



available at [www.sciencedirect.com](http://www.sciencedirect.com)



journal homepage: <http://www.elsevier.com/locate/scaman>



# Managing cultural diversity and the process of knowledge sharing: A case from Denmark

Jakob Lauring\*

*Department of Management, Aarhus School of Business, Aarhus University, Haslegaardsvej 10, 8210 Aarhus V., Denmark*

## KEYWORDS

Diversity management;  
Knowledge sharing;  
Social interaction;  
Cross-cultural management;  
Communication;  
Power

**Summary** Ideas of linking cultural diversity and knowledge resources have recently gained momentum in organizational literature, however, little is known about actual knowledge-sharing processes in culturally diverse organizations. This paper contributes to mending such limitations by first reviewing three dominant perspectives in the literature relevant to understanding these processes. It is then argued that these perspectives contribute focusing on different aspects of human diversity in organizations and, therefore, that they should not be separated in the analysis of the complex settings that culturally diverse organizations represent. This is illustrated with data from an ethnographic fieldwork in a Danish multicultural organization. The final section reflects on implications of using a combination of different theories in analyzing the results, and suggests other possibilities for future research.

© 2009 Elsevier Ltd. All rights reserved.

## Introduction

Recently UNESCO has declared that cultural diversity is as necessary for humankind as bio-diversity is for nature, and that it is one of the roots of development both in terms of economic growth and satisfactory intellectual, emotional and moral existence (UNESCO, 2009). Statements like this express the view that society as well as business enterprises – in addition to ethical standpoints – gain financially from the employment of cultural diversity (e.g. Cox & Blake, 1991; Thomas & Ely, 1996). In business terms, however, it is not the mere existence of differences in ethnic affiliation, behavioral patterns, or languages that is argued to yield competitive advantage. Rather, it is the managed diversity of knowledge, skills, and the combination of different perspectives that is

described as leading to new and innovative ways of improving business procedures (Cronin & Weingart, 2007; Distefano & Maznevski, 2000; van Knippenberg, De Dreu, & Homan, 2004). In other words, knowledge related resources are the main business value of human diversity.

In recent years, much has been written on issues surrounding the relation between cultural diversity and knowledge resources. Few writers, however, have systematically investigated how the processes of interaction necessary for developing these resources are evolving in culturally diverse organizations (Holden, 2002).

It has been argued that knowledge that is not distributed in the organization is of little value. And to share knowledge, some kind of interaction has to take place between individuals (Argote & Ingram, 2000). Moreover, because interaction patterns are guided by social structures (e.g. identification, language, communication styles) it is not possible to fully separate the distribution and employment of knowledge from other social activities taking place in an organization. It is thus recognized that while knowledge can be perceived as

\* Tel.: +45 89486682.

E-mail address: [jala@asb.dk](mailto:jala@asb.dk).

raw data and information, when used and shared it has to be treated as part of a larger social field or communities of practice (Lave, 1993; Orlikowski, 2002). Accordingly, a number of social barriers may hinder individuals from communicating their knowledge beyond specific social communities. This has important implications for the outcome of individual interaction with regard to exchange of ideas and information, especially in culturally diverse settings.

Cultural diversity is here generally related to variance of national affiliation (e.g. Adler, 1997; Distefano & Maznevski, 2000). However, differences in nationality as such do not create differences between individuals. It is the variety of identifications, behavioral patterns, linguistic skills and bodies of knowledge linked to growing up in different places that provide the potential for human diversity (Roberson, 2006). In light of this, the paper attempts to illustrate the challenges in sharing knowledge in organizations that actively seek to create a culturally diverse workforce. This is illustrated with data from an ethnographic fieldwork in a Danish multicultural organization, analyzed through a combination of different theoretical perspectives on this topic. The results consider avenues for future research endeavors.

## Knowledge, social categorization, and power

Human differences are a challenge to the academic community and the last 50 years researchers have struggled to develop theories and methods to conceptualize and study them (Williams & O'Reilly, 1998). While results have been far from reaching any consistent conclusion (Simons, Pelled, & Smith, 1999), the interest in diversity has increased rapidly during the last years (van Knippenberg et al., 2004). In particular, since Thomas and Ely (1996) argued that an organization that combines its different knowledge resources and perspectives is '*tapping diversity's true benefits*' (p. 85), much of the interest has been aimed at utilizing variation in knowledge and perspectives related to human differences (Cronin & Weingart, 2007; Homan et al., 2008; van Knippenberg et al., 2004). In order to enhance our understanding of knowledge sharing in culturally diverse organizations, three different perspectives have been identified: (1) the information and decision-making perspective, (2) the social categorization perspective and (3) the inequality and power relations perspective.

### Information and decision-making processes

From the information and decision-making perspective, the potential advantage of diverse groups over homogeneous groups lies in the greater pool of distinct task-relevant information which diverse groups have access to (Hambrick, Cho, & Chen, 1996; Harrison & Klein, 2007; Page, 2007). Homogeneity, on the other hand, has been mentioned to hold a potential danger of leading to 'groupthink', where everyone assumes that since they all believe the same, it must be a good idea (Adler, 1997; Miller, Fields, & Ortiz, 2000; Triandis, Hall, & Ewen, 1965). As opposed to homogeneity, cultural differences are, thus, assumed to lead to differences with regard to knowledge and perspectives (McLeod & Lobe, 1992; Watson, Kumar, & Michaelsen, 1993). This implies that multicultural groups, if managed correctly, should be more resour-

ceful compared to more homogeneous groups (Distefano & Maznevski, 2000). The different cultural perspectives, in other words, are believed to foster innovation through constructive conflicts of perspectives and knowledge synergy (Fiedler, 1966; Millikin & Martins, 1996; Paulus, 2000; Richard & Shelor, 2002; Simons et al., 1999).

While such ideas on information and decision making are intriguing, diverse groups in organizations, regrettably, often fail to realize their potential (Stewart, 2006). This can be related to the fact that the organizational reality of interpersonal and group processes is much more 'messy' than often accounted for in this literature (e.g. Page, 2007).

