; having less absenteeism and lower turnover. (Anca & Vázquez 2007, 53-54.)

3.4 Key concepts

3.4.1 Diversity and equality

Diversity is a synonym for *mixture* or *multiplicity* (Hopkins 2009, 106). It signifies people to different groups within organizations and society. For some researchers diversity can be defined by age, personal and corporate background, education, function, personality, life-style, sexual reference, geographic origin, tenure with the organisation, exempt or non-exempt status, and management and non-management roles. For other people it is focused more narrowly by concentrating on race, ethnicity, nationality, religion and gender. (Dickie & Soldan 2008, 8-9.)

Diversity reflects to legal recognition that people are justified to differing sexual orientations, religious affiliations and family structures. The workforce consists of people from different national and ethnic backgrounds. The cumulative effects of the open labour market and the extension of working age limits will also increase diversity at work. (Durska 2009, 36.) It is essential to remember the distinction between the sources of diversity and diversity itself, otherwise stereotyping might happen easily. Stereotyping assumes that group averages and tendencies are true for all of the group. (Balkin, Cardy & Gómez-Mejia 2012, 157.)

Exclusion is one of the most notable problems within today's diverse workforce. The common factor that seems to overcome national boundaries is the experience of social inclusion, especially in the workplace. Groups and individuals are non-directly and directly excluded from job opportunities, information networks, team membership, human resource investments, and the decision-making process due to their actual or employer-perceived place in a minority or unpopular identity group. Inclusion in decision making and in organizational information networks has been connected to better job opportunities and making career opportunities better. (Michálle & Mor 2014, 6.) For being able to organise the thinking about different dimensions of diversity, many researchers have suggested to categorize them. Diversity can be categorized in three dimensions:

- demographic diversity, e.g. gender, ethnicity, and age;
- psychological diversity, e.g. values, beliefs and knowledge; and

- organisational diversity, e.g. tenure, occupation, and hierarchical level. (Dickie & Soldan 2008, 9.)

Workforce diversity is not about the anthropological differences between people that makes them different. Diversity is about being a part of groups that are clearly or unclearly different from “mainstream” in society. It is about being exposed to employment consequences as a result of one’s involvement within or outside certain social groups. (Michálla & Mor 2014, 122.)

3.4.2 Employer migration

International mobility has developed as an important topic in the field of management and organizations. In order for organizations to use their cultural, social, economic, and symbolic resources correctly, in today’s world it is necessary to understand the careers of skilled migrants. (Al Ariss 2012, 93.) Cultural globalization has caused increasing international communication and changes in the business and consumer cultures. For this phenomenon there are both positive and negative aspects. (Steers & Nardon 2006, 19.) The cooperation with different people and unfamiliar situations are increasing continuously. People from different cultures might face challenges in the new working environment due to their local culture conditions. The challenges open opportunities either for growth or disruption. (Harris, Moran, Moran 2004, 174.)

Compared to the previous period of economic globalization in 1850 to 1914, when huge emigration of working-age people helped to solve national imbalances among labour supply and labour demand, the present globalization period has as well helped mass employer migration. Mainly, in a free trade environment, transnational organizations export capital to lower their labour costs and, indirectly, establish new markets for their products. As a result, the workplace can have a cross-cultural confrontation of foreign management and domestic labour, sometimes complexed because of the immigration of talented personnel from other countries. (Michálla & Mor 2014, 106.)

3.4.3 Diversity training

Training is the most important start for managing diversity and a crucial first step. There are two types of popular training, which are: awareness training and skill-building training. Awareness training concentrates on understanding of the need, and the reason of managing and valuing diversity. One of the meanings of the training is to increase the self-

knowledge on the issues that are related on diversity, such as cross-cultural insensitivity and stereotyping. Skill-building training teaches the employees to learn about specific cultural differences and how to deal with them in the workplace. Awareness training and skill-building training are usually combined. Companies such as Avon, Ortho Pharmaceuticals, Procter and Gamble, and Hewlett-Packard have wide experience with training programs. (Blake & Cox 53-54.)

Training has limitations as a change tool of the organization and it is not supposed to be used in isolation. It is crucial to follow training process continuously rather than just in the beginning. The third key component is collecting the information about diversity. There are many types of data needed, traditional equal-opportunity profile data is included, analysis of attitudes and perceptions of employees, as well as data which emphasizes the career experiences between different cultural groups. (Blake & Cox 53-54.)

Research can be utilized in many different ways. It is usually helpful for recognising issues to be handled in the education process. Baseline data on key indicators about valuing diversity environment have to be collected and regularly updated to evaluate how the progress is going. (Blake & Cox 53-54.)

The culture of the organization and human resource systems, such as recruitment, performance appraisal, potential assessment and promotion, and compensation should be undertaken by comprehensive analysis. The main objectives of the culture and management systems audit are: to expose sources of possible bias unfavourable to members of specific cultural groups, and to recognize ways that corporate culture might accidentally put some members in so called "*bad light*". The ability of organizations' to attract, obtain, and courage people from diverse cultural backgrounds, might lead to competitive advantages through obtaining the best quality in human resources and in cost structures. (Blake & Cox 53-54.)

Supervisors need new skills for being able to manage and motivate the diverse workforce. As an example from multinational companies, Microsoft have developed diversity training programs that includes awareness training and workshops to teach the managers and employees about how to deal with cultural and sex differences. Diversity training has been popular especially in the United States. According to the Society for Human Resource Management (HRM), diversity training is "*a fundamental component of a diversity initiative and represents an opportunity for the organization to inform and educate senior management and staff about diversity.*" (Balkin et al. 2012, 176.)

Evaluation is an important part of diversity training program. The effects of diversity training can be evaluated with various different models, including Kirkpatrick's four level model and the CIRO model. The Kirkpatrick's model includes four levels: reaction, learning, behaviour and results. (Dickie & Soldan 2008, 80-81.)

Level 1 – Reaction

This level evaluates the reactions of the trainees to the training event, for instance assessment of the training methodology, the content and the result (despite if the individual training needs are met)

Level 2 – Learning

This level recognises if the training event have increased the knowledge, skills or understanding of the trainee.

Level 3 – Behaviour

This level evaluates if there has occurred changes in the workplace behaviour or performance as an outcome of the training event.

Level 4 – Results

This level is taking into consideration when evaluating whether or not the training has resulted to organisational improvement.

CIRO model is a four stage model developed by Warr, Bird and Rackham (1970). It is created of Context evaluation, Input evaluation, Reaction evaluation and Outcome evaluation. **Context evaluation** consists reviewing and assessing the operational requirements for the training and deciding the needs and objectives for the individual training which are applied at three levels: the ultimate objectives, the intermediate objectives, and the immediate objectives. Ultimate objectives include the lack of skills or knowledge which the training session is aiming to overcome. Intermediate objectives include the changes in the workplace performance which are necessary to overcome the lack of skills and knowledge identified. Immediate objectives include the new knowledge, skills or behaviour necessary if the trainee will achieve the intermediate objectives. **Immediate objectives** include the new knowledge, skills or behaviour necessary if the trainee will achieve the intermediate objectives. Input evaluation includes an evaluation of the training session. (Dickie & Soldan 2008, 80-81.)

Diversity training in organizations is used to value and manage diversity and it is one of the most used activities. The integration of diverse groups needs high quality diversity

training. (Moore 1999, 213.) Diversity training builds usable skills. The most popular and common training programs are information, cultural-awareness and cultural-sensitivity programs. The aim is to increase the cross-cultural awareness and develop cultural sensitivity. Diversity training includes various activities from sharing information to building skills. To some HR or diversity managers it is a general awareness education for giving information about the changing demographics of the workforce. It includes new approaches, benefits and limitations of managing a diverse workforce. Also the dynamics of stereotyping and the effects on teamwork and employees' changing values. For others, diversity training means building skills and training before they are able to create a base for understanding. (Dickie & Soldan 2008, 62.)

For some managers who are managing diversity or HR, diversity training is education in general basis aimed at sharing information of the changing workforce. This includes new approaches and benefits and limitations of managing a diverse workforce, how stereotyping effects on working in teams and the changing values of workers. (Dickie & Soldan 2008, 62.) The following figure (Figure 4) describes the necessary components of diversity training and each with specific indicators.

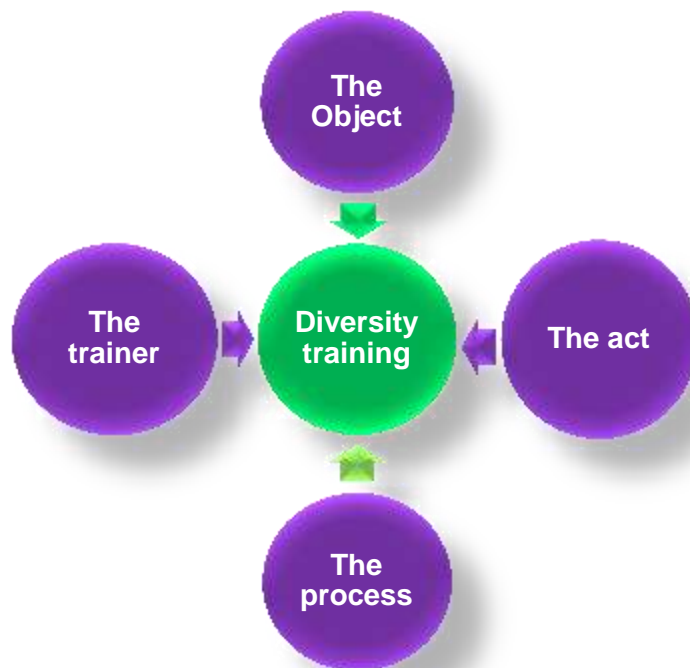


Figure 4. Components of good diversity training (Dickie & Soldan 2008, 66)

3.5 Organizational culture

The study of organizational culture has a long, important history in the sciences of management. In the last two decades it has received a lot of attention in organizational literature. Organizational culture presents perspectives of the organizational environment and employee behavior. It consists of a system of shared values (i.e. what is important and beliefs) how things work to produce behavioral norms (i.e. the way to do things). It covers appropriate ways to think, act and behave. (Dickie & Soldan 2008, 161-162.)

