THE ROLE OF LEADERSHIP IN CREATING AN INCLUSIVE CULTURE OF DIVERSITY AND A STRONG CORPORATE BRAND IN MULTICULTURAL ENVIRONMENT

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Abstract - In literature, leadership and corporate culture come up as major factors in the success of organizations as they have great influence on organizational structures, processes and hence performance of companies. The article discusses the importance of the leaders' role in building a corporate culture based on diversity and inclusion. The author emphasizes the responsibility and accountability of organizational leaders for introducing and implementing diversity-sensitive culture. Today's leaders and managers need the skills required to manage rapidly changing diverse workplace. In today's multicultural work environment organizations need to value differences among employees, which can be the source of inspiration, creativity and outstanding performance.To prove the stated thesis, the research results have been incorporated in this work, the purpose of which was to investigate employees' awareness of diversity in theirorganizations and examine their opinions on the importance of diversity and inclusion, as well as the influence of the increase of diversity on the organizational culture and performance.The aim of the research was also to identify the major strategies which could be realized by the company's management in order to create a better work environment and a stronger corporate brand.A diagnostic survey method by means of a questionnaire has been utilized for gathering the data. The results have been evaluated by using the methods of factor analysis, correlation analysis and regression analysis. As a result, it has been determined that there is a meaningful relationship between the perception of diversity and the organizational level represented by respondents. A special role is played by the leaders, who have the power to shape the corporate culture by implementing diversity and inclusion strategy, which in turn can strengthen the corporate brand.

Keywords - Leadership, corporate culture, corporate brand, diversity management, diversity and inclusion.

I. CONCEPTUAL FRAMEWORK AND LITERATUREREVIEW

The popularity of organizational culture, in regard to its impact on various situational variables within the framework of organization, as a particular research subject in management science has never decreased. It has been seen as one of themajor factors to be investigated through organizational life, as it has a big impact on the overall performance of the organization.(Aktas, Çiçek, Kıyak, 2011).

Most academicians who carry out research concerning organizations recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organizations. Organizational scholars began paying serious attention to the concept of culture at the beginning of the 1980s. This is one of the few areas in which observers lead practicing managers in identifying crucial factors affecting organizational performance. Organizational culture has been an area in which conceptual work of the scholars have provided guidance for managers - as they have searched for ways to improve the effectiveness of their organizations. Culture forms the basis of group identity and shared values, thoughts, beliefs, and feelings. One of the most decisive and important functions of leaders, particularly the founders of a company, is the creation and management of its culture (Christensen, 2006). Edgar Schein (1985) defines culture as a property of an independently defined social unit whose members share a significant number of common experiences in successfully addressing external and internal problems. Over time this group of people will have formed a shared view of the way that the surrounding world works, and of the methods for effective problem-solving. This common view of the world has led to the formation of basic assumptions and beliefs that have worked well enough and long enough to be taken for granted. Therefore,culture can be defined as the glue that holds the organization together as a source of identity and distinctive competence. (Yildirim, Birinci, 2013). Culture is strongly influenced by the company's history and roots, the reputation of its products in the markets, the feedback from its customers and its economic environment. It forms the basis for the success of the company, to which the employees contribute purposefully and with motivation - to realize its business strategy (Winkelhake, 2018).

A corporate culture of the given organization is reflected in the natural behaviour of its employees among themselves and in the face of customers, including the practised values, the climate and the morale. Corporate culture can be defined as a whole of the basic thinking methods, values and norms affecting behaviors and actions within company. Among the most important variables that determine the corporate culture, the following should be mentioned: the personal profiles of entrepreneurs and managers, management style, communication style, willingness of entrepreneurs and managers for

transfer of power, as well as opportunities granted to lower managers for innovating (Altındağa, Kösedağıa, 2015).

Company culture is significantly influenced by the following factors (Eilers, Moeckel, Rump,2016): communication, leadership, flexibility/readiness for change, diversity, transparency, participation.Among the factors influencing organizational culture, in addition to categories like: the type of environment (national culture, the system of values of society and communities in the region, the local system of values) and the type of organization (the market situation, products and technology, the industry), Koźminski also mentions the characteristics of the organization (its history, size, leadership, administrative system, policy and strategy of action, management procedures and structure) and the characteristics of participants (values, attitudes, education, gender, age, work experience, life experience, emotional ties) (Koźmiński, Obłój, 1989).