### Social categorization processes

Another theoretical perspective relevant to understanding knowledge sharing in diverse organizations is more concerned with social categorization as a barrier that impedes cooperation and knowledge sharing in diverse groups (Tajfel, 1982; Tajfel & Turner, 1979; Williams & O'Reilly, 1998). In this line of research, the differences of knowledge or perspective are not always enough to improve decision making (Homan et al., 2008; van Knippenberg et al., 2004). The distinct group member that comes up with a new idea must also be able to win others' approval (Klein & Harrison, 2007). Unfortunately, individuals tend to communicate mostly with those who are similar to themselves (Zenger & Lawrence, 1989). Mor-Barak, Cherin, and Bergman (1998) maintain that dissimilarities are likely to be negatively related to group involvement because distinct individuals are in danger of being excluded from relevant information networks. In this way diversity can disturb knowledge-sharing processes, because the emergence of subgroups may hinder the use of available information (van Knippenberg et al., 2004).

These negative effects of diversity have often been explained as psychological processes of interpersonal attraction in the social categorization literature (Webber & Donahue, 2001). The similarity-attraction hypothesis asserts that similarity in attitudes and appearance are major sources of interest between individuals (Byrne, Clore, & Worchel, 1966; Turner, 1987). Consequences of high interpersonal attraction may include frequent communication, knowledge sharing, high social integration and a desire to maintain group affiliation (Mäkelä, Kalla, & Piekkari, 2007; Tsui, Egan, & O'Reilly, 1992; Zenger & Lawrence, 1989).

While the socio-psychological approach to diversity to some extent includes the 'messy' reality of group processes, there is a tendency of explaining those aspects of diversity only by the psychological needs of the individual. By focusing heavily on the role of the individual in the group, this literature avoids looking into the continuous struggle for obtaining resources and recognition by negotiating a dominating 'taste' among different group members (Konrad, 2003; Prasad, Pringle, & Konrad, 2006; Struch & Schwartz, 1989). Consequently, the socio-psychological perspective does not fully take into account power relations between and within different groups.

### Inequality and power relations

Critical perspectives on organizational diversity are still being developed. Konrad (2003) asserts that more research

needs to include the academic traditions examining intergroup discrimination to develop a more nuanced understanding of intergroup relations in organizations. Similarly, Harrison and Klein (2007) call for more studies on unit-level consequences of within-unit inequality and power relations.

Most of the critical literature on diversity management take a stance against liberal notions of diversity management as a neutral improvement of information processing and decision making (e.g. Kelly & Dobbin, 1998; Liff & Wajcman, 1996; Linnehan & Konrad, 1999). Litvin (2002) argues that diversity management initiatives can be perceived as an iron cage preventing real changes in the power distribution of diverse organizations. Similarly, Foldy (2003) argues that diversity programs often ignore the identity formation among employees, thus assuming that useful individual knowledge and perspectives can be applied without interference from group domination. In a recent publication by Squires (2008), it is argued that diversity management which encourages employers to recognize cultural differences between employees, may de-politicize social relations and contain equality objectives within a utilitarian market model. This could bring only short-term benefits for some minority groups and entrench cultural stereotypes in the process by assuming, for instance, that nationality or ethnicity can be directly associated with certain personal characteristics. In this way diversity programs may reify otherness among those without power (Prasad & Prasad, 2002). According to Prasad and Mills (1997) this may lead to diversity and multiculturalism being transformed into empty buzzwords dressing up an organizational monoculturalism and creating little more than an exotic spectacle.

Authors working with organizational inequalities and power relations, are concerned that the mainstream literature on diversity does little to give voice to relatively powerless identity groups (Mirchandani & Butler, 2006). This literature concludes that differential rewards given to various groups form the material foundation for group conflicts (Prasad, 2001). Moreover, diversity in organizations has been analyzed from post-colonial (Prasad, 2006) or post-structuralist (Jones & Stablein, 2006) perspectives that are open to diffuse sources and forces of power as seen in the works of Foucault (1991). In this view individuals are disciplined by unnamed social practices and discourses rather than by dominating actors. Since power is not necessarily the property of any particular actor, all individuals, minority as well as majority, will tend to monitor their own actions in relation to general social practices in society.

### Understanding knowledge sharing in culturally diverse organizations

Diversity research has typically studied information and decision-making processes, social categorization processes or inequality and power relations in isolation even though these aspects of diversity co-exist in most multicultural organizations (cf. van Knippenberg et al., 2004). Accordingly, little theoretical or empirical work in cultural diversity research concerns the question of how social categorization and power relations affect information and knowledge-sharing processes. This is a significant omission because, as discussed, it is not the availability of differences in knowl-

edge per se that yields the potentially superior performance of diverse groups. It is the actual use of this knowledge within groups that might provide organizational assets.

Following a practice perspective, in this article knowledge is considered as used and distributed within communities of practices, often articulated through social categories and identities such as nationality, language and gender (cf. Brubaker, 2002). Moreover, the creation and maintenance of different social categories may imply inclusion and exclusion processes as well as struggles to dominate main accesses to resources and recognition in the organization. However, while different groups may compete for advantages in multicultural settings, neither the group boundaries nor the sources and forces of power may be entirely clear to the participating parties. In addition, different discourses, which can be understood as institutionalized ways of thinking defining what is acceptable to express, may produce contradicting statements and actions in organizational environments.

Drawing on insights from these different theoretical perspectives and by using ethnographic fieldwork techniques in a multicultural Danish organization where cultural diversity is valued, this article sets out to enhance the understanding of knowledge-sharing challenges with regard to social categorization and power relations in culturally diverse settings. This project selected an organization where cultural differences were seen as a key for success, not just as cheap labor, to avoid too obvious conclusions about dominance and ethnical hierarchy that can be witnessed in many international subsidiaries.

### Research departure

To explore the process of knowledge sharing across cultural and linguistic boundaries, an ethnographic fieldwork technique was chosen. Primary data collection included observation, participation and semi-structured interviews. The ethnographic fieldwork approach used was iterative and exploratory, allowing the researcher to be open to new unexpected information (Bernard, 1995). It follows a circular methodological movement, in which new questions as well as answers are continually integrated in observation schemes and interview guides (Marcus, 1998; Spradley, 1980). This approach permits generating research questions in close relation to the research field, and consequently adding a necessary flexibility during the collection, analysis, and writing up of the material (Geertz, 1988; Marcus, 1986; Van Maanen, 1988). This means, that research questions are developed, changed or focused upon in mutual interaction with the daily activities of the informants (Jorgensen, 1989; Schwartzman, 1993).