3.6 Integration culture

The integration culture is about respecting differences within the employees despite of their backgrounds, from which race or ethnicity, gender, age, physical ability, sexual orientation, etc. managers wants to successfully integrate different people and get the best results with diverse people. The aim of integration culture is to point out and search the possible benefits of different individuals, for example bringing new points of views into product or service development, improving the quality of the product/service, strengthen the quality of problem-solving and decision-making. Due to this, it has the opportunity to realise the claimed benefits of increasing diversity. (Dickie & Soldan 2008, 165.) To investigate how the diversity management program is implemented on different organizational levels by the HR department the below mentioned model (Figure 5) describes it clearly.

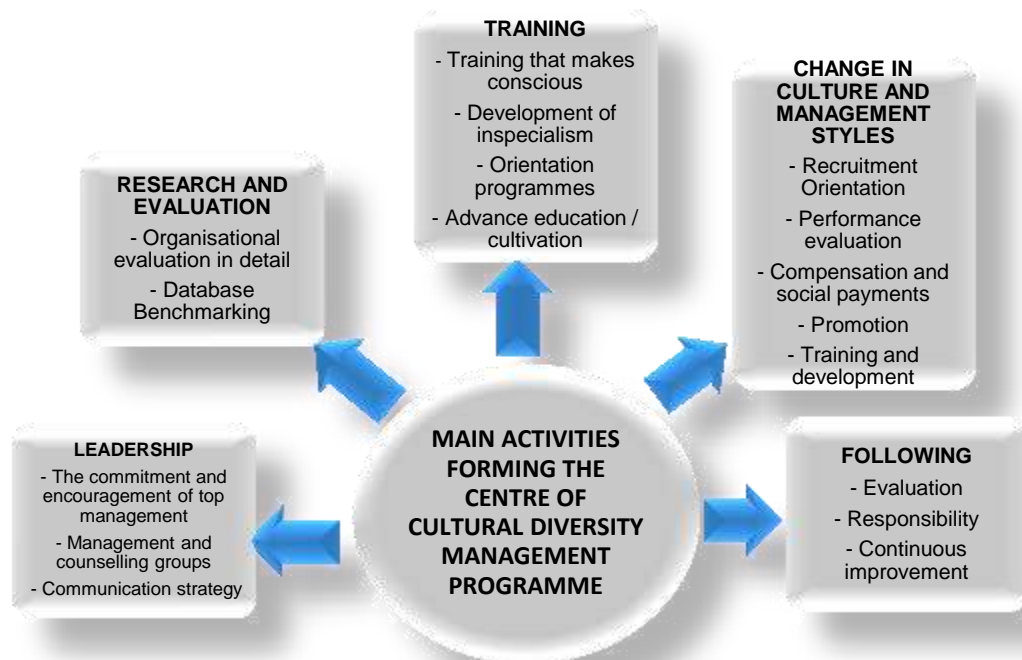


Figure 5. The content of an example of a cultural diversity management program (Seymen 2006, 96.)

Integration paradigm promotes equality and appreciation of certain cultural differences, mainly it emphasizes the role of internalisation of diverse values in the whole company. The main reason of this paradigm is to integrate the employees and values on every level and inside every area of the company's activity. This approach assumes this because of the company's diverse values; it has an advantage in the competition and leads to better economic results. (Durska 2009, 40.)

In assimilation paradigm, the powerful motive is to control the need for harmony and unification. In the variety paradigm the reaction to the difference is one directional and limited to one certain branch, product or services. Integration paradigm approves taking full advantage of the potential of diversity. Every employee in the company feels that they belong to the same team and share their unique experience, knowledge and skills. Through this way, diversity becomes advantage instead of becoming an issue. (Durska 2009, 40.)

3.7 Discrimination and the legislation

Preventing discrimination is one of the most important factors of diversity management. There have to be equalized chances between people from minority groups, excluded or deprived of access to different spheres of social life, such as education, labour market and executing power. Diversity management does not only mean equalizing chances of individuals of a particular group or giving preferences, even it still happens. Managing diversity takes advantage of the diversified skills, knowledge, experience, predispositions, and sensitivity in a purely professional and cultural way within the organization or company. (Durska 2009, 36.)

“Discrimination in employment occurs when (a) individuals, institutions, or governments treat people differently because of personal characteristics like race, gender, or sexual orientation rather than their ability to perform their jobs and (b) these actions have a negative impact on access to jobs, promotions, or compensation” (Michálie & Mor 2014, 56).

There are many explanations of discriminatory acts that can help us in understanding how discrimination is brought up in the workplace. Discrimination can be overt or covert. Overt discrimination appears when an explicit policy or law that creates unequal treatment. Covert discrimination on the other hand appears when implicit side effect of another policy or decision. Discrimination can be individual or institutional. Discrimination is individual when a single manager or a colleague in conjunction with his or her own prejudice makes the

action or actions. It is institutional when it is made as part of the organization's common practices or policies. Discrimination can be described by the motivation behind it. It can happen intentionally or unintentionally. (Michálla & Mor 2014, 56.)

The discrimination at workplace as well as the political commitment is almost worldwide. There is an unforeseen global trend in anti-discrimination and in the legislation of equal opportunity. In many countries all over the world have been adopted laws which are protecting their citizens against discrimination and harassment in the workplace and the progress has been fantastic. It started in 1948 when the United Nation's (UN) Universal Declaration of Human Rights aimed for creating equal standards and code for every nation for valuing the diversity at work, especially what comes to employment rights and equality in the workplace. The most important employment rights are the right to social security; the right to work; the right to equal salary for equal work; the right to rest and leisure; and the right to a standard of living adequate for health and well-being. (Dickie & Soldan 2008, 318.)

Equality refers that every individual at workplace have the same equal rights. Employees doing exactly the same work should be paid equally, no matter which culture or gender they come from. Constitutions and Declarations of human rights in most countries is one of the key constituents of a democratic society. (Hopkins 2009, 48.)

4 Challenges and opportunities for multinational organizations

Successful management in today's growing diverse workforce is one of the most important global challenges faced by corporate leaders, human resource managers, and management consultants. Workforce diversity is not a passing phenomenon. It is reality in today's global business world and it is here to stay. Societies that are homogeneous, have become heterogeneous, and this is a trend that cannot disappear. The problems of today's diversity management are not caused by the heterogeneity of the workforce but from the incompetence of corporate managers to completely understand its dynamics, free themselves from prejudicial attitudes, and release the potential embedded in a multicultural workforce. (Michálla & Mor 2014, 2.)

In today's business world, a leader need to understand cultural similarities and differences for being able to communicate with people from different cultures. Cultural awareness and competence are crucial for efficient leadership what comes to diversity. Cultural intelligence is the capability to behave properly in cross-cultural environment, it is an ability that comprehends cognitive (knowledge), emotional (motivational, mindfulness), and behavioral dimensions. (Michálla & Mor 2014, 232.)

Efficient leaders need to understand the amount of values, perspectives, and the different worldviews that individuals and groups may appreciate and utilize their cultural intelligence for creating more effective and inclusive work environment. They also have to be capable to manage with different economic, political, and cultural practices in the national and international contexts. (Michálla & Mor 2014, 232.)

Although the diversity of employees offers opportunities that can improve organizational performance, it also gives a lot of new challenges to the managers and shows that wider employee diversity does not guarantee positive results. Many researchers have tried to quantify the effects of diversity. The challenges include valuing employee diversity, balancing the needs of individuals with group equality, handling with resistance to change, guaranteeing group cohesiveness and open communication, avoiding employee resentment and setback, retaining valued performers, and maximizing opportunity for everyone. (Balkin et al. 2012, 162-163.)

In the last years, there has been discussion about the benefits of emphasizing more diversity than inclusiveness, which some see as a way to unite people. Even the differences between diversity and inclusiveness might be one of semantics, usually it means that di-

iversity management is greatly charged and politicized. As recently noted by a leading diversity expert:

“Organizations have expended significant resources in this area in an effort to improve the bottom line, to become an employer of choice, to avoid lawsuits, and to do the right thing. Diversity is also one of the most difficult initiatives to implement in organizations because there are such diverse views on what diversity is and how deeply it should be woven into an organization’s culture. Diversity can be difficult also because the dimensions of diversity are closely tied to an individual’s personal beliefs, perceptions, and life experiences. These personal beliefs often present barriers to full inclusion and participation in the workforce.” (Balkin et al. 2012, 162-163.)

