

**POTENTIAL CONTRIBUTING
FACTORS FOR MULTI-ETHNIC
INTEGRATION IN A MULTI-
NATIONAL ORGANISATION IN
SOUTH AFRICA**

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ABSTRACT

The purpose of this research was to identify the potential contributing factors for multi-ethnic integration in a multinational corporation in South Africa.

The case site was ArcelorMittal South Africa's Vanderbijlpark business unit. The objective of the case study was two-fold:

- Identify what the business unit has done thus far with respect to creating an inclusive environment for its entire multi-ethnic workforce.
- Identify gaps in the system with associated recommendations to improve the situation.

Seven research propositions were developed from the literature review. The research methodology adopted to test these propositions was qualitative analysis. Data was collected via one-on-one interviews and these were conducted at a case site i.e. ArcelorMittal South Africa's Vanderbijlpark business unit. The data analysis spiral model as proposed by (Creswell 1998) was used to analyse the data.

The research findings concluded that:

- A leader's business experience will contribute towards multi-ethnic integration within multinational organisations in South Africa.
- A leader's level of international exposure will contribute towards multi-ethnic integration within multinational organisations in South Africa.
- An organisation's level of internationalisation will contribute towards multi-ethnic integration within multinational organisations in South Africa.
- An organisation's recruitment practices that actively seek ethnic heterogeneity will contribute towards multi-ethnic integration within multinational organisations in South Africa.

- Practicing educational awareness aimed at recognising workforce differences and benefits will contribute towards multi-ethnic integration within multinational organisations in South Africa.
- Practicing fair promotion and reward of employees from different ethnicities will contribute towards multi-ethnic integration within that organisation in South Africa.
- There is however partial agreement that an organisation's internal structures will contribute towards multi-ethnic integration within that organisation.

The key recommendations include:

Vanderbijlpark's site management needs to make a conscious effort of educating their employees with respect to the different ethnic groups working at the business unit. As part of a continuous awareness program, the unit's business communication needs to sensitise the employees of the different ethnic groups present, their important religious ceremonies, holidays and value/belief system pertinent to those different ethnic groups. An inclusive environment conducive to multi-ethnic integration needs to be cultured into the organisation.

The business unit needs to develop and implement a policy that dictates disciplinary action, including the possibility of dismissal, will be enacted upon those individuals who contravene the shared values of the organisation.

Vanderbijlpark's management needs to remind its staff that English is to be the spoken language in any meeting that includes individuals from different ethnic groups, irrespective of whether they are literate in the language.

The Human Resources team at the Vanderbijlpark site need to investigate and apply a more effective evaluation system when it comes to testing candidates applying for management positions. The metrics need to place an emphasis on the individual's leadership skills especially their ability to work in multi-ethnic environments.

As part of their training program, potential leaders of the organisation need to be introduced to the subject of “glocalisation” and how it is to be applied in organisational settings.

The Vanderbijlpark site needs to review its selection criteria with respect to who should attend educational awareness training programs e.g. programs regarding ethnic diversity awareness. Management representation is imperative at programs that address leadership issues. At the same time thought needs to be applied when the groups are selected. There has to be a balance in the group between cynics and optimists.

“If you believe it you will see it”

DECLARATION

I, Yogashan Spiro Naidoo, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Yogashan Spiro Naidoo

.....

Signed at

On the day of 2010

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1 INTRODUCTION

1.1 Purpose of the study

The purpose of this research is to identify potential contributing factors that lead to the successful integration of multi-ethnic workforces within multinational organisations in South Africa.

1.2 Context of the study

The global sanctioning imposed on South Africa during the apartheid era isolated the country from the rest of the world and forced it to be self-dependent to provide for its needs (Denton and Vloeberghs 2003). Organisations in South Africa were characterised by strong authoritarian styles based on bureaucratic principles (Horwitz and Townshend 1993; Denton and Vloeberghs 2003). All decision making power and control rested with the top echelon. Roodt (1997) describes the typical South African corporate environment as being characterised by a “them and us” culture which separated the predominantly white management minority from the general workforce which is predominantly a black and unskilled majority. He also says that the environment is one of high diversity both in ethnicity and language. Finestone and Snyman (2005) state that the management style of South African companies is dominantly Eurocentric characterised by autocratic, hierarchical, authoritarian and individualistic styles.

After the 1994 elections South African organisations were forced to learn rapidly and to handle situations differently. They had to become more competitive in order to retain and protect local markets against international competitors as well as to ensure that they were able to compete internationally (Denton and Vloeberghs 2003). In the 1996 World Competitiveness Report South Africa was ranked 42nd out of 48 countries and in the “People” area was ranked 48th (Grobler 1994). Additionally, in an unpublished report the author states that a study conducted in 1993 in the manufacturing industry of South Africa confirmed this deficiency in human capital creation (Grobler 1994). This industry accounts for approximately 23% of the country’s gross domestic product and employs close to 1.5 million people (Republic of South Africa 2009). There seems to be no significant

improvements. In the 2009-2010 World Competitiveness Report South Africa ranks 90th out of 133 countries in the labour efficiency measurement, 125th in the hiring and firing element and 121st in the labour-employer relations element (Schwab 2009).

Organisations need to utilise all their resources to remain competitive. Micklethwait and Wooldridge (1997) state that this involves removing all barriers that prevent the creative movement of people and more specifically, of their ideas to create multi-cultural, multi-national organisations. Major changes are increasingly necessary to survive and compete effectively in the new environment (Human 1996). This boils down to a real democratisation of the workplace, especially in the light of the prevailing South African culture of “togetherness”, the devolution of authority and the opening up of existing communication channels and the creation of new ones (Grobler 1996; Khoo Hsien and Tan Kay 2002). Horwitz and Townshend (1993) state that in South Africa there is a perceived need to reduce racial polarisation, erode a tradition of adversarialism and nurture a sense of common purpose to ensure global competitiveness. They further state that a managerial paradigm shift needs to take place from a strong individualistic orientation towards a collaborative or collective values based system. The diversity in South Africa creates a constant need to explore areas of common ground and foster reconciliation after the divisiveness of the apartheid era. South Africa’s strength lies in its diversity. This diversification though raises the question of what values can unite this vastly diverse group of people (Garfield 2008).

Helms and Stern (2001) acknowledge that teamwork and collaboration amongst an organisation’s workforce is an immensely important factor to an organisation’s success. Horwitz and Townshend (1993) support this idea and state that teamwork can facilitate potential competitive advantages and help improve organisational flexibility in meeting the demands posed by globalisation. They state that a participative working environment is more likely to foster teamwork and problem solving.

1.3 Business Problem

On a global comparison South African organisations are not competitive (Grobler 1996; Schwab 2009). One reason for this is the lack of integration and common purpose amongst the workforce (Grobler 1994; Roodt 1997; Thomas and Hill 1999; Sirias, Karp and

Brotherton 2007). The success of an organisation depends largely on its workforce's ability to cope, coordinate synergistically, work with enthusiasm and be motivated about their tasks (Barker 2002; Khoo Hsien and Tan Kay 2002; Constant, Kahanec and Zimmermann 2009).

1.4 Problem statement

The purpose of this research is to identify potential contributing factors for multi-ethnic integration in a multinational corporation in South Africa.

1.5 Significance of the study

A brief investigation of available literature on the subject of the contributing factors leading to multi-ethnic integration has revealed scarcity (Baugh 2007). There is thus the opportunity to add value into this area of study.

The diversity in South Africa creates a constant need to explore areas of common ground and foster reconciliation after the divisiveness of the apartheid era (Horwitz and Townshend 1993). This study aims to determine the extent to which recognising and acknowledging these contributing factors within an organisation will result in some form of common ground being established.

South African organisations need to be more competitive in the global market and the information provided in this research report will enhance the understanding of the key role the organisation's human capital is towards being competitive.

Analysing the idea from both the academic and practical perspectives may contribute to overall organisational effectiveness and the development of South African businesses.

It is hoped that this research will enlighten management on possible best practices that could also be applied to other companies who may find themselves in similar circumstances.

In addition, the research will prove useful for the organisation being focused on as it provides additional elements to integrate its multi-ethnic workforce.

1.6 Delimitations of the study

This study shall focus on the contributing factors most referenced and the extent to which they can be used by management for multi-ethnic integration in multinational organisations in South Africa.

This study shall not aim to define the pre-conditions for integration in all multi-ethnic organisations in South Africa but will be based on a case study of one South African company.

This study shall be limited to the steel manufacturing industry in South Africa and specifically to ArcelorMittal South Africa's business unit in Vanderbijlpark for convenience purposes.

Whilst focusing on a specific company may limit the ability to make broad generalisations, this research report will aim to provide information from which generalisations with the specific purpose to understand the organisational phenomenon under investigation can be made.

Despite this limitation it is believed that the research and its findings may make a contribution towards an increased understanding of the relationship between the adoption of the potential contributing factors and multi-ethnic integration with a multinational organisation in South Africa.

1.7 Definition of terms

1. Ethnicity – Ethnicity or ethnic identity refers to membership in a particular cultural group. It is defined by cultural practices including but not limited to customs, beliefs, language, food and holidays (Cyberschoolbus 2009)
2. Trust – Trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another (Rousseau, Sitkin, Burt and Camerer 1998).
3. Integration – It is one of a package of terms that attempts to come to grips with the relationship between a group of individuals and the system within which they work in (Raghuram 2007).
4. Apartheid – It is the segregation of whites from and other racial groups (Finestone and Snyman 2005).
5. Diversity - People with different ethnic backgrounds, nationalities, age, religion and social class (Janssens and Steyaert 2002; Crowley-Henry 2005).
6. Diversity management – The systematic and planned commitment by the organisation to recruit, retain, reward and promote a heterogeneous mix of employees (Shoobridge 2006).

1.8 Assumptions

- There are no documented studies done to determine the contributing factors to integrate multi-ethnic organisations in a South African context.
- All organisations in South Africa have a multi-ethnic workforce.
- Not all organisations in South Africa recognise the value of multi-ethnic integration as a means to enhance competitiveness.
- The interpretation and thus application of these contributing factors will differ from one organisation to another. However the findings recommended shall apply to the entire industry.

- The interpretation and thus application of these contributing factors will differ from one functional unit to another. However the findings recommended shall apply to the organisation.
- In this report internationalisation is defined as a South African company being a subsidiary to an international group.
- In this report reward is not constrained to financial reimbursements but to any form of recognition.

2 LITERATURE REVIEW

2.1 Introduction

This section contains a literature review on the key themes of relevance to the study. It begins by giving a brief background into South Africa's business climate. It then provides an indicator for successful multi-ethnic integration. Thereafter an attempt to explain the underlying factors for ethnic segregation is made. The review then focuses on the concept of ethnicity and multi-ethnicity as well as the advantages and challenges for an organisation to encourage multi-ethnic integration. Following this, the review then focuses on specific contributing factors that impact the success of such multi-ethnic integration within an organisation. The base model that was adopted is also briefly explained. The section concludes with an overview of the key learning points together with a new model and proposals of the contributing factors required for multi-ethnic integration in multinational organisations for a South African context.

2.2 Brief history into South Africa's business landscape

Up until 1994, South Africa was controlled by whites that instituted Apartheid (Finestone and Snyman 2005). Owing to apartheid international sanctions were imposed on South Africa (Denton and Vloeberghs 2003; Finestone and Snyman 2005). As a result of these international boycotts, huge organisations were created and financed by the Apartheid government. Examples were Krygkor, Telkom, Iscor, Sasol, Mossgas, SpoorNet and the South African Broadcasting Corporation, also known as the SABC. The period from 1970 to 1980 involved mass mobilisation caused by the increased resistance to the apartheid system (Denton and Vloeberghs 2003). There was a growing socialist orientation as well as hostility towards capitalism which was seen as the cornerstone of apartheid because of its exploitation and oppression of black people. Racial discrimination was seen in every sphere of life, especially in business. On the shop floor blatant racist attitudes hindered any form of non-white advancement (Denton and Vloeberghs 2003). There was a lack of consideration for multi-ethnic integration.

After the first democratic election in 1994, a free economy emerged and constitutionally entrenched human rights aimed at ensuring equal accessibility for all to, inter alia, the corporate and business world (Denton and Vloeberghs 2003). Organisations were forced to adhere to new labour legislations in the form of Affirmative Action and the Employment Equity Act, No. 55 of 1998 (Denton and Vloeberghs 2003; Finestone and Snyman 2005). Those organisations that resisted adhering to these policies faced being penalised or fined for non-compliance.

2.2.1 Affirmative Action

The White Paper *Affirmative Action in the Public Service* was introduced to provide a framework for the implementation of Affirmative Action programmes in the national department and provincial administrations (Ocholla 2002; le Roux and Oosthuizen 2009). This legislation led to the formulation of the Employment Equity Act of 1998 where Affirmative Action is now being legally enforced in all sectors of the South African economy and business (Finestone and Snyman 2005).

Affirmative Action may be defined as the process of creating greater equality of opportunity (Human 1996; Gilbert, Stead and Ivancevich 1999). It is not a process of recruiting greater numbers of historically disadvantaged employees. It is part of a holistic system of human resource management and development. It impacts on all processes, policies and procedures relating to the selection, recruitment, induction, development, promotion and severance of people (Gilbert et al. 1999; Denton and Vloeberghs 2003).

2.2.2 Employment Equity

The Employment Equity Act No. 55 of 1998 aims to ensure that the legacies of apartheid in the South African workplace are redressed (The Government of South Africa (1998a) 1998). The Act endeavours to ensure the equitable representation of people from designated groups in all occupational categories and levels within the organisation. Employers of over 50 employees and those with certain financial turnovers are required to address target setting and related strategies of recruitment, training, development and retention of people from designated groups (Thomas 2002).

Amuenje (2003) states that although Affirmative Action and Employment Equity legislation have opened the doors to change they do not offer mechanisms that may enable people from diverse, including multi-ethnic, backgrounds to work together towards a common organisational goal. She states that further actions need to be taken within organisations.

2.3 Success in multi-ethnic integration within an organisation

Amuenje (2003) states that a successful multi-ethnic/cultural organisation is one where the previously disadvantaged groups are represented at all levels of the organisation and expression of diverse ethnic/cultural values, thoughts and actions are encouraged rather than suppressed. She states further that prejudice and discrimination are almost eliminated and there is an absence of institutionalised ethnic/cultural bias in organisational policies and practices.

2.4 Segregation – A natural human phenomenon

Why do we, human beings, choose to segregate ourselves? This can be explained through the lens of the Social Identity Theory or the Psychological Approach.

2.4.1 *Social Identity Theory*

Social identity theory has been proposed as a theoretical lens that will allow researchers to move toward a more holistic view of ethnic differences. Fontaine (2007) defines this as the individual's knowledge that he belongs to certain social groups together with some emotional and value significance to him of this group membership.

Social identity theory has a significant impact on human behaviour and it is central to human life (Gounder 2005). Loh, Restubog and Gallois (2009) state that ethnic differences between individuals will influence how boundaries are constructed. They state that different types of boundaries and boundary permeability will influence how individuals interact and communicate with each other. One of the major considerations to bear in mind is that when individuals from different ethnic groups interact together is to realise that they may have very different ethnic assumptions, beliefs and values about how to work together (Loh et al. 2009).

Boundaries are an inevitable consequence of cognitive categorisation which is a basic human cognitive process that enables individuals to simplify complex stimuli into meaningful groups or categories (Hogg 2000). He further states that our social identities constitute a psychological distinction between different ethnic and social groups.