In this context, participant observation includes visual impression, small-talk, what you hear in the corridors and canteen, etc. (Spradley, 1980). Added to this, data also included observations of printed corporate material and physical settings (Adler & Adler, 1994). One of the main purposes of the observations is that they should reveal hidden structures and themes to be discussed and documented through interviews (Bernard, 1995; Dewalt, Dewalt, & Wayland, 1998). Thus, participant observation becomes crucial in the initial understanding of implicit interaction patterns (Edgren, 1990). In this particular fieldwork, participant

**Table 1** Length and duration of data collection.

Data collection tools	
Participant observation	240 h
Semi-structured interviews	30
Photos	19
Corporate documents	420 pages

observation during 1 month (240 h) was an important exploratory data collection tool, generating new and unpredicted questions to the setting.

The interviews took the form of an open dialogue between the researchers and the informants as close to a normal conversation as possible (cf. Bernard, 1995). In the course of the interview, questions were asked about the effects of cultural diversity on interaction, communication and knowledge sharing, following up on statements made by the informants as well as previous statements that had been integrated in the continuously developing interview guide (cf. Alvesson, 2003; Fontana & Frey, 1994). The purpose was to invite informants to describe specific situations where they found that cultural diversity had affected their daily working routines – especially with regard to knowledge sharing. Altogether, 30 interviews were conducted with both Danish and non-Danish employees, in both Danish and English language. 15 interviews were conducted with employees of Danish origin and 15 interviews were conducted with employees from other European countries, as well as North- and South America and China. Four interviews were conducted with assistants, 16 with regular employees, 5 with team leaders, and 5 with managers. Some informants were interviewed in their native language, while others spoke either Danish or English as a second language. All, however, were perfectly able to have a conversation at a high level. Interviews, which lasted for approximately 1 h, followed a continuously evolving interview guide in order to ensure that certain topics were addressed and linked coherently and allowed the respondents to take the lead in the conversations (cf. Taylor & Bogdan, 1984).

During and after data collection, the author took notes on emergent themes and questions. Interviews and observations were coded for a number of themes, where knowledge sharing came out as the most detailed (cf. Spradley, 1980). From the coded data, a case narrative was constructed in relation to reviewed theories on diversity management and knowledge sharing (cf. Miles & Huberman, 1994). The process of data collection was concluded with a written report sent to all involved informants and gatekeepers (Table 1).

### The setting

A Danish corporation, here called NewPhadk, was selected because it is a leading actor within the field of diversity management in Denmark. It is one of Denmark's largest companies and has a reputation of being highly concerned with diversity management for creating knowledge resources and innovation. This is expressed in general management guidelines that mention the close relation between diversity management and knowledge resources as an important aim of the organization:

Ensuring diversity and equal opportunities in business is increasingly being seen as a way to improve productivity and remain competitive, to better meet the needs of a diverse customer base, to enhance teamwork among employees expected to work across cultures and geographic borders, and, last but certainly not least, as a way to unleash innovation (NewPhadk website 1, 2006).

In addition, it is mentioned that '*People with diverse backgrounds and perspectives are essential for creating and maintaining the innovative capacity that is fundamental to the continuing success of NewPhadk*' (NewPhadk website 2, 2006).

Accordingly, the International Marketing Department, in which the data material was collected, had formulated strategies to maximize the benefits and minimize the problems of cultural diversity. Firstly, to promote innovative thought and avoid ethnocentrism and groupthink, employees were recruited from all over the world. Secondly, to facilitate the sharing of knowledge and networking across cultural barriers, large open offices had been constructed. Thirdly, in order to minimize the disadvantages of linguistic differences, English was used as a corporate language, isolating no language minorities in the dialogue. And finally, to counter any risk of social fragmentation, gatherings and social arrangement such as sports activities and parties were prompted.

International Marketing had about 150 highly educated employees organized in three large open offices of around 50 employees on each of the three floors. Employees were divided into 21 teams of 5–8 persons. Among employees, 80% were Danish, 20% were non-Danish, and 40% of the employees were women and 60% were men. 58% of the Danish employees were male and 42% were female. Of the non-Danish employees, 30% were women, 70% were men. The majority of non-Danish employees came with their families on a 3-year contract. There were five top managers, three men and two women. One of the three men had a non-Danish background and the two women were Danish, however, one of them was raised and educated in the USA.

The general, but rather unclear, conception of knowledge resources leading to new ways of thinking in the International Marketing Department was that it had something to do with global orientation, as opposed to ethnocentric Danish ways of doing marketing. New ideas were to be developed in the interaction between employees of different nationalities and heavy emphasis was on knowledge sharing as a way to reach that aim.

The International Marketing Department could be described as an attractive workplace for ambitious, hardworking, and focused young employees. Strategically, Danes and non-Danes were mixed in each team to fulfill the aim of knowledge sharing between nationalities developing knowledge resources. Thereby, the department to a large extent followed the guidelines of the diversity management literature, intended to facilitate openness and cross-cultural interaction.

### The practice of managing cultural diversity and knowledge resources

According to the top management of International Marketing, there was an actual need for the benefits of cross-cultural knowledge in the International Marketing Department. Since

98% of NewPhadk's market was located beyond the national borders of Denmark, this created on the one hand, a need for a broad knowledge base in the understanding of the many different local markets and, on the other hand, a need to develop a global view. This implied not being too focused on preferences of any single national market.

In order to acquire knowledge of the many different local markets, individuals with experience and background from a number of different countries were deliberately recruited to the department. Through this strategy, knowledge of cultural or other regional aspects in specific areas could be used to achieve a better understanding of local costumers and their different conceptions of a product. As an example, the informants often mentioned that a new product name could be tested very quickly in a number of different languages without even leaving the department. Thus, as part of the diversity management strategy, the broad knowledge base could be used closely in relation to the daily tasks of the department in a process of internal knowledge acquisition, using experiences and ideas of many different sources and origins in the common projects.

