

# ASTON UNIVERSITY

## **Diversity, Culture, Leadership, Performance**

A performance-oriented model to leading across differences and managing internationalization processes

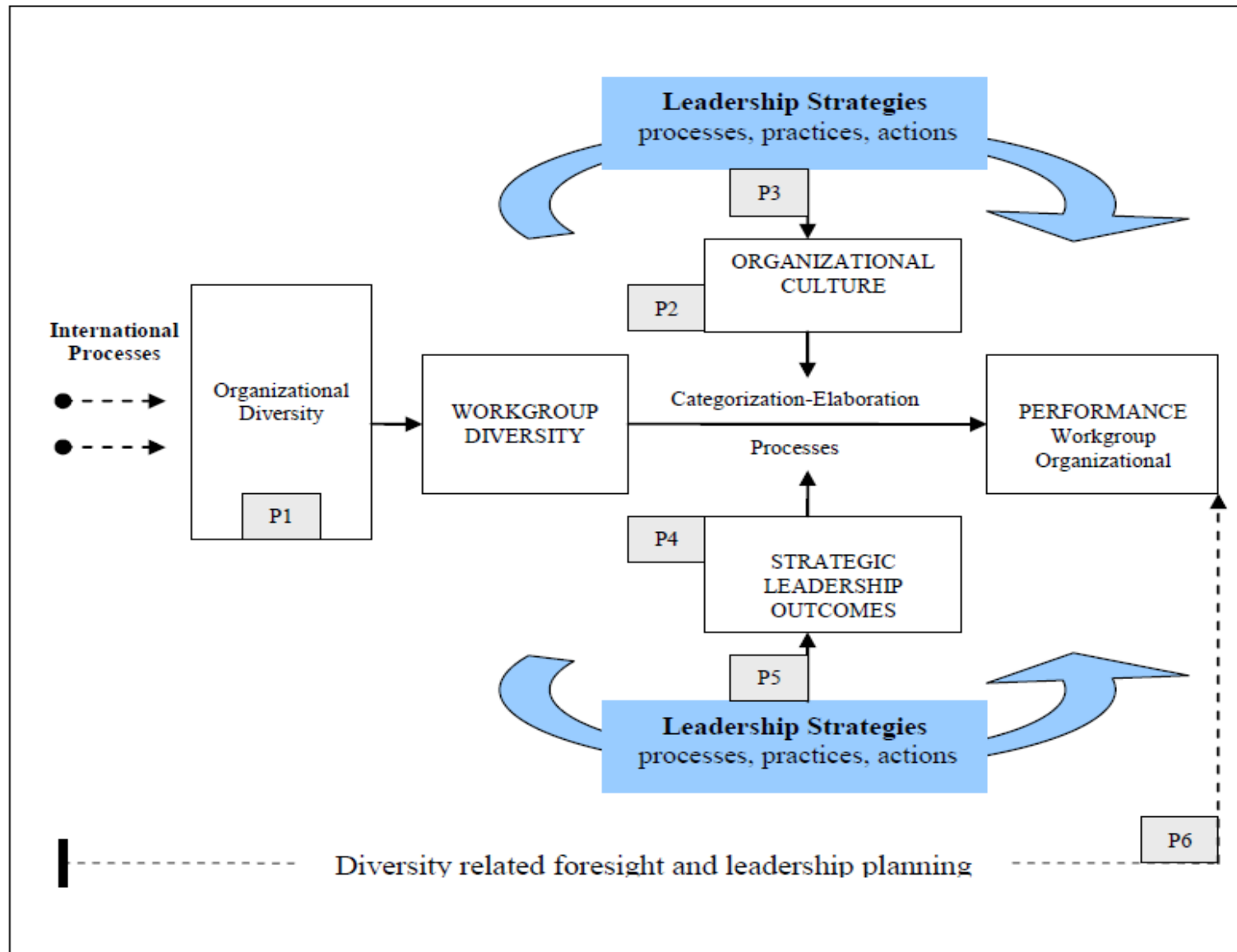
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### **Thesis Summary**

This dissertation focuses on the role that leaders play in influencing the factors which moderate categorization-elaboration processes of diverse groups in achieving desired performance outcomes. A theoretical model (Diversity-Culture-Leadership-Performance Model) is proposed which suggests that leadership strategies may be employed to create an organizational culture and achieve strategic leadership outcomes that positively influence group categorization-elaboration processes so as to achieve desired performance outcomes. An embedded multi-case study approach is taken to study qualitatively four organizations which experienced increased levels of organizational and workgroup diversity due to internationalization processes. Case findings are interpreted in relation to the DCLP Model and conclusions are drawn which identify the leadership strategies that were employed effectively in organizations that managed increasing levels of diversity so as to achieve superior performance. The case findings present replication and contrary replication evidence which suggests that organizational culture and strategic leadership outcomes may exercise a positive moderating influence on group categorization-elaboration processes if leaders employ leadership strategies which span social identity-related boundaries. A practical management tool kit is proposed based on the organizational culture elements and leadership strategies that were observed in the cases which achieved superior performance outcomes.

