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Cultural Differences and Diversity:

The effect on management development in the workplace

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Patras, Greece, May 2022

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The effect on management development in the workplace



Cultural Differences and Diversity:
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*I would like to thank my supervisor mr Fotis Kitsios for his support and positive motivation
and dedicate this to my dear family Tassos, Thalia and Fotis.*

Strength
lies in
differences,
not in similarities.
– Stephen R. Covey

Abstract

Over the last few years, the shift towards a more diverse population has become a fact and this new reality has a major impact on the workforce. Socioeconomic changes, cultural transformations, immigration, business globalization (through mergers or joint ventures) are all factors that lead straight to a workforce, more diverse and competitive than ever. This is affecting rapidly the demographic structure of business organizations which are becoming increasingly multicultural and diverse. In addition to that, facilitation of employee mobility through international assignments and virtual team working are also strong drivers to a culturally diverse working environment. As a result, managing workforce diversity efficiently has become a priority in every modern business unit.

This study attempts through the in-depth literature review, to explore the impact of cultural differences and diversity on business performance and connect it to the development of efficient management in the workplace. It examines the effect of cultural competence and cultural intelligence in the workforce and provides a model to facilitate the development of competent managers and leaders and efficiently contribute to the successful integration of diverse individuals into effective business groups.

The results of the study reveal that knowledge and skills are not enough anymore for managing efficiently a business. In the framework of a work team, the wider experiences, knowledge and skills can increase performance, innovation, problem-solving, creativity and brainstorming. However, the key to success for the effective implementation of DM is the development of culturally competent and intelligent leaders. Learning and experiential development should become top priorities in an organization and should be ensured through constant education opportunities and international assignments. Methods and techniques on how to measure CQ need to be validated and integrated in the recruitment process. Finally, the suggested model draws the path to achieve the above goals and highlights as the starting point of the process, the early educational years, when the individual's cultural capital is built, along with the personality, beliefs and values.

Keywords: diversity management, cultural differences, cross-cultural competence, cultural intelligence

Πολιτισμικές διάφορες και διαφορετικότητα: η επίδραση στην ανάπτυξη διοίκησης στο χώρο εργασίας

Βενετία-Νικολέττα Καρυτσιώτη

Περίληψη

Τα τελευταία χρόνια, η μετάβαση προς ένα πολυπολιτισμικό πληθυσμό είναι γεγονός με σημαντικό αντίκτυπο στο εργασιακό δυναμικό. Οι κοινωνικοοικονομικές και πολιτισμικές αλλαγές, η μετανάστευση και η παγκοσμιοποίηση των επιχειρήσεων, αποτελούν τους σημαντικότερους παράγοντες που οδηγούν σε ένα ποικιλόμορφο και ιδιαίτερα ανταγωνιστικό εργασιακό δυναμικό. Αυτό επηρεάζει με γρήγορους ρυθμούς τη δημογραφική δομή των επιχειρήσεων που γίνονται όλο και πιο πολυπολιτισμικές όσον αφορά το εργασιακό δυναμικό τους. Η διευκόλυνση της κινητικότητας των εργαζομένων (μέσω διεθνών αποστολών) και η εξ αποστάσεως ομαδική εργασία μεταξύ ατόμων με διαφορετική εθνικότητα και πολιτισμικού υπόβαθρου, είναι επίσης ισχυροί παράγοντες για ένα πολυπολιτισμικό εργασιακό περιβάλλον. Είναι προφανές ότι η αποτελεσματική διαχείριση της διαφορετικότητας των υπάλληλων, οφείλει να αποτελεί προτεραιότητα της κάθε σύγχρονης επιχείρησης.

Μέσω της εις βάθος βιβλιογραφικής ανασκόπησης, η εργασία αυτή επιχειρεί να διερευνήσει την επίδραση των πολιτισμικών διαφορών στην απόδοση της επιχείρησης και να την αξιολογήσει σε σχέση με την ανάπτυξη αποτελεσματικής διοίκησης στο χώρο εργασίας. Εξετάζει ποια είναι η επίδραση της πολιτισμικής ικανότητας και νοημοσύνης του ανθρώπινου δυναμικού στην αποδοτικότητα μιας επιχείρησης και στην επιτυχημένη ανάπτυξη εργασιακών δεσμών. Επιπλέον, προτείνει ένα μοντέλο ανάπτυξης ικανών διευθυντικών στελεχών που μπορούν να συμβάλουν αποτελεσματικά στην ομαλή ένταξη πολιτιστικά διαφορετικών ατόμων σε αποτελεσματικές επιχειρησιακές ομάδες.

Από την ανάλυση των αποτελεσμάτων προκύπτει ότι οι γνώσεις και οι δεξιότητες δεν επαρκούν πλέον για την αποτελεσματική διαχείριση μιας επιχείρησης. Οι ευρύτερες εμπειρίες, γνώσεις και δεξιότητες μπορούν να αυξήσουν την απόδοση, την καινοτομία, την

ικανότητα επίλυσης προβλημάτων, τη δημιουργικότητα και τις καινοτόμες ιδέες. Ωστόσο, το κλειδί της επιτυχίας είναι η ανάπτυξη πολιτιστικά ικανών και ευφυών ηγετών. Η εκπαίδευση και η βιωματική γνώση θα βρεθούν στην κορυφή των προτεραιοτήτων της Διαχείρισης Ανθρώπινου Δυναμικού και θα πρέπει να διασφαλίζονται διαρκώς και με ίσες ευκαιρίες σε όλους τους υπάλληλους. Μέθοδοι και τεχνικές για το πώς μπορεί να εκτιμηθεί η πολιτισμική νοημοσύνη, θα πρέπει να επικαιροποιηθούν και να ενσωματωθούν στη διαδικασία προσλήψεων. Τέλος, το προτεινόμενο μοντέλο, διαγράφει το μονοπάτι για την επίτευξη όλων των προαναφερόμενων στόχων και επισημαίνει ότι η έναρξη αυτής της διαδικασίας, εντοπίζεται στα πρώτα χρόνια εκπαίδευσης του κάθε υποψήφιου στελέχους, όταν δηλαδή διαμορφώνεται το πολιτιστικό του κεφάλαιο, διαπλάθεται η προσωπικότητα του και διαμορφώνονται οι πεποιθήσεις και οι αξίες του.

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List of Abbreviations & Acronyms

List of Abbreviations & Acronyms

CALD	Cultural and linguistic diversity
CC	Cultural competence
CCA	Cross-cultural adjustment
CD	Cultural Diversity
CPACE	Curiosity, Adaptability, Passion, Empathy and Communication
CQ	Cultural Intelligence
DCP	Diversity climate perception
DM	Diversity Management
FWA	Flexible working arrangements
HRM	Human Resource Management
KSAOs	Knowledge, skills, abilities and other characteristics
LGBT	Lesbian, Gay, Bisexual and Transgender
MNC	Multinational Corporation
SHRM	Society of Human Resource Management
SLR	Systematic Literature Review
SSE	Specific self-efficacy
UAE	United Arab Emirates
UK	United Kingdom
US	United States

1. Introduction

1.1. Significance and Contribution

The global workforce today is changing rapidly and becomes more demanding every day. Organizations have to manage employees coming from different cultural backgrounds in a strongly diverse and competitive business environment. Making a short review in the bibliography, one can realize that there is not a common approach on the impact of cultural diversity on business performance and on how it affects diversity management development. Some authors consider cultural diversity as beneficial for the business performance and a source of power (Raithel et al. 2021; Varhelahti & Turnquist, 2021; Yasmeen et al., 2020; Bello-Pintado & Bianchi, 2020; Fernandez & Thams, 2019; Ali et al, 2019; Kraus et al, 2019; Agnihotri & Bhattacharya, 2019), while there are others that claim that most organizations are inefficient in managing the problems and the conflict derived (Dale-Olsen & Finseraas, 2020; Hennekam et al., 2019; Mehng et al, 2019; Nickerson & Goby, 2018; Frijns et al, 2016; Shemla et al, 2016; Sartorius et al, 2011; Luring, 2009). Egan & Bendick (2003), suggested that historical influences, different legal rules and policies applied and the unique business environment of each organization, affect the adaptation of diversity management. Bhadury et al. (2000) believe that diversity can impact both positively and negatively the workplace, but it depends mostly on the existing type of diversity climate and perception and not so much on the diversity itself. Other studies reveal that cultural diversity is regarded as a “double-edged sword” (Milliken & Martins, 1996) and although cultural differences can become a positive factor, they can frequently be a source of trouble and negative conflict as the cultural distance increases (Johnson et al, 2006; Hussain et al., 2020; Kundu et al., 2020; Kadam et al, 2020; Groutsis et al, 2018; Malik et al, 2018; Mateescu, 2017; Rosenauer et al, 2016; Moeller et al, 2015; Chang et al, 2014; Ozgen et al, 2014).

Much attention has been drawn during the past years, to the two most common and important types of diversity which are gender and race (Köllen, 2021; Yadav & Lenka, 2020). However, diversity refers also to a variety of other significant differences, mostly related to the cultural background of a person. According to one of the first established theories on

interpersonal behavior by Triandis (1972), culture consists of two types of elements. The objective and the subjective elements. The first consist of visible aspects of culture such as race/ethnicity, national origin, language, education, religion, lifestyle and socioeconomic status, marital status and other sociopolitical systems, while the latter includes more covert aspects such as values and beliefs, sexual orientation, personality characteristics and other cultural norms. Both elements seem to have a strong impact on the development of organizational culture, managerial strategies and business performance. Many years later, Choy (2012) classifies workforce diversity into three main categories: demographic (age, gender, nationality and marital status), organizational (job roles, job status, job tenure and work experience) and socio-cognitive diversity (personality characteristics, knowledge, education, values and beliefs and sexual orientation) (Malik et al, 2018; Choy, 2012). Many classifications have been applied until then but one fact remains the same. The dynamic phenomenon of diversity in the workplace is still much complicated to understand and manage, and needs further theoretical and empirical research, as it can be both an asset and a disruptive influence (Raithel et al, 2021). Although much research has been done on the topics of discrimination and diversity in the workplace, most of them are based on obsolete theories that need to be revised and updated and try to connect diversity management to organizational outcomes and performance (Triana et al., 2021).

Today, managing cultural diversity in the workplace has become a top priority for the HR department because if it is not properly managed, it can lead to a lack of communication and trust, poor performance, job dissatisfaction and high turnover. There is a strong belief that although cultural diversity is a challenge that can create conflict and inequalities, it can also boost business performance (Tshetshema & Chan, 2020) Hence, cultural diversity management is considered a key element for the success of an organization by increasing efficiency and performance in all three levels of a business unit: individual, team and organizational (Aytemiz Seymen, 2006).

However, managing diversity is not just the acknowledgment of people's differences. It is mostly about promoting inclusiveness, appreciating the value of differences and eliminating discrimination and stereotypes. Managing diversity can become the powerful force for

international organizations by improving performance, enhancing the firm image, providing new and fresh ideas through valuable human resources. In order to benefit from the positive aspect of a diverse workforce, a number of programs, practices and interventions have been developed as recruiting employees from different cultural backgrounds, promoting educational and diversity training programs, implementing anti-discrimination policies to ensure harmonic working relationships, supporting minorities and vulnerable groups in order to feel secure and equal in the workplace (Achyldurdyev et al, 2021; Majda et al, 2021; Caputo et al, 2018; Rode et al, 2016; Michielsens et al 2014; Madera, 2013; Pieterse et al, 2013; Gupta, 2011; Sippola & Smale, 2007; Homan et al, 2007; Byington et al, 2021; Nishii et al, 2018; Malik et al, 2018; Ewoh, 2013; Alcazar et al, 2013). Many social activism movements like LGBTQ, MeToo or Black Lives Matter, demand equality and the same opportunities for each member of social identity groups that share a culturally diverse profile. HR Managers have the responsibility to make these differences meet (Turner & Merriman, 2021; Achyldurdyeva et al, 2021). They are challenged to promote contemporary diversity practices and programs in order to ensure a culture of tolerance, efficiently manage conflict and eliminate stereotypes but without underestimating the value of cultural differences. Charismatic leaders can become the models themselves to inspire diversity acceptance and embrace the theory of the American author Stephen Covey that *"Strength lies in differences, not in similarities"*.

Although CD could have an increasing positive impact in business performance with a variety of benefits to capitalize on, the DM implementation has proved rather disappointing for the organizations, showing poor results, mainly due to lack of understanding of the phenomenon (Majda et al, 2021; Kadam et al, 2020; Caputo et al, 2018; Rehg et al, 2012; Kim, 2006). Moreover, despite the recognition that diversity and inclusion in business are important, it is a fact that discrimination in the workplace still exists. Culturally competent and intelligent managers realize that by encouraging workforce diversity and embracing the cultural differences of the employees, the business organization can most benefit and move forward when properly managed. This is the reason why the impact of CD on business performance, demands wider theoretical and empirical research in connection to the manager's competence, as the findings provided could turn this phenomenon into a

competitive advantage and a source of beneficial strategies. If organizations are a reflection of their leaders (Finkelstein et al., 2009), their influence should be reflected in the outcomes. In today's global market, encouraging diversity should be the only way forward for every business organization.

Conducting a literature review determines the established knowledge on a topic and identifies the expert researchers who contributed valuably to the interpretation of different meanings and aspects related to the topic. It can also highlight the key questions that need more research and exploration (Snyder, 2019). In this case, the need of conducting a systematic literature review has arisen in order to examine the reasons of not having a common view on what is the impact of CD in the workplace (Van Knippenberg et al., 2004). The SLR, by bringing together different streams of work, attempts to map and evaluate the relevant literature on the field of CD (Tranfield et al, 2003), to understand how the development of DM practices is affected through time and what is the connection to the development of culturally competent managers and leaders in the business field. Above all, the study suggests a model of how to develop culturally competent leaders who will be efficient in managing CD. The model draws a path to describe the steps of the development process and highlights that the starting point is located in the early educational years, when the individual's cultural capital is formed, along with the personality, beliefs and values. This model, combined with specific HR methods and techniques (specifically designed interviews, evaluation tests of CQ and other supportive procedures), could facilitate the recruitment process by distinguishing the candidates of high potential in becoming efficient leaders. Therefore, there is both a theoretical and practical contribution of the study and furthermore, it could also constitute a recent source of relevant information and provide a guide for the elaboration of a corresponding structured bibliographic work.

1.2. Objective

To be able to determine CD within an organization, one should define the term "culture". One of the first and most popular intercultural researchers Hofstede (1991, p.5), defines culture as "a collective programming of the mind and an ensemble of individual ideas shared by a group", while a few years later the German psychologist A. Thomas (1993) defines

culture as a set of perception, thoughts and acts that are considered normal and typical by the vast majority of a group. The Greek psychologist Triandis, (1995, p. 4) suggests that “shared beliefs, attitudes, norms, roles, and behaviours are aspects of culture” and finally, the theorists Trompenaars and Hampden-Turner (1997, p.6) describe culture as “the way in which a group of people solves problems and reconciles dilemmas”. These are some of the most popular and widely used definitions of the concept of culture.

Cultural differences and diversity can be often a negative source of stereotypes and group conflict (Williams & O’Reilly, 1998). On the other hand, when people of different cultural backgrounds and perceptions come together, team performance can improve and the organization may enjoy important benefits (Raithel et al, 2021). This is the moment for the efficient and culturally competent team leaders, to proact and adapt accordingly in order to lead their diverse team by implementing HRM practices targeted at diversity and inclusion.

According to Johnson et al. (2006, p.530), “CC is an individual’s capability to draw on a set of knowledge, skills, abilities and other characteristics (KSAOs) in order to work successfully with culturally diverse people of different cultural backgrounds”. However, in the same study they underline the lack of agreement on what constitutes CC and also observe that there is a **“knowing” and “doing” gap**. In other words, people may have the basic set of KSAOs (Bücker and Poutsma, 2010) but most importantly they should be capable to apply them under difficult and challenging circumstances. The authors claim that the environment is a crucial factor for efficient management and there may be barriers (institutional ethnocentrism and cultural distance) that can affect the final outcome.

Developing *cultural competencies* can be defined as the behavioral adaptation of the individual employee who wants to interact effectively with people of different cultures, with varying values, beliefs and schedules (Johnson et al, 2006). A commonly accepted concept of *culturally intelligent leader* (Earley, 2002) includes behavioural, but also motivational and (meta)cognitive aspects. Both the above concepts refer to the ability of a manager or a leader to relate to his colleagues, adapt to their respective cultures and interact effectively across cultural differences. However, developing CC and CQ is a constant process that requires

strong organizational support (Cross et al, 1989) and can be a great challenge for the HR department of every modern business unit.

A culturally diverse organization that consists of people of different gender, generation or nations doesn't guarantee success. To be able to profit through diversity management and apply the benefits to an organization, there is a need for a business environment where diversity is efficiently implemented every day (Kraus et al, 2019). According to Schneider et al, 1996, for a sustainable change to come, everyday policies, procedures and routines should be changed. For the change to be successful and constructive, personal beliefs and values should be impacted in a way that employees will be persuaded to act towards a common direction and goal as a team and not as individuals. For all this to happen, an organization needs efficient leaders.

This is how the vital importance of the development of culturally competent and culturally intelligent managers arises and the need to configure a basic model that could facilitate the process of the development of efficient leaders, capable of successfully handling the phenomenon of CD in the workplace and benefiting from its positive effects. This will be attempted through the in-depth study of the past literature and empirical studies, by examining thoroughly the following subjects and combining their results:

1. The development of different types of CD through time and how efficient DM is related to the improvement of business performance. Comparison of the findings through grouping and based on the different concepts examined.
2. The development of culturally competent and culturally intelligent managers and how they contribute to the formation of high-performance business culture. How important is for a business organization to invest in increasing the CC of their employees and how this process can be facilitated.
3. Classification of the articles based on different variables (publication year, source title, research area and research method) and identification of the key issues related to the topic for further research.

1.3. Methodology

The research will be based on information derived from secondary sources and the literature review methodology of Webster and Watson (2002) will be applied. Initially, a search of the extant literature review will be performed to select the most important articles. Then, a backward and forward search will be conducted to examine the references and the citations of the selected articles. Finally, all the selected articles will be classified and analyzed according to their content and concept idea examined.

1.4. Results and Findings

The results reveal that CD is a dynamic phenomenon of constant change and its impact on business is highly connected to the social (external) and business (internal) environment. Therefore, it should constantly be observed, revised and redesigned. Efficient DM is one of the greatest challenges for Leaders and HR Managers and is becoming a business priority in order to ensure equality and satisfaction for every employee. It is crucial for the sustainable implementation of diversity to have a corporate culture ready to accept and adapt and to share a positive diversity climate perception in the workplace. It is necessary for the organizations to have a source of capable managers and leaders who know how to make the best choices, but also adaptable and culturally intelligent employees to respond effectively. Future leaders should be ready to foster an inclusive workplace with respect and appreciation to differences, inspire, motivate and manage conflict by turning CD into a competitive advantage. Valid methods and techniques on how to measure CC and CQ and how to develop culturally competent managers and leaders will become the key to success. In order to improve communication, collaboration, problem-solving, trust, differentiation, innovation, brainstorming and business performance, it is important for organizations to invest in creating pools of talented candidates. To facilitate the process, diversity training programs should be disconnected from the general HR practices and should be specifically designed towards diversity perspective-taking. Furthermore, a company should invest in a diverse team of recruiters and target a demographically diverse set of applicants so that negative perceptions will be minimised (Triana et al, 2021). Finally, learning and experiential development should

become top priorities in an organization and be ensured through constant education opportunities and international assignments.

1.5. Limitations

The most important limitations of the research are the following:

- ❖ The literature review was based on results of previous empirical research which may present significant limitations (inadequate sample sizes, poor use of DM training and practices, etc) and may be considered obsolete, flawed and fragmented.
- ❖ The majority of research results have not been included in the literature review because of the big volume and language limitations. Also, the research was mostly focused on results related to the Business & Management field.
- ❖ The research was focused on the effect of the objective elements of cultural diversity and their impact on business performance, while the subjective elements which are equally crucial but more complicated to evaluate have been rather neglected, as there is not enough empirical information available yet.

1.6. Structure

The **first chapter** is the introduction to the research topic of CD in the workplace and how it affects the development of DM. It describes the significance of the phenomenon in the business area and presents the main objectives and contribution of the specific literature-review research. It refers to the selected methodology followed, briefly describes the main results and findings of the research and mentions the major limitations.

In the **second chapter**, the articles that motivated the SLR are given, the literature review methodology of Webster and Watson is analyzed step by step, the basic criteria of the research are mentioned and the leading articles that motivated the literature research are presented and analyzed.

In the **third chapter**, the final selection of the research articles is presented in Tables, the bibliographic analysis conducted is described and the results are classified and analyzed accordingly. The chapter includes the analysis of the five main concepts that are examined in

the research in connection to the results and findings of the selected articles. In the end of the chapter, the suggested model of how to develop culturally competent leaders is presented.

Finally, in the **fourth chapter**, the conclusions of the research are summarized, as well as the most important limitations that should be considered. At the end of the chapter, some proposals for further research related to the topic are suggested.

2. Methodology

2.1 Literature review methodology of Webster and Watson – Four steps process

To define the objectives suggested, our literature research has been led by a selection of 10 articles presented in Table 2.1, which are also based on an extended literature review of the past years. The following research was the starting point for the search strategy followed and the completion of the remaining steps of the methodology. Many of the keywords selected during the process of the main research came from the study of the articles included in Table 2.2.