Despite of that employee diversity can result to greater creativity and better problem solving, it can also result to open conflict and chaos if there is a lack of trust and respect within groups. The fact that organizations are getting more diverse, is leading for a bigger risk that employees will not work efficiently together. Interpersonal disagreements might become the norm, rather than cooperation. (Balkin et al. 2012, 163.)

Segmented communication channels many times reinforce shared experiences in the workplace. One study has showed that most of the communication within organizations happens between members of the same race and sex. This has been seen to be true through all professional categories, also in the top positions, where there are few women and minorities. Segmented communication causes three significant problems to businesses. First of all, the organization cannot completely capitalize on the aspects of diverse employees, they are limited to their own groups. Secondly, segmented communication makes establishing common ground through various groups harder. Thirdly, women and minorities lose often opportunities or are unintentionally penalized for not being included in the mainstream communication networks. (Balkin et al. 2012, 163.)

The biggest problem between female and minority employees is the lack of opportunities for career growth. The idea that their growing mobility is stopped grows stronger at higher levels when women and minorities face the obstacle, the invisible obstacle within the organization that turns them down from getting any higher positions. Lower job satisfaction leads into higher resignation rates, which leads to the loss of valuable talent and bigger training costs due to high turnover. (Balkin et al. 2012, 162-164.)

The markets and competition are becoming more global and makes more pressure for the businesses to interact, manage and negotiate with people from different cultural back-

grounds. For the successfulness of multinational companies, diversity management needs to be implicated into business strategies and processes. Organizations have to be aware of the differences between language, processes, culture, and business practices for competing successfully in the diverse markets. (Dickie & Soldan 2008, 46.)

Many personnel and human resource managers face as an external challenge trying to convince their corporations and government agencies to include the demographic, global and economic forecasts of workforce trends into their strategic planning processes. There are business leaders who are worried about implementation of diversity initiatives because they think it is too costly, damages productivity and causes problems in the workplace. Prejudice and aggressive work environments brings challenges to manage diversity effectively. (Matthews 1998, 176.)

The big challenge for human resource managers is to know how to communicate with line managers for creating organisational partnerships that helps the productive management of the changing workforce. To investigate the risks of diversity management the below mentioned model (Figure 6) describes the risks of not managing diversity. (Matthews 1998, 176.)

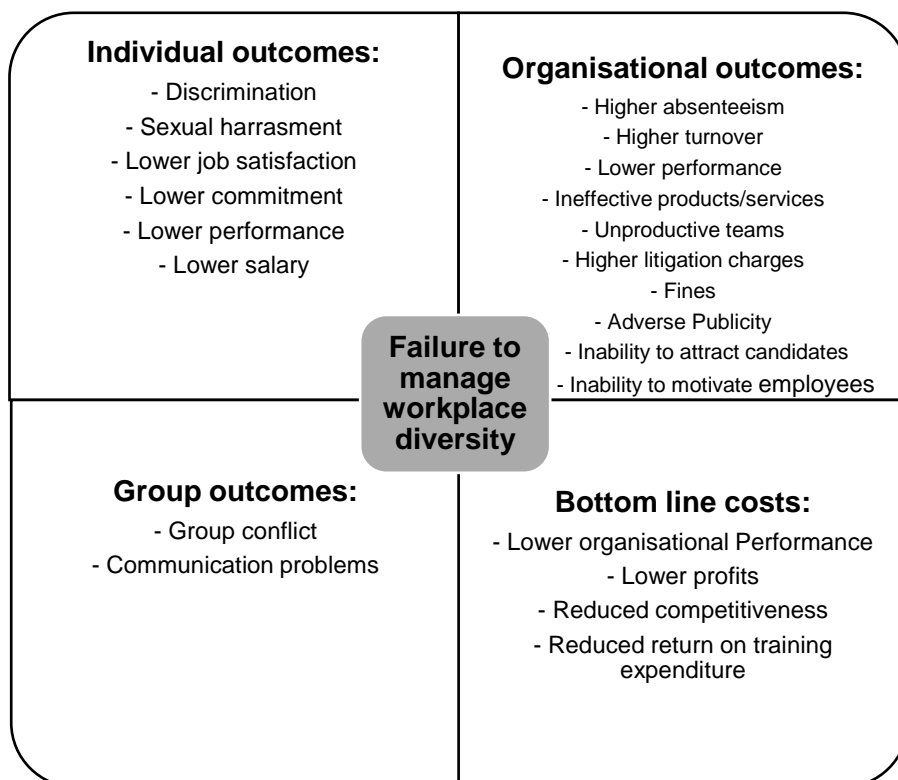


Figure 6. Risks of not managing diversity (Dickie & Soldan 2008, 47).

The significance of different aspects of diversity, such as ethnic group, nationality, religion, age, disability, sexual preferences, or so called “*black sheep*”, which refers to a group that wakes strong negative reactions with persons who have criminal background, addictions, or diseases. This group is excluded, but it is not only a big challenge for the employers, it might as well create a powerful chance. All of these dimensions depend of the country where the company operates, about the cultural, social, demographic and political factors. Each of these aspects indicates a chance and creates a challenge for the managers.

Each of the minority groups enriches the organization by bringing often unique, different knowledge and experiences. Within the people who are highly educated, the share of minority groups is most of the time similar, sometimes it can be even more than the usual share for “*a white man*”. The diversity of staff gives better knowledge of the market, which helps the customer’s development and suppliers networks, also it extends products’ offer and services. This results to the increase of satisfaction of the employees and work effectiveness, when they notice the openness and innovativeness of the company. (Durska 2009, 36-37.)

4.1 Conflicts of diversity management

Diverse working environment might easily cause conflicts because of different backgrounds and viewpoints. Effective diversity management can affect in better creativity and innovation, taking more risks, increase motivation, higher productivity and greater co-operation. If the diversity management does not succeed in an organisation, it can cause higher stress, individual withdrawal, learning limitation, less risk taking, over-compatibility, interpersonal tension, and lack of communication. The following triangle, (Figure 7) presents the escalating intensity in every level as differences are emphasized.



Figure 7. The escalation of differences into conflict (Dickie & Soldan 2008, 92)

- **Awareness:** Individuals explore each other for discovering differences and similarities between each other. It might cause discomfort.
- **Annoyance:** It occurs when there is more differences than similarities. Individuals cannot appreciate the benefits that differences bring to them.
- **Irritation:** Exploration is continued through the dialectic process.
- **Heightened tension:** The tension gets higher when more contact appear.
- **Frustration:** The boundaries of self might be in threat and anger evolves.
- **Open disagreement:** Open disagreement appears.
- **Anger:** Disagreements develops.
- **Hostility:** Individuals develop strict attitudes reflecting their position.
- **Conflict/war:** Individuals work hard to dominate others. (Dickie & Soldan 2008, 92-93.)

4.2 Benefits of diversity management

Diversity management have various benefits for multinational organizations. There have been made different arguments of diversity management motivated by the 'bottom line' or by opinions of fairness and equality or by both.

- Improved organisational performance
- Cost savings
- Resource acquisition and retention
- Lower absenteeism rates
- Increased creativity and innovation
- Higher quality problem-solving in teams
- Decline in discrimination lawsuits
- Increased marketplace understanding
- Building effective global relationships
- Enhanced organisational flexibility (Dickie & Soldan 2008, 44.)

Expected benefits of diversity management include outcomes such as communicating with diverse clients, diversity leads to creativity and through that better products can be made, increase sales because diverse workforce understand the needs of diverse clients better (Michálle & Mor 2014, 231).

Diversity management aims to provide tangible benefits to the company. It is seen as a business strategy which aims to get the full potential of all workers in the company for giving the company a competitive advantage and on the contrary in the past, employees from different backgrounds (e.g., race/ethnicity or gender) were seen as incompetent from managers' perspective if they did not adjust to the majority's values and norms. Every person in the organization from diverse backgrounds can bring their unique perspective to the workplace which benefits the whole organization. (Michálle & Mor 2014, 231.)

Organizations that utilises inclusive policies and practices might have to overcome the barriers on many fronts, but they can utilise the benefits both for individual employees and for the organization as a whole. (Michálle & Mor 2014, 245.)

The main barriers are involved with managers' and employees' attitudes and behaviour. Especially prejudice (biased views) and discrimination (biased behaviours), which either can be overt or covert, are the core barriers for implementing inclusive policies at the

workplace. In today's working environment, many people might be embarrassed to show that they would not be so interested of other cultures, they may not be eager to invest time and energy in learning about them, or they might see them as a threat to their job security. Barriers are usually suffered by women, older adults, and ethnic/racial minorities. The barriers include lack of support in career planning; marginalized status; failure to give non-traditional employees the wideness of experience required for develop in the job; social isolation, especially in management positions; and an unsupportive working environment. (Michálle & Mor 2014, 245.)

The employment barriers which usually are suffered by women and members from minority groups can be overcome. The policies that facilitate inclusion of all employees, open the doors to job development and promotions that have clear benefits moneywise to individual employees and their families. They also provide channels of communication and improve employees' power in decision making. (Michálle & Mor 2014, 246.) The below mentioned table (Figure 8) shows the barriers and benefits for the individuals and the organization.