Keywords: internationalization, diversity, leadership, organizational culture, performance

**Figure 2.9**  
**Definitive theoretical DCLP Model**  
**Diversity, Culture, Leadership, Performance**



**Table 10.1**  
**Cross-case comparison of DCLP propositions**

PROPOSITIONS	CASE 1 FINCO	CASE 2 NGO	CASE 3 INDCO	CASE 4.1 SERVCO	CASE 4.2 SERVCO
<b>Proposition 1</b> Organizations embarking on internationalization processes will experience increased diversity amongst staff that will be evidenced by social identity fault-lines differentiating «traditional» from «international profile» collaborators.	Confirmed	Confirmed theoretical replication	Confirmed theoretical replication	Confirmed theoretical replication	Confirmed theoretical replication
<b>Proposition 2</b> In organizations that experience increased organizational diversity due to internationalization processes, social identity-based tension will spark conflict that negatively impacts categorization-elaboration processes unless organizational culture acts as a moderating element to impede or resolve conflict situations.	Confirmed	Confirmed theoretical replication	Not Confirmed theoretical contrary replication	Not Confirmed theoretical contrary replication	Confirmed theoretical replication
<b>Proposition 3</b> Organizational culture will positively influence categorization-elaboration process which impact workgroup performance to the extent that leadership processes, practices and actions are embedded effectively in the organization.	Confirmed	Confirmed theoretical replication	Not Confirmed theoretical contrary replication	Not Confirmed theoretical contrary replication	Confirmed theoretical replication
<b>Proposition 4</b> In organizations that experience increased organizational diversity due to internationalization processes, workgroup results will contribute to desired organizational performance to the extent that strategic leadership outcomes act as a moderating factor on categorization-elaboration processes.	Confirmed	Confirmed theoretical replication	Not Confirmed theoretical contrary replication	Not Confirmed theoretical contrary replication	Confirmed theoretical replication
<b>Proposition 5</b> Strategic leadership outcomes will positively influence categorization-elaboration processes which impact workgroup performance to the extent that leadership processes, practices and actions are embedded effectively in the organization.	Confirmed	Confirmed theoretical replication	Not Confirmed theoretical contrary replication	Not Confirmed theoretical contrary replication	Confirmed theoretical replication
<b>Proposition 6</b> Organizations whose leaders plan for diversity-related change will be more effective in achieving desired performance outcomes.	Evidence proactive diversity planning	Evidence proactive diversity planning theoretical replication	Lack evidence proactive diversity planning theoretical contrary replication	Lack evidence proactive diversity planning theoretical contrary replication	Evidence proactive diversity planning theoretical replication
	Superior Performer	Superior Performer	Under Performer	Under Performer	Superior Performer

**Table 10.2**  
**Effective leadership strategies -vs- Perceived organizational reality**

<b>EFFECTIVE LEADERSHIP STRATEGIES ACCORDING TO ORG MEMBERS</b> (Survey data)	<b>PERCEIVED ORGANIZATIONAL REALITY</b> (Interview data)	<b>TYPOLOGY OF LEADERSHIP STRATEGIES</b> (Cases 1, 2 & 4.2)
Make sure that all supervisors and managers are treating all groups with respect on a daily basis.	✓ Confirmed	<b>Preventative measures</b>
Develop policies and procedures to insure that all group members are treated equally.	✓ Confirmed	<b>Preventative measures</b>
Develop a comprehensive program of policies, practices, and training for preventing these types of situations in the organization	✓ Confirmed	<b>Preventative measures</b>
Hold training programs to teach different groups how to work together without disruption.	✓ Confirmed	<b>Nesting tactic</b>
Conduct an investigation to identify those who created the tension	✓ Confirmed	<b>Reactive measure</b>
Organize more meetings and social gatherings so that members of different groups can get to know one another as individuals.	✓ Confirmed	<b>Suspend tactic</b>
Provide individuals with a regular opportunity to learn more about the feelings, history and customs of those who are different.	✓ Confirmed	<b>Suspend tactic</b>

(see Appendices 5.13, 6.7 & 9.7 for case-specific findings)

