Cultural Conditions in Diversity Management: The Case Study of the Corporation Operating in the Transportation and Logistics Industry

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Abstract: The aim of this paper is to present selected aspects of organisational culture and human capital management, and indicate the determinants of cultural conditions in diversity management based on the corporation A. A modern enterprise, in order to remain competitive, poses challenges to its employees to encourage their need for learning, exploration of knowledge and the change along with the changing environment. In order to achieve the aim of the paper, the following operational objectives have been formulated: (1) to discuss the concepts of organisational culture and cultural factors of changes in the organisation on the example of the corporation operating in the transportation and logistics industry; (2) to identify mutual correlations between organisational culture and diversity management; (3) to assess the impact of cultural factors related to the base of diversity management in the corporation A. The analysis is based on the findings from questionnaire surveys, detailed interviews with the top management and source materials collected from the corporation.

Keywords: organisational culture, human capital management, diversity management.
1. Introduction

Changes in technological, social or cultural spheres determine changes in organisations, in interpersonal relationships but also drive technological progress. The area of these changes is difficult to apprehend, because it concerns a variety of issues and aspects of a company. However, diverse and multi-faceted transformations of entities can be anticipated. The most important changes in organisations include the following areas: organisational structure, relationships with the environment, strategy, internal and cultural relations. The issues addressed in these areas are often intertwined, they intermingle and complement each other (Czerniachowicz, Marek and Wieczorek-Szymańska, 2011).

Continuity and turbulence of changes affect the transformation of enterprises into organisations with complex operating procedures, in which the basic resources are the employees with their knowledge, competencies and talents and the created and used intangible assets related to, among others, organisational knowledge, organisational culture, technology, reputation, relationships etc. (Jamka, 2011; Wieczorek-Szymańska, 2009, pp. 55–68). The need for continuous organisational learning and adapting to the new market conditions is connected with the need to respond to technological, social, cultural or economic changes (Szopik-Depczyńska, 2009, pp. 245–258).

The aim of the paper is to contribute to the knowledge and research on the role of organisational culture and human capital management, and indicate the determinants of cultural conditions in diversity management. The empirical contribution of the paper concerns the case of the corporation A operating in the transportation and logistics industry and helps to explore cultural factors related to the base of diversity management which contribute to growth and success on the market. The main research question to be answered in the case study analysis is as follows: Is the company able to fulfil the potential based on the employees, their knowledge, experience and competence in order to employ HR programmes and implement diversity management and thus develop organisational culture conducive to identifying knowledge, archiving, sharing and creating new knowledge, and consequently, is it able to build its competitive advantage and strive for the growth on the market?

Taking into account the aforementioned research problem, the following detailed questions have been addressed:
1. What are the conclusions and best practices identified in the corporation A under the HR and diversity management programme?

2. What impact has the organisational culture and cultural change in the environment of the organisation?

3. What solutions can be adopted to strengthen the organisational culture focused on diversity and multiculturalism management?

The analyses were carried out on the basis of the original source material collected in the entities belonging to the corporation A, and the secondary data obtained from annual surveys conducted by the corporation on 300,000 workers from 67 countries in the period between the years 2012–2015 (the published studies of the company surveys that were accessible and disclosed for the research). The study used detailed in-depth personal interviews, expert interviews, observations and the author’s own survey covering 1,203 people. The scope and the depth of the study in question were related to some serious difficulties in accessing reliable data and examining a particular number of entities in the corporation A and their employees. For this reason, independent observations, direct measurements and in-depth group and personal interviews were conducted, covering 7 companies operating in 4 European countries in the period between 2014 and 2016.