Undoubtedly, the shape of cultural patterns of the organization is influenced by top managers, whose duties include the development of policies and strategies as well as management procedures. Organizational culture becomes a tool in the hands of managers, who can affect the participants of the organization in such a way that the goals of the organization are achieved. Using the appropriate criteria of recruiting and selecting employees for various positions (including management), the organization selects people with specific characteristics. The behaviour of managers shapes the corporate brand and the image of the organization in the minds of subordinates, and this in turn affects the behaviour and actions within the organization as a whole. Top managers determine the attitudes and behaviours of managers at lower levels, and all managers influence the development of desirable attitudes and values of subordinates. A good leader creates a vision, communicates and cultivates it and leads to its fulfillment (Sloane 2007). Top managers, their style of management and communication, preferred incentive systems, etc. become some of the key determinants of organizational culture. (Szczepańska-Woszczyna, 2015).

Leaders have the central role in shaping and controlling organizational culture (Schein, 1992). Although founders have the initial role in establishing an organization's culture, cultures have been known to change in the hands of subsequent CEOs (Davis, 1984, Kerr & Slocum, 2005).Therefore, leadership is one of the key driving forces for improving the company's performance, creating its brand and shaping its culture. Organizational leadership and culture have been studied for many years. All studies reveal the common finding that there is a strong correlation between leadership and culture. They are two sides of the same coin (Schein, 1992). To go further, leadership creates and/or enforces organizational culture. Leaders try to make changes that increase organizational efficacy and performance. Literature search provides research results that prove the linkage between organizational culture and business performance (mostly through leadership style). (Yildirim, Birinci, 2013).

Successful leaders act as "integrating forces" on two levels: integrating the elements of corporate identity structures, and mediating between the corporate branding structures and the individual (Vallaster, de Chernatony, 2006). It is worth noting that the corporate brand concept is relatively recent – more expressive in the 1990s – and an interdisciplinary field, which involves different schools and approaches (Balmer & Gray, 2003; Fetscherin&Usunier, 2012; King, 1991). Corporate brand management is the representation of symbols associated with the company's key values and culture as well as its products and services. (Rodrigues et al., 2017).

Corporate brands communicate organizations' values, culture, and ethos (Balmer, 2013). Corporate brand management has become an important topic for managers and a promising research context for marketing scholars. Managers today are interested in creating and maintaining well-established corporate brands, since they can bring the organization a competitive edge. Table 1 presents several factors related to successful corporate brands.

Table 1 Factors related to successful corporate brands.

Author(s)	Success Factors
Harris and de Chernatony (2001)	• Narrow the gap between corporate identity and corporate reputation. • Internal marketing campaigns to reinforce organizational culture. • Congruency and consistency between organizational values and employee behaviours.
Hatch and Schultz (2003)	• Strategic vision, organizational culture, and corporate image.
Knox and Bickerton (2003)	• Brand context, brand construction, brand confirmation, brand consistency, brand continuity, and brand conditioning.
de Chernatony and Cottam (2008)	• Employee behaviour and employee empowerment. • Alignment between manager's and employee's perception of organizational culture.

	• Alignment between organizational culture and corporate brand image.
Merrilees and Miller (2008)	• Maintain core values and cultivate the brand, alignment of brand elements, and corporate brand promotion.
Balmer (2011)	• Senior management custodianship, building and maintaining brand credibility, and calibrating the corporate brand constellation.

Source: Mohan et al., 2017.

Corporate culture plays the main role in motivating and shaping creative behaviour in organizations. Establishing and nurturing entrepreneurial behaviour and practices so that they become part of an organization's culture and ethos can provide the opportunity to initiate change and create innovation. Leadership plays a crucial role on the change path from a monocultural and homogeneous towards a multicultural and heterogeneous organizational structure.Managing diversity aims at changing organizational cultureand it is a long-term process (Thomas, 1992).The multicultural organization has overcome these deficiencies that the plural organization has shown as outlined previously. The difference is that within the plural organization diversity is being contained whereas within the multicultural organization diversity is being valued (Cox, 1991, 1993).