Barriers	Benefits	
	Individuals	Organization
<ul style="list-style-type: none"> • Discrimination • Prejudice • Perception of threat to job security 	<ul style="list-style-type: none"> • Access to advancement and job promotions • Improved income and benefits • More decision-making power 	<ul style="list-style-type: none"> • Business growth and productivity • Cost savings (e.g., lower turnover, less absenteeism) • Positive image with employees, customers, and financial institutions

Figure 8. The Inclusive Workplace: The Practice Model for Level 1 (Michálle & Mor 2014, 245)

5 Diversity management paradigms

Individuals are interested on organizations that shows to have members with similar values to their own. Organizations select new members that have similarities to their own existing members because their hiring process is aimed to feel comfortable for everyone. Recruiting practices usually highlights hiring people from sources that have been reliable for decades and selecting candidates who are similar characteristically to those employees who have been succeeded in their job in the past. The result of employees who do not adjust in then dominant organizational culture, in the end they either leave or are fired. This creates a selective attrition process that sustains and maintains homogeneous workforce. This trend is not healthy for organizations in the long run because it reduces their skilful employees, their growth and renewal, and the capability to adjust to environmental changes and enter into new markets. (Michálle & Mor 2014, 223.)

5.1 The multicultural organization

Multicultural organization is an ideal diversity management paradigm because many of the companies do not achieve integration on this level. Cox (1994, 2001) indicates that it is essential to understand this type of paradigm and utilize it for efficient diversity management. The multicultural organization is about company culture that values and cherishes cultural differences, treats all the members of the organization equally and helps them to communicate with each other through diversity as an acculturation process. It has to complete integration, structurally and informally; there does not appear prejudices and favouritism towards one certain group when comparing with others; has the minimum level of conflicts within the groups due to the characteristics that are the outcome of an efficient diversity management. (Michálle & Mor 2014, 227-228.)

5.2 Recruitment and selection

Recruitment is a critically important and difficult process, especially when it comes to recruiting diverse workforce. It is essential to know who, when and how to recruit. It can take a lot of time before demographic profile of the organization's workforce starts to reflect their efforts and diversity objectives. The following suggested strategies are tips on how to recruit people from minority groups:

- **Usage of different recruitment methods to attract skilful people from diverse labour pools.** The use of current employees as a source for recruitment process

can be more efficient method of recognising the best diverse candidates than advertising through newspaper.

- **Enhance the recruitment and selection process.** Delays between selection timelines, e.g. the time between an interview and testing, more likely causes disadvantage than advantage to the minority group members. Due to this matter, if organizations want to keep the minority group members in the recruitment pipeline, they need to make their recruitment and selection process more efficient.
- **Combine diversity in advertising with diversity in employment.** The use of photographs in the newspapers, promotional materials or website advertisements of employees and customers from different ethnical backgrounds can be an effective way for recruiting. While the marketing strategy is aimed to attract diverse customers into shops, it can as well publicise the diversity of the workforce for people who are searching to be employed and they could find a home there.
- **Change the orientation of the HR functions.** Many organizations rather maintain the present situation than accept the fact that the world has become diversified. Companies rather hire people who have the same ideologies, work values and culture than people with specific talents and abilities for the job. Therefore, HR functions that select, hire and promote have to be redesigned only for the ones who 'fit' and punish the 'outsiders'. (Dickie & Soldan 2008, 202.)

5.3 Training and development

Training and development is a commonly used approach for managing the issues of the changing workforce.

“Individual instructional activities designed to assist employees in acquiring skills, behaviours or attitudes; they define career development as a set of activities aimed at general competencies designed to assist employees in progressing through a series of career stages” (Dickie & Soldan 2008, 209).

Organizations are spending a lot of resources on training and development to help their diverse workforce to meet the needs and challenges. Companies emphasize diversity and they invest a lot in training and educating managers and employees to understand diversity. Training should be a part of the organizations strategy to increase development and understanding the value of diversity. Most of the contemporary organizations are using

Instructional Systems Design (ISD) for organising the training program. It has three components, which are listed below:

Training needs assessment. It contains three components which are related to each other, those are: organizational analysis, person analysis and operation analysis. The function of organizational analysis is to research the whole organization to decide where training is needed. The task of operations analysis is to decide the tasks made on the job, the skills, knowledge and abilities which are needed to complete the tasks and the performance standards or qualifications demanded for performing every task. Person analysis researches if the members of the organisation are performing at the levels expected. If the research does not happen at the expected levels, analysis is used to search gaps in performance and that might lead to defective KSA's (Knowledge, Skills and Abilities) that can be changed through activities in training and development.

Training design, methods and delivery. Training design develops an instruction plan for every training program. The purpose of this process is to specify instructional objectives, this way the training events are prioritised including the principles of learning, e.g. practice, feedback and maximising learning builds a learning environment that strengthens trainee motivation and finds the best solution for learning. It also develops proper instructional method for delivery, for example on-the-job training or classroom guide.

Training evaluation and transfer. Training evaluation collects information that will help decision-makers to build criticism about the success of the program, e.g. if the process has reached the goals and which changes might be needed in the training to enhance its quality. The evaluation process is concentrated to assure that trainees work according their new knowledge, skills and abilities to the job content. (Dickie & Soldan 2008, 209-210.)

In the workplace new foreign workers need to be integrated into the working culture to make the working environment functional and to get better results. The attitudes have to be realistic and functional: *"Diversity does not automatically lead to positive or negative outcomes, but needs to be managed and integrated"*. In the diversity management the training have to be active for diverse groups and for the skills to be able to develop. Part of the integration is also to learn how to manage the opportunities and problems of diversity. It creates effective communications skills within heterogeneous groups. The organizational implications are to learn networking skills, mentoring and structural integration of organizations' minority groups. (Moore 1999, 212.)

5.4 Employer branding

Employer brand is the package of functional, economic and psychological benefits provided by employment and identified with the employing company. The main role of the employer brand is to provide a coherent framework for management to simplify and focus priorities, increase productivity and improve recruitment, retention and commitment. (Barrow & Mosley 2005, xvi.)

The sustainability of the employer brand is unnecessary if it does not provide the end-game of the organization and improve the satisfaction of the employees. (Barrow & Mosley 2005, xvi.) The personal commitment of the senior managers can affect a lot to the corporate's successfulness. Employer brand is about how the organization's reputation is seen as an employer.

The term employer branding separates the organization's characteristics from its competitors. It emphasizes the unique aspects of the company's work environment or employment offers. Employer branding includes promoting, within the company and outside the company; a clear aspect about the factors that makes the company different and attractive as an employer. It is essential to employer branding that it is consistent with all the other branding efforts in the company. (Backhaus & Tikoo 2004, 501-503.) The overall success of the company can make a valuable contribution by the employer brand and the personal commitment of the senior management. (Barrow & Mosley, xvi.)

Employer branding in diversity management is important to make the employees feel that they are welcome to the company and their needs are listened and explain how the people are managed and involved. The image of the organization attracts new people to apply there.

5.5 Performance management

Performance management encourages the employees to be more productive. The system of performance management includes precise performance expectations, clear performance standards, exact measures, reliable performance feedback and the consistent application of these standards through all levels. Performance management has a lot of value to all employees. The main focus of performance management is on performance evaluation and performance appraisal. (Dickie & Soldan 2008, 214.)

The success factors for performance management are:

- A statement describing the organization's values
- A statement of the organization's objectives
- Individual objectives which are connected to the organization's objectives
- Regular reviews on individual performance throughout the year
- Performance-related pay
- Training and counselling (Dransfield 2000, 70.)

5.5.1 Performance evaluation

Performance evaluation is an essential and advantageous process that gives feedback annually to staff members concerning effectiveness at work and career guidance. It is intended to measure employee's performance fairly and equally. Nevertheless, many people feel that the performance evaluation process is difficult because it might easily produce tension. Both the evaluator and the person who is evaluated easily feel scared or stressed about the process. For the evaluator it is common to feel stress and about being fair and accurate, avoiding hurt any feelings, and not creating a conflict; the person who is evaluated is afraid for criticism, judgements or embarrassment. Despite the difficulty of the process, it is the only way organizations are able to maintain accountability and reward employees in a fair and equal way. Sensitive people with diverse backgrounds might resist performance evaluation. (Dickie & Soldan 2008, 214-215.) There are several factors that might lead to their resistance. These factors include:

- **Fear of repercussions.** Employees might not feel safe in an organization where they do not belong to the dominant group. They might be afraid of being evaluated by the people who have the most power in the company and feel isolated. They might be afraid of losing their work.
- **'Not one of us' syndrome.** In diverse organizations the people who are making the evaluation are not necessarily a part of the same group as the ones who are being evaluated. Due to this matter, diverse employees might feel impossible to be evaluated fairly by a person who has little or no understanding or compassion of their situation or problems.
- **Lack of understanding of the process.** Diverse employees might see the performance evaluation as a session to give pity because they do not completely un-

derstand the fundamental behind the evaluation, the format of the process or the record forms.

- **It is a foreign experience.** For culturally diverse employees the process might be confusing and strange. It might be the first time when they experience this type of formalised feedback because in many countries rewards are given only of result of seniority or family connections rather than performance. It is possible that they do not have experience with the impression of individual responsibility, goal setting and the monitoring of performance that is the base for the evaluation process. (Dickie & Soldan 2008, 214-215.)

5.5.2 Performance appraisal

Performance appraisal is a process that evaluates performance and gives feedback of the possible adjustments. The majority of the organizations try to express the standards of performance and behaviour that they expect from the employees by qualification statements, performance goals or communicating them in job descriptions. The both persons, appraiser and appraisee have to be very clear about the used evaluation in deciding how strong or weak the performance is; only this way accurate assessment can be achieved.