The paper consists of two parts: the theoretical and the empirical research based on the case study analysis. Firstly, the theoretical part mainly outlines the assumptions of the concept of an organisational culture. Secondly, the relationships between the concepts of organisational culture and HR management are discussed. Thirdly, the role of diversity management is analysed. The literature review provides the foundation for the empirical research. The empirical part of the paper starts with the presentation of the company operating in the transportation and logistics industry. Then, the organisational culture and best practices identified in the corporation A are studied. Finally, supporting organisational culture based on multiculturalism in the company under the study is discussed in order to analyse the role of the organisational culture in diversity management for growth and competitive advantage of the company A.
2. The characteristics of organisational culture

Organisational culture is created and developed on the basis of certain organisational and technical solutions that can be considered in the analysis of cultural organisations as instruments used by the participants in pursuit of specific values (Geertz, 1973, p. 25). In this pursuit, organisation’s members are forced to work together, which is related to organisational relationships, the division of work or decision-making power. The joint action of employees is based on compromises and the ability to give up certain values in order to be able to realise others. This is a factor promoting cultural norms of behaviour (Karaszewski and Lis, 2014 pp. 183–198).

The organisational culture is understood as attributes, more or less evident in the actions resulting from the norms of behaviour expressing certain ideologies, myths, rituals, values and beliefs. According to Sikorski, organisational culture is: “a system of assumptions, values and social norms, which are stimulators of the behaviour of the members of organisations that are relevant from the perspective of the realisation of formally established objectives” (Sikorski, 1999, p. 234). Organisational culture can be considered as (Deal and Kennedy, 1982):

- internal subsystem that allows individuals to adapt to the environment;
- synonym for the organisation, namely the identification of the culture with the company, which is a system of knowledge, so that all members have the opportunity to their own approach to the methods of interpretation, which determine the sense of identity.

The key features of corporate culture are (Adamczyk, 2000, p. 130; Kotulska, 2004, pp. 1207–1216):

- organisational culture is shaped by the views, way of thinking and behaviours of individuals, but it also influences the way of thinking and behaviour of individual members of the organisation;
- the fact that shaping of organisational culture is influenced by managers of enterprises;
- organisational culture defines and directs members of a company, imposing on them specific patterns of behaviour;
- internal organisational culture is influenced by the culture of the environment.
Understanding of organisational culture as a collective mental pro-
gramming of the people living in the environment, points to three levels
(Hofstede, 1984; Siemiński, 2008):
• individual, characteristic of a particular person and resulting
  from personality traits;
• collective, characteristic of social groups that are created on the
  basis of various criteria of belonging;
• universal, common to all people, because it refers to the char-
  acteristics of the human species.

The organisational culture corresponds to a collective level of pro-
gramming, but it is influenced by the patterns created in other levels.
The approach to organisational culture may be with regard to the mode
of operation (the operation of the things that surround us) or the way of
thinking (creating some kind of meaning, interpreted by the members
of an organisation, helping them to follow the patterns of activities and
experiences) (Crozier, 1995).

Organisational culture is often recognized a set of cultural patterns
that determine the smooth functioning of the enterprise and we dis-
tinguish a high or low culture (it is identified with the efficiency of
its organisational solutions). A strong culture is characterised by a high
degree of awareness and knowledge of cultural patterns, a high degree
of universality and acceptance of standards and strong commitment of
participants to the culture and resistance in case of its changes (Stein-
man and Schreyögg, 1992).

3. Cultural factor of changes in an organisation

Changes in the environment of an organisation make it necessary to
adapt to the new external and internal conditions, including the change
of organisational culture. Fitting a new organisational culture is related
to the commitment of employees to the role and professional status
associated with formal qualifications and a place in the organisational
hierarchy. Workers focused on developing their knowledge and skills
and cooperation become the elements of the new corporate culture
(Glińska-Neweś, 2007). They adapt to the rapid changes in the envi-
ronment and prepare for the uncertainties in life. Today’s employees are
inclined to risk, avoid permanent social dependence and the frequent
changes in location and the type of work (occupation), at the same time
they take care of their own career development. However, this may lead to the formation of poor organisational culture, the effects of which will be seen in unfavourable processes induced by conflicts and changes in organisational structures. They cause disintegration of an enterprise, decline in labour productivity or employees quitting their jobs, and thus leading to the decrease in its effectiveness and value (Czerniachowicz, Marek and Szczepkowska, 2008).