**Table 12.2**

**Observed effectiveness of leadership intervention strategies (Cases 1, 2, 4.2)**

<b>TYPOLGY OF LEADERSHIP STRATEGIES</b>	<b>EVIDENCED BY</b>	<b>EFFECTIVE</b>
Preventative measure	Establishment of strong formal organizational culture elements	Yes
Suspend tactic	Formal and informal activities to promote understanding of different individuals	Yes
Reframe tactic	Creation of super-ordinate workgroup and organizational objectives	Yes
Nest tactic	Affinity groups formed by organizational members	Yes
Weave tactic	Rotation of workgroup members between different international projects and/or departments	Yes
Reactive measure	Formal management review processes, strong intervention of HR function if/when necessary, fall back policies & procedures, weeding out of non-conformers	Yes

(see Appendices 5.14, 6.8 & 9.8 for case-specific evidence)

**Table 12.3**  
**Instrument 1: DCLP leadership strategies inventory**

<b>Typology of Leadership Strategies</b> Intended to span across group boundaries to build group member cultural capability, nest group members in a positive work context and achieve strong performance outcomes	<b>Intended Intervention Outcome</b> Expected impact on organization and group members	<b>DCLP Model</b> Theoretically demonstrated via case replication evidence
<i>Preventative measures</i>	To establish a clear framework of formal organizational elements which reduce the likelihood of conflict erupting or escalating. (Chrobot-Mason et al., 2007)	<ul style="list-style-type: none"> <li>• Case 1 (Appendix 5.14)</li> <li>• Case 2 (Appendix 6.8)</li> <li>• Case 4.2 (Appendix 9.8)</li> </ul>
<i>Suspend tactics</i>	Leaders establish a suspended neutral zone in which personal relationships can be developed, assumptions can be surfaced, values can be safely explored, and new language created. (Ernst & Yip, 2009)	<ul style="list-style-type: none"> <li>• Case 1 (Appendix 5.14)</li> <li>• Case 2 (Appendix 6.8)</li> <li>• Case 4.2 (Appendix 9.8)</li> </ul>
<i>Reframe tactics</i>	Leaders activate a shared identity to increase the salience, relevance, and importance of belonging to the organization as a higher-level social category. (Ernst & Yip, 2009)	<ul style="list-style-type: none"> <li>• Case 1 (Appendix 5.14)</li> <li>• Case 2 (Appendix 6.8)</li> <li>• Case 4.2 (Appendix 9.8)</li> </ul>
<i>Nest tactics</i>	Leaders structure interactions so that social groups have distinct roles that are embedded within a larger mission, goal, or objective. (Ernst & Yip, 2009)	<ul style="list-style-type: none"> <li>• Case 1 (Appendix 5.14)</li> <li>• Case 2 (Appendix 6.8)</li> <li>• Case 4.2 (Appendix 9.8)</li> </ul>
<i>Weave tactics</i>	Leaders interlace social identities across roles and levels in the organization, which in turn facilitates opportunities for increased cross-boundary collaboration and creativity. (Ernst & Yip, 2009)	<ul style="list-style-type: none"> <li>• Case 1 (Appendix 5.14)</li> <li>• Case 2 (Appendix 6.8)</li> <li>• Case 4.2 (Appendix 9.8)</li> </ul>
<i>Reactive measures</i>	To diffuse a conflict as it unfolds and take appropriate action <i>a posteriori</i> . (Chrobot-Mason et al., 2007)	<ul style="list-style-type: none"> <li>• Case 1 (Appendix 5.14)</li> <li>• Case 2 (Appendix 6.8)</li> <li>• Case 4.2 (Appendix 9.8)</li> </ul>

**Summary list 12.1**  
**Common organizational elements Cases 1, 2, 4.2**

- 1) Evidence of a multicultural organization that values the diversity of different social identity groups.
- 2) Diversity valued for task-related needs and seen as business model critical.,
- 3) Positive diversity beliefs evidenced across distinct social identity groups.
- 4) Strong formal organizational culture elements characterized by clearly defined policies, practices and procedures.
- 5) Strong informal organizational culture that facilitates interaction, communication, learning and appreciation across social identity boundaries.
- 6) Leaders evolve formal and informal elements of organizational culture in accordance with increasing degrees of workforce diversity.
- 7) A positive work context climate conducive to social identity group interaction.
- 8) Diversity-related organizational learning present in the organization.
- 9) Planned evolution of organizational culture evidenced by diversity change initiatives.
- 10) A greater super-ordinate organizational goal motivates group members to work across social identity boundaries (objectives and/or mission).
- 11) Attracting group members predisposed to appreciating diversity and developing cross-cultural competence.
- 12) Weeding out of organizational members that do not adapt to organizational culture.