Social identity theory suggests that the pressure to evaluate one's own group positively through in-group/out-group comparison lead social groups to differentiate themselves from each other (Tajfel and Turner 1985). They state that this process of differentiation aims to maintain and achieve superiority over an out-group on some dimensions. Very often this can lead to in-group favouritism where members believe that one's own group is better than the other group on some or all aspects of characteristics (Brewer and Brown 1998). They add further that when this happens, inter-group interaction and communication becomes more difficult as members consciously draw a wall or boundary between themselves and the people they consider as outsiders.

Social identity theory argues that people tend to support and positively evaluate groups that embody relevant aspects of their social identities because this enhances their self-esteem (Tajfel and Turner 1985; Brewer and Brown 1998). Demographic characteristics such as cultural, racial or ethnicity become highly visible and salient during intercultural exchanges (Milliken and Martins 1996; Hogg and Terry 2000). They further add that people who possess similar demographic characteristics tend to perceive one another as similar and to be attracted to each other (Tsui, Egan and O'Reilly 1992). This interpersonal attraction, in turn, is found to be positively related to many desired outcomes such as communication, high social integration, group identification and affiliation. Conversely a work group in which the individuals are dissimilar to others in terms of demographic characteristics may have increased conflict, restricted mobility and loss of self-identity (James and Koo 1991; Ellemers, Wilke and Knippperberg 1993).

Hellerstein and Neumark (2008) state that social identity theory has found that individuals who perceive group boundaries to be permeable tend to share pro-typical characteristics with members of that group. They add that this allows in-group members greater access to their groups. Employees within multi-national corporations of the same nationality often construct group boundaries that were permeable to in-group members but closed to out-group members (Kilduff 1992). He states that people were more likely to co-operate, feel

greater affection and display in-group favouritism with members whom they shared similar values and attitudes. As a result their sense of belonging and identification increased resulting in a greater willingness to co-operate and work for the interests of the group (Tajfel and Turner 1985).

Permeable boundaries are boundaries that are more open and allow individuals to pass from one group to another. Individuals can enhance their identity and access resources offered by another group through individual mobility. In contrast impermeable group boundaries are closed and fixed and individuals may find it very difficult to move from one group to another (Tajfel and Turner 1985).

Several cultural factors that influence the formation and permeability of boundaries are (Fontaine 2007):

- Collectivism-individualism which state that cultures that are highly monolithic and interdependent tend to create boundaries that are highly impermeable. In contrast, cultures that promote individualism construct more permeable boundaries.
- Power distance is conceptualised as an individual's acceptance of the unequal distribution of power in societies and institutions. Cultures who accept that people are not equal and that there are boundaries segmenting people into their rightful places create boundaries that are less permeable and more restrictive. However, cultures of a less power distant background are less accepting of unfair power distribution and react more negatively when treated by powers of authority.
- Uncertainty avoidance indicates the extent to which a society feels threatened by uncertain and ambiguous situations and avoids these situations by establishing formal rules, not tolerating deviant ideas and behaviours and believing in absolute truths and the attainment of expertise. A culture that perceives high threat creates high boundaries than cultures that are more accepting of uncertainty and ambiguity.

When people with different values interact with each other it can lead to conflict based on these different value systems (Oliver and Wong 2003). Conflict is said to exist in three forms namely system conflict, contribution conflict and vision conflict (Anderson 2009). The author further states that ethnic differences go unnoticed by groups until there is some ethnic conflict. The issue that causes the most conflict is the methodology used to perform work e.g. Eurocentric versus Afrocentric.

2.4.2 *The Psychological Approach*

Fontaine (2007) proposes the psychological approach with a focus on stereotyping that states that although cross-cultural differences arise because people have different cultural values it is also as a result of ignorance and stereotyping. It is said that differences are actually based on what is unknown about the other more than what is known (Thomas and Hill 1999; Davidson 2009).

The theory of inter-group contact holds that groups typically hold negative stereotypes of other groups (Fontaine 2007). However the development of friendships between individuals from different groups leads to a re-evaluation of negative stereotypes by other members (Fong 2000). Stereotyping is a form of cognitive bias. Various forms of cognitive bias seem to define relationships between cultural groups. The fundamental attribution error, group homogeneity bias, inter-group bias, trait ascription and the belief perseverance effect are among the most common types of cognitive biases. They lead to stereotypes, stereotyping and discrimination even when objective information about other cultural groups is available (Fontaine 2007).

2.5 Ethnicity and multi-ethnicity

There is evidence to suggest that there is considerable segregation by race, ethnicity, education and language in the workplace (Hellerstein and Neumark 2008).

Companies perform best when they introduce diversity initiatives not simply to comply with the law but to use people's different viewpoints, talents and experiences to improve decision making and problem solving (Baugh 2007; Sirias et al. 2007). The fundamental concept of managing diversity is to achieve the maximum potential from an organisation's

workforce by sensitising them to the barriers and stigmas associated with ethnicity amongst other demographic elements (Sheffield, Hussain and Coleshill 1999). A survey of more than 3,000,000 (three million) employees worldwide revealed three main categories of employment expectation (Baugh 2007):

- Camaraderie – having warm, interesting and co-operative relations with others in the workplace and achieving a sense of community, belonging and collegiality.
- Achievement – doing things that matter and being able to do them well, receiving recognition for accomplishments and taking pride in them.
- Equity – being treated justly in relation to the basic conditions of employment, particularly with respect to others in the organisation and minimum personal/societal standards.

The author states further that in organisations where just one of these factors is left unmet, levels of employment enthusiasm can be reduced particularly when employees perceive equitable treatment to be absent.

Socio-cultural theory argues that an individual's development is a function of inter-related history, cultural, institutional and communicative processes (Ng and Burke 2004).

2.5.1 *Ethnicity or Ethnic Identity*

Ethnicity and race are related but different constructs (Prasad 2008). They are the same in as far as both can be considered as social constructs. Race is a biological concept and used to support inter-group superiority and inferiority based on geno-typical differences. Ethnicity is an intra-group concept and used to describe a group of people or nation possessing some degree of coherence and solidarity that are aware of having common interests and origins. Ethnicity thus enables a richer appreciation of differences within people that may commonly be grouped together as races, for example Chinese, Indian and Malays (Soontiens 2007). Ethnicity, unlike race, is often viewed as a self-imposed construct where a person or group of people identifies some characteristics in their own culture or lifestyle that differentiates them from another segment of the population (Cavello 2009).

Trimble and Dickson (2005) state that the definitions of ethnic identity vary and the fact that there is no widely agreed upon definition of ethnic identity is indicative of the confusion surrounding the topic. They state that ethnic identity is an affiliative construct, where an individual is viewed by themselves and by others as belonging to a particular ethnic group.

Barth (1969) argues that ethnic identity was a means to create boundaries that enabled a group to distance themselves from one another.

Bhopal and Rowley (2005) state that ethnic identity or ethnicity can be viewed in two ways, the primordial and situational. The primordial one tends to be the predominant one in discussions on ethnicity. They state that in this view an ethnic identity is seen as derived from being born into a particular community, by adapting its values (e.g. religion) and speaking its specific language and following a set of cultural practices that are associated with that community.

The construct, ethnic identity, is a term that is used to express the notion of sameness, likeness, and oneness (Trimble and Dickson 2005).

Cheung (1993) defines ethnic identification as the psychological attachment to an ethnic group or heritage and thus centres the construct in the domain of self-perception. Saharso (1989) extends the definition to include social processes that involve one's choice of friends, selection of a future partner, perception of their life-chances, and the reactions of others in one's social environment. Both definitions involve boundaries where one makes a distinction between "self" and "other".

Currently, the most widely used definition of the construct in psychology is the one developed by (Phinney 1990; Phinney 2000, 2003). The author maintains that ethnic identity is a dynamic, multidimensional construct that refers to one's identity, or sense of self as a member of an ethnic group. From the author's perspective one claims an identity within the context of a subgroup that claims a common ancestry and shares at least a similar culture, race, religion, language, kinship, or place of origin. The author goes on to add that ethnic identity is not a fixed categorisation, but rather is a fluid and dynamic understanding of self and ethnic background. Ethnic identity is constructed and modified as individuals become aware of their ethnicity, within the large (socio-cultural) setting.

Ethnic identity is usually contextual and situational because it derives from social negotiations where one declares an ethnic identity and then demonstrates acceptable and acknowledged ethnic group markers to others. At an individual or societal level one may rely on labels to describe their ethnic affiliation and subsequently their identity such as language usage, friendship affiliations, music and food preferences, and participation in cultural and religious activities may be included (Trimble 2000).

2.5.2 *Advantages of multi-ethnicity within an organisation*

Organisations that create an environment of integration can expect their business to be one that possesses the following valuable list of the benefits (White 1999; Ocholla 2002):

- Tapping into skills and knowledge not previously available in the company.
- Enhancing company creativity and problem solving.
- Responding quickly and effectively to diverse markets and fostering productive relationships with diverse market i.e. customers, suppliers etc.
- Promoting a culture of inclusivity and problem solving and enhancing team performance.
- Attracting and retaining the best talent especially among those representing new consumer markets. People leave if they cannot identify with the company's objectives.
- More co-operative choices and decisions among ethnically diverse groups.
- Fosters innovation.
- Creates a safer work environment.
- Drives employee engagement, commitment and pride.
- Sees a positive impact on customer satisfaction.
- Benefits in terms of financial performance.

Hansen and Nohria (2004) state that collaboration amongst individuals benefits an organisation through the following:

- Cost saving through the transfer of best practices.
- Better decision making as a result of obtaining advice obtained from colleagues in other departments.
- Increased revenue through the sharing of expertise.
- Innovation through the combination and cross-pollination of ideas.
- Enhanced capacity for collective action that involves various departments.

Oyler and Pryor (2009) add that a more multi-ethnic workforce benefits the organisation through greater creativity and problem solving ability, increased access to new consumer markets, larger gains in market share and marked improvements in employee and organisational performance. Bhopal and Rowley (2005) further supports these advantages.

Organisations that have the ability to attract and retain older workers, different ethnicities and females with critical skills and valuable experience will most likely lead to the sustained competitive advantage of the firm (Oyler and Pryor 2009).

2.5.3 Challenges of multi-ethnicity within an organisation

The greater the difference between individuals the greater the difficulty in operating businesses successfully across such ethnically different landscapes (Slater, Paliwoda and Slater 2007). Bhopal and Rowley (2005) state that the challenges are increased cost due to high turnover rates, interpersonal conflict and communication breakdowns. White (1999) adds by stating the following disadvantages:

- Too many viewpoints based on different multi-ethnic backgrounds in problem solving can be dysfunctional.
- Multi-ethnic companies may find it hard to reach a single agreement on matters and this leads to disagreement about courses of action.

- Multi-ethnicity can produce negative dynamics such as ethnocentrism, stereotyping and cultural clashes.
- It has the potential to polarise different social groups and harm productivity.
- Ignorance of ethnic differences is a very serious cause of misunderstanding and as a result conflict.

Teamwork might be seen as a unitarist attempt by management to create a paternalistic, happy family climate (Anderson 2009). He states that this ideology denies that conflict is normal in human interactions. Individual initiative may also be suppressed in the interests of group cohesion (Horwitz and Townshend 1993).

Zaleznik (1990) refers to the “modern idealisation of teamwork” as an “antihero ethos” that places a premium on the team over the individual.

Two approaches occur on the issue of teamwork and conflict. The group conformity view suggests that individuality tends to be suppressed in groups, the energy of the creative few is dispersed by the less able, and the vision of the brilliant is diluted by the near sightedness of the average. The second approach assumes that people will tend towards collaboration, acknowledging that conflict is normal in groups. Conflict can be socially functional, with innovation and creativity arising from using opposing ideas productively (Horwitz and Townshend 1993).

An over-emphasis on team unity and conformity can lead to errors of judgement and poor decisions if individuals suppress the need to differ openly from the group (Janis 1972). Identification of individuals with potential for advancement may also become more difficult. Finally conflict may be necessary for change and innovation.

2.6 Factors that promote workforce ethnic diversity within the organisation (Shoobridge’s model)

Shoobridge (2006) argues that the ethnic diversity of a firm’s workforce plays a crucial role for its performance. He developed a model that links ethnic workforce diversity to a firm’s performance and takes into account the contribution and impact several diversity

management instruments has on the strength and magnitude of this relationship. Refer to Figure 1 below.

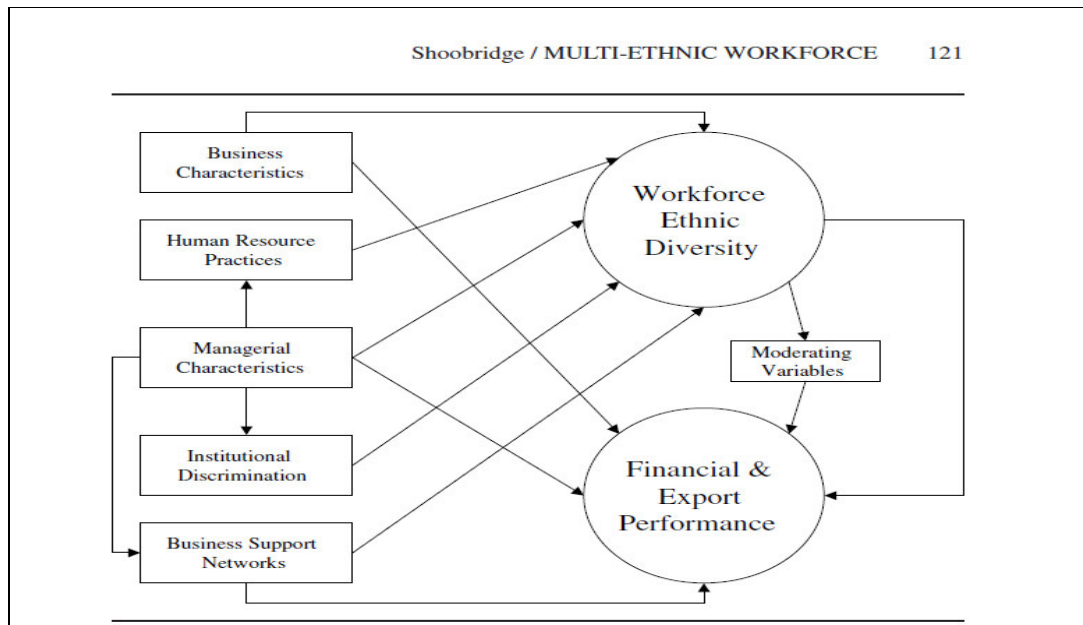


Figure 1 – Shoobridge’s model indicating contributing factors towards workforce ethnic diversity and its impact on an organisation’s financial and export performance

(Shoobridge 2006)

The six different instruments are business characteristics, managerial/ leadership characteristics, human resource practices, institutional discrimination, business support networks and a group of moderating variables (Shoobridge 2006). He argues that these instruments drive ethnic diversity within an organisation and moderates the relationship between ethnic diversity and company performance thus allowing firms to increase the beneficial effects of a multi-ethnic workforce.

Business characteristics include factors such as the firm’s international and overall business competencies, its size, age and level of internationalisation (Shoobridge 2006).

Institutional discrimination includes factors such as ethnic minorities and employment, ethnicity and career development, self-correcting discrimination and discrimination at an organisational level (Shoobridge 2006).