More specifically, Yadav & Lenka (2020) and Köllen (2021) conduct an SLR on the DM and find that some types of diversity are extensively examined (age, gender, race) while other forms have been given less attention. Furthermore, Köllen (2021) reveals that even though the managerial practices of diversity management may be of similar types, the national context and the different legal framework are two factors that can determine the development of DM in each organizational unit. Aytemiz Seymen (2006) classifies the different perspectives on DM identified in his literature review and concludes that the role of effective management in the workplace is crucial. TshetsHEMA, & Chan (2020) examine thoroughly the effect of CD and DM on team performance and they draw attention to the importance of having talented team leaders and managers to guide the implementation of such practices and policies. Alhejji (2016) reviews the empirical research that examines the diversity training outcomes and reveals that the research methodology used in the past presents significant limitations (inadequate sample sizes, poor use of DM training and practices, longitudinal constraints, etc); thus, he suggests that it should be considered flawed and fragmented. The recent study of Triana et al (2021) comes to support his suggestion as they also find that the CD and DM research is based on obsolete theories and should be revised. They also underline the importance of Positive Diversity Climate Perception and effective leadership for high organizational performance which is also supported by the studies of Qin et al (2014) and Shemla et al (2016). Finally, Johnson et al (2006) conduct a literature review to define cross-cultural competence (CC) and attempt to relate CC to performance (doing) and not to

knowledge and skills (knowing). Their study emphasizes how the development of CC and CQ are fundamental attributes for effective leaders and HR managers, while the more recent study of Kempf & Holtbrügge (2020) adds to their results by connecting high performance to international exposure.

The research will be based on information derived from secondary sources and will be conducted through Systematic Literature Review (SLR) which will be used as the main methodology procedure. More specifically, the literature review methodology of Webster and Watson (2002) will be applied. According to the founders of the method, a review of past and relevant literature should be the foundation of any academic project in order to advance knowledge. An SLR supports theory development, identifies the areas that need supplementary research and also, points out the areas that have been sufficiently researched and could be considered concluded.

The method consists of four basic steps:

1. The 1st step is the initial research of the literature. The selection criteria of keywords, databases, articles, journals, conferences and other research fields or filters applied are analyzed. The validity of the selected articles, journals and studies will be ensured by selecting reliable literature databases and sources.
2. The 2nd step is the backward search which examines the references of the selected papers.
3. The 3rd step is the forward search which examines the citations of the selected papers.
4. In the 4th step, all the selected articles are classified according to their content and analyzed.

Systematic research aims to make extended research of relevant literature. The research is considered completed when there are no other new concepts in the final set of selected articles.

Table 2.1: Past relevant literature reviews

	Author(s), Article, Source, Year	Keywords	Methodology	Findings
1	Yadav, S., & Lenka, U. (2020). Diversity management: a systematic review. <i>Equality, Diversity and Inclusion: An International Journal</i> , 39(8), 901–929.	“workplace diversity” “diversity management,” ”workforce diversity,” “heterogeneous workforce” and “managing diversity”	A systematic literature review based on a keywords search, through relevant databases (Google Scholar, Emeralds, Scopus, SAGE and JSTOR).	The research suggests that by diminishing the barriers in the group process, organizational performance improves significantly. It also finds that some CD forms like age, gender and race have been widely examined compared to other forms not enough researched. The findings also revealed wide research in the USA and lack of research in developed countries.
2	Aytemiz Seymen, O. (2006). The cultural diversity phenomenon in organizations and different approaches for effective cultural diversity management: a literary review. <i>Cross Cultural Management: An International Journal</i> , 13(4), 296–315	Not reported	A detailed literary review that brings up different views and approaches of the researchers through classification.	Cultural workforce diversity impacts significantly business management, organizational culture and communication, as well as professional relations in general. Therefore, it is crucial to be managed efficiently.

3	Qin, J., Muenjohn, N., & Chhetri, P. (2014). A Review of Diversity Conceptualizations. <i>Human Resource Development Review</i> , 13(2), 133–157	Not reported	A systematic literature review of different approaches to diversity conceptualizations	The importance of individual’s perception of their peers is highlighted. Managers should highlight the benefits of CD and lead to a pro-diversity business environment through especially designed diversity training programs.
4	Johnson, J.P., Lenartowicz, T. Apud, S., (2006), Cross-cultural competence in international business: Toward a definition and a model, <i>Journal of International Business Studies</i> 37(4), pp. 525-543	‘competence’ or ‘competency’, and ‘cultural’, ‘intercultural’, ‘cross-cultural’, ‘global’, ‘international’, or ‘transnational’	A literature review to define CC.	Defines the concept of CC in international business and develops a model that presents the antecedents of CC. The study highlights the importance of the effective application of CC in the workforce and also underlines how the development of CC and CQ are fundamental attributes for effective leaders and HR managers.
5	Shemla, M., Meyer, B., Greer, L., Jehn, K.A., (2016), A review of perceived diversity in teams: Does how members perceive their team’s composition affect team processes and outcomes?, <i>Journal of Organizational Behavior</i> 37, pp. S89-S106	Not reported	A literature review that examines the impact of diversity perception.	The study classifies diversity perception in 3 categories and reveals that perceived self-to-team dissimilarity and perceived subgroup splits, usually bring negative effects. Perceived team heterogeneity may bring mixed effects on team performance. However, it was a common finding that moderators and boundary conditions could explain better the impact of perceived diversity.



6	Tshetshema, C. T., & Chan, K.-Y. (2020). A systematic literature review of the relationship between demographic diversity and innovation performance at team-level. <i>Technology Analysis & Strategic Management</i> , 1–13	(Innovation performance ‘OR’ Creativity ‘OR’ Innovative ‘OR’ Innovativeness ‘OR’ Creativeness ‘OR’ Performance ‘OR’ Innovation ‘OR’ Inventiveness) AND (Diverse ‘OR’ Diversity ‘OR’ Diverseness ‘OR’ Composition ‘OR’ Heterogeneity ‘OR’ Homogeneity) AND (Effect ‘OR’ Affect ‘OR’ Influence ‘OR’ Impact	A systematic literature review approach	Findings suggest that organizations in order to increase team performance should support and embrace Age, Cultural and Gender Diversity. Moderators will help to control for negative effects and maximise the positive effects of CD. Moreover, appropriate team leaders and managers should guide the implementation of such policies, including CD training.
7	Köllen, T. (2021). Diversity Management: A Critical Review and Agenda for the Future. <i>Journal of Management Inquiry</i>	Not reported	A literature review on the rising and the legitimacy of DM.	The study suggests that there is an infinite number of dimensions of diversity and consequently, some dimensions have been prioritized (gender, and race), while others have received less focus. It also suggests, that even though the managerial practices of diversity management may be of similar types, the national context and the different legal framework are two factors that can determine the policies and practices applied in each organizational unit.

8	<p>Alhejji, H., Garavan, T., Carbery, R., O'Brien, F., & McGuire, D. (2015). Diversity Training Programme Outcomes: A Systematic Review. <i>Human Resource Development Quarterly</i>, 27(1), 95–149</p>	<p>diversity training and organizations,” “diversity and training,” and “diversity training outcomes</p>	<p>A systematic literature review of empirical studies that examine the impact of diversity training in organizations (study period: 1994–2014). The databases used were Business Source Premier, JOTOR,</p>	<p>The findings reveal that the research methodology used in the past to examine the diversity-training outcomes, present significant limitations (inadequate sample sizes, poor implementation of DM training, little longitudinal investigation of outcomes); thus, it is considered flawed and fragmented. Future researchers should broaden the perspectives used to examine the CD training impact</p>
9	<p>Triana, M. del C., Gu, P., Chapa, O., Richard, O., & Colella, A. (2021). Sixty years of discrimination and diversity research in human resource management: A review with suggestions for future research directions. <i>Human Resource Management</i>, 60(1), 145–204</p>	<p>“divers*” or “discrim*”, “sex*,” “gender*,” “fem*,” “rac*,” and “age*”</p>	<p>Bibliographic and manual searches of terms related to CD over the last 60 years.</p>	<p>The study reveals that although much research has been done on the topics of discrimination and diversity in the workplace, most of them are based on obsolete theories. Future studies should focus on connecting diversity management to organizational outcomes and teamworking to performance. It also suggests that for companies to become more diverse, their leaders should more collaborative than competitive. Furthermore, the training programs on diversity management shouldn't be a part of general HR practices but they should be training programs to facilitate diversity perspective-taking. Finally, a company could invest in a demographically diverse team of recruiters</p>



				in order to ensure a more diverse group of applicants and minimise negative perception.
10	Kempf, C., & Holtbrügge, D. (2020). Moderators and mediators of cross-cultural training effectiveness: literature review and development of a conceptual model. <i>European J. of International Management</i> , 14(2), 293	cross-cultural training OR intercultural training AND moderator OR mediator OR effectiveness OR success OR adjustment OR performance.	Literature Review focused on research objective	The study reveals that high performance in an intercultural environment can be achieved by exposure to different cultural settings and interactions with culturally diverse peers. Cultural Competence Training and performance is affected by moderators and mediators that can have both positive and negative effect on intercultural learning.

2.1.1. Step 1 - Initial search

The first step formulates the initial research of the literature. At this stage, it will be analyzed the selection criteria of keywords, databases, articles, journals, conferences and other search fields or filters applied.

The validity of the selected articles, journals and studies is one of the most important criteria of our research and it can be ensured by selecting only reliable literature databases and sources. In this case, the source selected is the database of Scopus, supported by the Web of Science (WoS). The reason for selecting Scopus and WOS is because the specific databases are considered some of the most valid ones for the scope of our research and at the same time wide enough as they include a majority of articles and journals from other databases.

The keywords selected into the field “Article title, Abstract, keywords” are “cultural diversity management workplace”, “cultural workforce diversity”, “cultural competence intelligence”, “diversity management practices policies”. The above is presented in Table 2.2.

	Research field on Scopus and WoS	Keywords
1	Article title, Abstract, keywords	Cultural diversity management workplace
2		Cultural workforce diversity
3		Cultural competence intelligence
4		Diversity management practices policies

The subject area selected to limit our results is Business and Management, the document types are Articles, the Language is English and there is no limitation in the publication years. However, the study mainly focused on the results during the last 25 years and only used older articles of particular significance. The above procedure is presented in Figure 2.1.

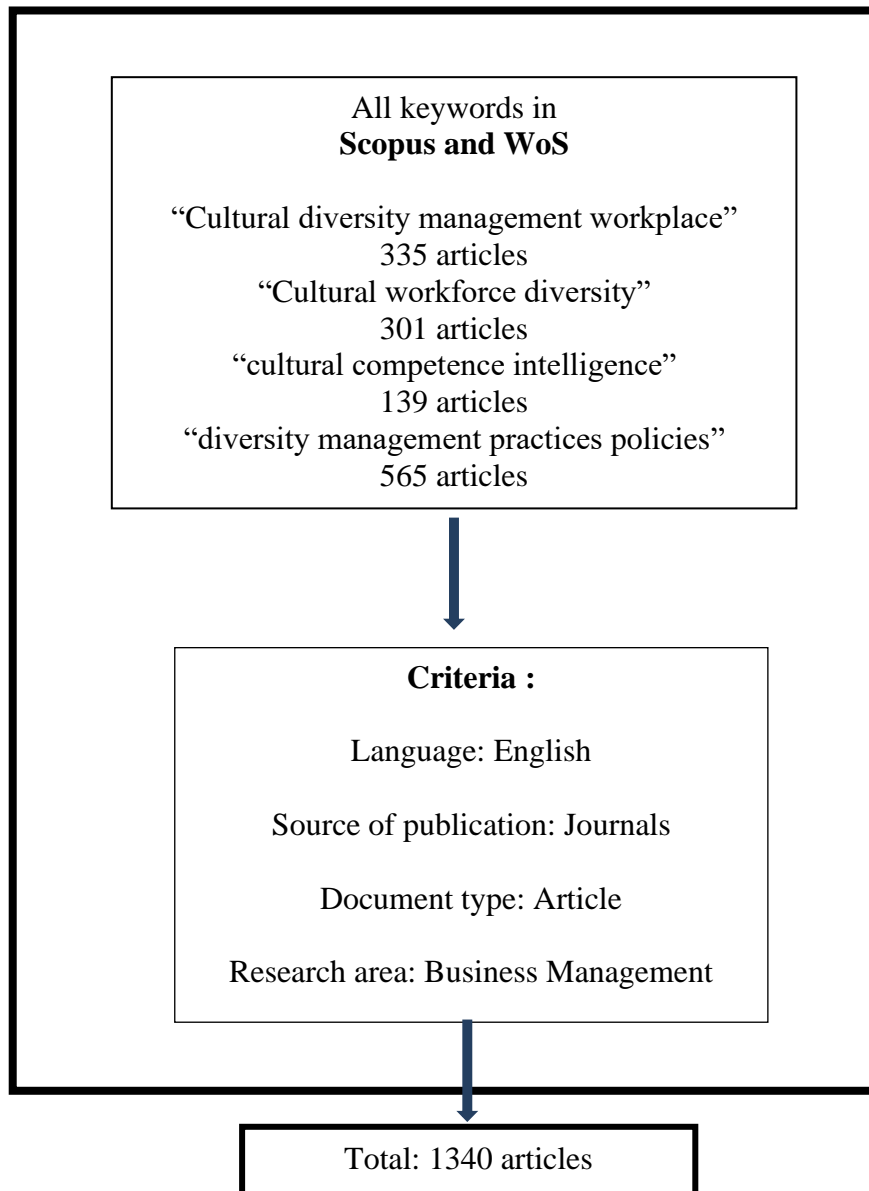


Figure 2.1: Selection criteria of the articles

From the above total number of 1340 articles and after examining their titles and relevance to the research, 362 were accepted. After scanning their abstract, 111 articles were accepted, 18 duplicate articles were removed and 19 articles were not accessible. Finally, 74 articles were accepted and used in the research. The above procedure is presented in Figure 2.2.

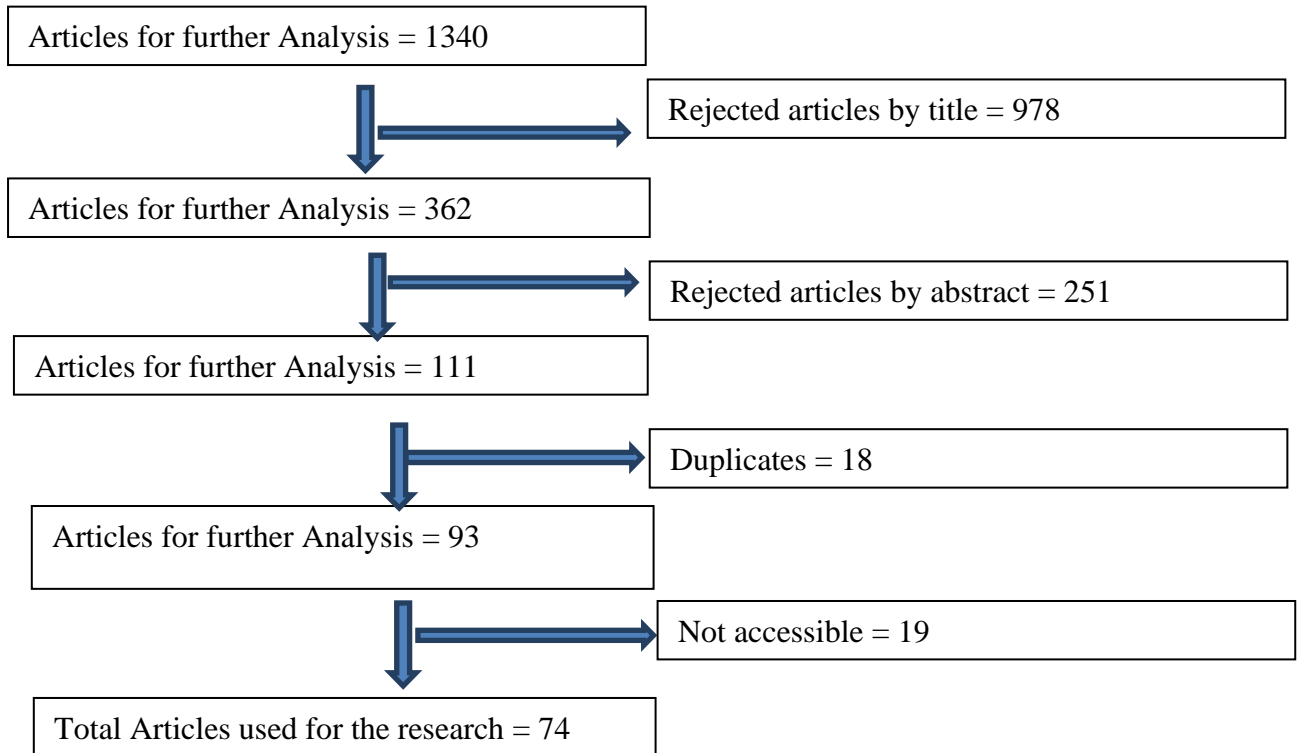


Figure 2.2: Article selection process

2.1.2. Step 2 - Backward Search

The second step is the backward search which examines the references of the selected papers. From this step 6 more articles were added.

2.1.3. Step 3 - Forward Search

The third step is the forward search which examines the citations of the selected papers. From this step, 9 more articles were added.

The total number of selected articles at the end of the third step is 89. Search is considered concluded when after using the selected keywords for our research, the database doesn't provide additional articles. At this point, we can safely assume that we have collected the most important mass of related publications (Webster and Watson, 2002).

2.1.4. Step 4 - Classification of the articles and analysis

In the fourth step, all the articles selected from the process above, are classified and the results analyzed (Fig.2.3).

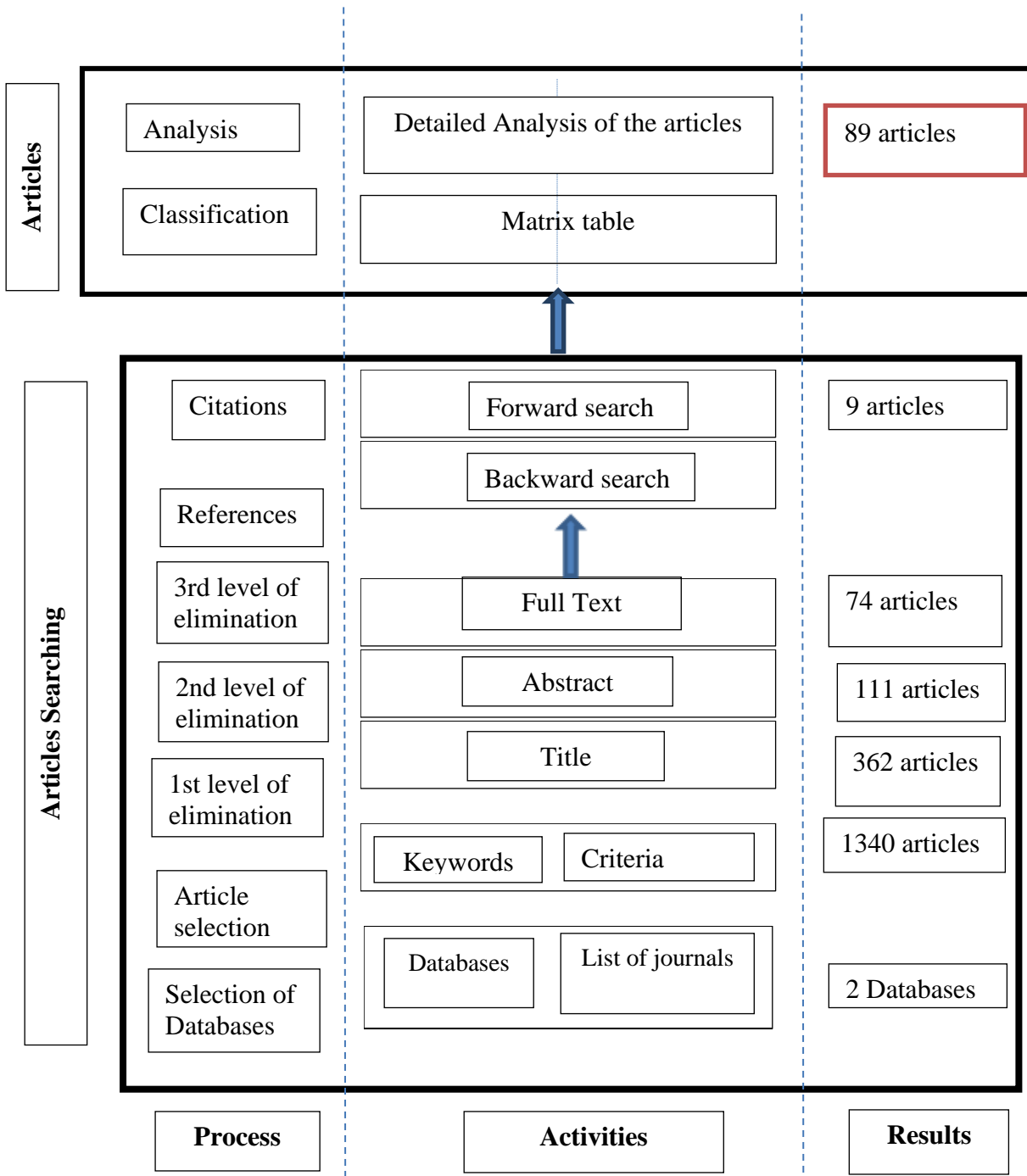


Figure 2.3: Final article selection process, classification and analysis

The classification will be applied according to the following variables:

1. Concept idea examined (clusters)
2. Publication year of the article
3. Journals and Publishers (source title)
4. Country (of origin)
5. Research method (literature review or empirical)

The results of the classification process will be presented in tables, figures and diagrams, synthesized with different combinations and analyzed accordingly to the concept ideas and the main objectives of the research.