The most significant factors of performance appraisal are:

- Define the specific job criteria against which performance will be measured
- Measure past job performance accurately
- Justify the rewards given to individuals and/or groups, thereby discriminating between high and low performers
- Define the development experiences that the person being appraised needs to enhance their performance in the present job, and to prepare them for future responsibilities. (Dransfield 2000, 71-72.)

5.6 Promotion

Many factors can affect to promotion decisions on the part of decision-makers. There are inaccurate assumptions that sabotage diversity promotion efforts. These are:

- People are not promoted because of job performance.
- Merit and competence in certain areas are the only salient qualifications.

- A diverse management team is weaker than an all-white male management team.
- They must sell out in order to make it. (Dickie & Soldan 2008, 219.)

In order to create enough space for diverse employees, organizations have to realise how such assumptions sabotage diversity promotion efforts and results.

Unconscious factors that affects promotion decisions:

- **The clone effect.** It is natural for individuals to appreciate those who are similar to themselves; not only according to appearance and background, also in values and thinking styles.
- **Comfort level.** Comfort level is one of the reasons why individuals tend to promote similar to themselves. This is because many people feel safer around people whose values, looks, traditions or habits are similar to theirs.
- **Expectations and socialisation.** Many people unconsciously protects their feelings and beliefs about other groups of people, collected over their lifetime. Therefore, these beliefs act as a basis for labelling other groups according to their capabilities and for putting the level of expectations for them.
- **Double standard.** Evidence proposes that members of disadvantaged groups have to overcome the standards of those in the dominant group in order to be considered for promotions. When they do exceed the standards of the dominant group, their behaviours and performance are likely to be interpreted differently than the standards of the dominant group members.

6 Conducting the research

This chapter will concentrate on the research planning and implementation. Interviews were conducted for investigating how diversity management affects to the integration and productivity of the employees and the different ways to attract the most diverse and optimum workforce.

6.1 Research method

For accomplishing the study, qualitative method was chosen. The data was collected through five semi-structured interviews. The semi-structured interviews were chosen because through interviews it was easier and more interesting to integrate practical knowledge to the theoretical aspects from the point of views from professionals. The interviews were conducted by phone and each of them was recorded. The results were conducted from the perspectives of the Communication Director, the Development Manager, the Project Delivery Manager and the Team Coach and the Information Manager. Development ideas will be provided in the end.

6.2 Methods for analysing the interviews

The analysis is done by data reduction. The approach is for qualitative data analysis. Data reduction refers to the process of selecting, focusing, simplifying, abstracting and transforming the data from notes and transcriptions. The researcher generates categories and identifies themes and patterns. The research was concentrated on the main focus and clear transcripts from the interviews of the target group. The transcripts of the interviews cannot only be read but they have to be abstract and the main idea have to come out. (Ghuri & Grønhaug 2010, 199-200.) In the study, semi-structured interviews were conducted and there were same questions for all the interviewees, except for the Information Manager and for the Team Coach there were no questions about performance management. The semi-structured interviews were chosen for the research because it was found as the most interesting and clear way to reflect practical knowledge of the topic to the theory.

On September the commissioning party was contacted for asking the interviews. The reaction of the topic from the commissioning party was positive. The contact details were received from the contact person at NetEnt and the interviewees' were contacted separately for agreeing the interview dates. The interview dates were agreed on December-January. Five interviews were conducted for the research and the interviews were record-

ed, transcribed and analysed. The answers of the interviewees were quite similar but there were still some varying opinions for the same questions.

6.3 Reliability and Validity

Reliability and validity are important factors of the research process because it is connected with the results and summary of the study. Reliability results to the area where the data collection technique will lead to coherent result. Validity emphasizes how well the data collection method measures the purpose. (Ghuri & Grønhaug 2010, 86-87.)

Verifying the validity, the research was planned to get accurate outcome where the chosen interviewees are precisely matched for the findings of the purpose of the research. The thesis was concentrated on discovering what a multinational company can provide for the foreign employees to attract the best workforce, integrate them into the working culture and create a productive working environment. Differences between the deeper knowledge of the theory among the interviewees might have impact to the specification and the balance of the answers.

7 Research results

The process of the interviews was successful. There were interesting and deep answers concerning diversity management. The personal interviews were conducted in order to gain deep understanding of diversity management, its processes and impact on the whole company and workforce. The answers were analysed between the Communication Director, Development Manager, Project Delivery Manager and two employees with the title of Team Coach and Information Manager. Five interviews were conducted in total, they were conducted by phone and each of them were recorded and transcribed.

The semi-structured interviews were conducted as informal personal discussion based on the beforehand prepared questions in order to help the interviewees to give versatile answers concerning diversity management. The aim was to receive detailed unpredictable individualized answers. Each of the interviews lasted from 25 to 35 minutes and all of them were conducted by phone while using recording. The records were used for transcribing and analysing the answers.

The same questions were asked from all the interviewees, except for the Information Manager and for the Team Coach there were no questions about performance management. The participants received the questions in advance to be more prepared for the interview and understanding the content of the topic better. There were couple of different questions depending on the position of the interviewee. The interview started with the same opening question *“Are you familiar with the term diversity management?”* This was very important in order to see that the interviewees understood the term similarly. All the interviewees understood the term, but they do not use the term at the workplace. After all the interviews, a thank you e-mail was sent to the participants. Everyone were interested to participate and willing to go deeper with the diversity topic. Two of the interviewees were outside Sweden; from India and the United States.

7.1 Interviewees' profile

Table 1 presents an overview of the interviewees' background. The interviewees' were marked by numbers. The table shows the interviewee's work experience, current position, education, age and gender.

Table 1. Interviewees' profile

Characteristics/ Interviewee	Work experience at NetEnt/years	Current position	Education	Age	Gender
Interview 1	1,5 years	Communication Director	Master's degree in Business Administration	42	F
Interview 2	4 months	Development Manager	Master degree in technology, IT	40	F
Interview 3	1,5 years	Project Delivery Manager	Master of Science	43	F
Interview 4	3 years	Information Manager	PhD	49	M
Interview 5	4,5 years	Team Coach	Bachelor's degree in engineering and Master's degree in Chemistry	33	F

7.2 Results from data gathering

In this chapter, the results of the interviews are presented and some suggestions were made that the commissioning party can take into consideration. The following results will present the findings of each interview topic; the findings for challenges and opportunities of diversity, diversity management paradigms (as recruitment and selection, training and development, employer branding, performance management and promotion) and trends in diversity management. After these topics conclusions and development ideas are presented.

7.2.1 Interview results: Challenges and opportunities of diversity

According to the interview with the Communication Director at NetEnt, the company is managing the diversity by taking good care of the employees and by listening their needs. Each manager in the company has the responsibility to arrange meetings with each member of their team on weekly or monthly basis about the performance and their satisfaction to work. This also helps the productivity and performance for the next project that they face. (Interview 1.) As it is stated in the theory section that efficient leaders need to understand different values, perspectives, and different worldviews that individuals and groups may appreciate and utilize their cultural intelligence for creating more productive and inclusive work environment (Michälle & Mor 2014, 232).

NetEnt have realized to be more effective not to set the goals too far ahead and rather work with quarterly and monthly goals. The opportunity and benefit of group of people from different backgrounds is solving problems from different angles because through that it is easier to find the correct solution. (Interview 1.)

“Creativity level is higher, you can make better discussion to figure out are we aiming towards the right solution, the innovation is much easier to attain.” (Interview 1, Communication Director)

For managers one of the biggest challenges is communication, because everybody interprets things differently. Team spirit is easier to create with people from similar backgrounds than people from diverse backgrounds but at the same time it is a good thing because diverse teams usually leads to good results. (Interview 1.)

“As a manager I think that everybody should talk to each other if you want a team to get to know each other in various ways, in order to get the work really going well, you need to have a good team spirit because in that way it is also easy to ask questions from others.” (Interview 1, Communication Director)

As stated in the theory, the diversity of staff gives better knowledge of the market, which helps the customer’s development and suppliers networks, also extends products’ offer and services. This results to the increase of satisfaction of the employees and work effectiveness, when they notice the openness and innovativeness of the company. (Durska 2009, 36-37.)

According to the interview with the Development Manager, NetEnt is a valued company and the core values are often discussed. The middle manager sees one of the challenges when some employees from different backgrounds cannot tell the manager about the problems and improvement suggestions they have on their mind because they are so hindered by their culture’s hierarchical structure and that causes difficulties. As a manager it makes it impossible to understand the whole truth and what they are challenged about. One challenge is also guidance of the employees; they need coaching and guidance on how to give suggestion ideas to the manager. (Interview 2.)

“I think that just creating an environment where people feel welcome also brings more open minded people and they are used to learn from each other and listening to other people’s views becomes more interesting to share to one to another.” (Interview 2, Development Manager)

“We are a fast growing company that brings a lot of new opportunities and challenges at the same time because we grow fast and we get more and more employees. There is not a settled process and there appears frustration sometimes. It gives a spirit that things are going on and it is a fun place to work in.” (Project Delivery Manager, Interview 3)

According to the Information Manager, the biggest advantage of diverse workforce is dynamism. Many times when people are from the same background, it is easy to make certain assumptions how the things should work, but when mixing different backgrounds with different assumptions it leads to better outcomes. (Interview 4.)