Organisational culture is created and developed on the basis of certain organisational and technical solutions that can be considered in the cultural analysis as the instruments of the participants in pursuit of specific values (Wawrzyniak, 1998, p. 7). In order to realise them organisation’s members are forced to work together, which is related to organisational relationships and the division of work or decision-making power. The joint action of employees is based on compromises and the ability to give up certain values in order to be able to realize others. This is a factor promoting cultural norms of behaviour (Sikorski, 1999, p. 234).

Organisational culture in traditional enterprises is focused on uncertainty avoidance, while contemporary entities are characterised by a focus on tolerance of uncertainty. In the future, network-related organisations will have to adjust to the high tolerance of uncertainty in their environment. Modern companies are now facing the problem of fundamental cultural change involving the transition from an organisational culture conducive to the avoidance of uncertainty to the culture facilitating a high tolerance of uncertainty. This results in the search for new forms of organisation increasing independence, emancipation of workers and introducing self-leadership (Karaszewski and Lis, 2013). The main feature of an organisation becomes workers’ autonomy, their independence and ability to make independent decisions on participation in task teams and taking care of professional development. The culture of high tolerance of uncertainty causes a greater emancipation of workers, mainly by reducing the number of external search for work stabilizers, and finding support in their knowledge, skills and professional experience. Employees are becoming more independent, but also the uncertainty present in the environment of an organisation is, to a large extent, only their own dilemma to solve (Crozier, 1993, p. 51). People wanting to adapt to new conditions in the labour market, are building appropriate intellectual potential based on interdisciplinary knowledge and high professional skills (Czerniachowicz et al., 2008; Beyer, 2015, pp. 59–69).
4. The characteristics of the analysed corporation

Currently, the organisation A is operating on the transportation and logistics market in more than 130 countries. It is the first among carriers in Europe, and its strategic goal is to become a world leader in the transportation of people and goods. In one of European countries, the core activity of a business entity in the sector of passenger transport services supports daily more than 5.5 million customers and the rail freight transports 607,000 tons of cargo each day. Within the transport and logistics of goods all operators in the group of corporations A transport by rail approximately 330 million tons of goods, whilst a road transport accounts for about 99 million in Europe every year. In the rail and bus transport, the corporation serves daily about 12 million people across Europe. First of all, it should be emphasized that the corporation A implements a multi-dimensional strategy as a systemic way of realisation of the vision of the organisation. The strategic objective was set in the perspective of 8 years and aims to become a global leader in the market in which it operates. The current strategy of the organisation is to provide a sustainable competitive advantage, as well as public acceptance of projects implemented by the company.

In the analysis of the organisation A, it should be emphasized that it has a consistent vision, the exact definition of strategic objectives and it spreads these values among employees and ensures the consistency of the vision with the challenges. Another important aspect concerns collaborative learning, which in corporation A is associated with three levels: the employee, the team and the whole organisation, leading to continuous development of the organisational unit in the process of continuous learning, joint action in accordance with the technical standards, team building and appropriate communication channels, incentive systems and organisational support for learning and exchange of experiences, implementation of the program to learn from the mistakes of others (Czerniachowicz, 2016). In the organisational culture of the corporation A personal mastery is also essential, which is associated with finding and hiring talented people, building the tools to support the development of talents (including internship programs or individual professional development programs).
5. The organisational culture in the corporation A

Global demographic changes determine the HR policy of the organisation A, and affect the development of cultural changes within the corporation. The objective of the program in the area of HR is to match personnel strategy to demographic problems. The world dynamics of these changes poses new challenges and unpredictable situations that will have to be dealt with in the future by the employees, managers and the entire organisation. The labour market will be filled with a generation differently conditioned in terms of competitive skills, having other needs and expectations. In the future, the attractiveness of competing companies as potential employers will grow, offering various forms of cooperation and professional development opportunities. The corporation A, as a traditional enterprise, has to develop a number of interesting development programs to encourage current employees to stay and to constantly attract new candidates. Currently, the level of fluctuation and the number of employees leaving for retirement means that every year the organisation A must employ about 8,000 new workers. This generates additional administrative costs associated with losing skilled workers, training new staff and building the necessary level of competence of new employees from scratch.