3. Results and Analysis

3.1 Classification and Analysis - Tables of selected articles and diagrams

In this study, a bibliometric analysis was conducted, using the databases of Scopus and WoS and the VOSviewer software - version 1.6.17 (2021). This software tool was developed to construct, visualize and explore maps and bibliometric networks based on network data that may include journals, books or other publications, keywords or terms, researchers and more. VosViewer Graphical analysis is constructed based on bibliographic coupling, citation or co-citation, authorship or co-authorship relations, co-occurrence of keywords.

The network analysis facilitates understanding the development of the research through time and provides supplementary information, network interlinkages and calculation metrics. It provides statistical information about the most popular sources, the most researched geographical areas, the most cited documents and more. It classifies the articles into clusters based on different factors like the concept ideas that are mostly examined and that may suggest the stronger and weaker fields of the research.

Bibliographic coupling results may describe the relation between two articles with common references. Citation and co-citation analysis examine the connection of the items in the produced network. Co-occurrence may be the number of times a keyword or a concept was examined in the network. The calculation metrics are described by the degree of strength, weight, score and density. The degree of strength of a link is a numerical value that could indicate the common references between two articles or the number of articles that include the same terms. The weight indicates the importance and the score indicates a numerical property. Density can be explained as the ratio of the number of links in the network to the total possible number of links. The size of the nodes depends on the linkage frequency to other nodes. The closer the two nodes, the thicker their connection line and the stronger their association (Riad Shams et al., 2020).

The VosViewer Analysis grouped the articles of this research and formed 5 clusters (blue, yellow, green, purple, red) based on the concept idea they examine (Diagram 3.1:

Bibliographic coupling Analysis based on Document unit). Therefore, the main concept ideas examined are the following:

BLUE CLUSTER: Cultural diversity and diversity management: the impact on teamwork dynamics (interactions, relationships, communication, adaptation, etc)

YELLOW CLUSTER: Cultural diversity: the impact on business performance

GREEN CLUSTER: Diversity management and practices: the impact on business performance

PURPLE CLUSTER: The importance of Positive Diversity Climate Perception and effective leadership for high organizational performance

RED CLUSTER: Cultural competencies and cultural intelligence: their importance for the efficient implementation of diversity management

In the following Tables 3.1-3.4, the final selection of the articles is presented and they are all classified and synthesized based on different variables.

Table 3.1: Final selection of **articles based on empirical research**– Matrix Table with relevance to the concept idea (Author, Code number, Title, Publication Year, Source, Research method, Relevance to Concept idea)

Table 3.2: Final selection of **articles based on Literature Review research**– Matrix Table with relevance to the concept idea (Author, Code number, Title, Publication Year, Source, Research method, Relevance to Concept idea)

Table 3.3: Technical information about the **empirical articles** (Author, Code number, Publication Year, Document Type, Research method, Sample, Country/Geographical area, Business sector, Data Analysis)

Table 3.4: Concept-Author Matrix Table for all the selected articles (The authors are grouped based on the relevant concept they examine)

Table 3.1 Final selection of articles based on empirical research – Matrix Table with relevance to the concept idea

CODE	Authors	Year	Title	Source title	Research method	Blue Cluster	Yellow Cluster	Green Cluster	Purple Cluster	Red Cluster
1	Raithel et al.	2021	Team Leadership and Team Cultural Diversity: The Moderating Effects of Leader Cultural Background and Leader Team Tenure	Journal of Leadership and Organizational Studies 28(3), pp. 261-272	Quantitative (questionnaire)		X			
2	Peyrols Wu & Ng	2021	Cultural Intelligence and Language Competence: Synergistic Effects on Avoidance, Task Performance, and Voice Behaviours in Multicultural Teams	Applied Psychology 70(4), pp. 1512-1542	Quantitative (questionnaire)					X
3	Wang et al.	2021	Improvement in the cognitive aspects of cultural competence after short-term overseas study programs	International Journal of Environmental Research and Public Health 18(13),7102	Quantitative (questionnaire)					X
4	Varhelahti & Turnquist	2021	Diversity and Communication in Virtual Project Teams	IEEE Transactions on Professional Communication 64(2),9410394, pp. 201-214	Quantitative (questionnaire)	X				
5	Turner & Merriman	2021	Cultural intelligence and establishment of organisational diversity management practices: An upper echelons perspective	Human Resource Management Journal	Quantitative (questionnaire)					X

6	Khumalo & Zondo	2021	Perception of the influence of cultural diversity on business performance in the automotive component manufacturing in South Africa	SA Journal of Human Resource Management 19,a1451	Quantitative (questionnaire)				X	
7	Achyldurdyeva et al.	2021	Understanding LGBT individuals' employment environment in Taiwan: a relational framework perspective	Equality, Diversity and Inclusion, ahead-of-print.	Mixed research [Quantitative (questionnaire), Qualitative (interviews)]				X	
8	Majda et al.	2021	Evaluating the effectiveness of cultural education training: Cultural competence and cultural intelligence development among nursing students	International Journal of Environmental Research and Public Health 18(8),4002	Quantitative (questionnaire)					X
9	Kadam et al.	2021	Cultural intelligence as an enabler of cross-cultural adjustment in the context of intra-national diversity	International Journal of Cross-Cultural Management 21(1), pp. 31-51	Quantitative (questionnaire)					X
10	Liao et al.	2021	The influence of emotional intelligence and cultural adaptability on cross-cultural adjustment and performance with the mediating effect of cross-cultural competence: a study of expatriates in Taiwan	Sustainability (Switzerland) 13(6),3374	Quantitative (questionnaire)					X
11	Li	2020	An examination of two major constructs of cross-cultural competence: Cultural intelligence and intercultural competence	Personality and Individual Differences 164,110105	Quantitative (questionnaire)					X

12	Hussain et al.	2020	Workforce diversity, diversity training and ethnic minorities: The case of the UK National Health Service	International Journal of Cross-Cultural Management 20(2), pp. 201-221	Qualitative (interviews)				X		
13	Yasmeen et al.	2020	Structural empowerment, cultural diversity, and interpersonal conflict: Evidence from international NGOs in Pakistan	International Journal of Cross-Cultural Management 20(2), pp. 125-139	Quantitative (questionnaire)	X					
14	Kundu et al.	2020	Diversity within management levels and organizational performance: employees' perspective	Journal of Advances in Management Research 17(1), pp. 110-130	Quantitative (questionnaire)				X		
15	Kadam et al.	2020	Diversity climate perceptions and its impact on multicultural team innovation and performance	Measuring Business Excellence 24(3), pp. 301-318	Quantitative (questionnaire)					X	
16	Dale-Olsen et al.	2020	Linguistic diversity and workplace productivity	Labour Economics 64,101813	Based on administrative register data in Norway			X			
17	Bello-Pintado et al.	2020	Workforce education diversity, work organization and innovation propensity	European Journal of Innovation Management 24(3), pp. 756-776	Quantitative (questionnaire)			X			
18	Seriwatana et al.	2020	The effect of cultural intelligence on burnout of Thai cabin crew in non-national airlines moderated by job tenure	ABAC Journal 40(1), pp. 1-19	Quantitative (questionnaire)						X

19	Fernandez et al.	2019	Board diversity and stakeholder management: the moderating impact of boards' learning environment	Learning Organization 26(2), pp. 160-175	RiskMetrics, BoardEx, COMPUSTAT, Bloomberg and the Kinder, Lydenberg, Domini (KLD) databases			X			
20	Azevedo et al.	2019	A new training program in developing cultural intelligence can also improve innovative work behavior and resilience: A longitudinal pilot study of graduate students and professional employees	INTERNATIONAL JOURNAL OF MANAGEMENT EDUCATION 17 (3)	Quantitative (questionnaire)						X
21	Hennekam et al.	2019	Ethnic diversity management in France: a multilevel perspective	INTERNATIONAL JOURNAL OF MANPOWER 40 (1) , pp.120-134	Qualitative (interviews)			X			
22	Bencikova et al.	2019	Intercultural Competencies in Slovak Business Environment	E & M EKONOMIE A MANAGEMENT 22 (3) , pp.51-66	Quantitative (questionnaire)						X
23	Safrankova et al.	2019	Management and diversity management in SMEs in the Czech Republic	MARKETING AND MANAGEMENT OF INNOVATIONS (1) , pp.221-228	Quantitative (questionnaire)	X					
24	Mehng et al.	2019	Does diversity management matter in a traditionally homogeneous culture?	Equality, Diversity and Inclusion 38(7), pp. 743-762	Quantitative (questionnaire)	X					

25	Ali et al.	2019	The role of knowledge spillovers and cultural intelligence in enhancing expatriate employees' individual and team creativity	Journal of Business Research 101, pp. 561-573	Quantitative (questionnaire)					X	
26	Wang et al.	2019	Interrelationship of expatriate employees' personality, cultural intelligence, cross-cultural adjustment, and entrepreneurship	Social Behavior and Personality 47(12),e8341	Quantitative (questionnaire)						X
27	Kraus et al.	2019	Cultural Diversity in Large Enterprises: A Qualitative Analysis from the Alpine Rhine Valley	Journal of Promotion Management	Qualitative (interviews)					X	
28	Agnihotri & Bhattacharya	2019	Top management team regional diversity and internationalization	International Journal of Cross-Cultural Management 19(3), pp. 333-352	Quantitative (questionnaire)						X
29	Caputo et al.	2018	The moderating role of cultural intelligence in the relationship between cultural orientations and conflict management styles	Journal of Business Research 89, pp. 10-20	Quantitative (questionnaire)						X
30	Alon et al.	2018	Business Cultural Intelligence Quotient: A Five-Country Study	Thunderbird International Business Review 60(3), pp. 237-250	Quantitative (questionnaire)						X
31	Groutsis et al.	2018	Capitalizing on the cultural and linguistic diversity of mobile talent: lessons from an Australian study	International Journal of Human Resource Management 29(15), pp. 2231-2252	Quantitative (questionnaire)				X		

32	Chen et al.	2018	Put yourself in others' age: How age simulation facilitates intergenerational cooperation	78th Annual Meeting of the Academy of Management, AOM 2018	Quantitative (questionnaire)				X	
33	Charleston et al.	2018	Cross-cultural competence in the context of NGOs: bridging the gap between 'knowing' and 'doing'	INTERNATIONAL JOURNAL OF HUMAN RESOURCE MANAGEMENT 29 (21) , pp.3068-3092	Qualitative (interviews)					X
34	Delpechitre & Baker	2017	Cross-Cultural Selling: Examining the Importance of Cultural Intelligence in Sales Education	Journal of Marketing Education 39(2), pp. 94-108	Quantitative (questionnaire)					X
35	Korzilius et al.	2017	Multiculturalism and innovative work behavior: The mediating role of cultural intelligence	International Journal of Intercultural Relations 56, pp. 13-24	Quantitative (questionnaire)					X
36	Armstrong & Li	2017	A Study of Anglo Expatriate Managers' Learning, Knowledge Acquisition, and Adjustment in Multinational Companies in China	ACADEMY OF MANAGEMENT LEARNING & EDUCATION 16 (1) , pp.1-22	Quantitative (questionnaire)					X
37	Scapolan et al.	2017	Behavioural competencies and organizational performance in Italian performing arts. An exploratory study.	ACADEMIA-REVISTA LATINOAMERICANA DE ADMINISTRACION, 30 (2) , pp.192-214	Qualitative (interviews)					X
38	Frijns et al.	2016	The impact of cultural diversity in corporate boards on firm performance	Journal of Corporate Finance 41, pp. 521-541	Quantitative (questionnaire)				X	

39	Rode et al.	2016	A cross-cultural examination of the relationships among human resource management practices and organisational commitment: an institutional collectivism perspective	Human Resource Management Journal 26(4), pp. 471-489	Quantitative (questionnaire)	X					
40	Rosenauer et al.	2016	Managing Nationality Diversity: The Interactive Effect of Leaders' Cultural Intelligence and Task Interdependence	British Journal of Management 27(3), pp. 628-645	Quantitative (questionnaire)					X	
41	Tsay & Liou	2016	Does international experience count in the cross-cultural management course effectiveness?	International Journal of Services and Standards 11(4), pp. 339-356	Quantitative (questionnaire)						X
42	Moeller et al.	2015	Interactions among culturally diverse personnel: An analysis of individual difference variables	Equality, Diversity and Inclusion 34(8), pp. 705-725	Quantitative (questionnaire)	X					
43	Chang et al.	2014	Virtual teams: cultural adaptation, communication quality, and interpersonal trust	Total Quality Management and Business Excellence 25, pp. 1318-1335	Mixed research [Quantitative (questionnaire), Qualitative (interviews)]	X					
44	Ozgen et al.	2014	Does cultural diversity of migrant employees affect innovation?	International Migration Review 48(s1), pp. S377-S416	Quantitative (questionnaire)					X	
45	Vangen & Winchester	2014	Managing Cultural Diversity in Collaborations: A focus on management tensions	Public Management Review 16(5), pp. 686-707	Qualitative (interviews)	X					

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46	Ayub & Jehn	2014	When diversity helps performance: Effects of diversity on conflict and performance in workgroups	International Journal of Conflict Management 25(2), pp. 189-212	Quantitative (questionnaire)		X			
47	Barner-Rasmussen et al.	2014	Cultural and language skills as resources for boundary spanning within the MNC	Journal of International Business Studies 45(7), pp. 886-905	Mixed research [Quantitative (questionnaire), Qualitative (interviews)]	X				
48	Michielsens et al.	2014	Managing diversity through flexible work arrangements: management perspectives	EMPLOYEE RELATIONS 36 (1) , pp.49-69	Qualitative (interviews)	X				
49	Madera	2013	Best Practices in Diversity Management in Customer Service Organizations: An Investigation of Top Companies Cited by Diversity Inc.	Cornell Hospitality Quarterly	Quantitative (questionnaire)			X		
50	Yitmen	2013	Organizational cultural intelligence: A competitive capability for strategic alliances in the international construction industry	Project Management Journal 44(4), pp. 5-25	Quantitative (questionnaire)					X
51	Adair et al.	2013	The Culturally Intelligent Team: The Impact of Team Cultural Intelligence and Cultural Heterogeneity on Team Shared Values	Journal of Cross-Cultural Psychology 44(6), pp. 941-962	Quantitative (questionnaire)	X				
52	Pieterse et al.	2013	Cultural diversity and team performance: The role of team member goal orientation	Academy of Management Journal 56(3), pp. 782-804	Quantitative (questionnaire)		X			

53	Levitt	2013	Cultural factors affecting international teamwork dynamics	International Journal of Knowledge, Culture and Change Management 13, pp. 9-23	Qualitative (interviews)	X					
54	Chen et al.	2012	A multilevel investigation of motivational cultural intelligence, organizational diversity climate, and cultural sales: Evidence from U.S. real estate firms	Journal of Applied Psychology 97(1), pp. 93-106	Quantitative (questionnaire)						X
55	Cogin	2012	Are generational differences in work values fact or fiction? Multi-country evidence and implications	International Journal of Human Resource Management 23(11), pp. 2268-2294	Quantitative (questionnaire)	X					
56	Rehg et al.	2012	Examining the influence of cross-cultural training on cultural intelligence and specific self-efficacy	CROSS CULTURAL MANAGEMENT-AN INTERNATIONAL JOURNAL 19 (2) , pp.215-232	Quantitative (questionnaire)						X
57	Sartorius, et al.	2011	Human resource management and cultural diversity: A case study in Mozambique	International Journal of Human Resource Management 22(9), pp. 1963-1985	Quantitative (questionnaire)	X					
58	Groves & Feyerherm	2011	Leader cultural intelligence in context: Testing the moderating effects of team cultural diversity on leader and team performance	Group and Organization Management 36(5), pp. 535-566	Quantitative (questionnaire)						X

59	Gupta	2011	Cultural basis of high-performance organizations	International Journal of Commerce and Management 21(3), pp. 221-240	Quantitative (questionnaire)	X				
60	Rasket al.	2010	When international management meets diversity management: the case of IKEA	EUROPEAN JOURNAL OF INTERNATIONAL MANAGEMENT 4 (4), pp.396-416	Primary data collected from IKEA's websites			X		
61	Jamali et al.	2010	The challenge of moving beyond rhetoric: Paradoxes of diversity management in the Middle East	Equality, Diversity and Inclusion: An International Journal 29(2), pp. 167-185	Qualitative (interviews)			X		
62	Lauring	2009	Managing cultural diversity and the process of knowledge sharing: A case from Denmark	Scandinavian Journal of Management 25(4), pp. 385-394	Qualitative (interviews)			X		
63	Hung & Nguyen	2008	The impact of cultural diversity on Global Virtual Team Collaboration - A social identity perspective	Proceedings of the Annual Hawaii International Conference on System Sciences 4438714	Quantitative (questionnaire)	X				
64	Shachaf	2008	Cultural diversity and information and communication technology impacts on global virtual teams: An exploratory study	Information and Management 45(2), pp. 131-142	Qualitative (interviews)	X				
65	Sippola & Smale	2007	The global integration of diversity management: A longitudinal case study	International Journal of Human Resource Management 18(11), pp. 1895-1916	Qualitative (interviews)			X		

66	Homan et al.	2007	Bridging Fault lines by Valuing Diversity: Diversity Beliefs, Information Elaboration, and Performance in Diverse Work Groups	Journal of Applied Psychology 92(5), pp. 1189-1199	Quantitative (questionnaire)		X			
67	Ferner et al.	2005	Institutional theory and the cross-national transfer of employment policy: The case of 'workforce diversity' in US multinationals	Journal of International Business Studies 36(3), pp. 304-321	Qualitative (interviews)			X		
68	Jehn & Bezrukova	2004	A field study of group diversity, workgroup context, and performance	Journal of Organizational Behaviour 25(6), pp. 703-729	Quantitative (questionnaire)		X			
69	Jackson & Joshi	2004	Diversity in social context: A multi-attribute, multilevel analysis of team diversity and sales performance	Journal of Organizational Behaviour 25(6), pp. 675-702	Quantitative (questionnaire)		X			
70	Härtel	2004	Towards a Multicultural World: Identifying Work Systems, Practices and Employee Attitudes that Embrace Diversity	Australian Journal of Management 29(2), pp. 189-200	Mixed research [Quantitative (questionnaire), Qualitative (interviews)]		X			
71	Ely & Thomas	2001	Cultural diversity at work: The effects of diversity perspectives on work group processes and outcomes	Administrative Science Quarterly 46(2), pp. 229-273	Qualitative (interviews)		X			
72	Miller & Rowney	1999	Workplace diversity management in a multicultural society	Women in Management Review 14(8), pp. 307-315	Qualitative (interviews)			X		

Table 3.2 Final selection of articles based on Literature Review research– Matrix Table with relevance to the concept idea

CODE	Authors	Year	Title	Source title	Blue Cluster	Yellow Cluster	Green Cluster	Purple Cluster	Red Cluster
73	Byington et al.	2021	Mapping sexual orientation research in management: A review and research agenda	Human Resource Management 60(1), pp. 31-53			X		
74	Thomas et al.	2020	Drivers of social capital in enhancing team knowledge sharing and team performance: Moderator role of manager's cultural intelligence	International Journal of Managerial and Financial Accounting 12(3-4), pp. 284-303					X
75	Balanagalakshmi & Kumari	2019	Employees' perception on diversity in management	International Journal of Recent Technology and Engineering 8(1C2), pp. 7-11 101, pp. 561-573				X	
76	Nickerson & Goby	2018	Convergence and collaboration: co-creating meaning within culturally diverse workforces	International Journal of Organizational Analysis 26(5), pp. 941-952	X				
77	Nishii et al.	2018	A multi-level process model for understanding diversity practice effectiveness	Academy of Management Annals 12(1), pp. 37-82			X		
78	Malik et al.	2018	Proposing micro-macro HRM strategies to overcome challenges of workforce diversity and deviance in ASEAN	Journal of Management Development 37(1), pp. 6-26			X		
79	Mateescu	2017	Cultural diversity in the workplace - Discourse and perspectives	Online Journal Modelling the New Europe (24), pp. 23-35			X		
80	Riccò & Guerci	2014	Diversity challenge: An integrated process to bridge the 'implementation gap'	Business Horizons 57(2), pp. 235-245			X		

81	Ewoh	2013	Managing and valuing diversity: Challenges to public managers in the 21st century	Public Personnel Management 42(2), pp. 107-122				X		
82	Alcázar et al.	2013	Workforce diversity in strategic human resource management models: A critical review of the literature and implications for future research	Cross Cultural Management 20(1), pp. 39-49				X		
83	Olsen & Martins	2012	Understanding organizational diversity management programs: A theoretical framework and directions for future research	Journal of Organizational Behavior 33(8), pp. 1168-1187				X		
84	Bücker & Poutsma	2010	Global management competencies: A theoretical foundation	Journal of Managerial Psychology 25(8), pp. 829-844						X
85	Shore et al.	2009	Diversity in organizations: Where are we now and where are we going?	Human Resource Management Review 19(2), pp. 117-133				X		
86	Thomas et al.	2008	Cultural intelligence: Domain and assessment	International Journal of Cross-Cultural Management 8(2), pp. 123-143						X
87	Horwitz S.K.	2005	The Compositional Impact of Team Diversity on Performance: Theoretical Considerations	Human Resource Development Review 4(2), pp. 219-245			X			
88	Van Knippenberg et al.	2004	Work group diversity and group performance: An integrative model and research agenda	Journal of Applied Psychology 89(6), pp. 1008-1022			X			
89	Darling & Fogliasso	1999	Conflict management across cultural boundaries: A case analysis from a multinational bank	European Business Review 99(6), pp. 383-392	X					