Despite the effort of multiple authors, the search for a universally valid comprehensive definition of diversity has not yet been and probably cannot be achieved. One type of diversity is observable diversity, which comprises the classical forms of appearance such as race, ethnic background, nationality, gender, and age. The other three types of diversity in the model are subsumed under subtle individual differences of diversityand are "diversity in values" (e.g. personality, cultural values, socio-economic heritage, religion, humour or sexual orientation), "diversity in skills and knowledge" (e.g. education, language skills, work experience, professional competence or seniority etc.), and "diversity in cohort membership". Cohort aspect are based on the supposition that individuals who enter an organization or department at the same time identify with others and this identification influences behaviour (Milliken, Martins, 1996).

When discussing how diversity should be "done" in organizations, Davidson and Ferdman(2002) propose that the answer rests in an inclusive version of diversity. An inclusionary approach to diversity management is one in which differences are recognized, valued and engaged. Different voices are heard and integrated in decision making and problem-solving processes, have an active role in shaping and fostering creativity and innovation, and eventually in adding value to the company's performance (Pless, Maak, 2004). Ferdman(2013) emphasizes that inclusion involves how well organizations and their members fully connect with, engage, and utilize people across all types of differences.
Based on these definitions, under an inclusionary approach to diversity management, the differences of individuals in organizations are not just identified, rather are integrated into the fabric of the organizations culture.
And this is where the role of leadership is inevitable.
Cox(1991 and 1993) concentrated on several aspects concerning the ideal of the multicultural organizationand identified its six characteristic features,which are presented in Table 2, along with related tools for diversity management.

Table 2 Dimensions and tools for achieving multicultural organizations that practice Managing Diversity.

Dimensions of Multicultural Organizations that Practice Managing Diversity	Tools
Pluralism	Managing Diversity trainings Language trainings Advisory groups to senior management Explicit statement of diversity in mission statement New member orientation programs Diversity in key committees Create flexibility in norm systems etc.
Full structural integration of all employees	Education programs Career development programs Affirmative-Action-programs Diversity-oriented manager performance appraisal and reward systems Flexible working hours
Full integration of all employees into	Mentoring programs

the informal networks	Company sponsored social events
Absence of prejudice and discrimination	Bias reduction trainings and equal opportunity seminars Focus groups Task forces Research
No gap in organizational identification based on cultural identity group	All items from the other dimensions
Low levels of diversity-based inter-group conflict	Conflict management trainings Managing Diversity-trainings Survey feedbacks

Source: Cox, 1991.

II. RESEARCH METHODOLOGY AND RESULTS INTERPRETATION

In multicultural environment, in which diversity and inclusion are incorporated into the strategy, better results can be obtained and a stronger corporate brand can be created. To support this thesis, a survey was carried out on the sample of 115 employees (Szymańska, 2017). The research method used was diagnostic survey and the tool – questionnaire. The analysis focused on the comparison of four different groups of people employed on different organizational levels: specialists, line managers, middle managers and top managers. In case of independent variables related to the position held in the organization, the Kruskal-Wallis ANOVA analysis was used for comparison. In order to assess the relationship between nominal features, the Fisher's exact test – the-chi squared test was applied with the Yates's continuity correction for a 2x2 contingency tables, for which the contingency coefficient C of correlation was calculated.

The primary research objectives were defined as the following:

- to identify the importance of diversity issues among employees of different organizational levels;
- to indicate the most effective strategies which could be adopted by management to increase awareness on diversity and inclusion in order to build a strong corporate brand.

The following hypotheses have been formulated for the purpose of the research:

- H1: For leaders holding managerial positions diversity management is perceived as important for the success of their organization.
- H2: The higher the position held in the organization, the bigger the significance perceived in the influence of increasing diversity on the functioning of the organization.
- H3: Particular strategies for improving inclusiveness in the organization are evaluated better by employees who hold managerial positions.