A long-term strategy of the organisation A aims at building relationships with potential employees in the labour market. In the coming years, the entity wants to become one of the top ten employers in the international market. Thus, the organisational culture focuses on creating a good employer brand, increasing employee satisfaction, and searching for talents. The implementation of the “We are family” programme refers to all levels of management and is based on the changes perfected in a constant loop, two strategic objectives associated with an increase in employee satisfaction and the attractiveness of the company as a workplace for potential workers.

In the previous years, the corporation A organised workshops covering the issues connected with the future of the organisation, cultural changes and the challenges faced by the company in the coming years. Comprehensive solutions were produced and are now being implemented in the system of strategic objectives providing directions for further activities of the entity. Due to the network structure of the organisation and links with many entities and stakeholders, an important value in the organisational culture is diversity, seen as equality of opportunities of
development, employment, promotion of team-work in multicultural groups.

A strong organisational culture is shaped in the analysed organisation on the basis of mutual respect, high motivation, commitment and employee satisfaction. This is the basis for building a sustainable competitive advantage of the company. In order to determine the new values and make changes in the organisational culture in a sustainable way, it provides a process of ongoing development. Fundamentals of the process of changes have been tailored and designed on the basis of regular dialogues with employees, the survey results and taking into account the strategic goals resulting from the corporate strategy. The process of change is under continuous development, adjusted to the changing environment and new data resulting from the ongoing dialogue with employees.

Within the framework of cooperation with universities the organisation conducts workshops focusing on age management (generations), based on discussions indicating the values and expectations of different generations, and the managers get acquainted with the instruments of management in different age teams. There are four domains associated with sensitivity to the diversity of generations, programming organisational prerequisites and instruments, the need to support intergenerational cooperation, development and promotion of workers regardless of their age.

6. Supporting organisational culture based on multiculturalism

Along with the HR programme implementation the analysed organisation took various measures to build its organisational culture. For example, the organisation implemented a programme of strategic workforce planning, talent finding, professional development or improving employment conditions (including pay and job security). The organisational culture being the focal point of the strategy is based on mutual respect, high motivation, commitment and satisfaction of employees of the organisation. The organisation concentrates on multiculturalism and optimisation of management. Management staff observes and prepares the entity for cultural changes, and therefore sees the need for internationalization, through the creation of an international network and a platform for exchange of ideas, sharing
knowledge and building interdisciplinary teams to solve problems in the organisation, including HR.

The organisational culture of the corporation A is focused on supporting mental models, and its continuous improvement is based on a continuous change loop. The ISO 9001 includes a number of activities and processes in the analysed organisation (e.g. management activities and development of the organisation in the process of continuous learning (Deming cycle)). The entity is implementing the programme of “Common understanding of leadership”, which is designed to enhance the quality of leadership, and incentive systems are linked with the assessment of employee satisfaction, according to one of the strategic goals of augmentation of involvement in the work and satisfaction with it and motivational tools. Constantly perfected culture of “dialogue and feedback” is based on the values associated with openness, trust and constructive criticism, and employees are encouraged to create networking and direct communication platform based on Smart Learning & Learning Management. Moreover, the organisation is focused on the constant search for talents, implementing internship programs, scholarships, developing talents, individual professional development programmes and scientific collaboration with universities.

The process of change in the culture of human resources management was launched in 2013 aiming to intensify the dynamics of cultural change in the organisation and to give the international changes direction. By building an international network of HRM, it managed to create a network of mutual understanding, a kind of a base being a source of ideas and goals for further development in the field of HR. By 2014, two meetings were held to prepare a draft of implementation of the IT application providing support for the HR department called “PeopleSoft International” (PSI). The program has set a new direction in human capital management, making it possible to create a coherent system in the entire organisation. Database of the PSI system forms the foundation for international support for human capital management system. By 2014, the system was successfully implemented in five European countries.