“People come from different backgrounds and they can give their different perspectives.” (Information Manager, Interview 4)

As stated in theory, expected benefits of diversity management include outcomes such as communicating with diverse clients, diversity leads to creativity and through that better products can be made, increase sales because diverse workforce understand the needs of diverse clients better (Michálla & Mor 2014, 231).

According to the Team Coach, working in a diverse environment is really fun and gives a lot of new opportunities to learn new things. It is important because companies are getting more and more global and they are not only targeted to the local markets. A lot of new talents with different experiences and point of views are needed. The team have to have people from different cultural backgrounds. When making games which are targeted to global markets, it is evidential to think diverse management, for creating fun games it needs different perspectives. (Interview 5.)

According to the Information Manager, one of the biggest challenges is learning from different cultures to be able to build a team. It is important to make a personal connection with the members of the team, not only from a professional perspective. It is more difficult to create the connection from people with different cultural backgrounds than people from similar cultural backgrounds because of the norms and unspoken rules that have to be accepted. The mind-set can be different depending where the person is coming from and the humour might vary according to the culture which can lead to misunderstandings. (Interview 5.)

As stated in the theory, diversity is one of the most difficult initiatives to manage because there are many different views about what diversity is and how deeply it should be implemented into an organization's culture. It is stated that one of the challenges of diversity is the risk that people would not work efficiently together because of the disagreements that different cultural backgrounds might cause. In the worst case it might result to open conflict and chaos if there is a lack of trust and respect. (Balkin et al. 2012, 162-163.)

“Making them belong to the team is the biggest challenge in my perspective.”
(Interview 5, Team Coach)

According to the Team Coach, NetEnt is a fast growing company with a lot of opportunities. The people at NetEnt grow with the company. It is not just a normal workplace, it is a place to build a career. There are many opportunities to learn and explore to become better. (Interview 5.)

“There are opportunities on every corner. There is a feeling of safety in the company and it is an environment where you can really grow.”

(Team Coach, Interview 5)

7.2.2 Recruitment and selection

According to the Communication Director, as recruiting channels the company uses LinkedIn a lot because it is a powerful and global tool to connect. They work with the recruitment agencies in different markets. In Sweden it is difficult to find the right talent they are looking for due to the competition. Many companies are fighting for the same talent and that is why they use the recruitment agencies in other countries as well. In order to find the right experts, they need to seek the talent outside Sweden. (Interview 1.)

According to the Project Delivery Manager, the company uses a lot of social media as well as their website. The recruiting process depends on the role, the most usual way if the candidate lives outside Sweden, is Skype interview. They usually do one or two interviews with the manager and with the presence of some of the colleagues. They also arrange a cultural interview which is about attitudes towards the company culture and to find out how the candidate prefers to work in teams. It is also aimed to show that the candidate really wants to commit to the job. (Interview 3.)

As stated in the theory section, recruitment is a critically important and difficult process, especially when it comes to recruiting diverse workforce. It is essential to know who, when and how to recruit. It can take a lot of time before demographic profile of the organization's workforce starts to reflect their efforts and diversity objectives. (Dickie & Soldan 2008, 202.)

“I try to involve my whole team in developing the work community and it is also based on interest because we work with the improvement or we want to help.”

(Interview 3, Project Delivery Manager)

According to the Information Manager, NetEnt does advertising as well such as going to schools to talk about what the company does and what are the career opportunities (Interview 4). NetEnt has a policy to treat everybody equally and in the applying process it is required to read through the company policies.

According to the Team Coach, NetEnt recruit a lot in the universities and they have more international students coming for an exchange in the company. High school students are

also visiting the company for getting information about career choices. They come to the company to see how they work and if they find it interesting for them. The employees are trained for being able to represent the company, to be the face of the company outside. (Interview 5.)

7.2.3 Training and development

NetEnt does not have directly a programme called diversity training, but instead of that they have an on-boarding programme. According to the Communication Director and the Team Coach, on-boarding programme is organized for the new employees. The aim of the programme is to teach the company core values for understanding better the context and how the company culture is. There are teams presenting their tasks and discussion about games; what they are about and what the product is. The people get to know each other better outside the workplace and team lunches are also arranged. Everybody get to tell a bit about their own culture and background. The programme has become bigger every year and it has been organized around seven years in different forms. They have also organized trips to different casinos in Stockholm to see how the games work in real life. (Interview 1 & 5.) According to the Team Coach, on-boarding programme used to last one week when she started. When she joined, they had a trip to Casino Cosmopolitan in Stockholm, Sweden. (Interview 5.)

“As the company is concentrated on online casinos, it gives a feeling how the casinos are in Stockholm. It is really interesting.”

(Interview 5, Team Coach)

As it is stated in the theory section, training is the most important start for managing diversity and a crucial first step (Blake & Cox, 53). Organizations emphasize diversity and they invest a lot in training and educating managers and employees to understand diversity. The training should be a part of the organisations strategy to increase development and understanding the value of diversity (Dickie & Soldan 2008, 209-210.)

According to the Development Manager, the on-boarding programme helps to understand the core values of the company. Through the awareness of the core values, it helps to approach each other and ask help. For the employees who come from a very hierarchical organization culture, for example from India, it is hard for them to tell about the problems they face and give improvement suggestions to the managers when needed because they cannot criticize their own manager and they are afraid to “lose their face” if they admit that

they have faced problems. Every employee who starts working at NetEnt, are taken together to the training for 2-3 days where they talk a lot about the core values and how the NetEnt work culture is. It helps to create the common understanding among all the employees. (Interview 2.)

According to the Project Delivery Manager, the satisfaction and the effectiveness of the employees can be measured by asking questions from the employees about the equality matters and satisfaction to the job, such as “Do you feel equally treated?” and “Do you have the same opportunity as everyone else?”. The questions give a chance to say if the employees feel that they are treated equally and that they have the same opportunities as others. For measuring the effectiveness, NetEnt have professional development dialogues that they discuss at least once a year, but usually more often to follow how things are proceeding and are the employees performing as well as expected. (Interview 3.)

According to the Information Manager, the company is good in celebrating and creating events where people get together to socialize and to create networks. They have teams presenting their tasks and achievements. Diversity management helps to break boundaries between different people. NetEnt has a creative environment where the people get to talk with each other outside as a team on a regular basis.

In the on-boarding programme, there is a possibility to talk about the games and what they are about. It has also included visiting different casinos in Stockholm to see how the games work in real life. It has become larger event than before and better thought. NetEnt grows yearly around 100 people a year. (Interview 4.)

7.2.4 Employer branding

According to the Communication Director, in general the image among the employees is positive. They understand that the company takes care of its employees, tries to find good solutions and listens to them. (Interview 1.)

“Sometimes I also think that they feel that we are an organization that has really fast speed and sometimes it might be a bit messy to know who is responsible about what. It is a bit unclear at times because many things are changing so fast.”
(Interview 1, Communication Director)

According to the Development Manager, the company is emphasizing their 50/50 gender balance goal in marketing and recruiting and the proudness of having so many different

nationalities. They talk a lot about the 50/50 gender balance goal. People at NetEnt are really proud of being a part of their multinational company. (Interview 2.) As it is stated in the theory, the overall success of the company can make a valuable contribution by the employer brand and the personal commitment of the senior management. (Barrow & Mosley

“People are really proud of being a part of our multinational company.”
(Interview 2, Development Manager)

According to the Project Delivery Manager, NetEnt is a fast growing company that brings a lot of opportunities but challenges at the same time do to the fast growth and large amount of employees. (Interview 3.)

“There is not a settled process, frustration sometimes. It gives a spirit that there is a lot of things happening all the time but it is a fun place to work in.”
(Interview 3, Project Delivery Manager)

“NetEnt is branding itself as a dynamic and change oriented company with people from diverse backgrounds.” (Interview 4, Information Manager)

According to the Team Coach, NetEnt is a company that you grow with. It is a place to build a career. There are a lot of possibilities to learn, explore and become better. There are a lot of possibilities to get exposure to many different things and a feeling of safety in the company. It is an environment where can really grow. (Interview 5.)

7.2.5 Performance management

According to the Communication Director, the company makes an employee survey for getting feedback from their workers. In the survey they ask different questions with which they can follow the progress how they work in different areas and what areas need to improve. The company measures different key performance indexes of how much they are making profit, how successful their products are and how big is the staff turnover. They ask their opinions from their customers of their products and services. They also arrange meetings in weekly or monthly bases between the employee and the manager about how the goals have been reached. (Interview 1.) As stated in the theory section, the organisational implications are to learn networking skills, mentoring and structural integration of organisation’s minority groups (Moore 1999, 212).

According to the Project Delivery Manager, the satisfaction and effectiveness of the employees is measured by asking questions about the equality matters; do they feel that they are equally treated and do they have the same opportunities with the others. The measure is that the employees have the possibility to say if they have the same opportunity with the others or not. When measuring effectiveness, they have professional development dialogues that they talk about at least once a year, usually more often to follow is the person performing as well as expected. The CEO of NetEnt is very clear about the cultural tolerance and the importance of valuing people from different cultural backgrounds. (Interview 3.)