Table 3.3: Technical information about the empirical articles

CODE	Authors	Year	Research method	Sample	Country/ Geographical area	Business sector	Data Analysis
1	Raithel et al.	2021	Quantitative (questionnaire)	336 team members (270 members+66 managers)	Europe	Airline company	Hierarchical Regression Analysis
2	Peyrols Wu & Ng	2021	Quantitative (questionnaire)	81 senior business students	Singapore	University	Confirmatory factor analysis using LISREL 8.80 (Jöreskog & Sörbom, 2006) and SOREMO for social relations model analyses
3	Wang et al.	2021	Quantitative (questionnaire)	78 healthcare students	Australia	University	ANOVA Analysis
4	Varhelahti & Turnquist	2021	Quantitative (questionnaire)	104 employees	Finland	Various industries	Spearman's correlation coefficient and Kruskal-Wallis non parametric tests
5	Turner & Merriman	2021	Quantitative (questionnaire)	193 HR Managers	USA	Educational Institutions	Regression analysis via PROCESS macro
6	Khumalo & Zondo	2021	Quantitative (questionnaire)	118 middle-level managers	South Africa	Automotive manufacturers	Regression Analysis via SPSS
7	Achyldurdyeva et al.	2021	Mixed research [Quantitative (questionnaire), Qualitative (interviews)]	41 employees	Taiwan	Various industries	Regression Analysis

8	Majda et al.	2021	Quantitative (questionnaire)	130 nursing students	Poland	University (Medical)	STATISTICA software (version 12.0; Site License) was used for statistical analysis.
9	Kadam et al.	2021	Quantitative (questionnaire)	315 employees	India	Information technology sector	Partial least squares-structural equations modeling (PLS-SEM) using SmartPLS 3.0
10	Liao et al.	2021	Quantitative (questionnaire)	240 employees	Taiwan	Various industries	Partial least squares-structural equations modeling (PLS-SEM)
11	Li	2020	Quantitative (questionnaire)	246 Police officers	Ireland	Government service	Regression Analysis IBM SPSS Statistics 24 package
12	Hussain et al.	2020	Qualitative (interviews)	20 employees	UK	National Health Service	N/A
13	Yasmeen et al.	2020	Quantitative (questionnaire)	351 employees	Pakistan	Non-Governmental Organizations NGOs	Regression Analysis
14	Kundu et al.	2020	Quantitative (questionnaire)	400 employees	India	Various industries	ANOVA Regression Analysis
15	Kadam et al.	2020	Quantitative (questionnaire)	217 team members (174 members+43 managers)		Various industries	Partial least squares-structural equations (PLS-SEM) through Smart PLS.3.0

16	Dale-Olsen et al.	2020	Based on administrative register data in Norway	2.500.000 employees	Norway	Various industries	Regression analysis
17	Bello-Pintado et al.	2020	Quantitative (questionnaire)	2493 employees	Uruguay	Various industries	Regression analysis
18	Seriwatana et al.	2020	Quantitative (questionnaire)	320 employees	Thailand	Airline company	Partial least squares structural equation modelling (PLS)
19	Fernandez et al.	2019	RiskMetrics, BoardEx, COMPUSTAT, Bloomberg and the Kinder, Lydenberg, Domini (KLD) databases	3240 board members	International	Various industries	Regression Analysis
20	Azevedo et al.	2019	Quantitative (questionnaire)	22+39= 61 students	USA and Canada	University and Energy Company	IBM SPSS Statistics for Windows, Version 24.0
21	Hennekam et al.	2019	Qualitative (interviews)	37 employees	International	Various industries	N/A
22	Bencikova et al.	2019	Quantitative (questionnaire)	236 employees	Slovakia	Various industries	Regression Analysis
23	Safrankova et al.	2019	Quantitative (questionnaire)	258 employees	Czech Republic	Various industries	Regression Analysis
24	Mehng et al.	2019	Quantitative (questionnaire)	177 employees	South Korean	Various industries	Exploratory factor analysis

25	Ali et al.	2019	Quantitative (questionnaire)	152 expat employees	Saudi Arabia	Various industries	Partial Least Squares (PLS) path modelling in SmartPLS 3.2.7
26	Wang et al.	2019	Quantitative (questionnaire)	230 expat employees	International	Various industries	N/A
27	Kraus et al.	2019	Qualitative (interviews)	10 HR managers	Alpine Rhine Valley (Switzerland, Austria, Liechtenstein)	Various industries	N/A
28	Agnihotri & Bhattacharya	2019	Quantitative (questionnaire)	542 employees	India	Various industries	Regression Analysis
29	Caputo et al.	2018	Quantitative (questionnaire)	403 employees	International	Various industries	Structural Equation Modeling (AMOS in SPSS)
30	Alon et al.	2018	Quantitative (questionnaire)	1577 employees	Austria, Colombia, Greece, Spain, and USA	Various industries	N/A
31	Groutsis et al.	2018	Quantitative (questionnaire)	1506 = (1275 employees + 231 senior executives)	Australia	Professional services	SPSS software was used for the statistical analysis
32	Chen et al.	2018	Quantitative (questionnaire)	1000 employees	China	Various industries	ANOVA Analysis
33	Charleston et al.	2018	Qualitative (interviews)	14 Project managers	Malaysia	NGOs	Software package Nvivo

34	Delpechitre & Baker	2017	Quantitative (questionnaire)	143 sales students	USA	University	Common Method Variance (AMOS 18 in SPSS)
35	Korzilius et al.	2017	Quantitative (questionnaire)	157 employees	Netherlands	Staffing Agency	Regression Analysis IBM SPSS Statistics (Version 22)
36	Armstrong & Li	2017	Quantitative (questionnaire)	121 expat managers	China	Various industries	AMOS 16.0 analytical software - applying a two-step procedure
37	Scapolan et al.	2017	Qualitative (interviews)	14 directors and managers	Italy	Culture and art	N/A
38	Frijns et al.	2016	Quantitative (questionnaire)	2852 employees	UK	Various industries	Regression Analysis
39	Rode et al.	2016	Quantitative (questionnaire)	2424 employees	Japan, Sweden, Austria and Germany	Electronics, Machinery, Auto suppliers	Hierarchical Regression Analysis
40	Rosenauer et al.	2016	Quantitative (questionnaire)	410 team members (347 members+63 managers)	Germany	Facility management	Moderated Regression Analysis
41	Tsay & Liou	2016	Quantitative (questionnaire)	179 students	UK and USA	University	Multiple regression analysis
42	Moeller et al.	2015	Quantitative (questionnaire)	329 employees	Australia	University	Hierarchical linear modeling

43	Chang et al.	2014	Mixed research [Quantitative (questionnaire), Qualitative (interviews)]	150/4 employees	Taiwan	Various industries	Regression Analysis by LISREL
44	Ozgen et al.	2014	Quantitative (questionnaire)	8622 migrant employees	Netherlands Germany	Various industries	Regression Analysis
45	Vangen & Winchester	2014	Qualitative (interviews)	35 employees	UK	Public organization	N/A
46	Ayub & Jehn	2014	Quantitative (questionnaire)	239 =(122Pakistan+117Netherlands)	Pakistan Netherlands	University	Regression Analysis (Ancova, Manova, Mancova)
47	Barner- Rasmussen et al.	2014	Mixed research [Quantitative (questionnaire), Qualitative (interviews)]	118 employees	China Russia	Various industries	Regression Analysis (ANOVA)
48	Michielsens et al.	2014	Qualitative (interviews)	19 senior and line managers	England	Service sector	N/A
49	Madera	2013	Quantitative (questionnaire)	14 employees	USA	Hospitality and customer service	N/A
50	Yitmen	2013	Quantitative (questionnaire)	185 employees	Turkey	Construction sector	Regression Analysis (LISREL 8.8 statistical software package)
51	Adair et al.	2013	Quantitative (questionnaire)	203 students	Canada	University	Moderated regression Analysis
52	Pieterse et al.	2013	Quantitative (questionnaire)	312 students	Netherlands	University	Regression Analysis

53	Levitt	2013	Qualitative (interviews)	27 managers and supervisors	International	Various industries	N/A
54	Chen et al.	2012	Quantitative (questionnaire)	305 real estate agents	USA	Real estate	Confirmatory factor analyses (CFA).
55	Cogin	2012	Quantitative (questionnaire)	407 employees	USA, Australia, China, Singapore Germany	Various industries	Multiple regression analysis (MANCOVA)
56	Rehg et al.	2012	Quantitative (questionnaire)	110 government contracting trainees	USA	Military and government service	Regression Analysis (ANOVA)
57	Sartorius, et al.	2011	Quantitative (questionnaire)	1100 employees	Mozambique	Aluminum smelting operation	N/A
58	Groves & Feyerherm	2011	Quantitative (questionnaire)	420 team members (321 members+99 managers)	USA	University	Regression Analysis (Amos software)
59	Gupta	2011	Quantitative (questionnaire)	5520 employees	International	Various industries	Hierarchical Regression Analysis (ANOVA)
60	Rasket al.	2010	Primary data collected from IKEA's websites	44 IKEA recruitment websites	International	Furniture	N/A
61	Jamali et al.	2010	Qualitative (interviews)	26 managers	Lebanon	Various industries	N/A
62	Lauring	2009	Qualitative (interviews)	30 employees	Denmark	Various industries	N/A

63	Hung & Nguyen	2008	Quantitative (questionnaire)	132 students	Asia and USA	University	Regression Analysis (ANOVA)
64	Shachaf	2008	Qualitative (interviews)	41 team members	International	Various industries	N/A
65	Sippola & Smale	2007	Qualitative (interviews)	12 managers	Finland	Logistics	N/A
66	Homan et al.	2007	Quantitative (questionnaire)	184 students	Netherlands	University	Regression Analysis
67	Ferner et al.	2005	Qualitative (interviews)	118 employees	UK and USA	Various industries	N/A
68	Jehn & Bezrukova	2004	Quantitative (questionnaire)	10717 employees	USA	Various industries	Regression Analysis
69	Jackson & Joshi	2004	Quantitative (questionnaire)	2642 = (2333 employees+309 managers)	USA	Various industries	Regression Analysis
70	Härtel	2004	Mixed research [Quantitative (questionnaire), Qualitative (interviews)]	359 employees / 28 HR managers	Australia	Various industries	N/A
71	Ely & Thomas	2001	Qualitative (interviews)	78 employees = 12Law+29Financial+37Consulting	USA	Law (L), Financial (F), Consulting (C)	N/A
72	Miller & Rowney	1999	Qualitative (interviews)	58 directors and managers	Canada	Various industries	N/A

Table 3.4 Concept Idea-Author Matrix Table		
Concept Ideas	Authors (by code number)	Total number of articles
Blue Cluster Cultural diversity and diversity management: the impact on teamwork dynamics (interactions, relationships, communication, adaptation etc)	4, 13, 23, 24, 39, 42, 43, 45, 47, 48, 51, 53, 55, 57, 59, 63, 64, 76, 89	19
Yellow Cluster Cultural diversity: the impact on business performance	1, 16, 17, 19, 46, 52, 66, 68, 69, 70, 71, 87, 88	13
Green Cluster Diversity management and practices: the impact on business performance	6, 7, 12, 14, 21, 31, 32, 49, 60, 61, 62, 65, 67, 72, 73, 77, 78, 79, 80, 81, 82, 83, 85	23
Purple Cluster The importance of Positive Diversity Climate Perception and effective leadership for high organizational performance	15, 25, 27, 38, 40, 44, 75	7
Red Cluster Cultural competencies and cultural intelligence: their importance for the efficient implementation of diversity management	2, 3, 5, 8, 9, 10, 11, 18, 20, 22, 26, 28, 29, 30, 33, 34, 35, 36, 37, 41, 50, 54, 56, 58, 74, 84, 86	27

In the following diagrams, in addition to the formation of the clusters and the connection to the concept ideas examined in the study, the Vosviewer Analysis, supported by the Excel Analysis provides the following information:

1. Distribution based on the country of origin of the research and the publication period (Diagram 3.2 and 3.3 in Vosviewer) - What are the countries that provided the most research results?
2. Distribution of papers based on publication source and the publication period (Diagram 3.4 and 3.5 in Vosviewer) - What are the publications that provided the most research results?
3. Co-occurrence of the most popular keywords in the research field (Diagram 3.6 and 3.7 in Vosviewer)
4. Co-citation analysis based on cited references that appear more than 3 times (Diagram 3.8 in Vosviewer)
5. Classification based on the adopted methodology-research method (Diagram 3.9 in EXCEL)
6. Classification based on the publication year of the article (Diagram 3.10 in EXCEL)
7. Classification based on the associated concept idea (cluster) examined (Diagram 3.11 in EXCEL)

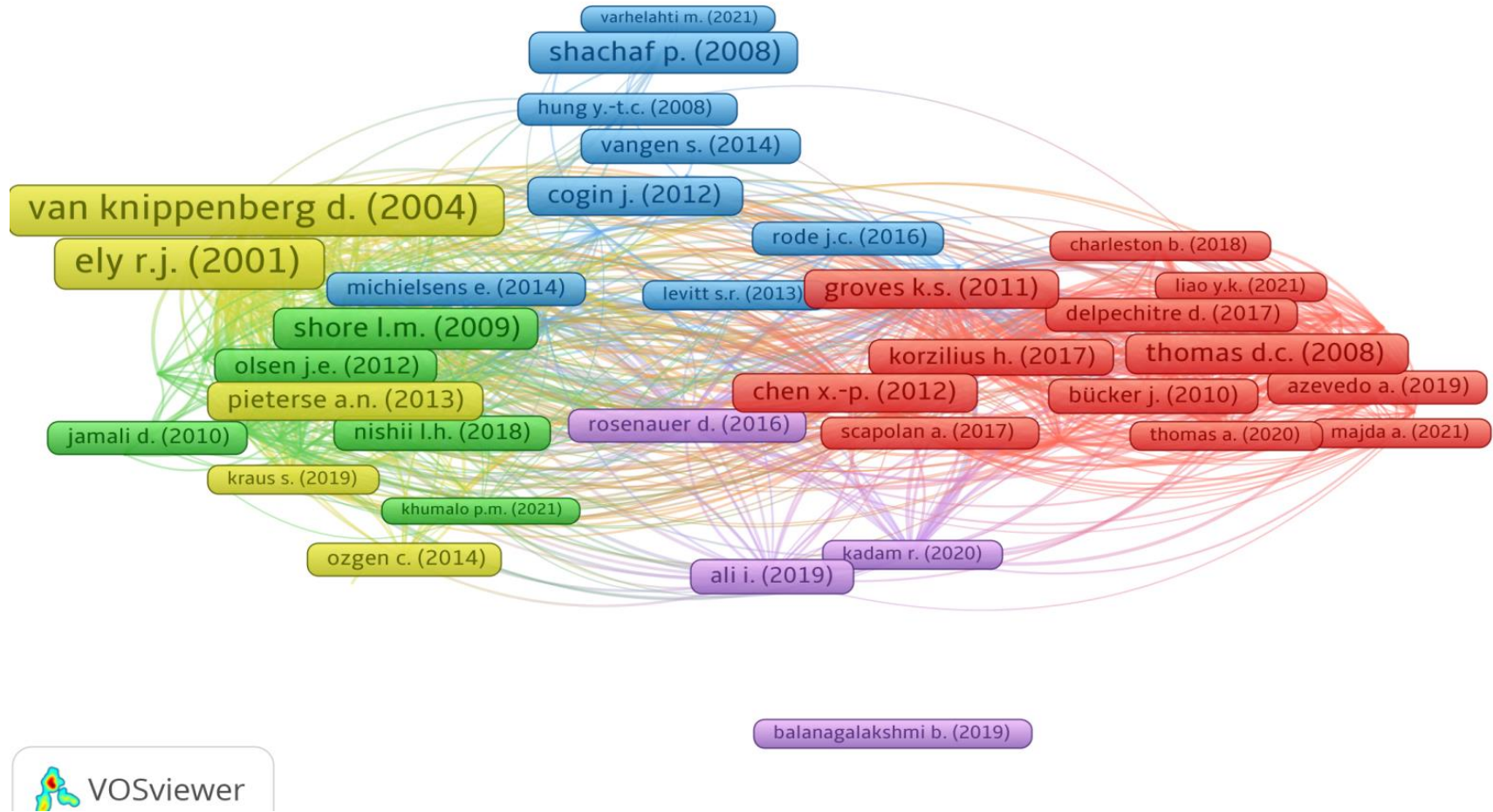


Diagram 3.1 Bibliographic coupling Analysis based on Document unit

Venetia-Nikoletta Karytsiotti, Cultural Differences and Diversity:
The effect on management development in the workplace

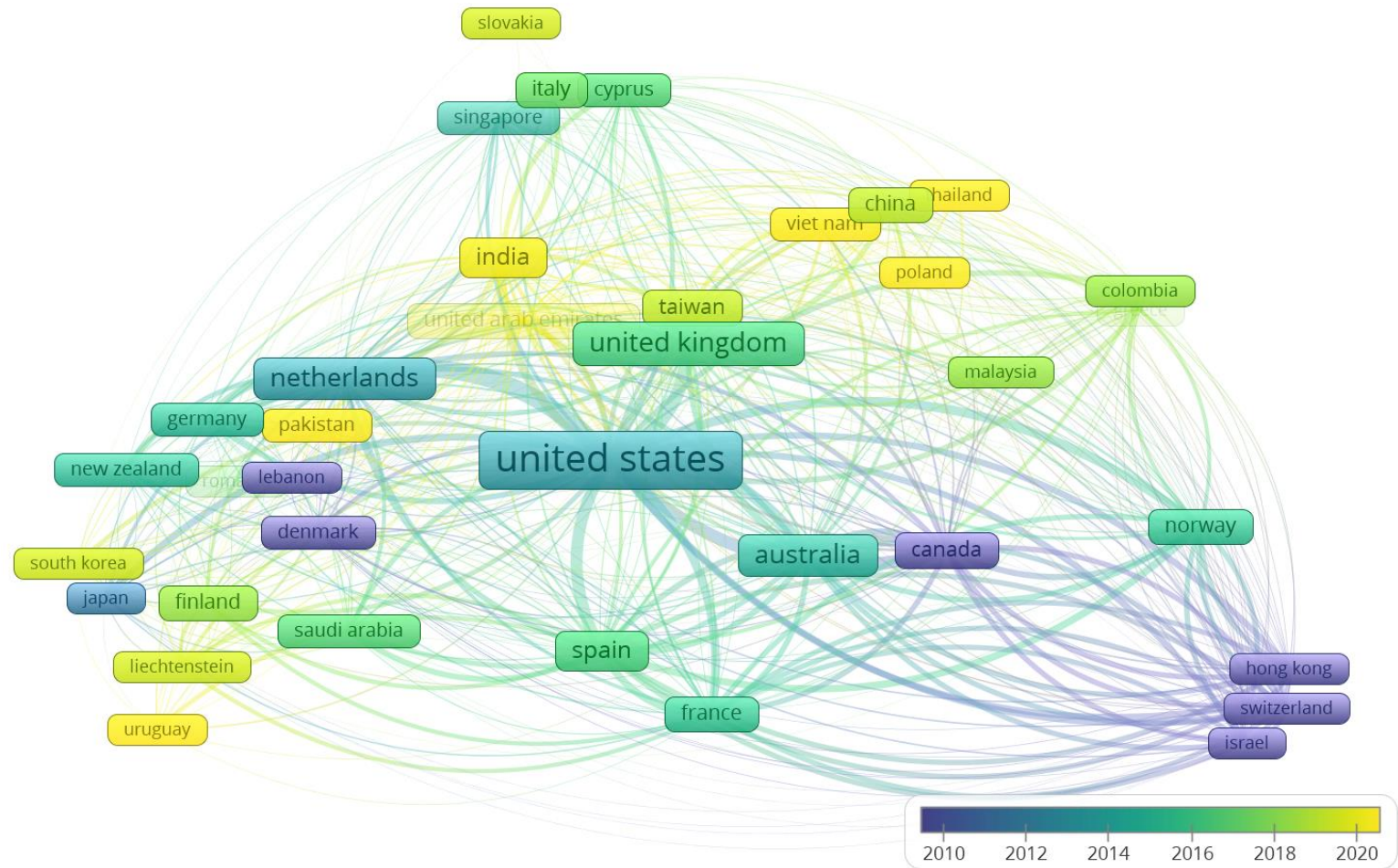


Diagram 3.2 Bibliographic coupling Analysis based on the country of origin of the article