Summary list 12.2  
Common leadership elements Cases 1, 2, 4.2

- 1) Employment of a combination of leadership tactics (preventative, suspend, reframe, nest, weave, reactive) that span social identity fault-lines.
- 2) Strategic leadership outcomes were achieved as was evidenced by the presence of direction-alignment-commitment across group members.
- 3) A positive perception of leaders (knowledgeable, communicative, respectful, accessible, supportive) which was conducive to workgroup *categorization-elaboration processes*.
- 4) Transformational leadership was evident at different management levels.
- 5) Intervention by HR functions to compensate for lack of leadership intervention in social identity-related conflict situations.
- 6) Lack of managerial skills to intervene in social identity-related conflict compensated by formal and informal elements of organizational culture.

**Table 12.5**  
**Instrument 3: DCLP strategic leadership outcomes inventory**

<p align="center"><u><b>Leadership Elements</b></u></p> <p align="center">Observed in organizations that successfully manage diversity to create direction-alignment-commitment &amp; achieve performance outcomes (reframed Summary List 12.2)</p>	<p align="center"><u><b>Leadership Strategies</b></u></p> <p align="center">Case-based processes, practices and actions that contribute to shaping organizational culture conducive to group processing activities  (Cases data 1, 2, 4.2)</p>	<p align="center"><u><b>Typology of Leadership Strategies</b></u></p> <p align="center">(Table 12.2)</p>
<p align="center">(1)</p> <p>Employment of a combination of leadership tactics (preventative, suspend, reframe, nest, weave, reactive) that span social identity fault-lines</p>	<p align="center">Employ full range of Boundary-spanning tactics</p>	<ul style="list-style-type: none"> <li>• Preventative - reduce likelihood of conflict.</li> <li>• Suspend - create a third, neutral space.</li> <li>• Reframe – activate a shared identity.</li> <li>• Nest – embed groups within larger whole.</li> <li>• Weave – cross-cut roles and identity.</li> <li>• Reactive – diffuse conflict and take action.</li> </ul>

### Summary list 12.3

#### **Benchmark traits of superior performing organizations**

**1) DCLP Constructs Organizational / Workgroup Diversity - Emergence of social identity fault-lines:**

Superior performing organizations foresaw that the internationalization process would lead to increasing degrees of organizational diversity and create social identity-related fault-lines across *“traditional”* versus *“international”* profile collaborators (Finding 1).

**2) DCLP Constructs Leadership Strategies / Organizational Culture - Spanning social identity boundaries:**

Superior performing organizations bridged or “spanned” social identity fault-lines that emerged between *traditional* and *international* profile collaborators by implementing *leadership strategies* (processes, practices and actions) (McGuire & Rhodes, 2009) that shaped the *organizational culture* (Hofstede et al., 1990; Schein, 1992) so as to build group member cultural capability (Abbe, 2007) and elicit strong organizational identification (Finding 2 & 3).

**3) DCLP Construct Organizational Culture - Shaping organizational culture:**

Superior performing organizations shaped *organizational culture* (Hofstede et al., 1990; Schein, 1992) so as to create a *work context* (Blumberg & Pringle, 1982; Waldman, 1994) that moderated *group categorization-elaboration processes* (van Knippenberg, 2004) and impeded or resolved *social identity-related conflict* before it negatively impacted *performance outcomes* (Findings 4, 5 & 6).

**4) DCLP Construct Strategic Leadership Outcomes – Achieving direction-alignment-commitment:**

Superior performing organizations implemented *leadership strategies* (McGuire & Rhodes, 2009) which achieved *strategic leadership outcomes* (direction-alignment-commitment) (Drath et al., 2008) so as to align *workgroup performance outcomes* with desired *organizational performance outcomes* (Findings 8 & 9).

**5) DCLP Construct Performance Outcomes – Boundary-spanning, performance-oriented organizations:**

Superior performing organizations employed multiple boundary-spanning leadership tactics (Ernst & Yip, 2009) to create a performance-oriented organization that maximized the innovative potential of diverse teams (West, 2002) to achieve desired *performance outcomes* (Findings 7 & 10).

**6) DCLP Construct Diversity Related Foresight and Leadership Planning:**

Superior performing organizations developed *diversity foresight and leadership planning* competency which permitted organizational leaders to implement *leadership strategies* (McGuire & Rhodes, 2009) in accordance with changes to the business model as a result of internationalization processes (Finding 11).