The other objective for applying the intellectual resources of the different nationalities in the department was of a more general nature. It was the expressed aim of NewPhadk to first and foremost be perceived as working in an international market taking a global perspective. As an example, the top management of the department wanted to avoid employees making decisions that were too influenced by the values and working practices in their native countries. Instead, a truly global working environment was to be created. The aim was to recruit individuals from different countries with different knowledge and perspectives, and let them work together across cultural boundaries. By mixing the teams with regard to nationality and in other ways trying to avoid groupings based on cultural and linguistic affiliation, it was expected that narrow minded or ethnocentric viewpoints would be questioned before they could have an impact on decision making in the organization. As it was described:

The company mind would be very limited if everyone was from one country. Even though different cultures make a lot of problems it is worth it because you gain a global vision. I think if we were only Danes we would be very low on creativity (Female employee, Asia).

The strategy of creating diverse teams, thus, was intended to facilitate synergies of different worldviews, avoid conservatism, groupthink, or a too local orientation of the different employees. In that way, the ideal was to develop knowledge resources across cultural boundaries.

### **The multicultural environment and effects on interaction**

According to a number of informants, the working style was described as quiet and this was partly related to the cultural diversity and the differences with regard to the social frame of reference. As mentioned by a Danish team leader:

Cultural differences will keep you focused on the assignment. It is due to not having to talk about which TV programs people watch – like if you were just a bunch of Danes. So, personal discussions don't go very deep –

also because of the language (Male team leader, Denmark).

As indicated in the above quote, language issues had a certain impact on interaction. All members of the International Marketing Department had overseas experiences and were used to communicating across linguistic boundaries. However, regardless of the high level of proficiency in the English language exhibited by all employees, using English as lingua franca influenced the interaction. That is, the daily communication in a second language meant less dialogue and more concentration on getting the job done.

Because of the diversity you focus more on the professional. You don't think about from where people come, but only whether they contribute their best no matter how they feel among themselves. You don't focus on people's mindset but on the result. Whether people get on socially or not is unimportant. In that respect being only together with Danes probably gives you a wider piano to play (Male team leader, Denmark).

Another element that non-Danish employees found affected cross-cultural interaction was the fact that most employees worked efficiently from nine to four and then left to be with their families. A majority, however, would start working again at night after their children had gone to sleep. This flexibility is not uncommon in the Danish knowledge intensive sector and, in particular, as a result of gender equality work at NewPhadk. This work style came as a surprise to many non-Danish employees who were used to longer hours and more social activities with colleagues after work.

I have learned that people here often go home to their families at four. That means there is not so much networking. In Italy the communication was much better and there was much more knowledge sharing. Here it is different. Family is number one and work is number two. In Italy it is the opposite (Male employee, Southern Europe).

At International Marketing, social activities with colleagues were not very common. Most Danish employees did not seem interested in socializing with their non-Danish colleagues. It was mentioned that it could be difficult to tell the family members that some new, international colleagues would come along every time they were planning a trip to the zoo. They themselves and their families had grown tired of speaking in a foreign language at social events and felt socially overburdened by the constant inflow of more or less temporary non-Danish team members. In fact, the internationalization of the workplace led to even less social interaction.

People don't want to socialize. That actually shocked me. In fact, in the beginning I would come and sit down with people I didn't know – on purpose – just to get to know someone. But it is very hard to socialize with people here, so after a while I stopped because I could see how uncomfortable people felt about it. So I would go sit with my own team, or I would only sit next to someone I already knew (Female employee, North America).

Management was aware of the importance of social interaction for the sharing of knowledge, and as part of the diversity management strategy, social arrangements were initiated.

As an example, a small group of Danish employees took the initiative of starting a 2-h football game every Tuesday. For the first game almost 20 participants came – both Danish and non-Danish. However, the following Tuesday only the Danish manager that came up with the idea brought his sporting clothes. The other colleagues prioritized other commitments and the game was never mentioned again.

The same thing happened to the social initiative 'Last Thirst Day' where beer was served in a pub-like environment on the last Thursday of the month. It worked fine the first time, but the following month hardly anyone showed up. Hence, it seemed that social activities were not prioritized even though it was officially recommended by top management that employees should use some of their working time on social activities. Even non-Danes would eventually incorporate the local discourse with regard to social relations on the job.

In the beginning, it bothered me a lot that I was never invited to an outing or to a drink. Here, it is just not the culture to do that. But, of course I also realized that in marketing, they get new people all the time and people just can't bother every time. I even started to avoid some of the new people myself (Female employee, North America).

So, while no group seemed to directly dominate the other, there was a tension between the culture of leaving at four and not socializing after work hours and the expectations of management and non-Danish employees to socialize both at work and after work. This was saturated by a certain cultural normativity on family-life and gender equality. It was also related to the fact that Danes were still a majority in the organization and that the non-Danes were in the department for a limited period of time, thus having less influence over working practices. Thus, despite attempts by the organization to become culturally diverse and bring up a common culture, the local culture still seemed to be very powerful in influencing the daily working practices.

### Diversity and knowledge sharing

Non-Danish employees were expected to provide new ideas and information to be distributed and used across cultural boundaries. However, as might be already expected from the above, knowledge sharing was limited. For example, employees generally had very limited personal knowledge of each other, even after working together for many years. As one informant said:

I worked next to a guy for three years. I always thought he was single, but then after one and a half years it turns out that he has a wife and a one-year-old baby. He never told me that he had become a father. That must have been a great experience, but he never told me (Female employee, North America).

There was a general opinion that the communication between teams, even at the more professional level, did not work very well. A lot of work was done twice because the coordination of activities was not in place. At conferences, different teams would make the same presentation, or the material would be filed and stored and another team would make it once more from scratch.

Sometimes all the departments are using the same agency at the same time and the agency doesn't really have the time to do a good job. The same with congresses; when we do a congress one year after another we should have somewhere to keep the material. Otherwise different departments make the same material (Female employee, North America).

Or as another employee argued:

Maybe you work more intensively and less hours in Denmark. But sometimes the same work is repeated because there is too little communication. Sometimes I spend three hours working on something that one of my colleagues has already done before (Male employee, Southern Europe).