The organisation also intensified its programme of international recruitment. To meet this aim, the organisation established a department of “Global Talent Acquisition” (GTA) hiring experts in various fields of business, from many different countries, professionally involved in corporate projects aimed at improving standards of recruitment in Europe. The project monitors transparency in the selection of staff and
develops programmes to support employees wishing to gain international experience.

7. Verifying the objectives of the organisational culture in diversity management

The analysed corporation A conducts periodic surveys of their employees to take actions correcting the strategy and matching organisational culture to the expectations of employees, stakeholders and broadly understood environment. In the last survey, there participated 300,000 workers of the company A from 67 countries. From the perspective of the functioning of the corporation A in many countries, cultural adaptation and implementation of diversity management are very important (Krejner-Nowecka, 2015, pp. 237–253). Cyclical employee satisfaction surveys are the basis for implementing cultural change in the organisation. Therefore, they analyse valuable assets for employees, evaluate the results and provide feedback to adjust the models of governance, participation, motivation systems. The organisation performs complementary workshops, conferences and trainings to improve staff qualifications, as well as case studies. It creates systems, best practices and networking, and introduces the idea of social dialogue on the future. Identifying new values and making changes in the organisational culture takes place in the corporation in a sustainable manner, based on the process of development, implementation and verification.

Based on the results of surveys and internal reports four areas of activities critical to the further development of organisational culture were determined:

- communication, information flow, commitment – as in the previous survey, according to the staff, this area needs further improvement; although workers have greater involvement and identify themselves with the activities of the organisation, the visible deficit was communication with superiors, subordinates;
- cooperation – this area of activity was not the centre of attention after a survey conducted in 2012, and is currently the only area that had worse results of the survey in 2014 – this area has a significant impact on the level of employee satisfaction;
- professional development – due to the fact that the importance of professional development continues to grow, which is further
emphasized by the demographic change and the struggle of workers in the labour market, this area remains a subject of interest;

- leadership – this area of activity belongs to the most important factors influencing employee satisfaction, the implementation of leadership based on the understanding remains the main task.

In the organisation A there is a system of reporting and monitoring of employment to increase clarity and control of employment and introduce preventive instruments equalizing employment opportunities for both sexes. The “Diversity” programme was developed to increase the overall participation of women in the organisation, mainly in managerial positions. A higher level of management in the corporation A actively supports and is committed to promoting equality among employees, also strongly promotes women in management (Krejner-Nowecka and Aluchna, 2014). Competent employees are motivated to loyalty to the organisation through financial instruments and attractive opportunities for personal and professional development, which is specifically and systematically planned for all employees.

8. Conclusion

To summarise, the key objectives pursued in the HR programme of the corporation A include strategic workforce planning in all entities of the group, talent acquisition, putting pressure on the individual professional development, shaping a strong corporate culture and employment conditions affecting employee satisfaction, and optimizing diversity management and multiculturalism management. The changes in organisational culture are made on the basis of employee satisfaction surveys, through the analysis of valuable employees, willingness to improve their qualifications, inspiring leaders, employees and external collaborators. The evaluation of results, giving feedback, additional workshops (follow-up works) and development workshops (follow-up workshops), dialogue (by organising conferences, workshops for employees and social dialogue on the future) are also taken into consideration. The developed organisational culture is maintained or changed along with the changes of the environment of the organisation. The company builds its history and case study (storytelling) and creates best practices and networks.
The corporation wants to keep up with the international standards to improve the organisation and the professional development of its workers. For this purpose, it applied a systemic approach, related to the implementation of tailored, flexible organisational structures and the implementation of modern strategy tools, human capital formation and the constant transforming it into a learning organisation, in line with the challenges, as well as technical capabilities in the future.

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