In most of the cases diversity management is perceived to be very important (42%) or rather important (39%) for the success of an organization at present and in the future. A total of 81% of the respondents believe that diversity management is a significant element of corporate governance (Figure 1).

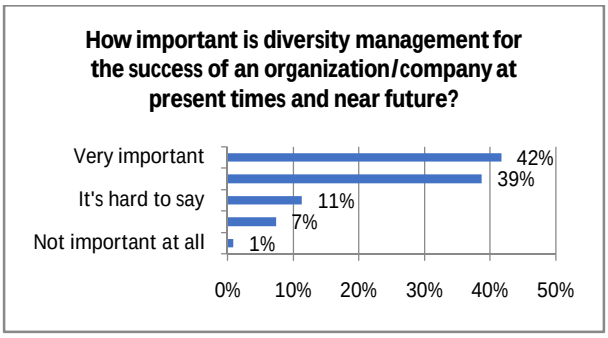

Figure 1 The importance of diversity for the success of an organization.

People holding middle manager position have the highest scores (M=4.48) and the lowest scores are related to persons in specialists' positions (M=3.51).

The surveyed were asked to rate on a scale from 1 (=not at all) to 5 (=a lot) how increasing diversity at their organization would improve the indicated aspects (Figure 2). Significant statistical differences in the measured variables were identified on the basis of the position held.

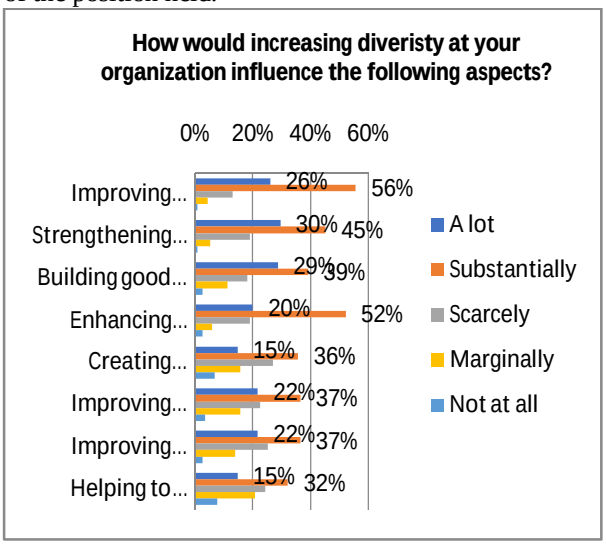

Figure 2The evaluation of the possible influence of increasing diversity on the given organizational aspects.

For the variable "Strengthening corporate culture", persons in the positions of specialists and top managers have the highest scores (M=3.32) and the lowest scores are achieved by persons in the positions of line managers (M=2.33). As far as "Building good company image" is concerned, top managers (M=3.57) have the highest scores and specialists (M=2.86) have the lowest scores. In the case of "Enhancing employer branding activities", middle managers have the highest scores (M=3.22) and the lowest scores are achieved by persons in the positions of line managers (M=2.71). With the variable "Improving relationships with clients/customers/third parties", middle managers' positions have the highest scores (M=3.74), and the lowest scores are achieved by line managers' positions (M=2.79). Finally, for the variable "Helping to decrease conflicts and litigation", the highest scores are achieved by middle managers (M=3.61) and the lowest by line managers (M=2.54).

The respondents have been examined regarding the strategies that should be adopted by the management of their organization in order to increase the awareness of diversity in the workplace. They have been asked to rate particular activities within the proposed strategies on the scale from 1 to 5 (where 1 means inadequate and 5 – very good). The results referring to the evaluation of three discussed strategies have been displayed on Figures 3-5.

The first strategy which was evaluated was reducing prejudices and uses of stereotypes (Figure 3). The highest rank was given to initiative to dismiss myths about diversity (73% of the respondents classified this activity as very good or good), then work on bias awareness and willingness to face prejudices/ uses of stereotypes (70%), and finally – insistence on values and fundamental differences (65%).