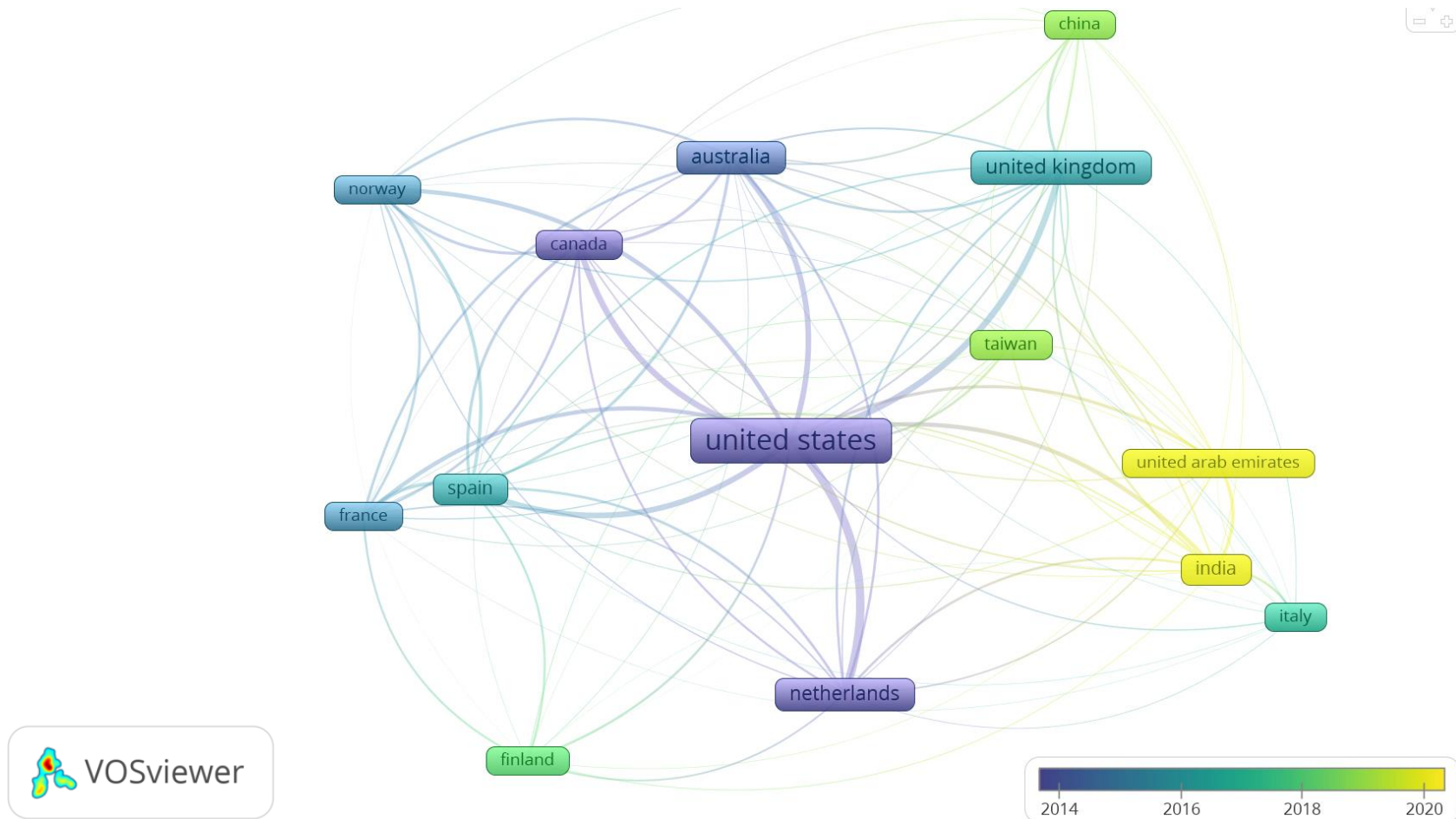


Diagram 3.3 Bibliographic coupling Analysis based on the country of origin of the article (with more than 3 articles)

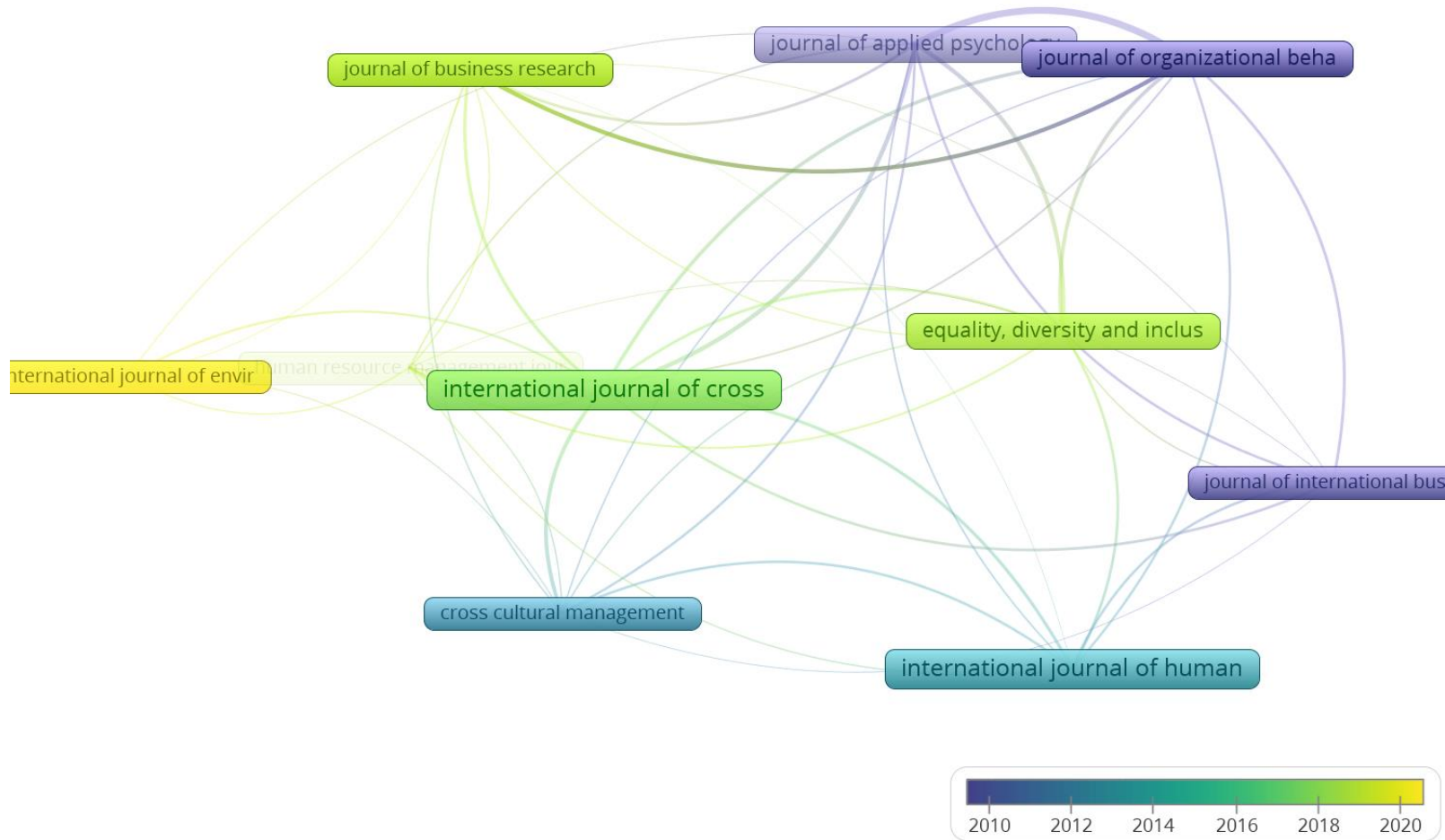


Diagram 3.5 Bibliographic Coupling Analysis based on the source of the article that appear more than 2 times

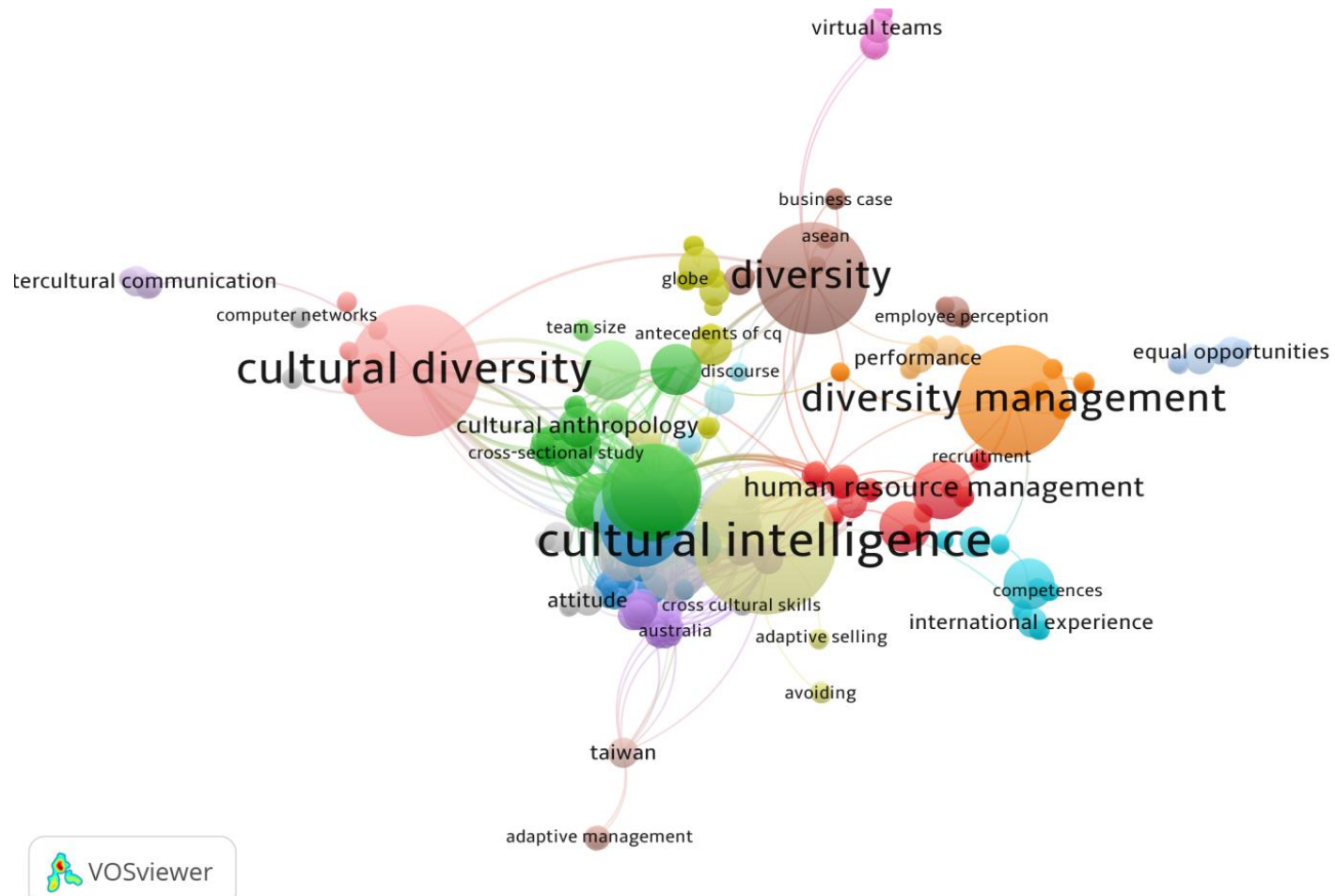


Diagram 3.6 Co-occurrence of Keywords

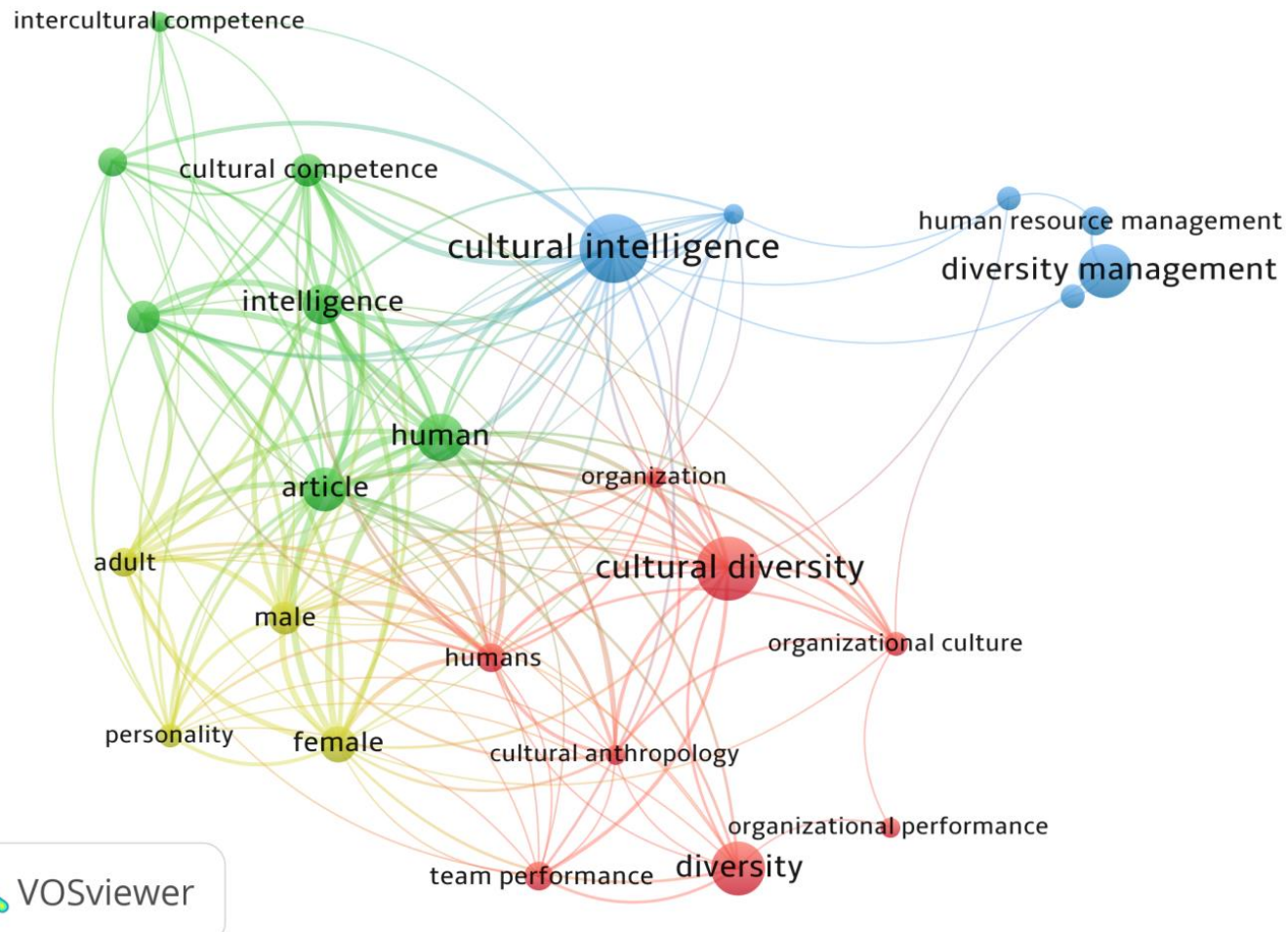


Diagram 3.7 Co-occurrence of Keywords that appear more than 3 times

Venetia-Nikoletta Karytsiotti, Cultural Differences and Diversity:
The effect on management development in the workplace

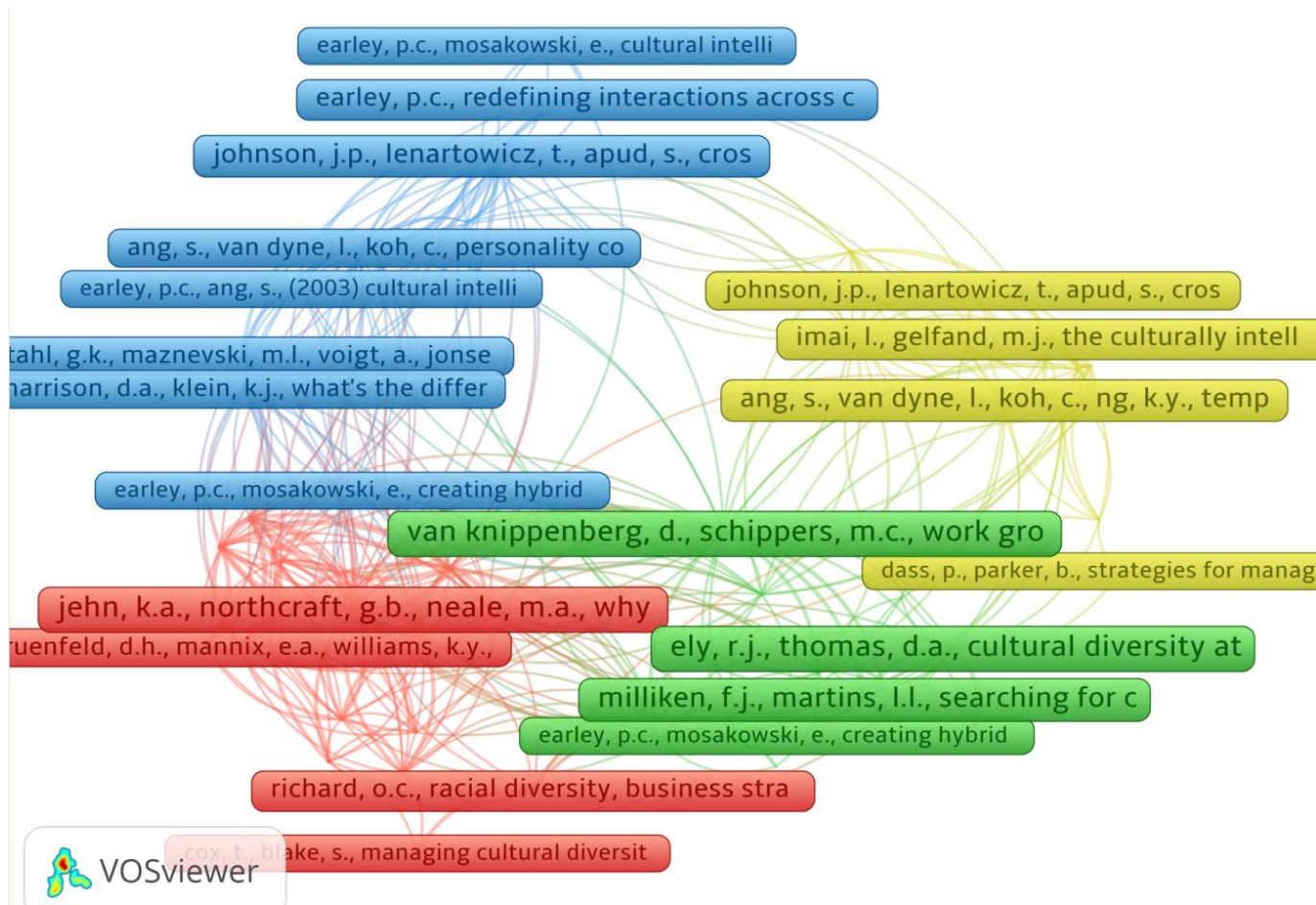
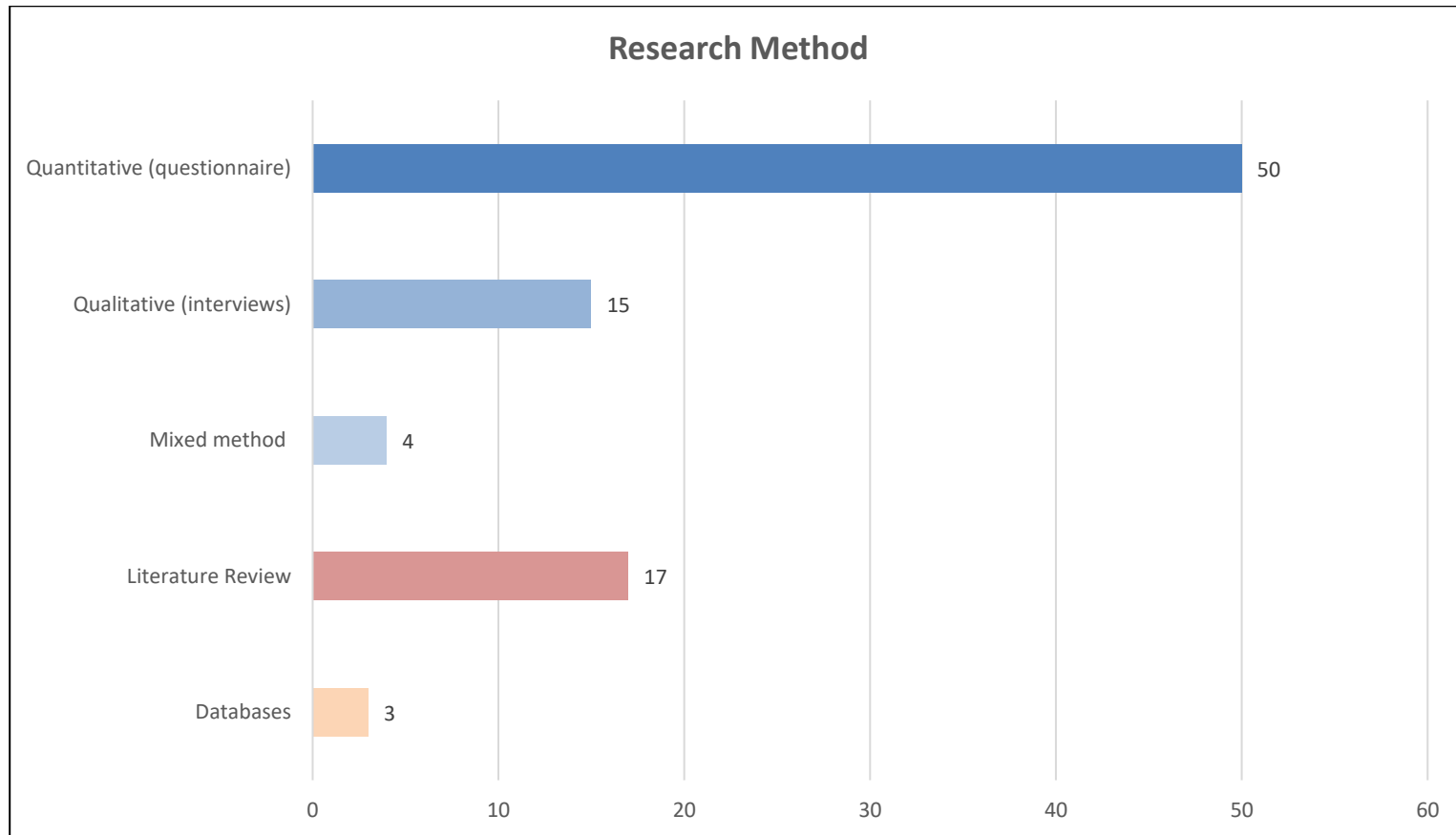