Managerial/leadership characteristics includes factors such as the influence of geographical provenance, the influence of education and business experience, the influence of attitudes and perceptions, cultural diversity and international exposure, the influence of family values and the influence of age (Shoobridge 2006).

Human resource (HR) practices includes general HR practices, evaluation of job performance, evaluation of team performance, evaluation of diversity management programs, evaluation of training and mentoring programs and initiatives to promote the employment of ethnic minorities (Shoobridge 2006).

2.7 Factors contributing to multi-ethnic integration within an organisation – (Shoobridge’s model adapted)

There are numerous factors that contribute to the integration of individuals from different ethnic backgrounds. Some are more influential than others. The following factors have been adopted from Shoobridge’s model.

2.7.1 Leadership characteristics

Caligiuri, Lazarova and Zehetbauer (2004) state that attitudes are individual characteristics that affect a person’s values, behaviours, interests and decisions. They state that top managers e.g. executives and board of directors can greatly influence the organisation as a result of their attitudes through their decisions, values, and vision (Hambrick and Mason 1984; Ancona and Nadler 1989). These attitudes can be shaped by the individual’s business experience and international exposure.

a. Business Experience

Increased tenure is associated with stability, reduced conflict and superior communication (Katz 1982). These facets are required when dealing with integration of a diverse multi-ethnic workforce.

Michael and Hambrink (1992) state that longer tenure on the top management team may be associated with social cohesion and lead to better firm performance. This social cohesion includes the integration of the workforce.

Good leadership qualities stemming from business tenure promote equal opportunities regarding employment, remove organisational barriers, combat racism and ensure that an ethnically sensitive workforce is created (Sheffield et al. 1999).

Tenure within a group is an important determinant of group process including integrating a multi-ethnic workforce (Tihanyi, Ellstrand, Daily and Dalton 2000)

Leaders with business tenures invest time and resources to deal with the things that drive equity, with multi-ethnic diversity being an important element (Anonymous 2005).

Sohail and Daud (2009) state that one of the key factors that allows individuals to interact with others from different ethnic backgrounds is the leadership, and their experience, of the organisation.

Mujtaba (2009) states that leaders and managers are part of society and deal with diversity challenges, including those related to multi-ethnicity, and opportunities every single day. He adds that those managers and leaders who have the necessary business experience to deal with the challenges and take advantages of the opportunities it offers will likely succeed by being effective in a diverse, multi-ethnic workplace.

Discriminatory practices are widespread in society and, at times, it surfaces in the workplace which can cause major challenges for managers and leaders. Unfair aspects of discrimination often take root from societal biases, stereotypes, and misinformation. Instead of passing on societal biases and treating employees unfairly based on stereotypes and misinformation, managers can use situational leadership practices by concentrating on the performance of each associate and developing them progressively based on their level of readiness to take on new responsibilities and initiatives (Mujtaba 2009). The author adds that this skill is developed with business experience.

In summary it can be concluded that a leader's business experience will contribute towards the integration of individuals from different ethnic backgrounds within an organisation.

b. ***International Exposure***

Michael and Hambrick (1992) state that top management team attributes e.g. international exposure have been related to a variety of organisational outcomes, such as workforce diversification within an organisation.

Another perspective is that it is the quality e.g. extensive interaction with host nationals rather than quantity i.e. the number of years of international experience distinction that is relevant in shaping an individual's global attitude while on global assignments (Kobrin 1994). This includes their view of multi-ethnic integration within an organisation.

Sambharya (1996) states that international assignments provide executives with a firsthand awareness of opportunities. He adds that international experience helps executives to reduce the anxiety and complexity associated with operating under uncertain conditions, one of these being multi-ethnic environments and their management thereof.

The knowledge of an internationally experienced workforce is espoused in order to compete globally and with diverse, multi-ethnic teams (Black and Gregerson 1999).

Tihany et al. (2000) states that any serious organisation wishing to internationalise its business must be able to count on its top management to instil into its employees the desire to internationalise and work in diverse, multi-ethnic environments. The author makes reference to an international leadership style that comes from the top managerial team i.e. global thinking, relevant intercultural competencies, and ideally its members come from different cultures in order to favour globalisation and integration of the organisation's workforce.

Previous studies have found a positive relationship between a top management team's international experience and a firm's internationalisation and perspective towards the multi-ethnic teams (Tihanyi et al. 2000; Carpenter and Fredrickson 2001).

Carpenter and Fredrickson (2001) emphasised the importance of developing and nurturing global leaders in order for firms to succeed in the highly competitive, global, multi-ethnic environment.

Recent studies have found important relationships between an executive's international experience and the organisation's outcomes (Athanassiou and Nigh 2002). The authors state that they understand the need to work within multi-ethnic organisations.

Lee and Park (2008) state that international exposure captures the top executive's background in terms of the experiences, knowledge and relational capital associated with international environments. They state that a top team with members that have greater international exposure will likely have greater knowledge of international markets, larger overseas network ties, and an increased understanding of foreign cultures compared to an individual without such exposure.

In summary it can be concluded that a leader's international exposure will contribute towards the integration of individuals from different ethnic backgrounds within an organisation.

2.7.2 Organisational characteristics

a. Level of Internationalisation

Janssens and Steyaert (2002) state that to meet the demands of quality, innovation and internationalisation, organisations are looking for new ways of organising. They add that employees are automatically confronted with fellow workers who have different ethnic backgrounds, educational levels, experience, functions or values. In addition, organisations are increasingly coming to recognise the value of a heterogeneous, multi-ethnic staff when they wish to develop new products and win new markets.

In today's globalisation of world trade, many businesses recognise the fact that it is critical to tap into the skills and insights of a diverse, multi-ethnic workforce in order to compete successfully in the new global economy (Crowley-Henry 2005).

Maugain, Hilb and Tschirky (2003) states that the increasing globalisation of business requires employees from various ethnicities/cultures to work together.

Morris (2004) adds that the globalisation of business has brought with it an increased need for effective international working and that organisations have to interact with employees, customers, partners and suppliers from different national ethnicities and cultures.

Paelmke (2007) states that to sustain global growth and competitiveness, large corporations as well as medium sized manufacturing companies from the Western world expand their operations to emerging industrial economies in Asia and elsewhere. The author states further that the contributions of the people are certainly determinant factors for successful entrepreneurship. Hence understanding the impacts of ethnic/cultural affiliations of people working in these different environments become important to adapt existing or develop future oriented Human Resource Management models to foster increasing multi-ethnicity.

In summary it can be concluded that an organisation's level of internationalisation will contribute towards the integration of individuals from different ethnic backgrounds within an organisation.

2.7.3 Human Resources

Kochan, Bezrukova, Ely, Jackson, Joshi and Jehn et al. (2003) state that human resource practices for recruiting, selecting, training, motivating, and rewarding employees partially determine whether team members and leaders are skilled in communicating with and coordinating among members of diverse, multi-ethnic teams. They state that when human resource practices support the creation of a workforce that has the skills needed to turn diversity into an advantage, diversity is more likely to lead to positive performance outcomes. They further add though that in other organisations, however, human resource practices may inadvertently result in teams that are diverse but unskilled in diversity management. Such organisations are more likely to experience negative outcomes, such as disruptive conflict and increased turnover, which can harm performance.

a. Recruitment Practices

Murphy, Owen and Myers (1995) state that only two strategies appear effective at increasing ethnic minority hiring within the organisation. One being targeting recruitment strategies to qualified ethnic minorities.

Deng, Menguc and Benson (2003) state that an organisation's recruitment practices is positively correlated to the diversity, including multi-ethnicity, within that organisation.

Research supports the idea that those organisations demonstrating their support for diversity, including multi-ethnicity, by including inclusiveness policy statements in job advertisements and advertising diverse membership are successful in attracting a diverse, multi-ethnic workforce (Avery and McKay 2006).

Organisations that value multi-ethnicity will be successful in attracting and retaining employees from different ethnic backgrounds (Ottawa, Heathcote and Gruman 2007). They state that an organisation's reputation can affect employee application. The authors cite specific practices that will attract diverse individuals, including ethnicity, to the organisation. Firstly, the organisation must place attention to recruitment posters and advertisements. Specifically, recruitment posters should have photographs of the different ethnicities and recruitment advertisements should include positive statements about ethnic diversity. According to the authors this is because these statements are noticed and valued by individuals from the different ethnic groups. Secondly, the organisation needs to continuously examine the recruitment sources and take advantage of institutions that traditionally have diverse populations.

Examining the recruitment sites of many of the organisations with strong diversity initiatives demonstrates that these recommendations are actively used in practice (Ottawa et al. 2007).

In summary it can be concluded that an organisation's recruitment practices will contribute towards the integration of individuals from different ethnic backgrounds within an organisation.

b. *Awareness Programs*

Kossek and Zonia (1993) state that differences are appreciated when people have the opportunity to learn about other ethnic backgrounds. This facilitates a greater inclusion of these ethnicities, alleviates intergroup tensions and reduces conflict. They add that this allows people to build the skills required in managing differences and creating a comfortable, more integrated, work environment that improves communication with one another such that all employees feel accepted and valued in the organisation, irrespective of their differences, including ethnicity.

Cox (1994) refers to the training component in diversity management as an important aspect in creating awareness and integration in a diverse, multi-ethnic workplace.

Awareness training could be regarded as an organisational development effort, which is aimed at creating learning organisations that are innovative and adaptive to change (Harris and Moran 1996).

Hickman (1998) notes some assumptions illustrating why diversity awareness training is important for organisations employing a diverse, multi-ethnic workforce. He states that firstly, organisations need to learn more about ethnic differences and their own responses to those who are different. Secondly, there is a low degree of personal comfort with ethnic differences due to a limited knowledge and a resistance to change. The author also states that there are a number of costs e.g. high turnover, absenteeism, recruiting and retraining costs, miscommunication, conflict, etc. associated with not being proactive when it comes to diversity and creating an inclusive environment. Diversity awareness training is therefore imperative to any organisation that operates in a diverse, including multi-ethnic, society.

Diversity awareness training involves educative processes that are intended to promote cross-ethnic learning through the acquisition of knowledge and skills leading to an integrative environment. This helps to change attitudes and behaviour towards those who are different from one and enables them to interact effectively across different ethnic groups of people (Amuenje 2003). The author states further that diversity awareness training is a valuable tool for leading cultural change due to its direct nature of approaching the issues and concerns that arise in a changing, multi-ethnic workforce.

Stalinski (2004) states that appropriate diversity management programs tend to increase the commitment of the different ethnic groups who feel valued for their contributions.

In summary it can be concluded that an organisation's awareness programs will contribute towards the integration of individuals from different ethnic backgrounds within an organisation.

c. ***Fair Promotion and Reward***

It is important to recognise the concerns of fair practices with respect to promotion and reward among the different ethnic groups. Overcoming inequality is of major importance to

every individual within the organisation. Individuals and groups unable to achieve equal participation and recognition for their efforts through regular institutional channels may well turn to alternative pathways and retreat into separatist groupings (Hernes 2003). He says that this negates the efforts for an integrated workforce.

It is said that fair promotion and reward to all ethnic groups in the organisation is one of the instrumental factors that will lead to the success of any integration exercise (Zimmermann, Kahanec, Constant, DeVoretz, Gataullina and Zaiceva 2007). They state that fair treatment after exclusion has been surmounted mitigates conflict and resentment, facilitates support and integration and alleviates stigmatisation between the different ethnic groups.

True opportunity requires that we all have access to the benefits i.e. promotions and rewards, burdens and responsibilities of the organisation. Ensuring equal opportunity means not only ending overt and intentional discrimination between the different ethnic groups but also rooting out subconscious bias and reforming systems that unintentionally perpetuate exclusion (Petsod, Wang, McGarvey, Drake, Tso, Kay et al. 2006).

Blackburn (2008) states organisational practices that promote fair treatment and opportunities, including promotion and rewards, can help facilitate integration because they instil a sense of fairness in the relationship between the organisation and the individuals representing the different ethnic groups. Gounder (2005) adds that such practices make individuals feel welcome and inspire confidence that they will eventually become full members of the organisation.

In summary it can be concluded that the fairness of an organisation's promotion and reward will contribute towards the integration of individuals from different ethnic backgrounds within an organisation.

2.7.4 *Organisational Structure*

Most adult persons spend a large proportion of their time at work and one cannot avoid interacting with others of different ethnic backgrounds in the workplace. The workplace is the most natural place for people to meet, make friends and develop social networks (Fong 2000).

Although recent research on basic drivers for human action (Hansen and Nohria 2004) suggests that cooperation may be a natural human tendency, integration at multinationals does not just happen on its own. Companies often create barriers that prevent individuals from engaging with one another. The authors add that this may then cause the polarisation of individuals and groups within the organisation. Zimmermann et al. (2007) support this thought and state that institutional barriers pose a significant barrier to the integration of people from different ethnic backgrounds.

For several reasons employees in one unit may close themselves off to all interaction from those in other units (Hansen and Nohria 2004). They state that one reason could be that the organisation's formal and informal reward systems may give more credit for heroic individual efforts than for team efforts.

It is understandable that individuals prefer to work alongside individuals from the same ethnic background and prefer to do business with business people from their own ethnic background. However working in a relatively closed ethnic environment can therefore segregate individuals from other ethnic groups and reduce their opportunities to develop relationships outside of their own ethnic community (Fong 2000). Cultural values are pretty well understood but little is known about how to turn tacit knowledge into explicit knowledge or how the structure of the system influences behaviour.

The systems thinking approach (Senge and Sterman 1994) states that structure influences behaviour. The cause of a specific behaviour can only be understood by analysing the structure of the system as a whole. To change the behaviour of individuals in the future one has to simply change the structure of the system. In this perspective the role of cross-cultural managers is to design or redesign the system inside the organisation to improve cross-cultural relationships (Fontaine 2007).

By identifying internal processes, choosing appropriate measures, setting performance indicators and monitoring the system, effective equal opportunity policies could be implemented (Sheffield et al. 1999; Durbin, Lovell and Winters 2008).

Fontaine (2007) states that the behaviour of the group in the workplace is a function of the cultural values that employees have and their contextual factors. Cultural values are essentially fixed and cannot be "managed". Contextual factors can be changed thus

leading to a change of employee's behaviour. A cross-cultural manager is thus somebody who knows how to modify the contextual factors in order to minimise cultural differences at work. The idea of changing contextual factors to change behaviour either through positive or negative reinforcement has long been a tradition in psychology.

Sohail and Daud (2009) state that an organisation's structure is one of the enablers that enables them to maximise their opportunity for multi-ethnic integration and the sharing of individual skills and knowledge.

In summary it can be concluded that an organisation's structure may contribute towards the integration of individuals from different ethnic backgrounds within an organisation.

2.8 Conclusion of Literature Review

Loh et al. (2009) states that ethnic differences between individuals will influence how boundaries are constructed. Specifically different types of boundaries and boundary permeability will influence how individuals interact and communicate with each other. Boundaries are an inevitable consequence of cognitive categorisation which is a basic human cognitive process that enables individuals to simplify complex stimuli into meaningful groups or categories (Hogg 2000). Social identity theory has found that individuals who perceived group boundaries to be permeable tend to share prototypical characteristics with members of that group.

Fontaine (2007) proposes the psychological approach with a focus on stereotyping states that although cross-ethnic differences arise because people have different cultural values it is also as a result of ignorance and stereotyping.