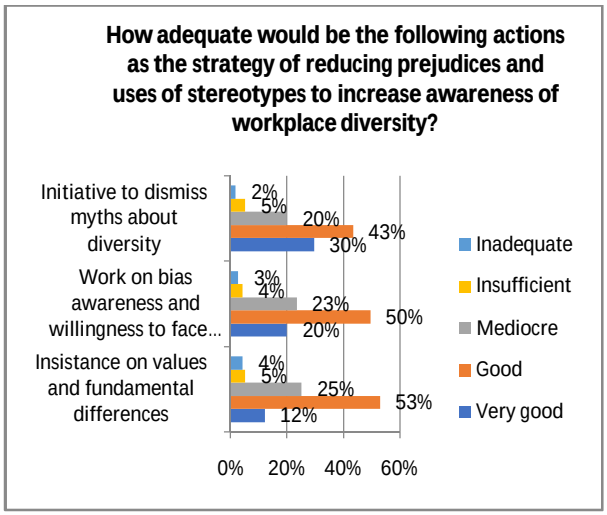

Figure 3Reducing prejudices and uses of stereotypes as a strategy that could be adopted by management to increase awareness of diversity in the workplace.

Statistically significant differences can also be observed as far as the position held is concerned. In the variable "Insistence on values and fundamental differences" it is middle managers who have the highest results (M=3.83). The lowest results are achieved by persons in specialists' positions (M=3.37). Specialists also have the lowest scores (M=3.31) in the variable "Education on avoidance of dangerous terms/words". The highest results in this variable have been scored by line managers (M=3.88).

Figure 4 displays the results of evaluation of the particular activities which could become a part of strategy named "Improving communication among diverse people (different countries, cultures, genders, etc.)". The highest rank was given to increasing contact among diverse people (84% of the respondents classified this activity as very good or good), then active listening education for employees (70%), next – education on avoidance of dangerous terms/ words (63%), and finally – creating campaigns on reduction of stereotypes (61%).

The next strategy which was evaluated by the respondents was helping to build professional relationships in the workplace among diverse people (Figure 5). The highest rank was given to working on perception of diverse as added value (75% of the respondents classified this activity as very good or good), then encouraging feedback from diverse (73%), next – initiatives to bond diverse employees with one another 72%).

In the variable "Encouraging feedback from diverse", employees having positions of line manager have the highest results (M=3.96). The lowest results are achieved by persons in specialist positions (M=3.46). What's more, in the variable "Working on perception of diverse as added value" the highest results are prescribed to top managers (M=4.21).The lowest results are achieved again by specialists (M=3.40).

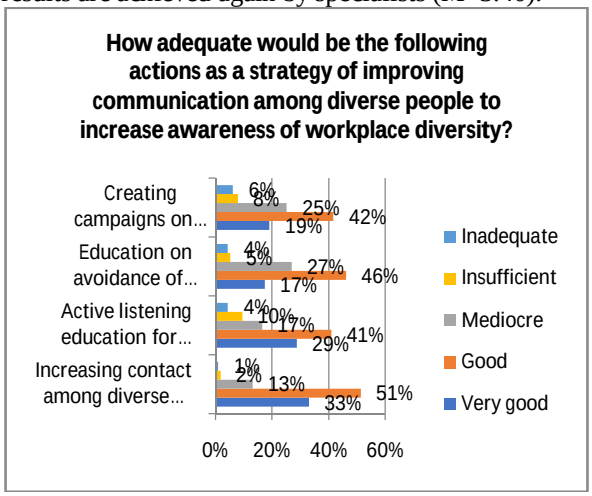

Figure 4Improving communication among diverse peopleas a strategy that could be adopted by management to increase awareness of diversity in the workplace.