Diagram 3.8 Co citation Analysis based on cited references that appear more than 3 times



- Mixed Method: Quantitative and Qualitative Empirical Research

Diagram 3.9 Research method conducted

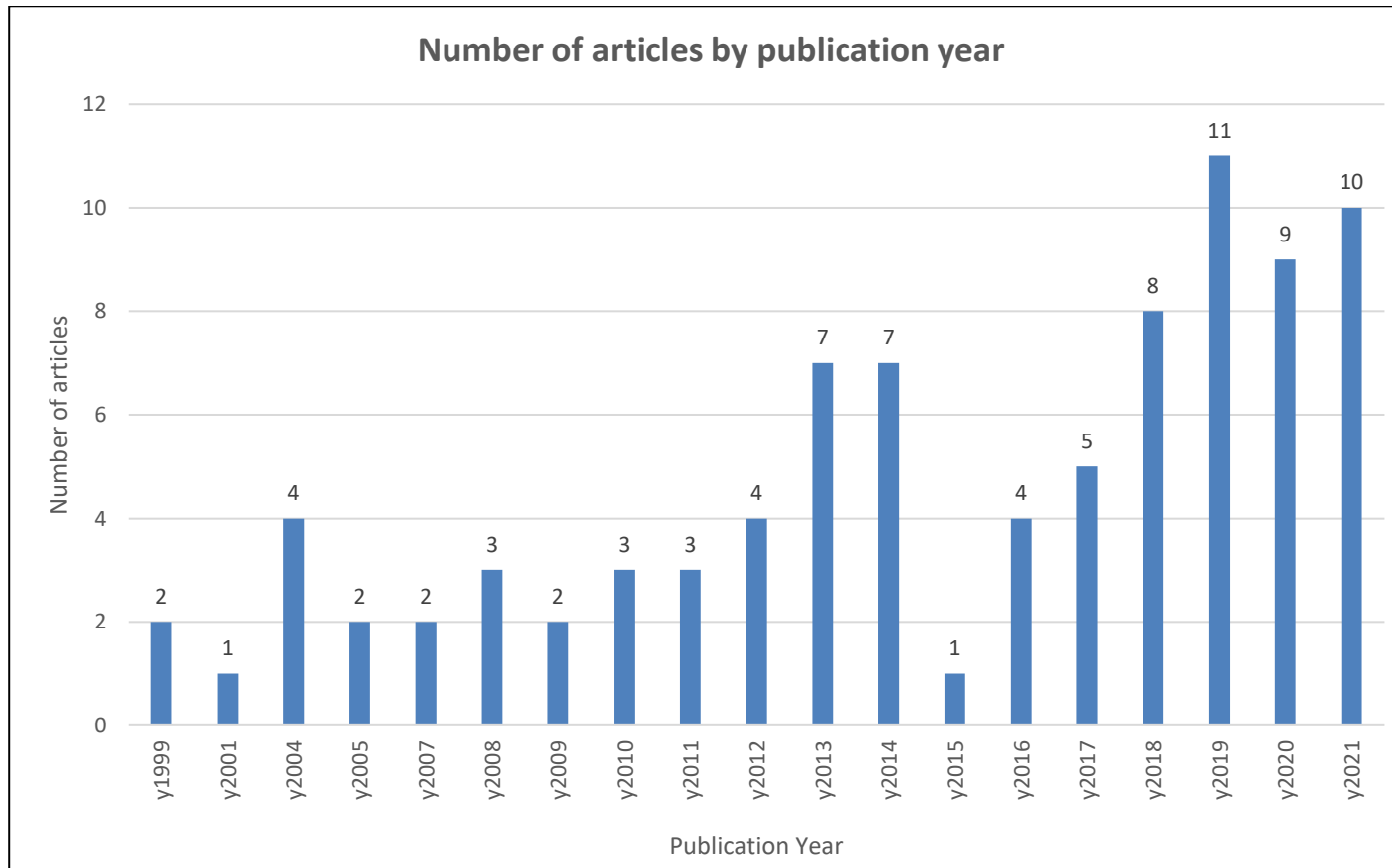


Diagram 3.10 Publication year of the articles

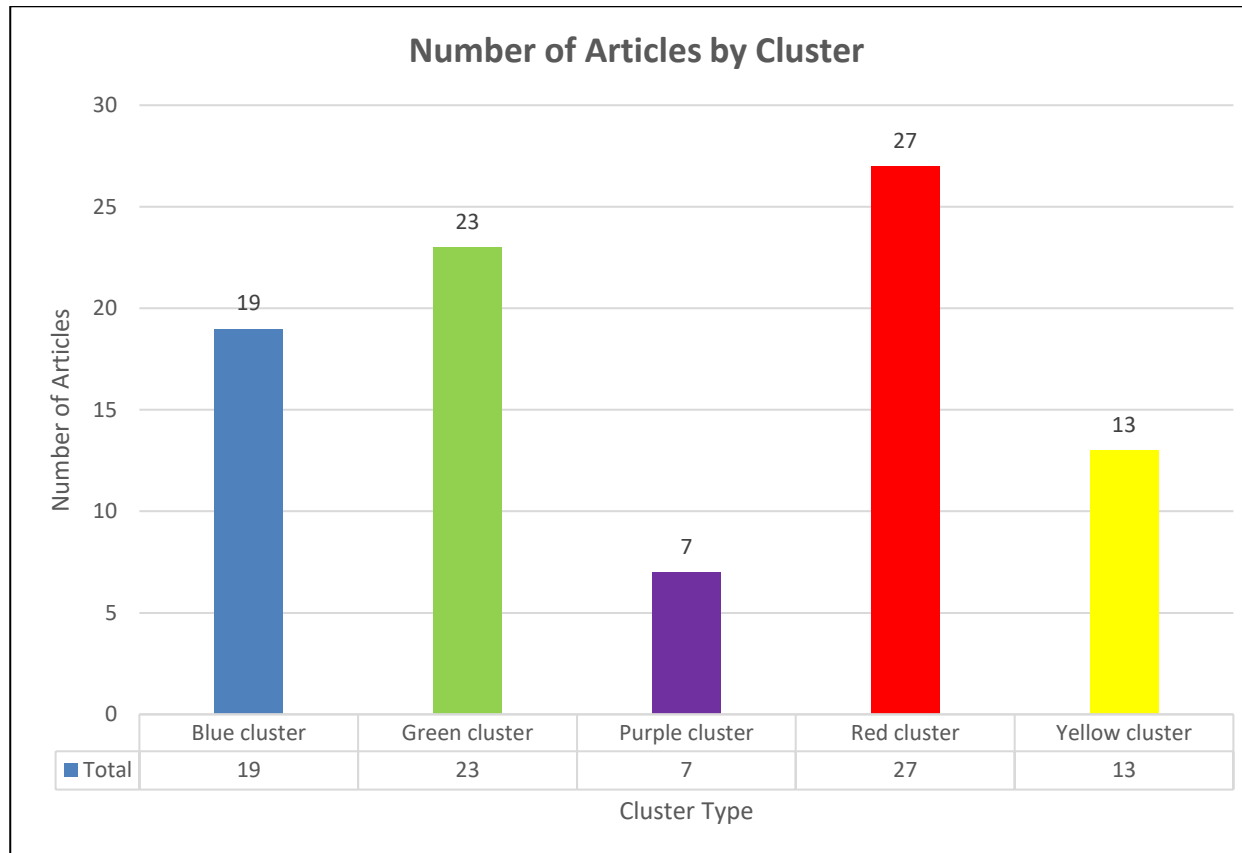


Diagram 3.11 Distribution of articles in clusters (formed by VosViewer)



On the above diagrams provided by the VosViewer Analysis, the following observations can be made:

Diagram 3.1 distributes all the articles in this research, in five clusters based on the concept idea that is examined and presented in sub-unit 3.1. **Diagrams 3.2 and 3.3**, reveal that the articles selected for this research have been mostly provided by US, UK, Netherlands and Australia, especially during the last decade. However, Canada, Denmark, Switzerland and Hong Kong have also provided enough information especially by research conducted before 2010, while countries of Asia (India, China, Thailand and UAE) have provided most of their research results during the recent years. **Diagrams 3.4 and 3.5**, present the journals of the research which published more information on the topic and based on their frame colour (publication time), they are distributed through the last decade. *International journal of humans* and *International journal of cross-cultural management* are the publications that provided the bigger sample of articles in this research. **Diagram 3.6** shows the co-occurrence of the most popular keywords in the research field (*cultural intelligence, cultural diversity, diversity management*) and in **Diagram 3.7** the most popular keywords are divided into clusters based on their bond strength. Finally, **Diagram 3.8** presents a co-citation analysis based on the most popular cited references.

From the diagrams provided by Excel Analysis the following observations can be made:

Diagram 3.9 classifies the articles based on the adopted methodology-research method (quantitative with questionnaires, qualitative with interviews, mixed method of questionnaires and interviews, literature review and data collection through databases). The variety of different research methods used can better ensure the validation of the results by keeping a balance between the pros and cons of each method. It is obvious that the vast majority of the research is based on quantitative results, while there is a significant amount of information derived from literature review articles. Therefore, the research can benefit from the high representativeness of the sample and the elimination of subjectivity that quantitative methods may offer, the insightful information of experts on a specific domain given by qualitative methods (Almeida et al., 2017) and at the same time, gain the advantages of an in-depth study through the systematic literature review of previews research (Snyder, 2019).



Diagram 3.10 classifies the articles based on their publication year and it shows that this research is mostly based on more recent publications, later than 2016. **Diagram 3.11** distributes the articles in clusters based on the associated concept idea examined and it reveals that the most analyzed topics in this research are “*Cultural competencies and cultural intelligence: their importance for the efficient implementation of diversity management*” – red cluster and “*Diversity management and practices: the impact on business performance*”- green cluster.

3.2 Analysis of the concept idea in each Cluster

3.2.1 BLUE CLUSTER: Cultural diversity and diversity management: the impact on teamwork dynamics (interactions, relationships, communication, adaptation etc)

Cultural diversity in the workplace can be described as a “cultural mosaic” of multicultural workgroups with members of different characteristics, cultural backgrounds and a variety of cultural heritages and values (Brodt et al., 2010). Therefore, by definition, cultural diversity has an infinite number of forms (Köllen, 2021), as it contains every characteristic that may appear with variations within a group of people. The literature of the last three decades mainly refers to the following types of diversity: demographic diversity (gender, age), racial diversity (race/ ethnicity/ colour/ national origin), cultural profile (language, values, beliefs and other cultural norms), education, religion, sexual orientation, socioeconomic status (lifestyle), marital status, political status, occupational/job tenure, disability, physical appearance, diversity in the way of thinking and personality. The types of diversity mostly examined are age, gender and racial/ethnic diversity, while other forms of diversity have been given less attention (Yadav & Lenka, 2020). All the above are parts of a moving wheel (Fig.3.1) that can drive the workforce forward or backward, depending on the cultural competence of the leaders and the efficiency of the organization’s diversity management.

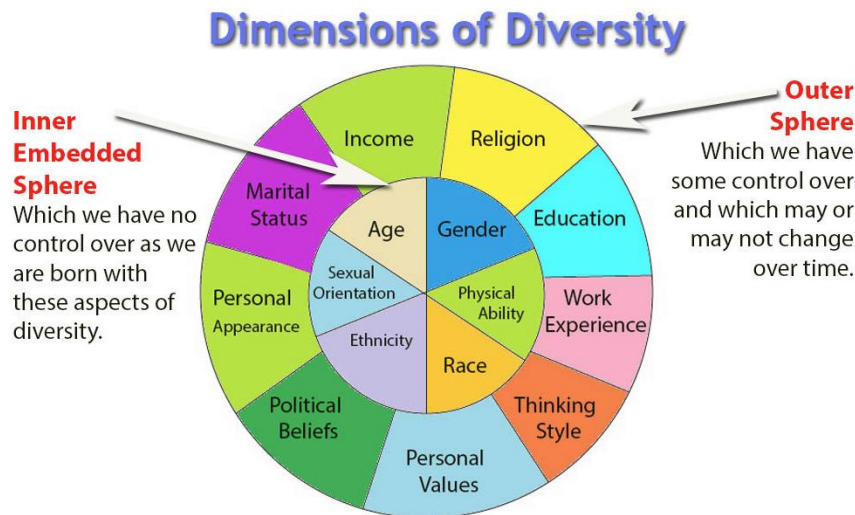


Figure 3.1 The wheel of Diversity

Source: <https://www.usydanthology.com/2019/04/12/lodens-wheel-of-diversity/>

Many classifications have been applied until today in order to identify and understand the concept of the different types of cultural differences and diversity in the workplace. According to Triandis (1972), cultural diversity consists of the **objective elements** (visible aspects of culture such as race/ethnicity, national origin, language, education, religion, lifestyle and socioeconomic status, marital status and other sociopolitical systems) and the **subjective elements** (more covert aspects such as values and beliefs, sexual orientation, personality characteristics and other cultural norms). According to Van Knippenberg et al, (2004) and Homan et al, (2007), there is the **social category diversity** (demographic, not job-related) and the **informational diversity** (differences in knowledge and perspectives, job-related), while Horwitz, (2005), in a similar approach, distinguishes the attributes of workforce diversity in two main categories: the **Biodemographic Attributes** (gender, age, race/ethnicity), and the **Job-related Attributes** (education, expertise, job tenure). Choy, (2012) classifies workforce diversity into three main categories: **demographic** (age, gender, nationality and marital status), **organizational** (job roles, job status, job tenure and work experience), and **socio-cognitive diversity** (personality characteristics, knowledge, education values and beliefs and sexual orientation). According to Mateescu, (2017), workforce diversity has three dimensions: **Primary dimensions** (gender, ethnicity, race, age, mental/physical

abilities), **Secondary dimensions** (religion, culture, sexual orientation, lifestyle, political orientation, work experience, education, language, etc) and **Tertiary dimensions** (beliefs, assumptions, perceptions, attitudes, feelings, values). According to Balanagalakshmi & Kumari, 2019, a classification can be made based on **Demographic background** (age, gender, religion, ethnicity/race, ability and disability status), **Life experiences** (being a parent, an immigrant, etc), **Individual knowledge and educational background** (school, college, university, master or doctoral degree), **Individual beliefs and values** (personal ethics, relationships among the workforce etc). Finally, Agnihotri and Bhattacharya (2019), suggest the classification in **international workforce diversity** (cultural differences between different nations) and **regional workforce diversity** (cultural differences within a country). This last classification concerns mostly ethnic, religious and linguistic background differences which can often affect the value system of an individual who belongs to a subculture or a region of the same country.

Based on the review of the empirical studies that are examined in this project, it is found that in real practice the effect of diversity management on the successful integration of culturally diverse individuals into effective teams and business groups, is rated as of medium effectiveness in the majority of the cases (Fig. 3.2).

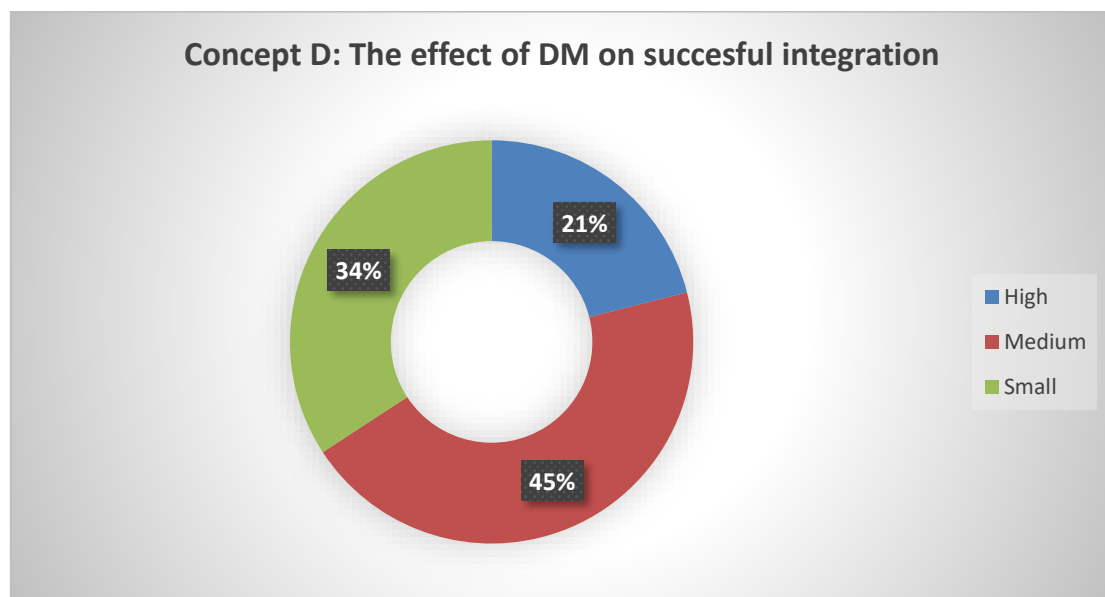


Figure 3.2 The effect of diversity management to the successful integration of culturally diverse individuals into effective teams based on the results of the empirical studies reviewed

However, this shouldn't undervalue by any means the importance of effective DM as an integration tool and as a valuable HRM strategy. On the contrary, it reveals the weaknesses of the existing process and the urgent need to be restructured and adjusted to the new social and business realities. Furthermore, it underlines once more the lack of gifted and properly trained managers to lead the process and finally, it highlights the gap between theory and practice or else, between knowing and doing.

The main objective of DM is to increase and maintain a diverse workforce that enables every single member and all together, to perform efficiently at an individual, team and organizational level. This can happen by fostering a working environment that promotes collaboration, mutual trust and equality, while at the same time eliminating personal biases and stereotypes and preventing discrimination (Madera, 2013). This "ideal workplace" that appreciates and respects cultural diversity, manages to turn diversity into a competitive advantage. Recent findings agree that a multiculturalist and pro-diversity ideology, is most probable to provide positive results and improve performance (Hussain et al, 2020; Gündemir et al., 2019). Motivation to learn and understand new processes leads to a positive reception of diversity, therefore a diverse organization with a learning approach orientation can also expect an improvement in teamwork dynamics (Pieterse et al, 2013).

In order to formulate the above strategies, managers at different organizational levels should try to implement a culture of equality by changing the policies that prevent or delay the process. On top of that, they should realize that under the impact of globalization, to collaborate successfully and in alignment with the vision and mission of an organization, each strategy should be frequently revised in accordance with the workforce changes and the macro environment. Therefore, to overcome limitations and facilitate integration, it could be useful to classify DM policies/practices into four modes that facilitate a different integration approach and improve teamwork dynamics (Sippola & Smale, 2007):

1. **People-based integration** (training, meetings, internal transfer of managers) applied in cases where face-to-face communication is considered more effective
2. **Information-based integration** (internet, intranet) applied in cases where information has to flow at high speeds and the analysis doesn't require a detailed explanation



3. **Formalization-based integration** (rules, policies and manuals) applied in cases where there is a high standardization of work procedures

4. **Centralization-based integration** (decisions are made at high organizational levels, where there is a better overview of the organization's structure and activities) applied mainly as a common "philosophy" in cases where there is a high geographic dispersion of organizational units

3.2.2 YELLOW CLUSTER: Cultural diversity and the impact on business performance

The literature approach on the impact of cultural diversity on business performance (individual, team and organizational performance) is not constant. Based on the findings of the empirical articles that are reviewed in this study and presented in Table 3.5, it appears that for the same type of diversity examined under different circumstances and environments, the impact on performance may vary from positive to negative and in most cases, the effects are considered mixed. However, there are many variables that act as mediators and moderators towards the relationship between cultural diversity and efficient performance (Kempf & Holtbrügge, 2020; Van Knippenberg et al, 2004). This complex interaction is considered the main explanation of the inconsistency presented in Table 3.5 and needs further analysis and attention.

Table 3.5 The impact of different types of diversity on business performance based on the empirical articles included in the study			
Diversity Types	The impact of CD on performance		
	Positive	Mixed	Negative
Cultural (general)	11	19	5
Gender	3	3	3
Age	2	2	2
Racial and ethnic	2	2	3
National origin	1	2	2
Linguistic	2	1	2
Sexual orientation	1	1	1
Disability			1
Education	2	1	
Occupational/Job tenure	3	1	1

Another important finding is that research has mostly focused on the analysis of the objective elements of cultural diversity and their impact on business performance, while the subjective elements which are equally crucial but more complicated to evaluate, have been rather neglected. According to Ayub & Jehn, (2014), national variety (differences in-kind) is more probably to have a positive impact on team performance, while national separation (differences in attitudes and beliefs) affects performance negatively.

In general, there is literature in favour of cultural diversity that values it, as an opportunity and a tool to gain benefits (increase productivity and profitability, clients' satisfaction, innovation, flexibility and adaptability, employee engagement, reduction in turnover, reputation building, effective conflict management and decision-making and more) (Mateescu, 2017; Ewoh, 2013; Mazur, 2010; Kearney et al., 2009). There is also literature against CD that most consider it as a source of problems (difficulty in communication and collaboration, ethnocentrism and stereotypes, intergroup conflicts, consumption of energy/time/resources, uncertainty that leads to frustration, discrimination and isolation, inability to attract and retain the talented candidates, additional training costs and more) (Mateescu, 2017; Mazur, 2010; Barinaga, 2007). There is a third approach that suggests blending CV with the dominant organizational culture to achieve homogeneity (Aytemiz Seymen, 2006) or promotes the adaptation of a common international organizational culture like in the case of IKEA (Rask, 2010). Overall, the research suggests that to benefit from CV the best approach is to diminish the barriers in the group process, eliminate intergroup biases and develop organizations with positive DCP able to foster an inclusive workplace with respect and appreciation to differences (Yadav & Lenka, 2020; Pieterse et al, 2013).