Definitions of ethnic identity vary. The fact that there is no widely agreed upon definition of ethnic identity is indicative of the confusion surrounding the topic. Typically, ethnic identity is an affiliative construct, where an individual is viewed by themselves and by others as belonging to a particular ethnic or cultural group.

Oyler and Pryor (2009) state that a more multi-ethnic workforce benefits the organisation through greater creativity and problem solving ability, increased access to new consumer markets, larger gains in market share and marked improvements in employee and

organisational performance. As with all cases, although the benefits of multi-ethnicity are apparent, there are also prominent disadvantages. White (1999) states the following disadvantages:

- Too many viewpoints based on different multi-ethnic backgrounds in problem solving can be dysfunctional.
- Multi-ethnic companies may find it hard to reach a single agreement on matters and this leads to disagreement about courses of action.
- Multi-ethnicity can produce negative dynamics such as ethnocentrism, stereotyping and cultural clashes.
- It has the potential to polarise different social groups and harm productivity.
- Ignorance of ethnic differences is a very serious cause of misunderstanding and as a result conflict.

It is concluded that a leader's business experience, a leader's international exposure, the organisation's level of internationalisation, the organisation's recruitment practices, the organisation's awareness programs, the organisation's promotion and reward system and the organisational structure impact towards the achievement of multi-ethnic integration within an organisation.

Based on the above arguments a new model, adapted from the model proposed by Shoobridge (2006), is proposed outlining the potential contributing factors towards multi-ethnic integration within a multinational organisation. Refer to Figure 2 below.

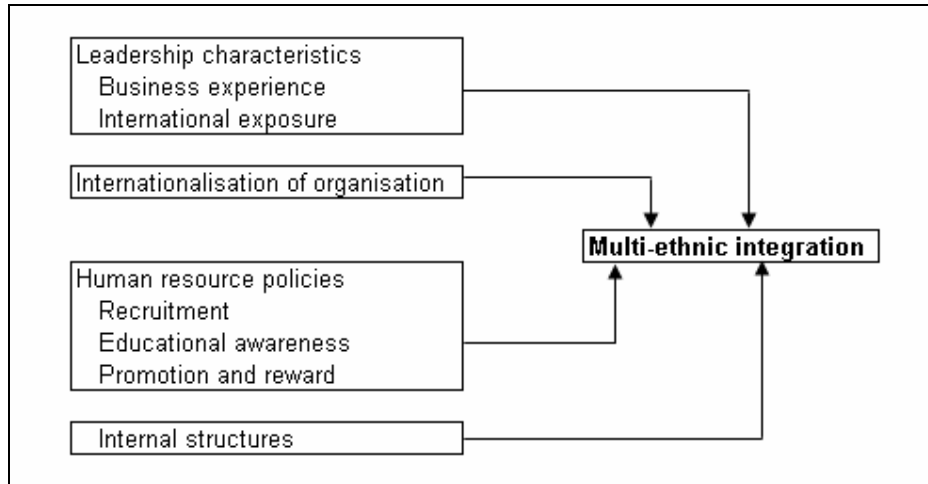


Figure 2 - New model (adapted from Shoobridge) - Potential contributing factors towards multi-ethnic integration with a multinational organisation

Based on these key contributing factors identified, the following propositions have been proposed towards the achievement of multi-ethnic integration within multinational organisations in South Africa:

2.8.1 Proposition 1a:

A leader's business experience will contribute towards multi-ethnic integration within that organisation.

This is based on the premise that:

- Increased tenure is associated with stability, reduced conflict and superior communication. These are necessary skills to manage a diverse, multi-ethnic workforce.
(Katz 1982)
- Longer tenure on the top management team may be associated with social cohesion and lead to better firm performance.
(Michael and Hambrink 1992)

2.8.2 Proposition 1b:

A leader's international exposure will contribute towards multi-ethnic integration within that organisation.

This is based on the premise that:

- Top management team attributes have been related to a variety of organisational outcomes, such as the diversification of the workforce within an organisation. (Michael and Hambrink 1992)
- The knowledge of an internationally experienced workforce is espoused in order to compete globally and manage within multi-ethnic environments. (Black and Gregerson 1999)
- Organisations wishing to internationalise its business must be able to count on its top management to instil into its employees the desire to internationalise and work as an integrative multi-ethnic organisation. (Tihany et al. 2000)

2.8.3 Proposition 2:

The organisation's degree of internationalisation will contribute towards multi-ethnic integration within that organisation.

This is based on the premise that:

- Organisations are increasingly coming to recognise the value of a heterogeneous, multi-ethnic, staff compliment when they wish to develop new products and win new markets. (Janssens and Steyaert 2002)
- Globalisation of business requires employees from various ethnicities to work together (Maugain et al. 2003)
- Many businesses recognise the fact that it is critical to tap into the skills and insights of a diverse, multi-ethnic workforce in order to compete successfully in the new

global economy.
(Crowley-Henry 2005)

2.8.4 Proposition 3a:

Practicing employee recruitment that actively seeks ethnic heterogeneity will contribute towards multi-ethnic integration within that organisation.

This is based on the premise that:

- An organisation's recruitment practices is positively correlated to the diversity, including multi-ethnicity, within that organisation.
(Deng et al. 2003)
- Organisations that value multi-ethnicity will be successful in attracting and retaining employees from different ethnic backgrounds.
(Ottawa et al. 2007)

2.8.5 Proposition 3b:

Practicing educational awareness aimed at recognising workforce differences and benefits will contribute towards multi-ethnic integration within that organisation.

- Differences are appreciated when people have the opportunity to learn about other ethnic backgrounds.
(Kosseck and Zonia 1993)
- Diversity awareness training involves educative processes that are intended to promote cross-ethnic learning through the acquisition of knowledge and skills, which helps to change attitudes and behaviour towards those who are different from one and enables them to interact effectively across different groups of people.
(Amuenje 2003)
- Diversity management programs tend to increase the commitment of the different ethnic groups who feel valued for their contributions.
(Stalinski 2004)

2.8.6 Proposition 3c:

Practicing fair promotion and reward of employees from different ethnicities will contribute towards multi-ethnic integration within that organisation.

- Individuals and groups unable to achieve equal participation through regular institutional channels may well retreat into separatist groupings. This negates any attempt to reach an integrative workforce. (Hernes 2003)
- They make individuals feel welcome and inspire confidence that they will eventually become integrated and full members of the organisation. (Petsod et al. 2006)
- Fair treatment after exclusion has been surmounted mitigates conflict and resentment, facilitates support and integration and alleviates stigmatisation between the different ethnic groups. (Zimmermann et al. 2007)

2.8.7 Proposition 4:

The organisation's internal structures will contribute towards multi-ethnic integration within that organisation.

This is based on the premise that:

- The workplace is the most natural place for people to meet, integrate, make friends and develop social networks. (Fong 2000)
- Working in a relatively closed ethnic environment can segregate individuals from other ethnic groups and reduce their opportunities to develop relationships outside of their own ethnic community. (Fong 2000)

- Institutional barriers pose a significant barrier to the integration of people from different ethnic backgrounds and structure influences behaviour.
(Fontaine 2007; Zimmermann et al. 2007)
- An organisation's structure is one of the enablers that enables them to maximise their opportunity for multi-ethnic integration and the sharing of individual skills and knowledge.
(Sohail and Daud 2009)

3 RESEARCH METHODOLOGY

This section describes the methodology followed in order to address the research propositions discussed at the end of the literature review. The section starts off with a description and explanation of the choice of research paradigm and will also cover the implications that the chosen method has on the research. Then the research design will be discussed followed by discussions of the research population, the sample sizes and the sampling methods. This will then be followed by a discussion of the research instruments and the analysis methodology that shall be used to determine the trueness of the stated propositions. The section will be concluded with a discussion on the validity and reliability implications for the research.

3.1 Research methodology / paradigm

This study adopted a qualitative research methodology approach. The use of qualitative research as a tool allowed for the interpretation of data to enable the researcher to gain insights about the nature of the particular phenomenon (Leedy and Ormrod 2001). By adopting this approach the researcher gained a deeper understanding of the potential factors contributing the multi-ethnic integration within multi-national organisations in South Africa.

The most fundamental characteristic of qualitative research is expressed commitment to viewing events, actions, norms and values from the perspectives of the people who are being studied (Bryman 1992). In this study qualitative data was extracted from open-ended questions and from using techniques such as probing with follow-up questions.

3.2 Research Design

There are several research strategies one can choose from to base the investigation on. These are, in no order of preference, experiments, surveys, case studies, grounded theory, ethnography, action research, cross-sectional and longitudinal studies, exploratory, descriptive and explanatory studies (Saunders, Lewis and Thornhill 2000). The choice of strategy is dependent upon the appropriateness for the research propositions and

objectives. There are three conditions to consider when choosing the appropriate strategy (Yin 2009):

1. The type of research question posed.
2. The extent of control an investigator has over actual behavioural events.
3. The degree of focus on contemporary as opposed to historical events.

Table 1 below shows how each is related to the five major research methods.

Table 1 - Relevant situations for different research methods
(Yin 2009)

Method	Form of research question	Requires control of behavioural event?	Focuses on contemporary events?
Experiment	How, why?	Yes	Yes
Survey	Who, what, where, how many, how much?	No	Yes
Archival analysis	Who, what, where, how many, how much?	No	Yes/no
History	How, why?	No	No
Case study	How, why?	No	Yes

Based on the above, the strategy chosen for this research was the case study. A case study may be defined as the development of detailed, intensive knowledge about a single case or a small number of related cases (Yin 2009). This strategy allowed the gaining of a rich understanding of the content of the research and the processes being enacted. The case study approach had considerable ability to generate answers to the question “why” and “how”. The data collection methods were one-on-one interviews.

The case site was ArcelorMittal South Africa’s Vanderbijlpark Works. The advantages of this type of approach were convenience in terms of access to data, time availability, mobility or lack thereof i.e. location is accessible and availability of limited finances. The disadvantage of this type of approach was that the findings were limited to one steel producing company and the results may not be relevant to other steel producing companies.

3.3 Case site and sample

3.3.1 Case site

The case site for the research was ArcelorMittal South Africa’s Vanderbijlpark Works. ArcelorMittal South Africa Limited is the largest steel producer on the African continent, producing 7.1 million tonnes of liquid steel per annum. ArcelorMittal South Africa is a subsidiary of ArcelorMittal, which is the world’s largest steel company, with 330,000 employees in more than 60 countries worldwide. The company manufactures 10% of the world’s steel output and is listed on the New York, London and various European Stock Exchanges (ArcelorMittal South Africa Limited 2010a).

ArcelorMittal South Africa’s steel operations comprise four major facilities, which produce both flat and long steel products. The flat steel operations are located at Vanderbijlpark in Gauteng and Saldanha in the Western Cape. These two plants produce the largest quantity of flat steel products in Africa. Vanderbijlpark’s production constitutes some 81% of South Africa’s flat steel requirements. The company’s Newcastle (in KwaZulu-Natal) and Vereeniging (in Gauteng) operations supplies approximately 50% of the local market for long steel products. ArcelorMittal South Africa is the major supplier to the Southern African steel market. With its wide range of products, it services the construction and heavy

engineering sectors, pipe and tube manufacturers, the demanding automotive market, as well as the furniture and appliance manufacturing industries (ArcelorMittal South Africa Limited 2010a). Refer to Appendix A for an overview of the company profile.

From the literature, there are various protagonists in an organisation that needed to be investigated in order to identify the potential factors influencing multi-ethnic integration. These included top management, middle management, first line management as well as the blue collar workers. Table 2 shows the distribution of the population of the different workgroups in ArcelorMittal South Africa's Vanderbijlpark Works.

Table 2 – Distribution of population

Occupational Level	Male				Female				Foreign Nationals	
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
Top/Senior Management	3	1	2	25	2	1	0	0	0	0
Middle management	28	6	12	175	8	2	2	17	3	1
Junior management	942	16	14	1464	65	10	5	78	96	0
Semi-skilled/unskilled	2486	42	6	479	73	5	1	82	2	0
Total permanent	3459	65	34	2143	148	18	8	177	101	1

3.3.2 Sample and sampling method

An ideal sample for this research would have been a sample consisting of employees from all major multinational companies in South Africa. However due to cost and time constraints, all of the respondents were from ArcelorMittal South Africa's Vanderbijlpark Works. In addition to this members of ArcelorMittal South Africa's executive team were interviewed as well.

Individuals were selected based on their knowledge, experience and influence within the organisation. It was decided that a feasible number of respondents for the interviews shall be 15. The distribution of the 15 respondents was according to the method shown in Table 3.

Table 3 - Distribution of sample

Description of respondent type	Number to be sampled
Top Management	6
Middle Management	4

Description of respondent type	Number to be sampled
First line management	2
Blue collar workers	3

3.4 The research instrument

Interviews were the research instrument. In-depth interviews are an essential source of study evidence about social phenomenon (Yin 2009). The in-depth interview is a technique that is used in exploratory research where respondents are probed on topics in a relaxed environment to maximise the richness of the discussion and data collection (Creswell 1998).

The advantages of the in-depth interview is that the researcher can shift focus as new data comes to light (Leedy and Ormrod 2001). The disadvantage is that the nature of the researcher's presence during the interview may alter what people say (Leedy and Ormrod 2001).

Refer to Appendix B for the list of questions that were asked during the interview.

3.5 Procedure for data collection

Interviews were requested by telephone or email with the respondents selected. If the selected individual was not available within the interview period a suitably experienced alternate respondent was requested.

Interviews took place at the interviewee's respective corporate offices. Each interview was limited to one hour. If the interview was not completed within the allocated time a second interview was requested. The advantage of this approach was two-fold. Firstly it assisted in preserving the business environment. Secondly, it provided an opportunity for the researcher to observe the working environment of the respondent.

Permission was requested from the respondents to record the interview. In addition to this hand written notes were taken as well.

3.6 Data analysis and interpretation

Data analysis for a qualitative study is a complex and time consuming process. It consists of analysing a wide set of both applicable and non-applicable data. The data may also be multifaceted reflecting several different meanings simultaneously (Leedy and Ormrod 2001). Creswell (1998) proposes the data analysis spiral model to analyse qualitative data. See Figure 3 below.

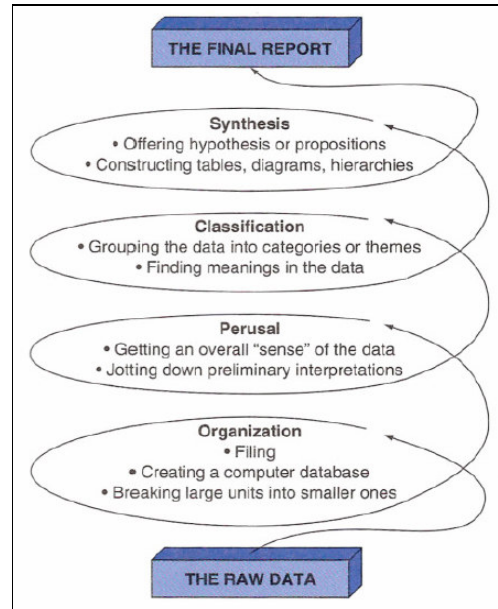


Figure 3 - The data analysis spiral

(Source: Leedy and Ormrod 2001)

Using this approach you go through the data several times using the following steps (Leedy and Ormrod 2001):

- Step 1 – Organise the data and breaking large bodies of text into smaller ones.
- Step 2 – Perusing the entire data set several times to get a sense of what it contains as a whole.
- Step 3 – Identify general categories or themes and then classify each piece of data accordingly.
- Step 4 – Integrate and summarise the data offering propositions that describe relationships amongst the categories.