A number of informants also mentioned that their specific knowledge of local markets was not utilized the way they had expected. Some of the Danes admitted they were too 'lazy' to request information from the non-Danes, while non-Danes would indicate that the Danes knew too little of their area of expertise. Most often, questions regarding local markets were answered through known contact persons in subsidiaries, or through acquaintances that knew of the area. As it was put:

If I need some information on the United States, I can just go to one of the Americans... but actually I don't do that very much. Usually I write to someone I know over there (Male employee, Denmark).

The one time during the fieldwork, that the researcher could observe the use of knowledge of overseas markets, was when a Chinese employee was asked about the time difference between China and Denmark. As another non-Danish employee commented:

I think they use my background very much, all my training and my experiences. They can use that a lot. But I think it is more my education and experience at work, than my Spanish background they use (Male employee, Southern Europe).

The above quote illustrates how the employees made a distinction between cultural and professional competences, and that culture was perceived as less important than professional education and experience. This focus on a specific set of qualifications also affected the use of diverse knowledge resources in the department.

### Conformity and consensus

Besides nationality, the top management also wanted to have diversity in terms of education since the organization worked in a cross-field between marketing and medicine. According to the informants, non-Danes were more likely to combine these two areas of education. Furthermore, it was mentioned that if the company should settle for only employees educated in Danish universities, they would be too similar, which would harm creativity. According to both Danish and non-Danish employees, non-Danes were not in a more difficult position for a job than Danes. Moreover, the valuing of variety in nationality led to the common argument that prejudices did not exist in International Marketing. Since employees

were all highly educated, experienced and resourceful people, it was assumed that they could manage without the direct introduction of formalized procedures for protection of minorities. It was even mentioned that employees were extremely tolerant and that discrimination in International Marketing was '*ridiculous*'. Nonetheless, some employees still seemed to be preferred over others based on their origin, age, gender and professional background. As it was mentioned by a female employee:

We have a joke where we say that to become boss you have to be male, between 35 and 40, and come from a consultancy firm. You should be dark haired, have a French background, and of course speak Danish. It is only a joke, but it is not entirely wrong if you look at it (Female employee, Denmark).

While some individuals expressed such views counter to the general consensus about being a non-discriminatory workplace, this was not voiced openly. As one non-Danish female employee said:

I once asked if we could hear about equal opportunity in one of the meetings. But, the majority of people were not interested (Female employee, South America).

One argument was that the organization already had some of the best gender policies and equal opportunities policies in Denmark, specifically with regard to maternity leave. Nonetheless, some of the Danish women still mentioned that being on maternity leave could affect women's careers negatively. And certainly they felt that there was more focus on the opportunities of the non-Danish men than on those of women. Consequently, the dominant discourse on being a multicultural workplace in a subtle way undermined discussions on gender equality at the department. Moreover, it appears as if there was a tension between a dominant taste for a specific professional and personal profile and the intent to create diversity in ways of thinking. As it was described:

When you enter NewPhadk, they look for the NewPhadk person, and you must be in a certain area on five different charts. But if they are looking for diversity, they should not try so hard to find the NewPhadk person (Male employee, Western Europe).

This dominant 'taste' with regard to professional qualifications and personal profile, led to some homogeneity amongst the apparent diversity.

## Discussion

As described, the management of NewPhadk International Marketing was aware of both advantages and challenges of managing a diverse workforce. Despite the many initiatives to create a constructive culturally diverse environment, the department was not overly successful in sharing knowledge. Interaction seemed too fragmented to support much cross-cultural development of knowledge resources. The problem was not lack of knowledge, the problem was knowing where the knowledge was located and bringing it to bear concretely in daily activities (cf. Faraj & Sproull, 2000).

While some initiatives were installed to promote intercultural interaction, other forces countered their effect. It

could thus be argued that a number of different identities and related discourses competed to influence the working environment, while none of them actually succeeded in changing the dominant practices. Cultural diversity was supported with the aim of internationalizing the department and making knowledge resources more available. However, the local practices regarding family-life with shorter hectic working days hampered close interaction and the actual use of knowledge resources.

Moreover, the provisional character of the non-Danes' involvement in the organization, due to their temporary contracts, created an imbalance in knowledge-sharing patterns. Employees never seemed to get an opportunity to build the intercultural relationships that could be the foundation for knowledge sharing. Gender diversity, on the other hand, was often ignored or toned down due to the intense focus on internationalization and specific professional experiences. This can be related to the findings of Omanović (2006) who describes how the perception of diversity can be distorted by limiting interests and that certain ideas concerning diversity may become privileged while others are marginalized.

Although NewPhadk International Marketing in many ways tried to make constructive use of the knowledge potential of the different nationalities, relationship building was fragmented and interaction patterns did not sufficiently support knowledge exchange. This can be related to Linnehan and Konrad's (1999) argument on the risk of diluting diversity management as a result of focusing exclusively on acquiring the right variety of viewpoints while ignoring power relations. Even with the right variation in qualifications and expertise, there is no guarantee that the organization will be able to profit from the blend. This is also consistent with the results of a study by Ely and Thomas (2001) that found that the mere existence of cultural diversity as such is not necessarily sufficient to produce a shift in power relations that enables constructive group processes to occur.

Hence, it can be argued that diversity management practices at International Marketing, focused on managing empty categories of nationalities rather than taking the different cultural backgrounds and experiences into account (cf. Squires, 2008). This happened because knowledge was expected to flow freely regardless of social boundaries and power relations. However, knowledge is often bound to other social structures (e.g. language, identity) and may therefore be confined to certain communities of practice (Brown & Duguid, 2001).

Three different theoretical perspectives have been mentioned to contribute to the understanding of knowledge-sharing and interaction processes in a diverse organization.

First, the literature applying the information and decision-making perspective put emphasis on the variety of differences in bodies of knowledge (Distefano & Maznevski, 2000; Page, 2007). However, as the NewPhadk case shows, knowledge does not always flow undisturbed in organizations (van Knippenberg et al., 2004). Knowledge resources may be embedded in particular social communities (Wenger, 1999). Brown and Duguid (2001) argue that communities of practice enable people to transmit the more implicit elements of knowledge on how to act successfully in the organization. This implies that the membership of these communities can be essential to knowledge sharing and demonstrates the social character of knowledge (Alvesson & Kärreman, It

2001). The notion of communities of practice could provide further inspiration for researchers in the information and decision-making paradigm dealing with knowledge sharing.