3.2.3 GREEN CLUSTER: Diversity management and practices: the impact on business performance

An inclusive business culture and a positive work environment are considered fundamental components of a high-performance business organization. It has been already discussed that workforce diversity is a dynamic phenomenon that is changing constantly due to various external and internal factors and this is affecting the established organizational balances.

Therefore, DM is a top-level HRM Strategy that should be constantly observed, revised, updated and enriched with new policies, practices and training programs in order to increase knowledge, develop diversity awareness and leverage the employee’s ability to create value for the business. The planning of such a strategy should be integrated into high- performing organizational models keeping a culturally sensitive approach and as a top orientation the protection of humane and its rights (Gupta, 2011).

In the following Table 3.6, the most common DM practices and policies identified in the literature are presented (Achyldurdyev et al, 2021; Majda et al, 2021; Caputo et al, 2018; Rode et al, 2016;, Michielsens et al 2014; Madera, 2013; Pieterse et al, 2013; Gupta, 2011; Sippola & Smale, 2007; Homan et al, 2007; Byington et al, 2021; Nishii et al, 2018; Malik et al, 2018; Ewoh, 2013; Alcazar et al, 2013) and they are related to the different diversity types identified in the previous sub-unit 3.2.1.

Table 3.6 Diversity management practices and policies, applied to different diversity types	
Diversity Types	Diversity management practices and policies
Cultural (general)	Government policies and legal protections, Organizational DM programs and policies Affirmative action and equal employment policies (central policies to facilitate inclusion and equality, implementation of diversity awareness training in the workplace, targeted recruitment and selection mentoring and networking, work-life benefits), Culturally sensitive leadership (humane orientation), Management of diversity beliefs, Cultural educational programs, Flexible working arrangements
Gender	Parental leave, Day care service for parents, Sexual harassment policies
Age	Redesigning jobs for older workers
Racial and ethnic	Targeted ethnic recruitment strategy, Intercultural training,
National origin	Mentoring for people of colour



Linguistic	Promote Business English Lingua Franca (BELF) as a common communication tool between people who speak different native languages and free access to English lessons for everyone
Sexual orientation	Partner benefits for gay and lesbian workers, Formal LGBT friendly legislation and policies and development of LGBT friendly HRM practices towards the establishment of a tolerant organizational culture
Disability	Physical access for disabled workers
Education	Learning approach orientation, Training Programs
Occupational/Job tenure	Employee's involvement in decision making, Leadership Initiatives, Teamworking, Training Programs, participative performance assessment, HRM practices to reduce uncertainty avoidance

However, the development of general theories and common strategies for all business units, has proved insufficient because **the specific features of every organization are a crucial parameter** that is affecting the results in a most determinative way. According to Riccò & Guerci (2014), for an organization to effectively manage workforce CD, a manager should adopt an approach of change across strategic (values, mission and vision), tactical (policies and practices) and operational levels (real actions). This should be a flexible process that implements DM in an organization, taking into consideration its specific traits and adapting the appropriate strategies in order to “bridge the implementation gap”, improve performance and establish a work environment where individual’s qualities and needs are managed efficiently and fairly. The approach described above requires the organizations to create a holistic action plan that integrates the workforce’s cultural differences and diversity and leads to the development of an inclusive workplace with diversity awareness, where employees respect differences and appreciate heterogeneity. This environment facilitates communication, collaboration, innovation and high performance (Riccò & Guerci, 2014). This model theory is presented in the following Figure 3.3.

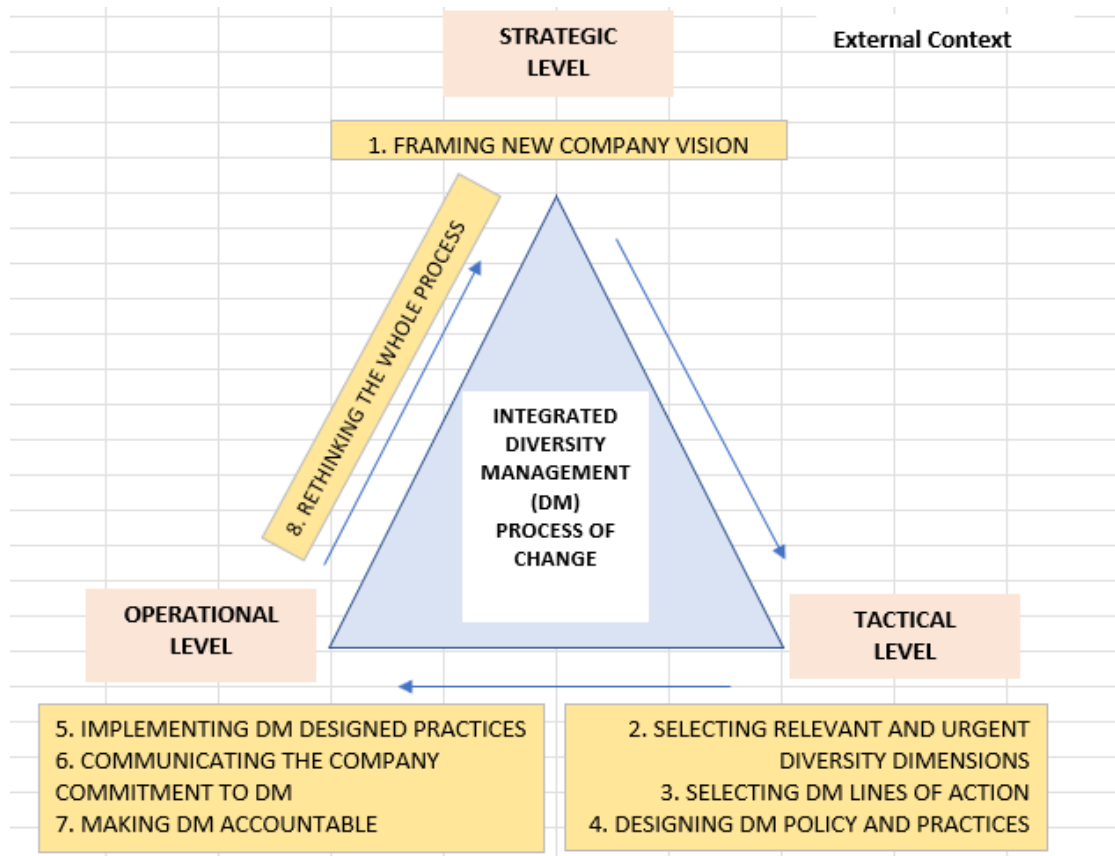


Figure 3.3 A model of an integrated process to implement efficiently Diversity Management

Source : Riccò & Guerçi, 2014 (p.237, fig.1)

In their recent research, Malik et al., (2018) suggest that HR managers should help employees to learn how to embrace diversity and appreciate an inclusive work environment, through HRM policies and practices that may facilitate the development of an effective diverse workforce. They suggest two different groups of HRM strategies: **The Macro HRM strategies**, referring to the interactions of an organization with its global and local environment (customers, competitors, etc) and the **Micro HRM strategies**, referring to the interactions between employees and employers. This approach is graphically presented in Fig. 3.4 where the external circle includes the Macro HRM strategies and the internal circle includes the Micro HRM strategies.



Figure 3.4 Micro-Macro HRM Strategies associated to Diversity Management

Source: Malik et al, 2018 (p.19, fig.3)

Macro HRM strategies

Government and academic bodies (e.g. universities) can promote the development of partnerships with organizations, guide employees and employers on market and job demands (e.g. essential skills), assist students to develop important skills and competencies in order to become competitive and also, affirm lifelong learning. Moreover, a social protection system should be built to ensure equality and access to opportunity. *The international community and civil society* should develop a framework of legislation and policies to protect employees from the negative effects of globalization (e.g. job loss). *Technology* has managed to widen the limits of the talent pool in business, thus it's very important for HR managers to ensure

that each employee has access to learning and training, especially in the field of technology which is essential for working from distance.

Micro HRM strategies

HR managers should ensure that every employee has equal *access to opportunities* through mentoring programs and also, that business *information is diffused* at every organizational level and is able to reach every employee and include him in the process. *Learning and development* should be at the top of the agenda for HR managers and should offer to every employee professional development through online courses and constant training. The *training process* should not only focus on skills, but also on diversity awareness and other similar concepts that can empower the employee. Moreover, another fundamental process is *recruitment* and efficient diverse recruitment should be applied by a group of unbiased and diverse interviewers. The establishment of *mutual trust and respect* are fundamental for business success as discrimination and inequity in the workplace can be the source of many negative effects. This can be facilitated through the implementation of objective, fair and rational policies, but also through practices as *performance evaluation* under transparent and pre-arranged terms. In the same sense, *customized rewards* (e.g. credits, card gifts, etc) should be offered and shared fairly. The biggest challenge for HR managers is to establish a sense of connection between the diverse workforce and the company and to make that happen there is a need for various *supportive practices* like coaching, counselling, advocacy and more. For all this to happen, *the organizational culture* has to be redesigned accordingly and embrace such practices. The process needs to be supported by open-minded *leaders* who appreciate CD, promote innovation and technology and prioritize collaboration and synergy in the workplace.

As the traditional organizational structure is altering to a modern more flexible one, *flexibility at the workplace* should be a choice and it can be provided through different forms such as home working, part-time work, or flexi-timing. Efficient DM encourages techniques that create optimum conditions for a diverse workforce and at the same time promote equality and job satisfaction. This group of programs involves **“family-friendly” or “work-family balance”** policies and practices, such as flexible working arrangements, remote working, or

part-time contracts (Michielsens et al., 2013). Managerial commitment and organizational support to similar policies and practices, promote a positive working environment that inspires trust, integrates diversity, encourages social inclusion, reduces stress and improves performance (Parris et al., 2008).

In a similar approach, effective managers acknowledge the importance of **age diversity management**. The age gap between employees is usually followed by a different perception of work ethics and work-life requirements (Riccò et Guerci, 2014). Managers should try to motivate each generation's workgroup through different practices that match their workstyle and lifestyle. This reduces conflict between younger and older employees and facilitates collaboration.

Education, intercultural communication and training programs, develop cultural competence and cultural intelligence through knowledge, awareness, sensitivity, skills and behaviour (Majda et al, 2021). It should be the manager's responsibility to develop practices and organize training programs that may contribute to the reduction of the cultural gap, the bias in the decision-making and also the social isolation of more vulnerable groups. This approach facilitates integration by promoting equal opportunities and improving communication, knowledge sharing, team creativity and performance. In specific cases where cultural and linguistic diversity (CALD) is intense, even more targeted practices should be applied to reduce dysfunctional dynamics between colleagues and improve productivity and engagement (Hussain, 2020). However, in many cases training programs focus and emphasize what to avoid and not what to do, mostly to ensure legal compliance and obviously this approach is usually not enough (Kadam et al, 2020). Another interesting finding that is revealed from the study of Kempf & Holtbrügge (2020) is that high cultural distance might be a source of stress that limits the ability of the employee to respond to DM training and anchors the DM process. Therefore, in some cases training should be designed accordingly in order to reach information gathering and learning by engaging in exercises of small groups that exclude judgmental procedures and facilitate the development of adaptive flexibility and promoting empathy between the peers (Armstrong, and Li, 2017).

Many studies suggest that even by applying a variety of DM policies and practices, inequality and discrimination are still there, as in many cases management practices are not implemented effectively and they are not similarly applied across organizations (Nishii et al., 2018). Therefore, it is suggested that traditional DM policies and practices should be revised and redesigned before being applied to new research studies.

3.2.4 PURPLE CLUSTER: The importance of Positive Diversity Climate Perception and effective leadership for high organizational performance

According to Bhadury et al. (2000), cultural diversity can impact both positively and negatively the workplace, but the outcome depends mostly on the type of diversity climate that already exists and not so much on the diversity itself. In the same direction, more recent studies highlight the importance of sharing a positive Diversity Climate Perception (DCP) in the workplace, as it is found that even under the same diversity management practices, the results vary across the national context, the different legal framework, the different nature and type of organizations, and also the different managerial levels (Köllen, 2021; Kundu et al., 2020; Hennekam et al., 2019; Qin, et al. 2014; Härtel, 2004; Ely & Thomas, 2001).

In multicultural teams and according to the similarity-attraction theory, people usually prefer to work with peers of similar characteristics and background, while members who are out of their “similarity circle” can be excluded from information sharing and professional networks. On the other hand, and according to the cognitive resource diversity theory, diverse inputs coming from heterogeneous work-team members can affect positively organizational processes and outcomes (Horwitz, 2005). Therefore, developing a positive DCP reduces stereotypes, conflict and discrimination and enables effective collaboration (Kadam et al., 2020). Overall, when diverse groups hold pro-diversity rather than pro-similarity beliefs, there is a better chance to reach higher levels of business performance (Homan et al., 2007).

A particularly effective way to facilitate the integration process is by increasing interaction between diverse employees (from different countries or business units, of different gender or age, etc). The idea is to mix them up in face-to-face working groups or virtual teams but this should be closely supervised and supported by properly trained managers that have the

required experience to manage efficiently the negative effect that may arise from such an interaction (Alon et al, 2018). Furthermore, it is found that board diversity may contribute positively to performance and that more diverse boards (in gender, nationality and race/ethnicity) are in general more effective managers (Fernandez & Thams, 2019).

Another outcome that arises from cultural diversity in the workplace is the **conflict** which traditionally has been perceived as a problem. The old term of “conflict avoidance” today has been replaced by the new concept of “conflict management” and this comes as a result of keeping a positive perception towards the phenomenon of diversity. An effective manager realizes that apart from the potential costs of conflict when it is managed creatively it can transform into an opportunity and bring benefits and growth both for the team and the organization (Darling J.R. and Fogliasso C.E.,1999).

Diverse workgroups provide cultural learning experiences, foster knowledge sharing, build strong and effective networks and produce social capital for the company (Alon et al, 2018). However, for all this to happen it is essential for an organization to acquire properly trained managers and leaders that are able to transform diversity management into a competitive advantage.

3.2.5 RED CLUSTER: Cultural competencies and cultural intelligence: their importance for the efficient implementation of diversity management

Being a successful leader is not about having authority and power but mostly about being able to inspire. It is about being a managerial model who is able to motivate co-workers and help them become innovative and productive. A manager who has the strength to influence actions without manipulating or limiting participation in decision making but at the same time, one who enables creativity, self-estimation and loyalty. Simon Sinek, a former advertising executive and author, has been studying the successful careers of the most legendary leaders and found that one thing they have in common is the way they think, act and communicate. This has to do with the fact that for efficient leaders the ultimate goal is not business profit but inspiration and influence. In order to explain his theory, he developed

a model which he named “The Golden Circle” (Fig. 3.5) that was introduced in his lecture “How Great Leaders Inspire Action” during a TEDx Talk event (Newcastle, USA, 2009).

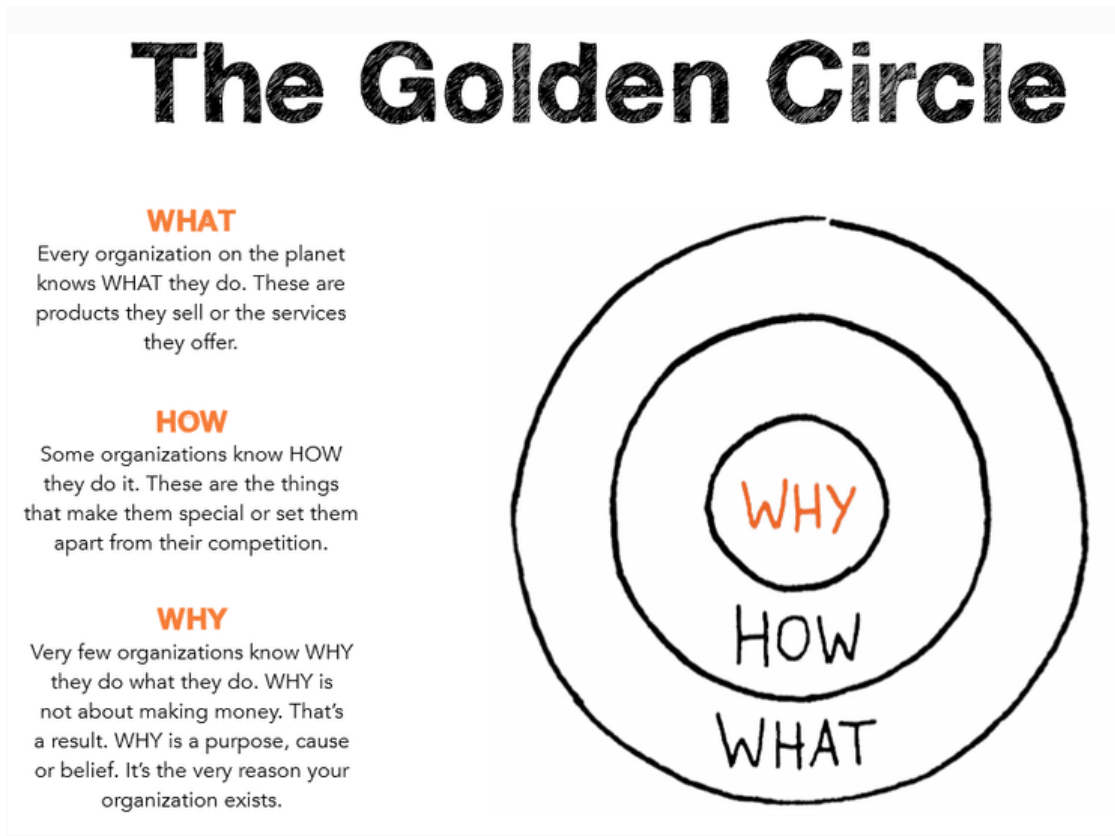


Figure 3.5 The Golden Circle Theory by Simon Sinek

Source : <https://www.rethink-innovation.ch/post/the-golden-circle-why-how-what>

According to his theory, every organization should have the answer to three questions: What, How and Why. Most companies think from the outside to the inside (What to do → How to do it → Why to do it) but what differentiates inspirational organizations is that they think completely opposite from the inside to the outside. (Why to do it → How to do it → What to do). The core question is Why and represents the purpose, cause or belief. It is not about profit which is the result but it includes the fundamental values of an organization that can inspire, influence and motivate the workforce of a business unit but also the consumers and society in general. The Golden Circle theory when applied effectively by a charismatic leader can improve leadership, organizational culture and business performance.

Following the philosophy of the Golden Circle, it becomes obvious that for diversity managers to become effective, the implementation of policies and practices is not enough. They may know what types of diversity practices to use and even how to do it, but if they don't have **the motivation of why**, it is very likely that their efforts will fail and their goals will not be reached. Thus, it becomes clear that diversity managers cannot be efficient if they cannot relate to the effects of cultural diversity and understand the urgent need of creating an inclusive workplace. Their techniques will be ineffective if they cannot inspire to the workforce the important value of cultural differences, share with them the same beliefs and vision, persuade them not to avoid but appreciate dissimilarities and positively influence their co-workers into embracing diversity.

Many attempts have been made in the past to define cultural competence and most of the definitions connect knowledge, skills and abilities to effective interaction (Earley, 2002; Hofstede, 2001; Lustig and Koester, 1999; Miller, 1994; Cross et al., 1989, Collier, 1989). However, Hofstede (2001) pointed out that personality traits can become a boundary for the advancement of cultural competence and in many cases, they may anchor the development of CC (Varela, 2019). Some years later, Bückner & Poutsma (2010) defined competencies as the building blocks of the employee's capabilities (knowledge, skills, abilities, personality traits and behavioural repertoire) that can be motivated only by the intention to act. Johnson et al (2006) conducted a very thorough literature review on the definitions derived from the past research, but they examined the concept mainly within the field of international business. Thus, they suggested a definition of cross-cultural competence as "an individual's effectiveness in drawing upon a set of knowledge, skills and personal attributes to work successfully with people from different national cultural backgrounds" (Johnson et al, 2006, p. 530).

Cultural Intelligence has 4 main variables which are (Turner & Merriman, 2021; Thomas et al, 2020; Caputo et al, 2018): **metacognitive CQ** (self-awareness of stereotypes and personal biases and how to control them), **cognitive CQ** (perception of cultural differences and diversity assembled over the lifetime), **motivational CQ** (the commitment to constant learning and understanding process) and **behavioural CQ** (the ability to use cultural

knowledge to respond effectively under culturally diverse circumstances). Culturally intelligent individuals can adapt quickly and understand better different cultures. This facilitates effective interactions, facilitates acceptance in both directions and improves collaboration.

Recent research on the efficient implementation of DM is already focusing mostly on the development of culturally competent managers and leaders to guide the process, and not so much on the development of diversity practices. According to Johnson et al (2006), the development of cultural competence CC and cultural intelligence CQ are fundamental attributes for effective leaders and HR managers, while Kempf & Holtbrügge (2020) connect high performance to international exposure. The attention has been moving from hiring employees based on their “technical knowledge and skills”, to hiring employees based on their “potential ability” to learn quickly, communicate effectively, adapt to change and foster interpersonal relationships (Rodriquez et al., 2002). The intercultural traits that are considered fundamental for building CC (Kempf & Holtbrügge, 2020; Charleston et al, 2018; Leung et al., 2014) are: positive personality (openness to experience, extraversion, flexibility, conscientiousness), unbiased beliefs (open-mindedness, positive intercultural perception), cognitive ability (knowledge, skills, abilities), self-efficacy (individual’s adequacy to evaluate his ability to accomplish a task at a certain level of performance) (Bandura, 1997) and cultural intelligence (ability to interact, adapt and perform efficiently in diverse cultural environments) (Thomas et al., 2008).