The risk in analysing data in a qualitative study lies in the interpretation of the data. This may be influenced by the researcher's biases and his/her values to some extent (Leedy and Ormrod 2001). The following suggestions were followed as a means to minimise the extent to which my expectations and opinions entered into the final analysis (Leedy and Ormrod 2001):

- Data of two different kinds were collected (e.g. observations, interviews) related to the particular phenomenon being investigated.
- Multiple and varying perspectives on the issue was sort.
- A concerted effort to look for evidence that contradicts the original proposition was sought.
- In the final report, I acknowledged any biases that I had so that the readers can take them into account when reading the report.

3.7 Limitations of the study

- The time and cost dictated that the research took place in Gauteng. The responses obtained are from one geographic area and responses from other areas in South Africa may be different.
- The study did not consider all the factors contributing towards multi-ethnic integration in an organisation.
- Language was a limitation as the interviews were conducted in English. The use of a translator during specific interviews was an option.
- The participant's views during the interviews may have been different from the views of the entire population they were drawn from.

3.8 Validity and reliability

Because a research design is supposed to represent a logical set of statements one can also judge the quality of any given design according to certain logical tests. Four tests have been commonly used to establish the quality of any empirical social research. These are construct validity, internal validity, external validity and reliability (Yin 2009).

3.8.1 *External validity*

External validity is sometimes referred to generalisability (Saunders et al. 2000). A concern in the design of the research is the extent to which the results obtained from the initial case study are generalisable, that the findings may be equally applicable to other research settings such as other organisations. This is of particular concern when conducting case study research in one organisation or a small number of organisations. In such situations the task of the researcher is not to produce a theory which is generalisable to all populations. Rather it is simply to explain what is going on in that particular research setting (Yin 2009).

Saunders et al. (2000) further states that the generalisation is not automatic and the theory must be tested by replicating the findings in a second or even third organisational setting. The replication logic is the same that underlies the use of experiments. Tactics to improve the reliability of the research would be to use case study protocol and develop a case study data base (Yin 2009).

In this study external validity is a concern. Since convenience sampling methods was used the opinions and experiences of the respondents cannot be generalised across the population. Further the research method was a case study approach and the findings cannot be generalised for all South African steel companies.

3.8.2 *Internal validity*

Internal validity is mainly a concern for explanatory case studies (Saunders et al. 2000). Here the investigator seeks to establish a casual relationship whereby certain conditions are believed to lead to other conditions as distinguished from spurious relationships.

This first concern with case study research is that conclusions are made with respect to only a limited number of contributing factors and not considering all of them. The second is that a case study involves an inference every time an event cannot be directly observed. The researcher shall infer that a particular event resulted from some earlier occurrence based on interview and documentary evidence collected as part of the case study. Is the inference correct and have all the rival explanations and possibilities been considered? (Yin 2009).

In order to increase the internal validity of the research I ensured that:

- A representative sample of the population was used for the interviews.
- The interviews were completely structured to ensure the same questions are asked each time in the same order.
- The questionnaire was tested by the use of a pilot study. Interviews were held with five individuals in order to assess the relevance of the questions.
- Participants in the interviews were chosen on who may have different views from myself.
- The method of triangulation was incorporated in the data analysis.

3.8.3 Reliability

Reliability can be assessed by posing the following two questions (Saunders et al. 2000):

1. Will the measure yield the same results on different occasions?
2. Will similar observations be made by different researchers on different occasions?

It serves to demonstrate that the operations of the study are such that the data collection procedures can be repeated with the same results. There are four threats to reliability. The first is subject error where the results obtained from the research are dependent upon the contextual setting at the time (Yin 2009). To reduce this threat I chose a neutral setting to conduct the research i.e. not during a strike at the Works.

The second is subject bias where the feedback received from the respondents may be what they believe the researcher wants to hear but is not actually the reality (Yin 2009). To reduce this threat I emphasised anonymity to respondents involved in the questionnaires and interviews.

The third is observer error where each observer could elicit responses in a different manner (Yin 2009). To reduce this threat I ensured that both the questionnaire and the questions posed during the interviews had a high degree of structure.

The fourth is observer bias where each observer could interpret the exact situation in a different manner (Yin 2009). To reduce this threat I was the only individual who conducted the interviews.

4 PRESENTATION AND ANALYSIS OF RESULTS

4.1 Leadership characteristics – Business Experience

Experience is one of those factors that shape how individuals perceive future events and it can have a positive or negative impact. In general there has been agreement amongst the interviewees that a leader's business experience will contribute towards multi-ethnic integration within multinational organisations in South Africa.

Approximately 55% of the interviews agree that the nature of the business experience rather than business experience in general has an impact. Individuals who have worked in an environment outside of their own ethnic group will be more equipped to handle situations that involve the engagement with different ethnic groups.

In addition 30% of the interviewees add that an individual's experience should not be limited to his/her professional capacity but be viewed from a broader perspective. One can experience different ethnic groups and their cultures by simply choosing to travel. This allows one to be broader minded and in most cases have an appreciation for both the commonalities and differences between the ethnic groups.

All agree that leadership is situational and different situations call for different leadership styles. Business experience is a means to develop this skill within a leader by placing them in such situations calling for them to be adaptable. If an individual can only operate within a specific ethnic environment he/she should not be in that leadership position.

There is also a perspective, supported by 60% of the interviews, that there are certain individuals who simply have the inability to relate to people outside of their own ethnic background and then there are those than can do so naturally. The former group cannot adapt to different situations and are unable to accommodate individuals who are outside of this entrenched culture. In this case business experience will not have an impact on their perception towards multi-ethnicity and the value it offers to an organisation.

Based on the above arguments the stated proposition that a leader's business experience will contribute towards multi-ethnic integration within multinational organisations in South Africa can be accepted.

4.2 Leadership characteristics – International Exposure

Similar to experience, international exposure is another of those factors that shape how individuals perceive future events and it can have a positive or a negative impact. In general there has been agreement amongst the interviewees that a leader's level of international exposure will contribute towards multi-ethnic integration within multinational organisations in South Africa.

Approximately 53% of the interviewees state that having international exposure will add value to the individual's perspective but is not a prerequisite, especially in South Africa, to be exposed to different ethnic groups in order to have an appreciation of the commonalities and differences amongst them. They argue that South Africa is a melting pot of different ethnic groups and by simply residing in the country one is naturally exposed to a multitude of these ethnic groups at various social institutions.

In addition 20% of the interviews state that an advantage of having international exposure in the context of developing countries and developed countries is that human beings typically show similar behaviour patterns. It is possible that such ethnic tension was experienced in the developed countries and that certain interventions were instituted with relative success. This exposure and knowledge can then be brought to a developing country and implemented. They also warn that as a leader he/she must manage each situation and group differently and not apply the same brush to all. One cannot simply apply certain practices or actions hoping to achieve the same successes without giving thought to the differences in ethnicities, cultures and associated work performances being dealt with.

Another perspective, supported by 60% of the interviewees, is that leadership needs to be cultivated locally. An external leader will not change the fundamentals of the organisation and may tweak it so that it is aligned with the holding group. There may be occasions when fundamental change is required and a change management intervention

is required. The counter perspective, supported by 40%, is that leadership grown within an organisation might accept the status quo and not make any radical changes. They state that fresh leadership offers different perspectives and are more receptive to embracing change.

All agree that globalisation has created a self propagation of knowledge and understanding and with the advent of mass media one need not travel to have international exposure to different ethnic groups. Television, radio and the internet all provide a means for one to be exposed in some form or another to information about different ethnic groups and their cultures.

Based on the above arguments the stated proposition that a leader's level of international exposure will contribute towards multi-ethnic integration within multinational organisations in South Africa can be accepted.

4.3 Other leadership characteristics

All agree that leadership is not simply about managing and controlling people but rather how you treat people. Once you strip away perceived differences all people are the same. Each individual wants courtesy, to be listened to and be engaged in a respected manner. Trust is an extremely important aspect with the relationship.

They add that a leader needs to respect individuals from different ethnic groups and have the ability to treat them decently e.g. allowing a Muslim male time off to go to mosque on a Friday afternoon.

A leader needs to have an open mind and have an appreciation for differences amongst people from the different ethnic groups. In order to achieve this they must be given the right information about the different ethnic groups and the benefits and challenges associated with them.

In addition a leader needs to have emotional maturity to reap the benefits of a diverse, multi-ethnic workforce. He/she needs to put aside the certain disappointments and strive to make sure that multi-ethnic integration is given the opportunity to take place within the organisation.

A leader needs to ensure that the working environment does not create situations that conflict with an individual's ethnic beliefs. However she/she should not accentuate the different ethnicities in an attempt to accommodate them as this may have the reverse effect and make them feel even more uncomfortable.

A leader needs to have the ability of listening first before making conclusions. One needs to have the ability to engage others, especially if they are from different ethnic backgrounds, and get their buy-in.

In addition a leader needs to have empathy. In the South African context he/she must have the ability to engage the white Afrikaner group and address their fears.

All agree that change is driven by top management and leaders need to communicate and behave in a manner that aligns itself with the visions they set out. If those who are being led see contradictions between the vision statements and the actions of leadership there is to be a lack of conviction within them. The expatriates state that they have seen certain contradictions come into fruition during management discussions.

A leader needs to have the skill of self-reflection. One needs to know where he/she is moving towards as well as who this is going to involve interacting with. With this the individual needs to identify where he/she lacks in social skills and then create an action plan to develop those inadequacies.

All of the interviews state that far more important are the values that a leader holds. If he/she believes deep down that every individual is to be valued the rest becomes building blocks. They add that if an individual is value driven ethnicity is not a factor.

4.4 Organisational characteristics – Level of internationalisation

In general there has been agreement amongst the interviewees that an organisation's level of internationalisation will contribute towards multi-ethnic integration within multinational organisations in South Africa.

Approximately 73% of the interviewees state that being part of a global organisation forces individuals to accommodate others from different ethnic groups and accept

working in a multi-ethnic environment. They add that the process is easier because it stems from a business need.

The other perspective offered is that although being part of an international group will add value to one's perspective, it is not a prerequisite, especially in South Africa, to be exposed to different ethnic groups in order to have an appreciation of the commonalities and differences amongst them. Similar to the argument put forth for a leader's international exposure, South Africa is a melting pot of different ethnic groups and one is naturally exposed to these ethnic groups in the form of employees within the organisation itself, as customers or suppliers. This is one of the reasons cited by the foreign group engineers for choosing South Africa to come and gain work experience.

They add that there are companies in South Africa who have had success in creating a working culture where individuals respect each other and treat each other with respect and fairness. Reference is made to Vodacom as well as well as a sister plant within the ArcelorMittal group i.e. Brazil's Tabaru plant. Vodacom may be different to the ArcelorMittal South African group in that it is in existence for a much shorter period and that it does not carry the legacy of Apartheid amongst its workforce. The point though, is that positive change can be achieved in ArcelorMittal South Africa and Vanderbijlpark.

All agree though that the advantage of being part of a global group is that it affords individuals the opportunity of greater mobility. This mobility allows them to be exposed to working in different ethnic and cultural environments.

It has been added that not only is there a quantitative aspect to this but a qualitative aspect as well. An organisation can have the right distribution of the different ethnic groups within the organisation but it can isolate the groups to certain levels or areas within the organisation. This will not lead to multi-ethnic integration but rather polarisation and resentment.

Based on the above arguments the stated proposition that an organisation's level of internationalisation will contribute towards multi-ethnic integration within multinational organisations in South Africa can be accepted.

4.5 Other organisational characteristics

All agree that organisations need to remove those barriers whose absence will make individuals from different ethnicities feel more accommodated and less marginalised. These can be in the form of accommodating religious ceremonies, different diets in the cafeteria as well as the spoken language in official meetings.

4.6 Human Resources – Recruitment Practices

There is unanimous agreement amongst the interviewees that an organisation's recruitment practices that actively seek ethnic heterogeneity will contribute towards multi-ethnic integration within multinational organisations in South Africa.

All of the interviewees agree that this is where the process begins and how it is managed will dictate the degree of success an organisation achieves with respect to multi-ethnic integration within the organisation.

There is consensus that at present the organisation's recruitment practices are dictated by regulatory policies in the form of Employment Equity targets. These are racially based and no consideration is given to ethnicities at this moment in time. This is due to the fact that the process is time driven.

One perspective is that a quota based, time driven system is not principle based. They argue that fast tracking the process of change does not root out certain discriminatory practices and may create a tense working environment. It creates a risk in that organisations who resist the change will attempt to find the means not to comply with its intended objectives. At the same time the same group of interviewees support the policy arguing that if such timelines and quotas were not imposed change would take place at an extremely slow pace within organisations.

Approximately 40% of the interviewees are of the opinion that Employment Equity targets need to be based on the ethnic distribution of individuals leaving schools and higher education institutions. This will accommodate the limited skills pool amongst the different groups. They state that if one makes a conscious decision to select from a specific group the outcomes will be disappointing. Those individuals who are selected must

believe that they were chosen on merit and not on some quota system. They will then have the confidence to take responsibility and make decisions and add value to the organisation.

Another suggestion is that if the organisation is recruiting individuals from the outside it needs to be limited to the lower levels of the organogram. To this ethnic quotas can be set. The argument is that these candidates are similar in that they do not possess the necessary skills or experience being sought after. Selection is thus based on an individual's potential to be developed within the organisation.

There is a view that recruitment as a practice needs to be seen by the organisation as a capital expenditure. This is an investment that will bring gradual but exponential returns, in the form of change, over the long term. Organisations should however not favour placing a premium on attracting and retaining individuals from certain racial/ethnic backgrounds. The argument is that Human Resources are about creating an employee value package that assists in building the employer's brand. Once an employee resigns from the organisation he/she needs to be seen as an ambassador to the organisation.

All agree that if you want to change the organisation's ethnic profile and subsequently its culture it needs to be a top down approach. The board of directors of ArcelorMittal South Africa reflects the outside profile. This distribution now has to be brought down the organisational hierarchy. By doing so it assists in the development and integration of individuals through the ranks of the organisation as there will be fewer barriers created by those who don't have the required mindset for change. They add further that if you sit in a management panel that has a representative ethnic composition, one will be able to understand others better. In the same breath they warn that such a process is not quick and that a reasonable time period should be expected before change becomes truly visible.

The general understanding is that if you have a diverse, multi-ethnic group it will lead to better decision making and solutions. A perspective however, is that skill requirements and the business's requirements need to be aligned. If a certain skill rests with a specific ethnic group it would be to the organisation's disadvantage to recruit individuals who are not from that group. Recruitment practices are dictated by both policy as well as practicality on the floor. An individual's experience and knowledge does have an

influence on the decision making. The immediate health of the business has to be taken into account during these decisions. In this situation the organisation needs to have a strategic intent. Does it recruit to fulfil immediate requirements or does it do so to build the right capability to perform better at a later stage via pipeline development? The argument is that when individuals understand the organisation's strategic intent they will be more co-operative and add value to the business.