Secondly, researchers operating in the social categorization paradigm put emphasis on boundaries between groups created along lines of similarity attraction. The argument is that similar organization members interact more with each other than with non-similar individuals (Tsui et al., 1992). However, the NewPhadk data shows that focus should not only be put on group boundaries but also on lacking social coherence in general. Lacking interaction across group boundaries is not the only problem related to knowledge sharing in a multicultural organization. Interaction is not only limited by group boundaries (conflicts or misunderstandings), but also by the socially fragmented internationalized environment where individuals have less in common and speak different languages. Turner (1987) argues that if group membership is unsatisfactory, members will attempt to leave that group. And if that is not physically possible, individuals may engage in other forms of reduced attachment, such as psychologically withdrawing from the community (Turner, 1987). This can be a problem because individuals that have little interaction are argued to have difficulties in locating and using each other's knowledge (Borgatti & Cross, 2003), as was the case in NewPhadk.

Thirdly, much of the literature focusing of inequality and power relations, stresses the importance of recognizing that some identity groups have a tendency to dominate others (e.g. Squires, 2008). In the NewPhadk case it was less obvious who were the dominators and who were the dominated. Certainly, work ethics related to discourses in the local context and the Danish labor market had a dominant influence on non-Danes' working practices restraining social interaction as a part of the everyday work situations. These values were slowly embedded in the routines of newcomers, Danes as well as non-Danes, who would readjust, thus reproducing the practice. Moreover, the focus on non-Danish men also seemed to have a muting effect on gender equality. Consequently, subtle discourses embedded in department practices seemed to exercise some pressure toward a specific sort of global business elite conformity (cf. Squires, 2008).

By using insights from the three theoretical perspectives to discuss the NewPhadk case, the aim has been to enhance understanding the challenges in sharing knowledge in organizations that are attempting to create culturally diverse workplaces. From this, three general points can be made to guide future endeavors in understanding knowledge sharing in such organizations:

Firstly, from analyzing the NewPhadk case by using the three most dominant theoretical perspectives, it becomes obvious that these are of less value seen in isolation. While much prior research has tried to isolate and identify specific variables that are expected to have a direct negative or positive effect on the use of knowledge or other resources, the interrelations between different aspects of diversity and the intervening processes are often ignored (Webber & Donahue, 2001). Future research should examine to a greater extent the mediating and moderating role of group processes and power relations linked to knowledge.

As well, most studies on diversity ignore the significance of local or country specific circumstances affecting interaction patterns in diverse organizations (Prasad et al., 2006). The

problems of translating mainly American concepts to a context such as the Danish can be related to the work ethics and communication issues interacting through a second, acquired language (e.g. Feely & Harzing, 2003; Janssens, Lambert, & Steyaert, 2004). While work ethics and labor market issues have been dealt with by a number of Danish researchers (e.g. Kamp & Hagedorn-Rasmussen, 2003), the language theme seems to be missing in most diversity literature. Future studies investigating the effect of language policies and language management in organizations trying to implement diversity management practices with the purpose of enhancing knowledge sharing could be an important contribution to the current field.

Finally, it can be argued that discussions on the character and implications of the concept of knowledge are mostly missing from the literature on diversity management – especially the link between knowledge and power. This issue, however, has been addressed more thoroughly in critiques of knowledge management (e.g. Alvesson & Kärreman, 2001; Staycey, 2001; Tsoukas & Vladimirou, 2001). Such analyses applied to understanding the role of knowledge in diversity management, might reveal important themes to be investigated further.

## References

- Adler, N. J. (1997). *International dimensions of organisational behaviour*. Cincinnati: South Western Publishing.
- Adler, P. A., & Adler, P. (1994). Observational techniques. In N. Denzin & Y. Lincoln (Eds.), *Handbook of qualitative research* (pp. 377–392). London: Sage.
- Alvesson, M. (2003). Beyond neopositivists, romantics, and localists: A reflexive approach to interviews in organizational research. *Academy of Management Review*, 28(1), 13–33.
- Alvesson, M., & Kärreman, D. (2001). Odd couple: Making sense of the curious concept of knowledge management. *Journal of Management Studies*, 38(7), 995–1018.
- Argote, L., & Ingram, P. (2000). Knowledge transfer: A basis for competitive advantages in firms. *Organizational Behavior & Human Decision Processes*, 82(1), 150–169.
- Bernard, R. H. (1995). *Research methods in anthropology: Qualitative and quantitative approaches*. Thousand Oaks: Sage.
- Borgatti, S. P., & Cross, R. (2003). A relational view of information seeking and learning in social networks. *Management Science*, 49(4), 432–445.
- Brown, J. S., & Duguid, P. (2001). Knowledge and organization. *Organization Science*, 12(2), 198–213.
- Brubaker, R. (2002). Ethnicity without groups. *European Journal of Sociology*, XLIII(2), 163–189.
- Byrne, D. E., Clore, G. L. J., & Worchel, P. (1966). The effect of economic similarity–dissimilarity as determinants of attraction. *Journal of Personality and Social Psychology Quarterly*, 4, 220–224.
- Cox, T. H., & Blake, S. (1991). Managing cultural diversity: Implications for organizational competitiveness. *The Executive*, 5(3), 45–58.
- Cronin, M. A., & Weingart, L. R. (2007). Representational gaps, information processing, and conflict in functionally diverse teams. *Academy of Management Review*, 32(3), 761–774.
- Dewalt, K. M., Dewalt, B. R., & Wayland, C. B. (1998). Participant observation. In H. R. Bernard (Ed.), *Handbook of methods in cultural anthropology* (pp. 259–300). Walnut Creek: AltaMira.
- Distefano, J. J., & Maznevski, M. L. (2000). Creating value with diverse teams in global management. *Organizational Dynamics*, 29(1), 45–63.