7.2.6 Promotion

According to the Communication Director, the multiculturalism of the company is integrated in everything they do. One of the rewarding systems is coins, which with it is possible to buy things from a web shop. The shop contains everything from travel to donating money to charity. It is based on gamification idea. They have a big meeting with the entire company once every second month where approximately four employees gets an award with something extra. They do not emphasize or separate the people who are from foreign background. When considering the promotion policy or other rewarding systems, they purely reward according to the results and how the goals have been reached, not the background. (Interview 1).

According to the Development Manager and Project Delivery Manager, it is very important to take the responsibility and concentrate on the employees as individuals and not according to their backgrounds. They reward employee if someone does something really significant. The company have fair promotion. (Interview 2 & 3.) According to the Information Manager, there is no active promotion policy according to from which backgrounds the people come from. (Interview 4.)

“We look more the results than the background. Since we are a gaming company, we have coins, rather than giving someone money.”

(Interview 3, Project Delivery Manager)

According to the Team Coach, in the promotion the nationality or own culture does not matter, it is the company culture. The core values of the company has brought the unity of the organization. (Interview 5.)

7.2.7 Trends in diversity management

The company provides various things for the multicultural employees to feel accepted and comfortable. They have an organization which supports functions from human resources and all their infrastructures. They use Intranet as one of the internal communication tools that everybody can use. NetEnt talks a lot about diversity and in all of the communication where the multicultural aspect is always present. It is integrated in everything they do. NetEnt emphasizes their gender balance and they have a 50/50 gender balance goal. Couple of years ago they hardly talked about gender but now as the gender has become more cultural, it is a current matter they develop continuously. (Interview 1.)

“The people who visit our office here in Stockholm, so many times I have heard the reaction that: “Wow, when you step into the NetEnt office, you can pretty much be anywhere in the world!” (Interview 1, Communication Director)

As it is stated in the theory section, diversity management improves organizational flexibility, the evidence for this is that women and ethnic minorities usually have cognitive structures. A research has shown that women normally have higher tolerance for ambiguity than men. It has been related to many different factors related to flexibility, for example the ability to succeed in multiple tasks. (Blake & Cox 1991, 51.)

“People can choose which day they want to take holiday from work for celebrating their culture’s holiday. Here at NetEnt you can choose by yourself. I think it helps when you come from a different background.” (Interview 2, Development Manager)

According to the Project Delivery Manager, the company does not acquire their employees to speak Swedish, except in few certain positions. The official language in the company is English. The company see their employees equally. The company gives holidays to their employees according to their culture. They do not have to have a Christian background to have certain holidays. (Interview 3.)

According to the Information Manager, he feels much more comfortable in a multicultural environment because he can express his full identity and he is able to communicate with different people. There is a feeling in managing cultural diversity that the colleagues are seen and valued for being diverse and there is an interest and knowing who they are. “It makes you feel appreciated and that the workplace culture is valued. The people stay.” (Interview 4.)

As stated in the theory, if people from different gender, nationality, and racioethnic groups have different attitudes and perspectives on issues, the cultural diversity should increase the innovation and creativity within a team (Blake & Cox 1991, 50).

According to the Team Coach, every team at NetEnt is multinational. When being in contact with people from different nationalities, it requires more effort to keep the context. The company has a 50/50 gender balance goal. In the beginning NetEnt had more Swedish employees. The company has become more multinational through the years and due to this, it has taken English as the official company language. (Interview 5.)

7.3 Conclusions

This final chapter of the thesis presents the objectives of the research and seeks to find conclusions and analyse the results.

The objective of the research was to discover ways how a multinational company can attract the most diverse and optimum workforce, integrate them into their working culture and improve productivity. Now the results of the objectives of the research can be presented.

7.3.1 What a multinational company can provide to attract the best diverse workforce

The theoretical part of the thesis has defined that recruitment is a critically important and difficult process especially what comes to recruiting diverse workforce. It is essential to know who, when, and how to recruit. It can take a lot of time before demographic profile of the organization's workforce starts to reflect their efforts and diversity objectives. (Dickie & Soldan 2008, 202.) Based on the results, for being able to survive in the fierce global competition, they need more people from diverse backgrounds; with different experiences and knowledge. To attract the best employees, the company does continuous advertising through social media, the company's website and in the universities and colleges. They also work with the recruitment agencies in different markets. Due to the fact that it is difficult to find workforce from Sweden because many companies are fighting for the same talent, they need to seek the right people outside Sweden.

The theoretical part has defined that the sustainability of the employer brand is unnecessary if it does not provide the end-game of the organization and improve the satisfaction of

the employees (Barrow & Mosley 2005, xvi). Employer branding includes promoting, within the company and outside the company; a clear aspect about the factors that makes the company different and attractive as an employer (Backhaus & Tikoo 2004, 501-503). The results have established that NetEnt has a good image externally and internally. They take good care of their employer brand and they are developing it continuously for staying competitive and attractive in the global markets. The external image of NetEnt, as well as among the employees is positive. They are proud for having a diverse, multicultural workforce. Together with the company core values there is a very little distraction due to the amount of different nationalities. The positive image as a diverse and fast-growing company attracts people to work in the company from all over the world.

7.3.2 Integration of the employees

The theoretical part of the thesis has defined that the aim of integration culture is to point out and search the possible benefits of different individuals, for example bringing new points of views into product or service development, improving the quality of the product/service, strengthen the quality of problem solving and decision-making. (Dickie & Soldan 2008, 165.) Therefore, it is clear why Net Entertainment has a good and well organized integration culture due to the consideration towards their employees' effectiveness and well-being. They want their employees to understand the core values of the company from the beginning and to get to know each other for being able to work in teams and communicate more efficiently.

The theoretical part has defined that integration paradigm promotes equality and internalisation of diverse values in the whole company. The main reason for the diversity management paradigm is to integrate the employees and values on every level and inside every area of the company's activity. (Durska 2009, 40.) The results have established that integration to the company culture is arranged by on-boarding program where they help the new employees to get to know each other and understand the company core values. As stated in the theory, as a result of the growing diversity in the workforce around the world, many companies have created certain policies and programs to improve recruitment, inclusion, promotion, and retention of employees and keeping the employees who are different from the privileged level of society (Michálle & Mor 2014, 217-218).

The theoretical part has defined that efficient leaders need to understand the amount of values, perspectives, and the different worldviews that individuals and groups may appreciate and utilize their cultural intelligence for creating more effective and inclusive working

environment. (Michalle & Mor 2014, 232.) This fact is the main reason for NetEnt’s success. They arrange integration training for the new employees and they also have management training for the managers. They arrange development discussions regularly with their employees and health of their employees is an important matter for them. They listen their needs and create multicultural teams.

7.3.3 How to improve productiveness in the working environment

The theoretical part has defined that performance evaluation is an essential and advantageous process that gives feedback annually to staff members concerning effectiveness at work and career guidance. It is intended to measure employees’ performance fairly and equally. (Dickie & Soldan 2008, 214.) The performance evaluation affects a lot to the work results. At NetEnt, employees’ performance is regularly measured. The results have established that development discussions are arranged between the manager and the employee to discuss about job satisfaction, how well the goals have been reached and where to improve. This also helps to keep the motivation high and the employees’ know that they are noticed and respected which also leads to better results. The results showed that the well-being of the employees is an important matter for the company because it is a base for a productive working environment and good atmosphere among employees. They want their employees be healthy and motivated for being able to work efficiently.

The theoretical part has defined that gender diversity is an important matter in today’s multinational organizations (Michalle & Mor 2014, 3). NetEnt has a 50/50 gender balance goal, they want to be role models in the IT and gaming industry. Their goal is to reach a 50/50 gender balance by year 2020. (NetEnt 2016d.) As it is stated in the theory, companies need feminine and masculine knowledge and experiences in order to make solutions and solve problems from different perspectives (Anca & Vazquez 2007, 74). According to the results, gender diversity increases the productiveness and creativity because the both, masculine and feminine gender can bring their own perspectives to help in problem solving. For having equally men and women employees, it would notably increase the productivity. In the theory it has stated that the biggest problem between female and minority employees is the lack of opportunities for career growth (Balkin et al. 163). At NetEnt there is no obstacles for career growth depending on the gender or cultural background. Everybody have equal career growth opportunities. There is a possibility to grow with the company, it only depends on the individual itself.

The theoretical part has defined that in today's business world, a leader need to understand cultural similarities and differences for being able to communicate with people from different cultures. Cultural awareness and competence are crucial for efficient leadership what comes to diversity. (Michálla & Mor 2014, 232.) The results have shown that NetEnt is a company that is highly culturally aware and takes good care of their employees' well-being and satisfaction towards the work. They give flexibility to employees from different cultural backgrounds for being able to balance with their work and private life, such as in holidays; they can have a day off according to their own culture's holidays. The company uses an employee survey where the employees have an opportunity to give improvement suggestions. They also arrange development discussions between the manager and the employee. This is a good way especially for people from hierarchical working culture where they have not been able to express their own opinions. It can be also frightening moment for the employee who have not used to express their own suggestions for development or discussed about problems he or her have faced.

As stated in the theory, culturally diverse workplace encourages employees to work with each other with full potential and to build more creative, motivating and productive working environment (Anca & Vázquez 2007, 135). The results have established that for doing business effectively in global business markets, it requires a highly diverse workforce and as a multinational company, NetEnt has reached the success on global markets due to the skilled diverse workforce, high productivity and well-being of their employees. They are good at considering their employees' thoughts and behaviour.