Approximately 40% of the interviewees are of the view that at first line management level the supervisors need to be of the same ethnicity as the majority within the group being managed. He/she will understand the dynamics of the group much better and thus be more influential. The probability of integration under these circumstances will be higher. They add that there is a lack of non-Afrikaner individuals in prominent operational management positions. These individuals are visible at corporate level and in the support functions of Human Resources and Safety but not operations. This is necessary to lead a workforce that is dominated by the black population. The Human Resources representatives acknowledge that this is an issue and state that it is a discussion point within management. However evidence of change is visible within the ArcelorMittal South African group at general works management level with the appointment of Mr Alpheus Ngapo at the Vereeniging Works and Mr Funani Mojono at the Coke and Chemicals business unit.

Based on the above arguments the stated proposition that an organisation's recruitment practices that actively seek ethnic heterogeneity will contribute towards multi-ethnic integration within multinational organisations in South Africa can be accepted.

4.7 Human Resources – Awareness Programs

There is unanimous agreement amongst the interviewees that practicing educational awareness aimed at recognising workforce differences and benefits will contribute towards multi-ethnic integration within multinational organisations in South Africa.

Approximately 67% of the interviewees state that the majority of the individuals in the organisation come from very ethnically isolated backgrounds where integration was non-existent. Such programs thus are very relevant in today's context.

All agree that such programs need to be thought out and should not be regarded as “fly by night” exercises. It needs to involve in-depth facilitation with the objective of allowing people to understand and appreciate the commonalities and differences between themselves and individuals from other ethnic backgrounds. They add that in the current context of South Africa it needs to have correctly facilitated dialogue that addresses people's fears especially the white Afrikaner population.

They state that the success of such programs not only depends on the quality of the program but also on the individual's mindset. It is easy to be cynical about such programs. Thought needs to be applied when the groups are selected. There has to be a balance in the group between cynics and optimists.

Based on the above arguments the stated proposition that practicing educational awareness aimed at recognising workforce differences and benefits will contribute towards multi-ethnic integration within multinational organisations in South Africa can be accepted.

4.8 Human Resources – Fair Promotion and Rewards

There is unanimous agreement amongst the interviewees that practicing fair promotion and reward of employees from different ethnicities will contribute towards multi-ethnic integration within that organisation.

All agree, however, in the current context of the business and South Africa's regulatory policies, attention to the selection and promotion of qualifying individuals within the organisation is based on race and not ethnicity. Until the racial imbalances are rectified race will take preference over ethnicity.

On that basis there is a view, supported by 40% of the interviewees that South African blacks need to be given preferential treatment with respect to promotions and rewards within the organisation. The reason for this is two-fold. This first being to provide

opportunity to the blacks that was not there previously. The second is to comply with the prevailing regulatory policies. Promotion and reward is seen as a means organisations can use to attract and retain individuals that are scarce and thus in demand. Reason being is that they come from a skills pool that is currently limited. This approach should be adopted until the desired organisational profile is achieved. Thereafter a merit based system can be reverted to. The remaining 60% is not in favour of the above approach stating such policies perpetuate a difference that needs to be eliminated from the organisation's practices. They are in favour of preferential treatment when it involves training and development but not a higher pay bracket due to being a specific ethnicity.

There is consensus that individuals perceive fairness as a subjective term that is dependent upon whose perspective the situation is viewed from. One perspective is that the current promotion practices are just discrimination in reverse and again it is based against a racial backdrop. According to the expatriates a foreigner can notice the tensions that exist amongst the different groups. The other perspective is that the current approach is based on a business necessity. They state that by reducing biasness when promotion takes place additional capacity has been unlocked. There is now a greater pool of talent and skills to choose from. Approximately 30% of the interviews agree that transparency in the organisation's promotion and reward philosophy will address the lack of trust in the process. If individuals understand the reasoning behind the decision there is a higher probability of acceptance.

All of the interviewees agree that an organisation needs to do the basics right and remove the obstacles that hinder an individual's progress. If this is addressed the transformation process will take place naturally. Fairness will then not be an issue when promotion or rewards are being addressed.

Finally it is stated that once individuals have been through their development program the organisation needs to make positions available for them with definite roles and responsibilities. If no vacancies are available these individuals will leave and thus the opportunity to change the organisation's ethnic profile is lost.

Based on the above arguments the stated proposition that practicing fair promotion and reward of employees from different ethnicities will contribute towards multi-ethnic integration within that organisation in South Africa can be accepted.

4.9 Organisational structure

There is a difference in opinion amongst the interviewees that an organisation's internal structures will contribute towards multi-ethnic integration within that organisation.

One perspective is that an organisation's structure is designed in accordance to operational requirements. It is not designed with the view for integration of individuals from different ethnic groups. They argue that a function cannot be allocated to a certain ethnic group but adds that an organisational structure can be designed to correct past inadequacies so that development of young individuals can take place.

Another perspective is in agreement stating that if the structure promotes certain ethnic groups to be the majority in a certain department it will have an impact on the ethos of that department. The challenge in such cases is how to break up those entrenched groups in a fast and effective manner. A suggestion to break up these practices is personnel movement programs within the organisation.

Based on the above arguments the stated proposition that an organisation's internal structures will contribute towards multi-ethnic integration within that organisation partly can be partially accepted.

4.10 Other contributing factors

An organisation needs to decide upon what its appropriate ethnic profile needs to be. The question can be answered by looking to its various stakeholders. This can be a reflection of the community in which the organisation operates either at a local or national level. At the same time it can mirror the organisation's target market.

Approximately 93% of the interviewees agree that an individual's level of education and skills does contribute to how he/she perceives the value of multi-ethnic integration within an organisation. It will contribute to how he/she reacts in/to certain situations.

All agree that language is a major barrier to the integration of individuals from different ethnic backgrounds. Even if the individual is literate in the language he/she will feel marginalised in a group that does not adopt a neutral language during conversation.

All of the interviewees believe that an individual's value system is a major contributing factor. However this is developed outside of the organisation. The community within which he/she grew up in will have an influence. The schools he/she attended will also have an influence. This internalised value system may not permit those individuals to recognise others as being equal.

The geographical location from where an organisation sources its staff will have an impact on multi-ethnic integration within that organisation. Typically individuals who come from small towns tend to be more conservative in their thinking and find it difficult to adapt to situations outside of their norms. They have been isolated in their own social milieu that has prevented them from interacting with other ethnic groups.

How individuals spend their holidays, either locally or abroad, is a contributing factor. If they have not used the opportunity to experience the different ethnicities or their cultures but rather kept within their normal social networks they will not have an appreciation for the commonalities and differences between them and others.

Approximately 73% of the interviewees agree that the organisation needs to practice transparency and communication with its actions. This will assist in developing and reinforcing trust between management and the workforce. At the same time success stories within the organisation needs to be communicated to build momentum and create enthusiasm amongst the workforce. This will win their support going into the future drives.

5 FINDINGS AND DISCUSSION

5.1 Leadership characteristics – Business Experience

It would be unrealistic to think that all experiences would have a positive impact on an individual's thinking towards multi-ethnic integration. Experience is unfair in that the lesson is learnt before the teachings take place. One needs to be mature enough to set aside the negative experiences and continue to see the value of multi-ethnic integration within the organisation. As Arya, Bassi and Phiyega (2008) stated organisational change will only take place if the leader's attitude is favourable to that change taking place.

Business experience is a means to develop a leader's adaptability skill by placing them in different situations. This includes working within different ethnic environments. At ArcelorMittal and hence ArcelorMittal South Africa, management is rotated within the various business units of the group. At Vanderbijlpark individuals gain experience in working in a multi-ethnic environment. An example of the difference is that the black employees at Vanderbijlpark are predominantly from the Sotho ethnic group as compared to, perhaps, the Newcastle business unit that is dominated by the Zulu ethnic group. Each group requires a different leadership approach to achieve the same objective.

According to (Michael and Hambrink 1992) longer tenure on the top management team may be associated with social cohesion and lead to better firm performance. The culture at Vanderbijlpark is that tenure within the organisation is a prerequisite to progress up the management hierarchy. This may and may not be a barrier that results in individuals with leadership potential resigning from the company.

With the advent of globalisation a leader's business experience and international exposure is interlinked. This is apparent within the Vanderbijlpark site and in its context within the ArcelorMittal group. There are Human Resource programs within the group e.g. the Global Executive Development Program (GEDP) that allows individuals with potential the opportunity to gain business experience whilst working abroad. These individuals are exposed to a multitude of different ethnic groups and in doing so gains

insight into the benefits and challenges of either having to work amongst or manage multi-ethnic teams.

5.2 Leadership characteristics – International Exposure

As with experience it would be unrealistic to think that all international exposure would have a positive impact on an individual's thinking towards multi-ethnic integration. One needs to be mature enough to set aside the negative exposures and continue to see the value in multi-ethnic integration within the organisation.

As (Kobrin 1994) mentions it is the quality of exposure that is important. In South Africa it is not a prerequisite to have international exposure in order to have an appreciation for the commonalities and differences with different ethnic groups. South Africa is a melting pot of different ethnic groups and by simply residing in the country one is naturally exposed to a multitude of these ethnic groups at various social institutions. Due to this, individuals from abroad have been sent to ArcelorMittal South Africa including the Vanderbijlpark site to gain experience in working in a multi-ethnic and multicultural environment. One such program is the Graduate Engineers Training Program.

Lee and Park (2008) state that a top team with members that have greater international exposure will likely have an increased understanding of foreign ethnicities and cultures compared to an individual without such exposure. The management team of Vanderbijlpark may not have extensive international exposure but they are exposed to a melting pot of ethnic groups.

With the advent of mass media one need not travel to have international exposure to different ethnic groups. Television, radio and the internet all provide a means for one to be exposed in some form or another to information about different ethnic groups and their cultures. ArcelorMittal's group communication uses the intranet to inform and educate all employees throughout its operations of the different ethnicities working within the group, especially recognising important festivals and holidays. This assists to integrate the multi-ethnic workforce. Refer to Appendix C for a sample of the organisation's internal corporate newsletter and specifically the article on "Miner's Day in Kazakhstan".

It is said that leadership needs to be cultivated locally as opposed to employing an individual from broad. This is the case with Vanderbijlpark's site management. It is a justified argument as these local individuals should be the ones in the best position to understand the dynamics of the ethnic cultures within the business unit and manage their integration effectively. An individual from a foreign country will be at a disadvantage in this sense. However in this situation, the term "glocalisation" comes to mind. This involves a leader having the ability to apply globally accepted actions in a locally applicable manner. Existing ethnicities and cultures within the organisation need to be taken into account before certain methodologies or actions can be simply superimposed. A lack of this foresight could result in diminished successes being achieved.

5.3 Other Leadership characteristics

5.3.1 *Trust*

During the discussions the factor of trust has been emphasised on numerous occasions. Trust is essential to the well being of individuals and organisations (Golesorkhi 2006). At the same time the author states that increasing workforce diversity, including ethnicity, seems an irreversible trend which will make building trust in multi-ethnic organisations even more challenging.

Interpersonal trust is central to sustaining team effectiveness. Employee's trust in their leaders had been related to a range of productivity related processes and outcomes such as quality of communication and problem solving, organisational citizenship behaviour, organisational commitment and the rate of employee turnover (Gillespie and Mann 2004). By communicating and role-modelling important values and a shared sense of purpose example idealised influence leaders demonstrate their integrity, competence and hence trustworthiness. The alignment of the leader's and the member's goals helps team members to predict their leader's future behaviour and suggests that the leader will act in mutually beneficial ways.

Lewicki, McAllister and Bies (1998) suggest that a determining characteristic of high trust relationships is the extent to which both parties identify with each other's values. Jones and George (1998) argue that shared values are the primary vehicle through which

people experience the highest form of trust i.e. unconditional trust. It is said that there exists a reciprocal process between shared values and trust with shared values helping to create a relationship built on trust and trust serving to maintain and express those shared values.

Trusting relationships between bosses and subordinates are critical for achieving long term success and therefore no company can reach its highest potential without trust. Trust is the social glue that binds people together (Khoo Hsien and Tan Kay 2002). Mutual respect and trust form the basis for a strong positive relationship.

Sohail and Daud (2009) state that one of the key factors that allows individuals to interact with others from different ethnic backgrounds is trust amongst them.

There seems to be a lack of trust between management and the employees at the Vanderbijlpark Works. This has to be addressed if progress is to be made with multi-ethnic integration.

In summary, it can be concluded that trust between individuals of different ethnic groups is imperative towards multi-ethnic integration within an organisation.

5.3.2 *Language*

During the discussions the issue of a common language has been highlighted at different occasions. Individuals feel marginalised when they are present in a group setting and the language adopted is that of the majority. The perception of sameness or “otherness” can be complex and changing. For some individuals a common language is perceived as an essential feature for sameness and a social group that does not share this is considered different (Hernes 2003). Speaking in a common language is the first step towards multi-ethnic integration within an organisation. At the Vanderbijlpark Works the official language to be spoken is English. However this policy is not practiced continuously and Afrikaans is reverted to at times.

Language is a uniquely powerful instrument in unifying a multi-ethnic group of people and involving individuals and sub-groups into a system. However some of the very features of language that give it this power under circumstances become major sources

of disintegration and internal conflict within a system (Kelman 1971). Zimmermann et al. (2007) state that one of the significant barriers to multi-ethnic integration is insufficient knowledge by individuals of the organisation's official language.

In a system that does not have a common language there will be a lack of efficiency in the institutional arrangements. There will be limited access to the system for wide segments of the workforce and an allocation of resources that discriminates against individuals and other ethnic groups (Raghuram 2007; MacFarlane, Singleton and Green 2009).

Hansen and Nohria (2004) state that if there are several separate language groups it may be necessary to develop separate administrative units for each both to avoid language difficulties and to avoid suspicions of discrimination. They state that the resulting arrangement is likely to be more wasteful and less flexible than one that is possible in a linguistically unified workforce. Furthermore a common language facilitates the development of an educational system that offers mobility and opportunities for participation to all segments of the workforce (Kelman 1971; Nelde 1997; MacFarlane et al. 2009).

Where there is a single organisational language opportunities for integration of individuals from different ethnic groups are likely to be more evenly distributed within the workforce (Kelman 1971). There is also likely to be less discrimination on the basis of ethnic differences that are typically correlated to linguistic differences. In conclusion a common language contributes to the development of social institutions that meet the needs and interests of the entire workforce and to the participation of all segments of the organisation.

Interactions between the different segments of the workforce are likely to benefit from the existence of a common language because of our general inclination to trust more readily those who "speak the same language" as we do (Nelde 1997).

A proficiency in English is one of the major determinants for developing a relationship amongst individuals. A low level of English proficiency is usually associated with a low incentive to develop a relationship outside of an individual's own racial or ethnic group (Fong 2000).

In summary, it can be concluded that a fluency in a neutral language creates an environment conducive towards multi-ethnic integration within an organisation.

5.3.3 Individual Characteristics

As pointed out in the discussions there are those individuals who simply cannot integrate with other ethnic groups and there are those that can do so naturally. Diversity, including ethnic differences, is as natural in human society as variety is in nature (Durbin et al. 2008). Human beings are ever suspicious of “others” who appear to be different from them. The workforce at the Vanderbijlpark Works is no exception. Hernes (2003) suggests the following model to describe the characteristics of individuals towards multi-ethnicity.