- Edgren, L. D. (1990). The "commando" model: A way to gather and interpret cultural data in the Swedish public sector. In B. A. Turner (Ed.), *Organizational symbolism* (pp. 173–182). Berlin/New York: Walter de Gruyter.
- Ely, R. J., & Thomas, D. A. (2001). Cultural diversity at work: The effects of diversity perspectives on work group processes and outcomes. *Administrative Science Quarterly*, 46(2), 229–273.
- Faraj, S., & Sproull, L. (2000). Coordinating expertise in software development teams. *Management Science*, 46(12), 1554–1569.
- Feely, A. J., & Harzing, A.-W. (2003). Language management in multinational companies. *International Journal of Cross Cultural Management*, 10(2), 37–53.
- Fiedler, F. E. (1966). The effect of leadership and cultural heterogeneity on group performance: A test of the contingency model. *Journal of Experimental Social Psychology*, 2, 237–264.
- Foldy, E. G. (2003). Managing diversity: Power and identity in organizations. In I. Aaltio & A. Mills (Eds.), *Gender, identity and the culture of organizations* (pp. 92–112). London: Routledge.
- Fontana, A., & Frey, J. H. (1994). Interviewing: The art of the science. In N. Denzin & Y. Lincoln (Eds.), *Handbook of qualitative research* (pp. 361–376). London: Sage.
- Foucault, M. (1991). Governmentality. In G. Burchell, C. Gordon, & P. Miller (Eds.), *The Foucault effect: Studies in governmentality* (pp. 87–104). Hemel Hempstead: Harvester Wheatsheaf.
- Geertz, C. (1988). *Works and lives: The anthropologist as author*. Stanford: Stanford University Press.
- Hambrick, D. C., Cho, T. S., & Chen, C. C. (1996). The influence of top management team heterogeneity on firms' competitive moves. *Administrative Science Quarterly*, 41, 659–684.
- Harrison, D. A., & Klein, K. J. (2007). What's the differences? Diversity constructs as separation, variety, or disparity in organizations. *Academy of Management Review*, 32(4), 1199–1228.
- Holden, N. J. (2002). *Cross-cultural management. A knowledge management perspective*. Dorset: Prentice Hall.
- Homan, A. C., Hollenbeck, J. R., Humphrey, S. E., van Knippenberg, D., Ilgen, D. R., & Van Kleef, G. A. (2008). Facing differences with an open mind: Openness to experience, salience of intra-group differences, and performance of diverse work groups. *Academy of Management Journal*, 58, 1204–1222.
- Janssens, M., Lambert, J., & Steyaert, C. (2004). Developing language strategies for international companies: The contribution of translation studies. *Journal of World Business*, 39, 414–430.
- Jones, D., & Stablein, R. (2006). Diversity as resistance, resistance to diversity: Critical theory, post-structuralist perspectives and workplace diversity. In A. M. Konrad, P. Prasad, & J. K. Pringle (Eds.), *Handbook of workforce diversity* (pp. 145–166). London: Sage.
- Jorgensen, D. L. (1989). *Participant observation: A methodology for human studies*. London: Sage.
- Kamp, A., & Hagedorn-Rasmussen, P. (2003). *Diversity management in a Danish context: Towards a multicultural or segregated working life*. Dansk Sociologkongres: Aalborg Universitet.
- Kelly, E., & Dobbin, F. (1998). How affirmative action became diversity management: Employer response to antidiscrimination law, 1961 to 1996. *American Behavioral Scientist*, 41(7), 960–984.
- Klein, K. J., & Harrison, D. A. (2007). On the diversity of diversity: Tidy logic, messier realities. *Academy of Management Review*, 32(4), 26–34.
- Konrad, A. M. (2003). Defining the domain of workplace diversity scholarship. *Group Organization Management*, 28, 4–16.
- Lave, J. (1993). The practice of learning. In S. Chaiklin & J. Lave (Eds.), *Understanding practice: Perspectives on activity and context* (pp. 3–32). Canada: Cambridge University Press.
- Liff, S., & Wajcman, J. (1996). 'Sameness' and 'difference' revisited: Which way forward for equal opportunity initiatives? *Journal of Management Studies*, 33(1), 79–94.
- Linnehan, F., & Konrad, A. M. (1999). Diluting diversity: Implications for intergroup inequality in organizations. *Journal of Management Inquiry*, 8(4), 399–414.
- Litvin, D. R. (2002). The business case for diversity and the iron cage. In B. Czarniawka & H. Hopfl (Eds.),  *Casting the other: The production and maintenance of inequalities in work organizations* (pp. 20–39). London: Routledge.
- Mäkelä, K., Kalla, H. K., & Piekkari, R. (2007). Interpersonal similarity as a driver of knowledge sharing within multinational corporations. *International Business Review*, 16(1), 1–22.
- Marcus, G. E. (1986). Afterword: Ethnographic writing and anthropological careers. In J. Clifford & G. E. Marcus (Eds.), *Writing culture: The poetics and politics of ethnography* (pp. 262–266). Berkeley: University of California Press.
- Marcus, G. E. (1998). Sticking with ethnography through thick and thin. In G. E. Marcus (Ed.), *Ethnography through thick and thin* (pp. 230–253). Princeton: Princeton University Press.
- McLeod, P. L., & Lobe, S. A. (1992). The effects of ethnic diversity on idea generation in small groups. *Academy of Management Executive*, Best Papers Proceedings, pp. 227–231.
- Miles, M., & Huberman, M. (1994). *Qualitative data analysis*. London: Sage.
- Miller, M., Fields, R., & Ortiz, R. (2000). Leadership and organizational vision in managing a multiethnic and multicultural project team. *Journal of Management in Engineering*, 16(6), 18–23.
- Millikin, F. J., & Martins, L. L. (1996). Searching for common threads: Understanding the multiple effects of diversity in organizational groups. *Academy of Management Review*, 21(2), 402–433.
- Mirchandani, K., & Butler, A. (2006). Beyond inclusion and equity: Contributions from transnational anti-racist feminism. In A. M. Konrad, P. Prasad, & J. Pringle (Eds.), *Handbook of workplace diversity* (pp. 475–488). London: Sage.
- Mor-Barak, M. E., Cherin, D. A., & Berkman, S. (1998). Organizational and personal dimensions in diversity climate. *Journal of Applied Behavioral Science*, 43(1), 82–104.
- Omanović, V. (2006). *A production of diversity: Appearances, ideas, interests, actions, contradiction and praxis*. Gothenburg: BAS Publishing.
- Orlikowski, W. J. (2002). Knowing in practice: Enacting a collective capability in distributed organizing. *Organization Science*, 13(3), 249–273.
- Page, S. E. (2007). Making the difference: Applying a logic of diversity. *Academy of Management Perspectives*, 21(4), 6–21.
- Paulus, P. B. (2000). Groups, teams, and creativity: The creative potential of idea generating groups. *Applied Psychology: An International Review*, 49, 237–262.
- Prasad, A. (2001). Understanding workplace empowerment as inclusion: A historical investigation of the discourse of difference. *Journal of Applied Behavioral Science*, 37(1), 51–69.
- Prasad, A. (2006). The jewel in the crown: Postcolonial theory and workplace diversity. In P. Prasad, J. Pringle, & A. M. Konrad (Eds.), *Handbook of workplace diversity* (pp. 121–145). London: Sage.
- Prasad, A., & Prasad, P. (2002). Otherness at large: Identity and difference in the new globalized organizational landscape. In I. Aaltio & A. Mills (Eds.), *Gender, identity and culture of organizations* (pp. 57–71). London: Routledge.
- Prasad, P., & Mills, A. J. (1997). From showcase to shadow: Understanding the dilemmas of managing workplace diversity. In P. Prasad, A. J. Mills, M. Elmes, & A. Prasad (Eds.), *Managing the organizational melting pot: Dilemmas of workplace diversity* (pp. 3–27). Thousand Oaks: Sage.
- Prasad, P., Pringle, J., & Konrad, A. (2006). Examining the contours of workplace diversity: Concepts, contexts and challenges. In P. Prasad, J. Pringle, & A. Konrad (Eds.), *Handbook of workplace diversity* (pp. 1–22). London: Sage.
- Richard, O. C., & Shelor, M. (2002). Linking top management team heterogeneity to firm performance: Juxtaposing two mid-range