The theoretical part of the thesis has defined that diversity of employees offers opportunities that can improve organizational performance but it also gives new challenges to the managers. The challenges include valuing employee diversity, balancing the needs of individuals with group equality, handling with resistance to change, guaranteeing group cohesiveness and open communication, avoiding employee resentment and setback, retaining valued performers, and maximizing opportunity for everyone. (Balkin et al. 2012, 163.) The results have established that there are especially a lot of challenges for the managers in leading a multicultural teams. It is challenging to create good communication within the teams due to the varying opinions and that the members of the team can approach each other better for being able to share their experiences and knowledge. The theoretical part of the thesis has defined that expected benefits of diversity management include outcomes such as communicating with diverse clients, diversity leads to creativity and through that better products can be made, increase sales due to the fact that diverse workforce understand the needs of diverse clients better (Michálla & Mor 2014, 231). As the results has showed, these outcomes are utilized at NetEnt. As it is a multinational

company and they have diverse clients, the diversity of the workforce helps to understand the customers' needs and communicate better with them. Due to the high amount of diverse workforce, it brings different aspects, knowledge and experiences to the team which leads to better results. It was said by Jack Welch, CEO of U.s.-based General Electric in a speech to GE employees:

“The Jack Welch of the future cannot be me. I spent my entire career in the United States. The next head of General Electric will be somebody who spent time in Bombay, in Hong Kong, in Buenos Aires. We have to send our best and brightest overseas and make sure they have the training that will allow them to be global leaders who will make GE flourish in the future.” (Michálla & Mor 2014, 175.)

7.4 Development ideas

Although the results of the interviews from NetEnt were good, and it appears that the integration of the employees is arranged well and the productivity is high, there is still always something to improve. It was difficult to find improvement suggestions for development in the company because the company is already well organized. I have still come up with few ideas.

In the interviews it was stated that the integration of the new employees is arranged by on-boarding program which purpose is to help the new people to adjust to the multicultural work environment by understanding the core values from the beginning and communicating efficiently with others. In the interviews it was stated that the employees from a hierarchical work culture are afraid to express problems they face and give improvement suggestions to the managers. The first suggestion for improvement is to arrange more continuous integration training where to teach employees about the NetEnt corporate culture; how to be able to talk about problems openly and give improvement ideas for the managers, no matter of the cultural background.

As it is stated in the theory, in the diversity management the training have to be active for diverse groups and for the skills to be able to develop. Part of the integration is also to learn how to manage the opportunities and problems of diversity. It creates effective communication skills within heterogeneous groups. The organisational implications are to learn networking skills, mentoring and structural integration of organization's minority groups. (Moore 1999, 212.) The second development idea is concerning the performance management. It was mentioned in the interviews that there sometimes occurs a feeling

among the employees of unclear responsibilities; who is responsible of which area. Focus on diversity management in management training could bring new perspectives to the daily routines by increasing even more the knowledge of the diversity and how to manage it more efficiently. According to the theory section, there could be arranged more workshops to teach the managers and employees how to deal with cultural and sex differences. General awareness education could be arranged for giving information about the changing demographics. (Dickie & Soldan 2008, 62.)

7.5 Self-learning of the research

The commissioning party was contacted on September 2015. The idea for the topic came from the visit to the company on November 2014 where a tour in the company was arranged. They emphasized the company diversity and productiveness which increased the interest towards the topic.

In the beginning of the thesis process, the general topic was clear, but the specification of the topic took more time. After couple of months it was easier to go deeper into the subject and in the speed of writing, the interest got even bigger towards the study. It was very interesting to conduct the interviews and hear opinions from professionals at NetEnt. The most interesting but at the same time the most difficult part of the research was the analysis of the interviews and reflecting the answers to the theory. First there were too many questions which had to be specified better. The topics of the interviews were made for the questions according to the part they were reflecting in the theory. They were made as comprehensive as possible.

The interviews were conducted separately with each of the interviewee. Making the interviews was new but it was easier to get more comprehensive answers by phone than through e-mail. Making the interviews by phone was found as the best way because there was a possibility to properly communicate and take contact with the interviewee. The questions were sent in advance for helping the participants to understand the content of the topic better and give more comprehensive answers. Also a short description of the thesis and its objective and research problem were sent to the company in the beginning. Thank you e-mail was sent to all of the participants after the interviews.

The thesis process lasted six months in total. It was a great and challenging learning process starting from the topic searching, using relevant literature for the topic, producing academic writing, conducting interviews and reflecting the outcomes to the theory. Diversity management became a familiar topic with a lot of new knowledge, and it was a pleas-

ure to have the chance to conduct the interviews with a highly diverse and successful company that gave a practical point of view to the thesis.

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Interview 1: NetEnt, Stockholm, Sweden. Project Delivery Manager, 16 Dec 2015.

Interview 2: NetEnt, Stockholm, Sweden. Development Manager, 18 Dec 2015.

Interview 3: NetEnt, Stockholm, Sweden. Communication Director, 12 Jan 2016.

Interview 4: NetEnt, Stockholm, Sweden. Information Manager, 15 Jan 2016.

Interview 5: NetEnt, Stockholm, Sweden. Team Coach, 16 Jan 2016.

Appendices

Appendix 1. Interview questions: Communication Director

Interview date: 12 Jan 2016

The aim of this research is to support the theoretical material and analyse the answers of the interviewees by comparing the answers between different hierarchical levels by exploring the benefits and challenges in diversity management and working with people who have different cultural backgrounds, such as immigrants. The research questions are following:

Demography:

1. Gender
2. Age
3. Education
4. Title
5. How long have you worked in the company?

Diversity at NetEnt

6. How many nationalities do you have in your company? And how long history NetEnt has as a multicultural organization?

Terminology.

7. Are you familiar with the term diversity management?

Diversity management refers to systematical and planned organizational practices and the purpose is to recruit, maintain, reward and respect and support employees and the position of minority groups.

Challenges and opportunities of diversity

8. What are the biggest advantages by mixing talents with different cultural backgrounds?
9. What challenges do senior managers face when leading diverse teams?

Recruitment and selection

10. How does the global employee market affect to the medias you use for recruiting?

Training and development

11. Does the company organize diversity training and how often?

12. Are you following a certain diversity management program?

Employer branding

13. What kind of employer brand does your company have? How is your image among the employees?

Performance management

14. How do you measure the satisfaction and the effectiveness of the employees?

Promotion

15. How do you consider the diversity in your promotion policy or other rewarding systems you have in your company?

16. How do use the acknowledge of multicultural environment in developing the work community?

Trends in diversity management

17. What kind of trends you have noticed in diversity management?

18. What does the company provide for the multicultural employees to feel accepted and comfortable?

Appendix 2. Interview questions: Development Manager & Project Delivery Manager

Interview date: 16 Dec 2015 & 18 Dec 2015

Demography:

1. Gender
2. Age
3. Education
4. Title
5. How long have you worked in the company?

Terminology

6. Are you familiar with the term diversity management?

Diversity management refers to systematical and planned organizational practices and the purpose is to recruit, maintain, reward, respect and support employees and the position of minority groups.

Challenges and opportunities of diversity

7. What are the biggest advantages by mixing talents with different cultural backgrounds?
8. What challenges do middle managers face when leading diverse teams?

Recruitment and selection

9. How does the global employee market affect to the medias you use for recruiting?

Training and development

10. Does the company organize diversity training and how often?
11. Are you following a certain diversity management program?

Employer branding

12. What kind of employer brand does your company have? How is your image among the employees?

Performance management

13. How do you measure the satisfaction and the effectiveness of the employees?

Promotion

14. How do you consider the diversity in your promotion policy or other rewarding systems you have in your company?

15. How do use the acknowledge of multicultural environment in developing the work community?

Trends in diversity management

16. What kind of trends you have noticed in diversity management?

17. What does the company provide for the multicultural employees to feel accepted and comfortable?

Appendix 3. Interview questions: Information Manager and Team Coach

Interview date: 14 Jan 2016 & 15 Jan 2016

Demography:

1. Gender
2. Age
3. Education
4. Title in NetEnt
5. How long have you worked in the company?

Terminology

6. Are you familiar with the term diversity management?

Diversity management refers to systematical and planned organizational practices and the purpose is to recruit, maintain, reward and respect and support employees and the position of minority groups.

Challenges and opportunities of diversity

7. What are the biggest advantages working in a multicultural team?
8. What challenges do you face in multicultural team?

Recruitment and selection

9. How does the global employee market affect to the medias you use for recruiting? How did you find your way to NetEnt?

Training and development

10. Does the company organize diversity training and how often? Have you participated?
11. How does NetEnt listen to your needs and follow your well-being?

12. Do you have any suggestions how you would like to improve NetEnt's working environment?

Employer branding

13. What kind of employer brand does NetEnt have? How is NetEnt image among the employees?

Promotion

14. How do you consider the diversity in your promotion policy or other rewarding systems you have in your company?

15. How does NetEnt use the acknowledge of multicultural environment in developing the work community?

Trends in diversity management

16. What kind of trends you have noticed in diversity management?

17. What does the company provide for the multicultural employees to feel accepted and comfortable?

How do you feel about the mentioned actions?

18. How do you feel your integration to the working environment was organized?

How do you feel about the mentioned actions?