He suggests that if we broadly divide human society into those who accept multi-ethnicity and its integration as natural and those that aim to obliterate multi-ethnic societies we could put the two broad categories at the extreme ends of a continuum of attitudes towards multi-ethnicity. One extreme would represent those individuals that assimilate all groups into a single group and the other extreme would represent those individuals that do not recognise or accept multi-ethnicity and seek to aggressively obliterate all signs of multi-ethnicity in the environment. Refer to Figure 4 below.

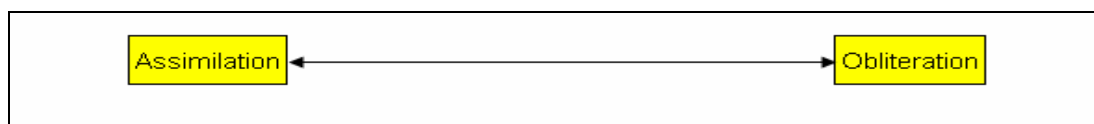


Figure 4 - Attitudes to multi-ethnicity continuum

(Hernes 2003)

He further states that between these two opposing extremes there are several points on the continuum that reflect both positive and negative attitudes towards multi-ethnicity. At the central point on the continuum is indifference. Refer to Figure 5 below.

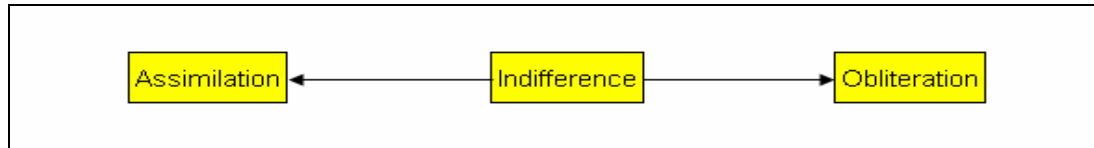


Figure 5 - Attitudes to multi-ethnicity continuum

(Hernes 2003)

Here individuals are indifferent to the presence of many ethnic groups and the everyday business of the organisation is not affected by the multi-ethnicity. On the positive side between assimilation and indifference there can be several other attitudes such as tolerance, acceptance, harmony and integration. Likewise on the negative side between indifference and obliteration there is intolerance, rejection, conflict and aggression. Put on a horizontal scale with the most positive attitude on the left the continuum would look like that in Figure 6 below.

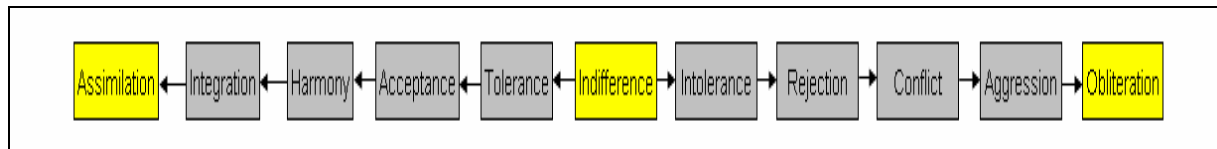


Figure 6 - Attitudes to multi-ethnicity continuum

(Hernes 2003)

An individual moves from left to right and vice versa through the scale as a result of the contextual circumstances.

Fontaine (2007) states that individuals can fall within two broad categories of “mixer” and “non-mixers”. Mixers are defined as individuals who prefer to mix around with people from other ethnic groups. Non-mixers are those individuals who can mix around with other ethnic groups if the social situation requires it but who would prefer not to if they had a choice.

The way in which an ideology is interpreted and incorporated in the belief system of individuals and sub-groups within a population may vary. Depending on their personality

characteristics they may view an ideology differently and their commitment will vary as well (Kelman 1971).

Lower income levels are less likely to promote multi-ethnic integration. This is because those individuals who are clustered within the low paying jobs have few opportunities for social integration with the other ethnic groups (Fong 2000).

Fong (2000) further suggests that experience often plays out its influence over time. An individual's current level of inter-ethnic friendships is influenced by their experience of interaction with other groups. Those who have had positive past experiences in inter-ethnic friendships are more likely to maintain current inter-ethnic contact. Experiences of racial/ethnic discrimination may discourage individuals from actively interacting with others from different ethnic backgrounds. At the Vanderbijlpark Works this is sometimes the case and is related to the experiences of individuals or groups during the Apartheid era.

Some employees are reluctant to help others from different ethnic backgrounds leading to a hoarding-of-expertise problem (Hansen and Nohria 2004). Sometimes people are willing to work together but find it difficult to transfer what they know because of the "stranger" effect. In this case the individuals need to have a relationship or common understanding in order to collaborate effectively.

In summary, it can be concluded that individuals can fall within two broad categories. There are those individuals who prefer to mix around with people from other ethnic groups and display the behaviour patterns associated with the positive end of the multi-ethnic continuum. At the same time there are those individuals who can mix around with other ethnic groups if the social situation requires it but who would prefer not to if they had a choice. They tend to fall towards the negative end of the multi-ethnic continuum.

5.4 Organisational characteristics – Level of internationalisation

As (Janssens and Steyaert 2002) mentioned globalisation by its nature has forced companies to work with different ethnic groups, be it through supplier or customer relationships. This has allowed for multi-ethnic understanding and integration to take

place. If restrictions are placed with respect to whom the company does business with it reduces opportunities to create advantages over competitors.

The Vanderbijlpark Works is no exception as it is a subsidiary business unit to the ArcelorMittal group. There is continuous interaction between the local workforce and their colleagues from the plants abroad. This is in the form of emails, telephonic conferences, video-conferences, technical visits to the plant or knowledge management programs (KMPs). In having this interaction an understanding is developed from the different ethnic groups allowing integration between the groups to take place naturally.

In a South African context though, being part of an international group is not a prerequisite to be exposed to different ethnic groups in order to have an appreciation of the commonalities and differences amongst them. The South African business landscape is ethnically diverse and one is naturally exposed to this ethnic diversity in the form of employees within the organisation itself, as customers or suppliers. Vanderbijlpark is no exception. This business requirement assists in the integration of individuals from different ethnic backgrounds.

Vanderbijlpark is behind on the qualitative aspect of multi-ethnic integration. The upper echelons of management still reside with the white Afrikaner male whilst majority of the lower unskilled levels are dominated by the local black Sothos. The white, predominantly Afrikaaner ethnic group, occupies 74% of the top and senior management positions. Refer to Appendix C for the Works projected headcount as of end September 2010.

5.5 Human Resources – Recruitment Practices

The Vanderbijlpark site's recruitment policies are aligned with the Employment Equity act. Refer to the site's Employment Equity Plan in Appendix D. However, the act places emphasis on racial and not ethnic targets. The current composition of the workforce gives one the indication that the policies have not been effectively put into practice as planned. In terms of its projected September 2010 Employment Equity scorecard the Vanderbijlpark Works scores in one out of the four categories. Refer to the site's Employment Equity Scorecard in Appendix E. The reason is said to be two-fold. Firstly, previous management have reacted slowly to the change and not embraced it. Secondly

operational constraints have forced the plant to reduce its head count and it has had to preserve its skills base which then and currently rests within the white Afrikaner male group. ArcelorMittal South Africa and hence Vanderbijlpark are making an effort to address these inadequacies. An indication of this is their transparency of the drive towards implementing Affirmative Action and Employment Equity policies more effectively. Refer to Appendix F for a copy of the information brochure distributed to all staff.

Company reputation can affect application (Ottawa et al. 2007). The authors cite specific practices that will attract diverse individuals, including ethnicity, to the organisation. Firstly, the organisation must place attention to recruitment posters and advertisements. Specifically, recruitment posters should have photographs of the different ethnicities and recruitment advertisements should include positive statements about ethnic diversity because these statements are noticed and valued by individuals from the different ethnic groups. The authors make reference to organisations such as Coca-Cola, RBC Financial Group, Verizon Communications/Wireless, and Proctor & Gamble who state their commitment to diversity on their recruitment website. Additionally, these organisations also include pictures of diverse others as further demonstration of their commitment to attracting diverse organisational members. Secondly, the organisation needs to continuously examine the recruitment sources and to take advantage of institutions that traditionally have diverse populations.

In order to speed up the process of change and as a show of commitment towards inclusion and integration of the workforce ArcelorMittal South Africa and hence Vanderbijlpark's management has pulled up the approval level for non-employment equity hires. This means that all hiring to a specific level will be scrutinised as high up as executive level to ensure that the ethnic profile changes. As this change takes place it will aid in the integration of the multi-ethnic workforce.

ArcelorMittal South Africa and hence Vanderbijlpark's management are not in favour of putting a premium on attracting individuals from certain racial/ethnic backgrounds. The argument is that this is a short term gains approach and that the organisation would fare better by implementing a retention plan that will guarantee longer term success. They will not adopt a "cheque book" approach as it has a risk of being out-bid. By ensuring

these individuals remain with the business unit long term a critical mass of multi-ethnicity will take place within the organisation. This will then lead to integration and inclusion of the different groups.

The Science Centre built and funded by ArcelorMittal South Africa since 2008 is now providing young black, predominantly Sotho, skilled individuals for recruitment. Refer to Appendix G for background information into the endeavour. The Vanderbijlpark site has now begun to recruit these individuals as production learners within the operations functionality. This additional capacity has allowed the operations to move from a three-team shift system to a four-team shift system. The change has inherent benefits to both the health of the existing production staff as well as the operations itself. At the same time the ethnic profile within the operational function is changing to a representative one.

5.6 Human Resources – Awareness Programs

The Vanderbijlpark site ran its first wave of diversity management training sessions in 2008 with one of the discussion points being ethnic diversity and associated cultural differences. The feedback received from the participants who attended the program reported that their expectations were exceeded. They further reported that they had a better understanding and respect for their colleagues who were from different ethnicities. In those departments a sense of inclusion and integration amongst the different ethnic groups are taking place.

However, a shortfall in the first wave was that the management team from the Vanderbijlpark site did not participate in any of the sessions. The argument from (Kosseck and Zonia 1993) is that one cannot manage diversity and ethnic conflicts if one has no understanding of the dynamics at hand. This is to be corrected in the wave that is being rolled out in 2010.

5.7 Human Resources – Fair Promotion and Rewards

It makes sense to promote and reward individuals fairly. As (Hernes 2003) argues if individuals believe that their efforts will not be recognised in the form of a promotion or reward there is no incentive for them to work as an integrated team and contribute any

value to the organisation. The Vanderbijlpark site's promotion and reward system is based on merit. It is Vanderbijlpark's policy not to promote individuals to simply pad up employment statistics. Once again to comply with Employment Equity targets, individuals who fulfil the position's requirements are selected on racial criteria. Ethnicity is not considered.

Overcoming inequality is of major importance to every individual within the organisation. Individuals and groups unable to achieve equal participation through regular institutional channels may well turn to alternative pathways and retreat into separatist groupings (Hernes 2003). The Vanderbijlpark site is addressing the skills polarisation more aggressively at present when compared to the past. The training and development's strategy is ratio split with the higher percentage dedicated to the development of non-Afrikaners. The challenge though is identifying the potential candidates from a limited source pool "to make up the numbers".

According to (Zimmermann et al. 2007) fair and equal treatment after exclusion has been surmounted mitigates conflict and resentment, facilitates support and alleviates stigmatisation between the different ethnic groups. Vanderbijlpark's promotion and reward system is in the process of being geared up to ensure fairness and transparency.

According to (Petsod et al. 2006) ensuring equal opportunity means not only ending overt and intentional discrimination but also rooting out subconscious bias and reforming systems that unintentionally perpetuate exclusion. This is a progressive process, not only at the Vanderbijlpark Works but all South African organisations, and is based not only on company policies but on the individual's characteristics as well.

5.8 Organisational structure

As (Fong 2000) mentions the workplace is the most natural place for people to meet, make friends and develop social networks. At the same time it is understandable that individuals prefer to work alongside individuals from the same ethnic background. At Vanderbijlpark Work's it is noticed that the ethnic diversity of the workforce reduces significantly as one move from the Iron Making section to the Rolling Mills. Several hypothesis are put forth in this regard. This could be because the upstream plants

involve a higher degree of hands-on type work and in the past this was reserved for the non-white employees. It could also be that the environment at the Rolling Mills is much cleaner and thus more attractive to work at. In the past white Afrikaaner individuals were given preferential selection to these positions. Or it could be that recruitment of staff at those departments has not followed company policy and favoured a specific ethnic group. One can argue that all these do not suggest that the structure of the organisation has led to this polarisation but rather policies. The other perspective is that due to the size of the Works and hence its structure there is a lack of opportunity for the two streams to now interact.

Hansen and Nohria (2004) state that one reason employees in one unit may close themselves off to all interaction could be that the organisation's formal and informal reward systems may give more credit for heroic individual efforts than for team efforts. This could be true at the Vanderbijlpark Works as the environment is very competitive. As (Sheffield et al. 1999) recommends identifying the internal process and choosing the appropriate measures that place a greater emphasis on multi-ethnic team efforts as opposed to the individual contribution could address this issue.

The other perspective that an organisation's structure is designed in accordance to operational requirements and not with the view for integration of individuals from different ethnic groups is also plausible. A function cannot be allocated to a certain ethnic group but an organisational structure can be designed to correct past inadequacies so that development and subsequent integration of young individuals can take place. ArcelorMittal South Africa and hence the Vanderbijlpark site are not in favour of creating artificial capacity within the existing structure for promoting succession planning.

5.9 Other contributing factors

An individual's level of education and skills does contribute to how he/she perceives the value of multi-ethnic integration within an organisation. This is evident within the ArcelorMittal group and within the context of the Vanderbijlpark site. As one moves up the organogram the notion is that individuals are judged on skills and not their ethnic backgrounds. The same rules apply to all.

A multi-ethnic workforce is effectively integrated only when the individuals, of whatever ethnic group, also have a sense of organisational loyalty that is at least as strong as their sense of ethnic identity. Educational attainment determines occupational status. There is a positive relationship between the occupational status of individuals and the ease of multi-ethnic integration (Wang 1978).

Fong (2000) supports this idea stating that the educational achievement of individuals is positively related to the probability of multi-ethnic integration. Having educational credentials is an important avenue of social mobility and increases inter-group social contact with other ethnic groups. Individuals with a higher education are more able to compete within the organisation than those with a lower level of education. They have access to the resources of the wider organisation and opportunities for interacting with individuals from other ethnic backgrounds.

Young people, the higher educated and more skilled are more favourable towards the integration of multi-ethnic societies (Constant et al. 2009). Hernes (2003) states that the younger and better educated individuals are more positive towards multi-ethnic integration and focus on the increasing cosmopolitanism and wider ethnic choices available in daily life.

6 CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

As leaders, professionals, executives, and senior managers, we can do a lot of things to enhance the productivity of our people by being a role model, providing diversity training and development workshops, and by making sure people treat each other fairly. Regardless of your rank, position, title or power, chances are high that you cannot erase years and centuries of cultural bias and personal opinions that exist in the society. However, what you can do is to consistently insist that your workplace is free of bigotry and full of opportunity for all individuals.

A leader's business experience will contribute towards multi-ethnic integration within multinational organisations in South Africa.

A leader's level of international exposure will contribute towards multi-ethnic integration within multinational organisations in South Africa.

An organisation's level of internationalisation will contribute towards multi-ethnic integration within multinational organisations in South Africa.

An organisation's recruitment practices that actively seek ethnic heterogeneity will contribute towards multi-ethnic integration within multinational organisations in South Africa.