The recruiting and development of global talented managers have become top priorities for HR Department, as it is considered of crucial importance and future predictions expect an increasing demand for competent team leaders (Thomas et al, 2020 ; Alon et al, 2018 ; Ewoh, 2013 ; Strack et al., 2012). Thus, the development of cultural intelligent managers with a global mindset who can lead multicultural teams has become a primary concern for international organizations. Recently, Alon et al (2016) introduced the Business Cultural Intelligence Quotient (BCIQ) that includes both attitudinal and knowledge questions and could be a recruiting tool for identifying the most appropriate candidates and a diagnostic tool to estimate CQ and assess weaknesses and strengths. For example, an employee who speaks

many foreign languages but is not evaluated as adaptable to different cultural contexts (cultural distance), should not be offered an international assignment post and the organization should invest in another employee who is considered of high potential. The organization should support its individual needs and weaknesses (Alon et al, 2018). In the long run, this process could contribute to the development of a culturally intelligent workforce.

Another alternative for a corporation to acquire culturally competent leaders could be from a large pool of expatriate managers, as international experience is considered valuable and beneficial for both organizational performance and individual career (Kadam, R. et al, 2020; Ali et al, 2019; Armstrong and Li, 2017; Lenartowicz & Johnson, 2007). Multinational organizations should invest in the expatriate experience of their employees and support their exposure to working with culturally diverse teams. They should focus on creating such opportunities for the employees to gain intercultural experience and develop CC for leading efficiently culturally diverse teams. It is found that long and intense exposures in other countries enable the individual to develop high CQ (Alon et al, 2018; Crowne, 2008; Wood and Peters, 2014).

However, international assignments are also a big challenge that can hide a lot of risk and difficulties and cultural knowledge and DM training are not enough (Armstrong and Li, 2017). For an expatriate manager to work effectively overseas and gain valuable tacit knowledge, it needs time and patience. He needs to be curious, adaptable, communicative, passionate and emotionally intelligent (Charleston et al, 2018). A high potential leader should be “enabled to think globally” and trained according to individual learner differences. Furthermore, training based on experiential learning and showing adaptive flexibility, are considered key elements for the development of CC, which can boost a professional career and contribute significantly to the company’s success (Armstrong and Li, 2017).



3.3 A model of how to develop culturally competent managers

The suggested model of how to develop culturally competent managers (Fig.3.6) is not about what skills and competencies an efficient manager needs to have but how to acquire and develop them. As mentioned in the previous subchapter, the most essential traits to build cultural competencies are personality, beliefs, cognitive ability, self-efficacy and cultural intelligence (Kempf & Holtbrügge, 2020; Leung et al., 2014; Furnham et al, 2003). However, according to Gertsen (1990), the above dynamic traits can be learned and taught.

At the same time, the **cultural capital** that each one carries from his childhood environment includes values, knowledge and mindsets and is always determinative for every individual together with his **cognitive ability**. For a **personality** to become more open-minded, adaptable, flexible, extrovert, agreeable and empathic, training should embrace learning and experiential development. A person should learn to be tolerant and mindful, think ahead and focus on improvement. (Armstrong, SJ and Li, Y, 2017). To adopt a positive perception and attitude and avoid stereotypes and biased **beliefs**, a person should increase his exposure by reading, traveling and learning about other people's culture and traditions, listening to different opinions and trying to understand and appreciate different approaches, respecting diversity and most of all, trying to identify personal biases and control them. To improve **self-efficacy** and be able to evaluate objectively self-performance, it is fundamental to learn how to gain control over own actions, accept failure and positive criticism, self-regulate thought processes, increase motivation by setting goals that are appealing and challenging and try to achieve them slowly, without over-stressing about results but with constant resilience. Comparison should be avoided and potential failure should be related to insufficient knowledge and not to lack of ability (Bandura, 1997). To increase **cultural intelligence**, a person should go through an extensive process of cultural training and pursue experiential learning through professional international assignments. CQ can be described as the ability to behave appropriately under any new cultural context and that justifies the dynamic nature of CQ that demands continuous learning from social interactions (Thomas D.C. et al, 2008). Therefore, to increase the effectiveness of professional interactions, some extra skills should be developed as the acquisition of a new language, something that should always be provided

by the company when needed (Alon et al, 2018; Barner-Rasmussen et al, 2014; Shannon and Begley, 2008). Furthermore, research results confirm that the development of CQ is mainly experientially based (Alon et al, 2018) and a highly effective way to facilitate professional exposure is by mixing up culturally diverse employees (multicultural teams) in face-to-face working environments or blending them in virtual teams. This approach promotes cultural learning, builds networks, facilitates adaptation, commitment and communication, inspires trust and ensures social capital for the company (Lenartowicz et al., 2014). Finally, it is found that exposure to different cultural settings and interaction with culturally dissimilar people, positively affects the ability to perform efficiently in an multicultural environment (Charleston et al, 2018). To support that, Raithel et al (2021) suggest that all other things being equal, foreign leaders have more experience with cultural diversity (compared to local leaders) because of their personal expatriate experience, while Ali I. et al (2019), emphasize the positive effect of an expatriate's employee CQ on improving team creativity and knowledge sharing. Thus, international assignments can be the ultimate step for increasing CQ.

To develop an organizational culture that embraces diversity and promotes multiculturalism, an organization should introduce diversity training programs that focus mostly on doing and not only on learning in theory. The training programs should be designed to prepare future leaders to manage culturally diverse teams based on personal experience and should involve interaction, exposure and knowledge sharing. The focus will be on recognizing, comprehending and decoding different cultural behaviours, attitudes and values (Thomas D.C. et al, 2008). To support all the above, the organization should provide equal opportunities to all employees for constant learning/training and access to further education, in order to promote interest in learning about other cultures, eliminate stereotypes and help employees appreciate differences (Alon et al, 2018; Heckman & Kautz, 2012).

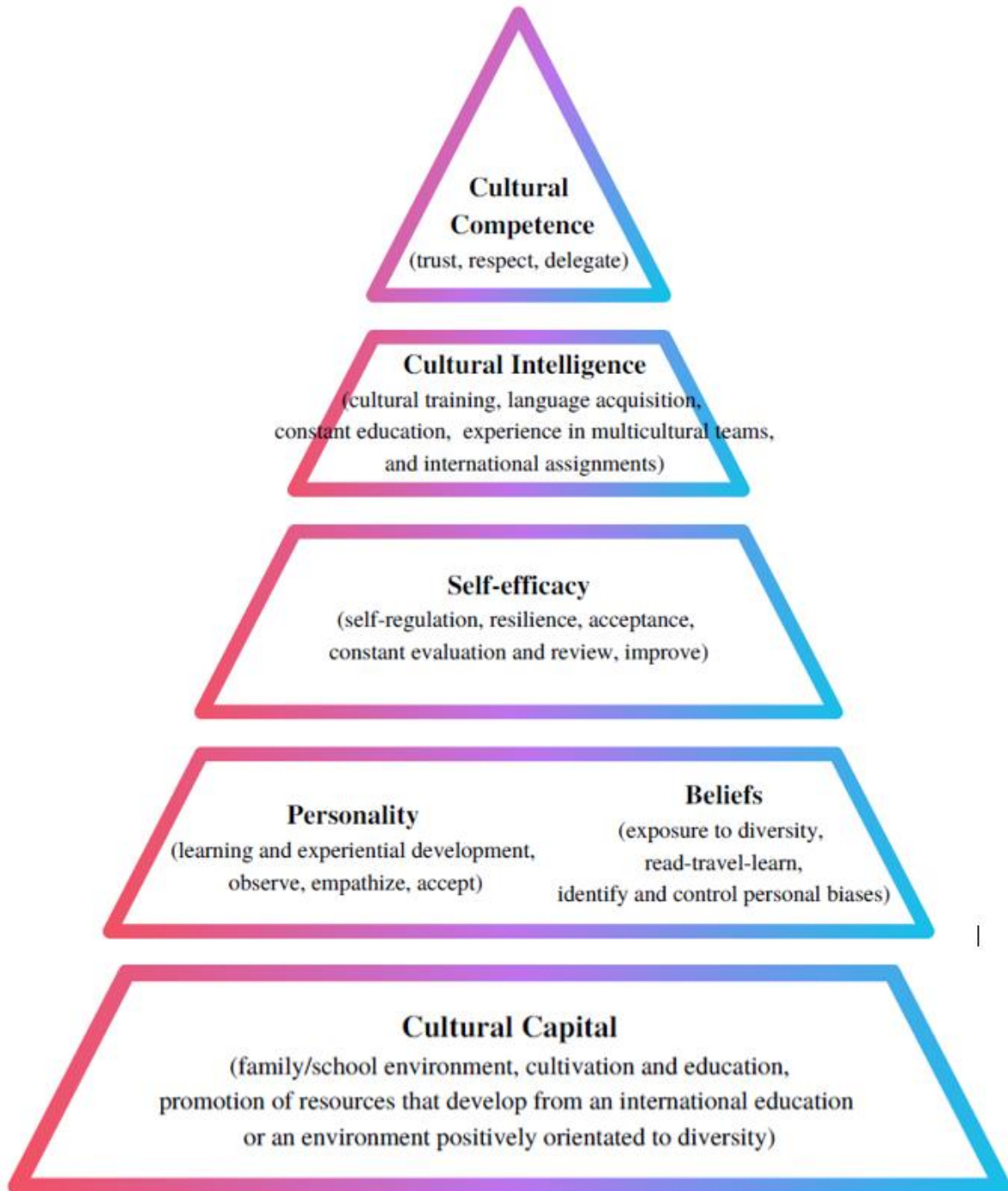


Figure 3.6 A model of how to develop culturally competent managers

4. Conclusions, Limitations and Proposals for further research

4.1. Conclusions

There has been wide research on how cultural diversity affects the performance in the workplace in all three business levels: the individual employee, the work team and the organizational (Aytemiz Seymen, 2006). The importance of diversity management has been highlighted and many different tactics and strategies have been introduced until today. However, the issue that still requires much research is how to implement efficiently all these strategies in each organization with a wide variety of different features, culture, goal orientation and business environment or else, **how to bridge the gap between 'knowing' and 'doing'** (Charleston et al., 2018). In other words, what are the elements that differentiate an effective manager from an average one and how efficient leaders can be developed. In this literature review-based research and to facilitate the process, the results of the VosViewer bibliometric Analysis were used and all the articles examined were grouped in 5 clusters (blue, yellow, green, purple, red) based on the main concept idea they examine:

- ❖ Blue cluster: Cultural diversity and diversity management: the impact on teamwork dynamics (interactions, relationships, communication, adaptation, etc)
- ❖ Yellow cluster: Cultural diversity: the impact on business performance
- ❖ Green cluster: Diversity management and practices: the impact on business performance
- ❖ Purple cluster: The importance of Positive Diversity Climate Perception and effective leadership for high organizational performance
- ❖ Red cluster: Cultural competencies and cultural intelligence: their importance for the efficient implementation of diversity management

Cultural diversity is the new reality in every workplace and society in general. The only efficient approach towards this dynamic phenomenon which is constantly generating new forms of diversity is to embrace it and learn how to adapt to a culturally diverse environment with respect and appreciation. However, workgroups are not always able to benefit from their diversity. Especially in multicultural teams with linguistic and ethnic diversity, communication is more difficult and slower and, in many cases, it can be a source of

misunderstanding. Moreover, another fundamental dimension is the region of origin of the individuals, as there is a different tendency to stereotype and also, a different willingness for international interaction (Moeller et al., 2015). These are factors that may affect professional attitude and collaboration and consequently group efficiency. For example, gender diversity remains an important issue in areas like the Middle East, where although women managers are gaining power in organizations, they still receive discrimination, fewer opportunities and a lack of supportive policies (Jamali et al., 2010). On the other hand, it is found that even in advanced Nordic countries like Denmark (Lauring, 2009) or Finland (Sippola & Smale, 2007), societies that are considered progressive, open-minded and value equality highly (especially gender equality), there are still important challenges to manage (mostly concerning ethnicity and sexual orientation diversity). This may happen because of various factors like their cultural homogeneity, reduced communication, lack of multicultural experience, language gap and more.

The results reveal that the literature approach on the impact of CD and DM on business performance is not constant as there are many variables that act as mediators and moderators towards the relationship between CD and efficient performance (Kempf & Holtbrügge, 2020; Van Knippenberg et al, 2004). Moreover, based on the review of the empirical studies, it is found that in real practice the effect of DM on the successful integration is not considered sufficient (Nishii et al., 2018). This reveals the weaknesses of the existing process which should be restructured and adjusted to the new social and business realities and also, highlights the lack of gifted and properly trained managers and leaders. Diversity Management should be recognized as a top-level HRM Strategy (Riccò & Guerci, 2014; Gupta, 2011) that needs to be constantly observed, revised, updated and enriched with new policies, practices and training programs to increase knowledge, develop diversity awareness and leverage the employee's ability to create value for the business.

Efficient DM should ensure through Micro and Macro HRM strategies and policies that every employee has equal access to opportunities, supportive practices like coaching and counselling are offered, business information is diffused at every organizational level, learning and development are equally available and mutual trust and respect is established. In

addition, efficient DM should encourage techniques that create optimum conditions for a diverse workforce and at the same time promote equality and job satisfaction (Malik et al., 2018). This group of programs involves “**family-friendly**” or “**work-family balance**” policies and practices, such as flexible working arrangements, remote working, or part-time contracts (Michielsens et al., 2013). For all this to happen, the organizational culture has to be redesigned accordingly and embrace such practices. The process needs to be supported by open-minded leaders who appreciate CD, promote innovation and technology and prioritize collaboration and synergy in the workplace.

The recruitment process is also a crucial step and should be applied by a group of unbiased and diverse interviewers. Managers involved in the recruitment process should ensure that stereotypes and personal biases don't have a place in the culture of the organization. For example, when there is a high workforce ethnic diversity in an organization, the recruitment process should be performed by a group of hiring managers to whom the candidates can relate and gain confidence and trust (Malik et al., 2018). The hiring team should reflect an open-minded and positive organizational approach towards diverse cultural backgrounds and different cultural skills. The value and appreciation of workforce diversity should be efficiently communicated in advance, especially to minority groups for them to avoid developing feelings of underestimation or marginalization (Hussain, 2020). Therefore, organizations should also consider including in their recruitment and selection process, the assessment of the candidate's cultural competence (CC) and cultural intelligence (CQ). This is the conclusion derived from the majority of relevant empirical research studies and confirms that when there is a need to understand and manage efficiently the workforce cultural differences and diversity, CC and CQ could ensure great results (Turner & Merriman, 2021). Recently, Alon et al (2016) introduced the Business Cultural Intelligence Quotient (BCIQ) that includes both attitudinal and knowledge questions and could be a recruiting tool for identifying the most appropriate candidates and a diagnostic tool to estimate CQ and assess weaknesses and strengths. The development of similar recruiting tools could be of great value. In addition, multinational organizations should invest in the expatriate experience of their employees and support their exposure to working with culturally diverse teams. They should focus on creating such opportunities for the employees

to gain intercultural experience and develop CC for leading efficiently culturally diverse teams. Furthermore, a company should invest in a diverse team of recruiters to target a demographically diverse selection of candidates so that negative perception will be minimised.

To develop an organizational culture that embraces diversity and promotes multiculturalism, strong emphasis should be drawn on the development of a Positive Diversity Climate Perception in the workplace that improves significantly business performance and teamwork dynamics. It is found that even under the same diversity management practices, the results vary across the national context, the different legal framework, the different nature and type of organizations, and also the different managerial levels (Köllen, 2021; Kundu et al., 2020; Hennekam et al., 2019; Qin, et al. 2014; Härtel, 2004; Ely & Thomas, 2001). In order to “bridge the implementation gap” and improve business performance, the organizations should create a holistic action plan that considers the specific traits of the organization and leads to the development of an inclusive workplace with diversity awareness, respect of cultural differences and appreciation of heterogeneity. A particularly effective way to facilitate the integration process is by increasing interaction between diverse employees but this should be closely supervised and supported by properly trained managers that have the required experience to manage efficiently conflict and the negative effect that may arise from such an interaction (Alon et al, 2018). Furthermore, it is found that board diversity may contribute positively to performance and bring up more effective managers (Fernandez & Thams, 2019).

Diversity training programs should be introduced, disconnected from the general HRM and specifically designed to prepare future leaders to manage culturally diverse teams based on personal experience. They should involve interaction, exposure and knowledge sharing and focus on recognizing, comprehending and decoding different cultural behaviours, attitudes and values (Thomas D.C. et al, 2008). To support all the above, the organization should provide equal opportunities to all employees for constant learning/training and access to further education, to promote interest in learning about other cultures, eliminate stereotypes and help employees appreciate differences (Alon et al, 2018; Heckman & Kautz,

2012<https://onlinelibrary-wiley-com.proxy.eap.gr/doi/10.1002/tie.21826> - [tie21826-bib-0029](#)). Overall, learning and experiential development should become top priorities in an organization and should be ensured through constant education opportunities and international assignments.

Being a successful leader is not about having authority and power but mostly about being able to inspire and motivate. An efficient manager cannot just rely on the knowledge of DM practices but should acquire the motivation of why, be able to relate to the effects of cultural diversity and understand the urgent need of creating an inclusive workplace (Yadav & Lenka, 2020; Pieterse et al, 2013). Recent research on the efficient implementation of DM is already focusing mostly on the development of culturally competent managers and leaders to guide the process, and not so much on the development of diversity practices. The recruiting and development of global talented managers have become a top priority for HR Department, as it is considered of crucial importance and future predictions expect an increasing demand for competent team leaders (Thomas et al, 2020; Alon et al, 2018; Ewoh, 2013; Strack et al., 2012).

4.2 Implications of the model and contribution

The theoretical contribution of the model is focused on drawing a path for the efficient development of successful managers and business leaders; a process that starts from the early years of the candidate and progresses through his professional career. The model highlights the importance of early-years education and experience on the development of CC and CQ. Therefore, given that the suggested model is supported by further research, it can also contribute to motivating organizations and governmental institutes to finance specifically designed programs and actions. The aim will be to improve experiential learning for students and young professionals and also, invest more in creating an environment positively oriented to diversity through activities and special programs in schools, universities and society in general.

The suggested model can practically consist of a route map for the development process of culturally competent and culturally intelligent managers and be implemented in the recruitment process of an organization. As the demand for talented and inspiring leaders is

constantly increasing, every forward-thinking organization should invest in creating a pool of charismatic leaders who can act as inspirational models themselves towards diversity acceptance, team building, conflict management and the formation of high-performance business culture. The suggested model could facilitate the recruitment process by distinguishing the candidates of high potential in becoming efficient leaders. This is a model that does not focus on job-oriented skills and capabilities, but mostly on the formation of an inspiring personality that can bring change in the organizational culture as a team leader, appreciates CD and knows how to benefit from it. However, for this to happen, the model should be supported by specifically designed HRM practices (interviews and evaluation tests that can provide valid information about the profile of the candidate on his cultural capital, personality traits, values and beliefs).

4.3 Limitations

The current literature-review research was based on the results of previous empirical research that according to Triana et al. (2021) & Alhejji, (2016), a research methodology that has been used in the past to examine the diversity-training outcomes, present significant limitations (inadequate sample sizes, poor use of DM training and practices, longitudinal constraints, etc) and is considered flawed and fragmented, therefore it is suggested to be revised and redesigned before applied to new research studies. However, an effort was made during the article selection process to include mostly recent results of the last decade.

Furthermore, the topic of CD is so wide that a majority of research results have not been included in the literature review because of the big volume of research included in different scientific areas. The criteria focused mostly on information related to Business & Management and articles that were not written in the English language have been excluded. However, the efficient implementation of diversity management is highly connected to social sciences and psychology and the study of articles from this field could provide valuable information.

Finally, research has focused on empirical results that mostly examine the objective elements of cultural diversity and their impact on business performance. This is because research on

the impact of the subjective elements, which are equally crucial but more complicated to evaluate, have not yet been enough examined.

4.4 Proposals for further research

According to Triana, M.D.C. et al. (2021) although much research has been done on the topic of discrimination and diversity in the workplace, most of it is based on obsolete theories. Therefore, future studies should focus on revising and updating empirical results, comparing them to more recent empirical research and analyzing the progress made in the DM field. In addition to that, there is a complex interaction between CD and its impact on performance that is affected by many variables and leads to an inconsistency that needs further analysis and attention (Kempf & Holtbrügge, 2020).

Moreover, DM and organizational outcomes should be connected to the leader's CQ and teamwork performance (Johnson et al, 2006). Research should focus more on analyzing the effect of subjective elements of diversity (like values, beliefs and personality) on business performance and wider research should be provided on how to improve the recruiting process by introducing validated CQ questionnaires and other valuable methods. Finally, the development of CQ should be researched in connection to the elementary education provided and how the early years learning experience can improve the CQ level of an individual.

It is obvious that there is a continuous need for research on the complicated topic of cultural diversity in the workplace, research that can identify similarities and differences between group members and focus on the related behavioural process that affects business performance and productivity. Although multicultural and diverse groups need more time to perform efficiently, in the end it is with no doubt that they can become the competitive advantage of an organization.



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Author's Statement:

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