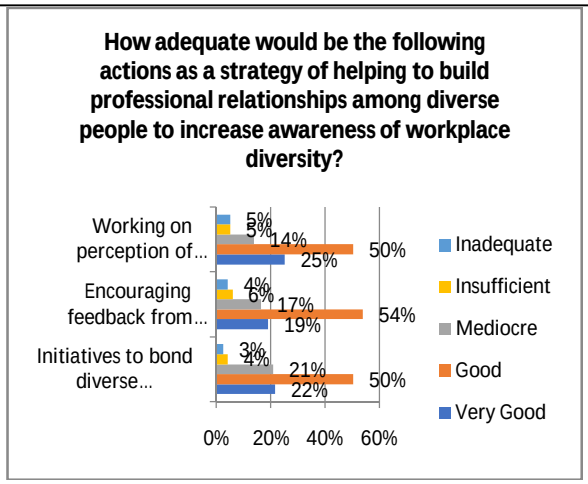

Figure 5Helping to build professional relationships among diverse people as a strategy that could be adopted by management to increase awareness of diversity in the workplace.

The survey participants were also asked to rate the strategies which could be adopted to improve inclusiveness both from organization's and employee's side (Figure 6) – on a scale from 1 (=inadequate) to 5 (=very good). Significant statistical differences in the measured variables were identified on the basis of the held position.

For the variable "Learning new cultures/languages (employee)", middle manager positions have the highest scores (M=4.43) and the lowest scores are achieved by persons in specialist positions (M=3.89). In the case of "Language and culture trainings (by organization)", middle manager positions have the highest scores (M=4.39) and the lowest scores are achieved by persons in specialist positions (M=3.71).

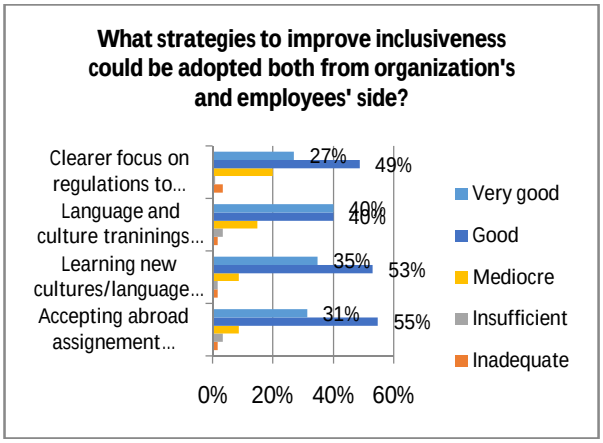

Figure 6The evaluation of adequacy of strategies which could be adopted to improve inclusiveness both from organization's and employee's side.

CONCLUSIONS AND RECOMMENDATIONS

The overall interpretation of the results verifies positively all the three posed hypotheses. It turns out that in organizations the awareness of diversity and its importance for the success of the organization is more significant for employees holding managerial positions. The higher the position held in the organization, the bigger significance perceived in the influence of increasing diversity on the functioning of the organization. And finally, employees holding higher positions in organizations higher evaluate particular strategies for improving inclusiveness in the organization.

Generally, the respondents believe that reducing prejudices and use of stereotypes, improving communication among diverse people and helping to build professional relationships in the workplace among diverse people would be good strategies which should be introduced by the management in order to increase awareness of diversity among employees. The lower the organizational position of the employee, the more difficult the given person finds it to deal with differences or diverse people, as well as the more misunderstanding problems they encounter due to diverse backgrounds. Employees holding lower positions generally rank lower the particular activities related to introducing managerial strategies to increase diversity awareness in the workplace.

Finally, it is strongly recommended that organizations develop an organizational culture which truly values, and espouses the benefits of, inclusion in the workforce. This culture can be used as a continual reinforcer of diversity and inclusion efforts. To begin doing so, organizations can make use of the contributory factors identified in this paper. The factors contributing to perceived inclusion are far from complicated, making them relatively easily replicable across organizations of different sizes and structures in different industries. Finally, organizations are encouraged to create a culture that enables an open dialogue between employees and managers. Therefore, the role of managers is irreplaceable.

Thus, it can be stated that it is necessary for a company to create a diversity and inclusion culture and to have managers who are highly aware of the importance of diversity issues in order to increase the employees' performance at work, which in turn leads directly to creating a strong corporate brand. The findings show that organizational culture is related to organizational efficiency dimensions. The stability or variability of internal and external organizational environment, as well as the top manager's values (self-direction and stimulation), which are shaping their leadership play a moderating role in this relationship.

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