- theories. *International Journal of Human Resource Management*, 13(6), 958–974.
- Roberson, Q. M. (2006). Disentangling the meanings of diversity and inclusion in organizations. *Group & Organization Management*, 31, 212–236.
- Schwartzman, H. B. (1993). *Ethnography in organizations*. London: Sage.
- Simons, T., Pelled, L. H., & Smith, K. A. (1999). Making use of difference: Diversity, debate, and decision comprehensiveness in top management teams. *Academy of Management Journal*, 42, 662–673.
- Spradley, J. P. (1980). *Participant observation*. New York: Holt Rinehart and Winston.
- Squires, J. (2008). Intersecting inequalities: Reflecting on the subjects and objects of equality. *The Political Quarterly*, 79(1), 53–61.
- Staycey, R. D. (2001). *Complex responsive processes in organizations*. London: Routledge.
- Stewart, G. L. (2006). A meta-analytic review of relationships between team design features and team performance. *Journal of Management*, 32, 29–54.
- Struch, N., & Schwartz, S. H. (1989). Intergroup aggression: Its predictors and distinctness from in-group bias. *Journal of Personality and Social Psychology*, 56, 364–373.
- Tajfel, H. (1982). Social psychology of intergroup relations. *Annual Review of Psychology*, 33, 1–39.
- Tajfel, H., & Turner, J. C. (1979). An integrative theory of intergroup conflict. In S. Worchel & W. G. Austin (Eds.), *The social psychology of intergroup relations* (pp. 33–47). Monterey: Brooks/Cole Publ.
- Taylor, S. J., & Bogdan, R. (1984). *Introduction to qualitative research methods: The search for meanings*. New York: Wiley.
- Thomas, D. A., & Ely, R. J. (September–October, 1996). Making difference matter: A new paradigm for managing diversity. *Harvard Business Review*, 79–90.
- Triandis, N. C., Hall, E. R., & Ewen, R. B. (1965). Member homogeneity and dyadic creativity. *Human Relations*, 18, 33–54.
- Tsoukas, H., & Vladimorou, E. (2001). What is knowledge management? *Journal of Management Studies*, 38(7), 973–993.
- Tsui, A., Egan, T., & O'Reilly, C. (1992). Being different: Relational demography and organizational attachment. *Administrative Science Quarterly*, 37, 549–579.
- Turner, J. C. (1987). *Rediscovering the social group: A self-categorization theory*. Oxford: Blackwell.
- van Knippenberg, D., De Dreu, C. K. W., & Homan, A. C. (2004). Work group diversity and group performance: An integrative model and research agenda. *Journal of Applied Psychology*, 89(6), 1008–1022.
- Van Maanen, J. (1988). *Tales of the field: On writing ethnography*. Chicago: University of Chicago Press.
- Watson, W., Kumar, K., & Michaelsen, L. K. (1993). Cultural diversity's impact on interaction process and performance: Comparing homogeneous and diverse task groups. *Academy of Management Journal*, 36, 560–602.
- Webber, S. S., & Donahue, L. M. (2001). Impact of highly and less job-related diversity on work group cohesion and performance: A meta-analysis. *Journal of Management*, 27, 141–162.
- Wenger, E. (1999). *Communities of practice: Learning, meaning, and identity*. Cambridge: Cambridge University Press.
- Williams, K., & O'Reilly, C. A. (1998). Demography and diversity: A review of 40 years of research. In B. Staw & R. Sutton (Eds.), *Research in organizational behavior* (pp. 77–140). Greenwich: JAI Press.
- Zenger, T. R., & Lawrence, B. S. (1989). Organizational demography: The differential effects of age and tenure distributions on technical communication. *Academy of Management Journal*, 32, 353–376.

## Further reading

- UNESCO. (2009). Art 1, Universal Declaration on Cultural Diversity, [http://portal.unesco.org/culture/en/ev.php-URL\\_ID=35636&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/culture/en/ev.php-URL_ID=35636&URL_DO=DO_TOPIC&URL_SECTION=201.html) (August 2009).