Practicing educational awareness aimed at recognising workforce differences and benefits will contribute towards multi-ethnic integration within multinational organisations in South Africa.

Practicing fair promotion and reward of employees from different ethnicities will contribute towards multi-ethnic integration within that organisation in South.

There is however partial agreement that an organisation's internal structures will contribute towards multi-ethnic integration within that organisation.

Ethnicity is a construct that is not contemplated in the minds of South Africans at this moment in time. We, as South Africans, are at a stage in our societal evolution where we focus predominantly on racial differences as a means of categorising individuals. It is evident that management decisions are also based on this criterion.

Once you strip away perceived differences all people are the same. Each wants others to be courteous to them, to be listened to and be engaged in a respected manner.

It would be unrealistic to think that all experiences and exposures would have a positive impact on an individual's thinking towards multi-ethnic integration. Experience is unfair in that the lesson is learnt before the teachings take place. Leaders need to have emotional maturity to set aside those negative experiences and exposures and continue to see the value and give an opportunity for multi-ethnic integration to take its place within the organisations in South Africa. If one values integration one will appreciate the differences. Wisdom gained from experience and exposure will develop this emotional maturity and this will allow one to practice the necessary discernment required to make a success of multi-ethnic integration with the organisation.

A leader's business experience will contribute towards multi-ethnic integration within multinational organisations in South Africa. What needs to be considered in this circumstance is the nature of the business experience rather than business experience in general. Presently the development programs at the Vanderbijlpark site do not consider the multi-ethnic appreciation and integration as an intended outcome although it may be a by-product e.g. the GEDP.

An individual's experience with respect to different ethnicities should not be limited to his/her professional capacity but be viewed from a broader perspective. One can experience different ethnic groups and their cultures by simply choosing to travel.

Business experience is a means to develop a leader's situational and adaptability skills by placing them in different situations. At ArcelorMittal and hence ArcelorMittal South Africa, management is rotated within the various business units of the group. The Vanderbijlpark site is no exception. However this is done based on business needs and not with the thought of developing an appreciation for the different ethnic groups and their working cultures within those units. Once again this is a by-product.

A leader's international exposure will contribute towards multi-ethnic integration within multinational organisations. In South Africa it is not a prerequisite to have international exposure in order to have an appreciation for the commonalities and differences with different ethnic groups. It is a country of different ethnic groups and by simply residing in the country one is naturally exposed to a multitude of these ethnic groups at various social institutions.

With the advent of mass media one need not travel to have international exposure to different ethnic groups. Television, radio and the internet all provide a means for one to be exposed in some form or another to information about different ethnic groups and their cultures. With the advent of globalisation the generation of today, when compared to previous generations, have the propensity and the opportunity to be exposed to different ethnic groups, their commonalities and differences.

Leadership needs to be cultivated locally and this is the case with the Vanderbijlpark's site management. This is sensible as these individuals should be the ones in the best position to understand the dynamics of the different ethnic cultures within the business unit and be competent to manage it effectively. An individual from a foreign country will be at a disadvantage in this sense. However in this situation the term "glocalization" comes to mind. The leader must have the ability to apply globally accepted actions in a locally applicable manner.

An organisation's level of internationalisation will contribute towards multi-ethnic integration within multinational organisations in South Africa. Globalisation by its nature has forced companies to work with different ethnic groups, be it through supplier or customer relationships. If restrictions are placed with respect to whom the company does business with it reduces opportunities to create advantages over competitors.

The Vanderbijlpark site is no exception as it is a subsidiary business unit to the ArcelorMittal group. There is continuous interaction between the local workforce and their colleagues, who are of different ethnic backgrounds, from the plants abroad on issues of benchmarking best practices, operational issues, product quality issues, safety issues and so forth. This is in the form of emails, telephonic conferences, video-conferences, technical visits to the plant or knowledge management programs (KMPs).

In a South African context though, being part of an international group is not a prerequisite to be exposed to different ethnic groups in order to have an appreciation of the commonalities and differences amongst them. The South African business landscape is ethnically different and one is naturally exposed to these ethnic groups in the form of employees within the organisation itself, as customers or suppliers. Organisations, though, need to remove those barriers whose absence will make individuals from different ethnicities feel more accommodated and less marginalised. The Vanderbijlpark site is in the process of addressing those barriers. Although not implemented successfully as yet, they are conducting their official meetings in English and not in Afrikaans as has been the case previously.

Not only is there a quantitative aspect to this but a qualitative aspect as well. An organisation can have the right distribution of the different ethnic groups within the organisation but it can isolate the groups to certain levels or areas within the organisation. This will not lead to multi-ethnic integration but rather polarisation and resentment. The Vanderbijlpark site is behind on the qualitative aspect of multi-ethnic integration. The upper echelons of management still reside with the white Afrikaner male whilst majority of the lower unskilled levels are dominated by the local black Sothos.

At the same time internationalisation is not a prerequisite as there are companies in South Africa who have had success in creating a working culture where individuals respects each other and treat each other with fairness i.e. Vodacom.

An organisation's recruitment practices that actively seek ethnic heterogeneity will contribute towards multi-ethnic integration within multinational organisations in South Africa. This is where the process begins and its management will dictate the degree of success an organisation experiences with respect to multi-ethnic integration.

The Vanderbijlpark site's recruitment policies are aligned with the Employment Equity act and they too focus on racial and not ethnic targets. The current composition of the workforce gives one the indication that the policies have not been put into practice as planned. The reason is said to be two-fold. Firstly, previous management has been guilty of trying to resist the change and not embrace it. Secondly operational constraints have forced the plant to reduce its head count and it has had to preserve its skills base which then rests within the white Afrikaner male group.

ArcelorMittal South Africa and hence Vanderbijlpark site's management are not in favour of putting a premium on attracting and retaining individuals from certain racial/ethnic backgrounds. This is a short term gains approach and the organisation would fare better by implementing a retention plan that will guarantee longer term success. They will not adopt a "cheque book" approach.

Practicing educational awareness aimed at recognising workforce differences and benefits will contribute towards multi-ethnic integration within multinational organisations in South Africa. The Vanderbijlpark site ran its first wave of diversity management training sessions in 2008 with one of the discussion points being ethnic diversity and associated cultural differences. The feedback received from the participants who attended the program reported that their expectations were exceeded. However a shortfall in the first wave was that the management team from the Vanderbijlpark site did not participate in any of the sessions. This is to be corrected in the wave that is being rolled out in 2010.

Practicing fair promotion and reward of employees from different ethnicities will contribute towards multi-ethnic integration within that organisation. It makes sense to promote and reward individuals fairly. If individuals believe that their effort will go unrecognised there is no incentive to work as an integrated team and contribute any value to the organisation.

Until the racial imbalances are rectified race will take preference to ethnicity. On that basis there is a view that South African blacks need to be given preferential treatment with respect to promotions and rewards within the organisation. This approach should be adopted until the pre-defined organisational profile is achieved. Thereafter a merit based system can be reverted to. The management of ArcelorMittal South Africa and hence the Vanderbijlpark site are not in favour of this approach stating such policies perpetuate a difference that needs to be eliminated from the organisation's practices. Rather preferential treatment is given when it involves training and development.

The Vanderbijlpark site's promotion and reward system is based on a merit. Once again to comply with Employment Equity targets, individuals who meet the position's requirements are selected on racial criteria. Ethnicity is not considered.

There is a difference in opinion that an organisation's internal structures will contribute towards multi-ethnic integration within that organisation. One perspective is that an organisation's structure is designed in accordance to operational requirements. It is not designed with the view for integration of individuals from different ethnic groups. Another perspective is that if the structure promotes certain ethnic groups to be the majority in a certain department it will have an impact on the ethos of that department. This causes individuals from ethnic groups other than the majority to feel marginalised. The challenge for management is to keep that individual at that department until the majority is dissolved and a balance is achieved.

An individual's level of education and skills will contribute to how he/she perceives the value of multi-ethnic integration within an organisation. This is evident within the ArcelorMittal group. As one moves up the organogram the notion is that individuals are judged on skills and not their ethnic backgrounds. The same rules apply to all.

There is general consensus that the Vanderbijlpark site has progressed, albeit at a relatively slower pace when compared to its peers, over the past 17 years with respect to diversifying the profile of its workforce and its working culture. However, as expected in the context of present South Africa, much of its decision making and subsequent actions have been based against a racial backdrop. Ethnicity is not being considered at this stage.

6.2 Limitations

The research had specific time constraints which prevented further exploratory investigations to be done.

The research was conducted in a particular time context i.e. 2009/2010. The factors considered may change depending on circumstances and events taking place during an alternate time.

The case site was in South Africa and at the subsidiary of the steelmaking organisation ArcelorMittal South Africa. The factors identified which contribute towards multi-ethnic integration within multinational organisations could be different in other countries, at the

organisations' other business sites as well as other steelmaking organisations within South Africa.

All the factors contribute towards multi-ethnic integration within multinational organisations have not been investigated due to time constraints. Hence there are other factors that exist.

6.3 Recommendations

Vanderbijlpark's site management needs to make a conscious effort of educating their employees with respect to the different ethnic groups working at the business unit. As part of a continuous awareness program, the unit's business communication needs to sensitise the employees of the different ethnic groups present, their important religious ceremonies, holidays and value/belief system pertinent to those different ethnic groups.

All new employees need to attend a diversity awareness session, which includes ethnic diversity, as part of their orientation program. The accepted behaviours need to be re-emphasised in the organisation's code of conduct.

Vanderbijlpark as a business unit is committed to ArcelorMittal South Africa's shared values. These include respect and fairness to everyone in the organisation. The business unit needs to develop and implement a policy that dictates disciplinary action, including the possibility of dismissal, will be enacted upon those individuals who contravene these rules.

Employees at the Vanderbijlpark site need to be reminded that English is to be the spoken language in any meeting that includes individuals from different ethnic groups, irrespective of whether they are literate in the language.

Vanderbijlpark's management needs to make a conscious decision to recruit externally only for skills that are in scarcity. Even in those circumstances it needs to be scrutinised up to general manager level. External recruitment needs to be limited to the lower levels of the organogram. Attached to this there needs to be an ethnic quota system. If the necessary ethnicities cannot be attracted, selection based on racial background can then be pursued.

The Human Resources team at the Vanderbijlpark site need to investigate and apply a more effective evaluation system when it comes to testing candidates applying for management positions. The metrics need to place an emphasis on the individual's leadership skills.

The speed of the recruitment process at the Vanderbijlpark site needs to be improved. The time taken to gain the necessary approvals and agree on the packages to be offered is time conceding. This results in opportunity losses in development time of the individual and in some case the loss of that candidate to another company.

The Vanderbijlpark site needs to implement a rotational system for engineers and higher management positions. The time period can be decided but the objectives are two-fold. Firstly individuals have the opportunity to learn how the entire steelmaking and rolling processes takes place. Secondly they are exposed to working with teams comprising of different ethnic groups.

The Vanderbijlpark site needs to review its selection criteria with respect to who should attend specific training programs. Management representation is imperative at programs that address leadership issues. Change is driven by top management and leaders need to communicate and behave in a manner that aligns itself with the visions they set out. If those who are being led see contradictions between the vision statements and the actions of leadership there is be a lack of conviction within them.

At the same time thought needs to be applied when the groups are selected. There has to be a balance in the group between cynics and optimists. Industrial psychologists need to be appointed and awarded the responsibility of this function. These psychologists should be trained to facilitate the diversity awareness programs so that if an area requires a refresher course they will be equipped to present it.

As part of their training program, potential leaders of the organisation need to be introduced to the subject of "glocalization" and how it is to be applied in organisational settings.

The Vanderbijlpark site needs to investigate success stories within other South African companies with respect to multi-ethnic integration and apply those principles to its

operations e.g. Vodacom. This should perhaps be the responsibility of the transformation department.

The process of individuals going abroad on work assignments needs to be structured so that they are forced to work and experience situations outside of their comfort zone. This should not be limited to the office but outside as well. As part of the training an itinerary needs to be developed stating where they shall stay, which restaurants they will eat at and what cultural events they shall attend. The objective of this is to develop their appreciation for the commonalities and differences amongst the different ethnic groups.

The organisation needs to accept more undergraduates, from the different ethnic groups, as trainees and develop them. At the same time management needs to consider having a strategic budget to employ young individuals from the outside with the aim of developing them so that within two years' time they will be able to take over those roles and responsibilities. They need to be trained alongside current management by splitting the existing responsibilities. This is the only manner in which actual development and confidence building will take place.

We as South Africans enjoy taking holidays. Vanderbijlpark's health and wellness programs need to create information packs that encourage the employees to visit certain cities, towns and villages. These places selected need to be occupied predominantly by a specific ethnic group/s so that upon visiting, one has the opportunity to be exposed to those respective cultures.

The world is operating in the information age and the internet is not a luxury but a necessity to grow as an individual and to add value to the organisation. The Vanderbijlpark site needs to make the internet available to all employees even if it is limited to specific sites. This list of accessible sites must include travel destination sites that provide information on the ethnicities and cultures of that destination.

The restaurant at the Vanderbijlpark site needs to diversify its meal offerings and include specific ethnic dishes on those days that are of religious importance to the different ethnic groups. Also perhaps extend this offering outside of those recognised days.

6.4 Suggestions for further study

Investigate the contribution shared values has on multi-ethnic integration within multinational organisations in South Africa.

Investigate the subject of nurture versus nature and its contribution towards how individuals perceive multi-ethnic integration within multinational organisations.

In the current context of the South African business landscape investigate the feasibility and practicality of organisations awarding contracts to suppliers beyond the existing criteria of Black Economic Empowerment but to include the element of ethnicity.

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8 APPENDIX A

ArcelorMittal South Africa's organisational profile

The following information was extracted from a presentation pack communicated by the Vanderbijlpark Work's management team to stakeholders (ArcelorMittal South Africa Limited 2008)

9 APPENDIX B

Interview Questions

Question 1a

How would you evaluate the contribution a leader's business experience makes towards multi-ethnic integration within an organisation?

Question 1b

How would you evaluate the contribution a leader's international exposure makes towards multi-ethnic integration within an organisation?

Question 1c

What other leadership characteristics do you believe contribute towards multi-ethnic integration within an organisation?

Question 1d

Why do you believe these to be important leadership characteristics?

Question 2a

How would you evaluate the contribution an organisation's level of internationalisation makes towards multi-ethnic integration within that organisation?

Question 2b

What other organisational characteristics do you believe contribute towards multi-ethnic integration within an organisation?

Question 2c

Why do you believe these to be important organisational characteristics?

Question 3a

How would you evaluate the contribution an organisation's recruitment practices, which actively seek ethnic heterogeneity, makes toward multi-ethnic integration within that organisation?

Question 3b

How would you evaluate the contribution an organisation's educational awareness practices, aimed at recognising workforce differences and benefits, makes toward multi-ethnic integration within that organisation?

Question 3c

How would you evaluate the contribution an organisation's fair promotion and reward, of employees from different ethnicities, practices make towards multi-ethnic integration within that organisation?

Question 3d

What other human resource practices do you believe contribute towards multi-ethnic integration within an organisation?

Question 3e

Why do you believe these to be important human resource practices?

Question 4a

How would you evaluate the contribution an organisation's internal structures make towards multi-ethnic integration within that organisation?

Question 4b

How would you restructure the organisation in order to promote multi-ethnic integration?

Question 5a

Are there any other factors that you believe contribute towards multi-ethnic integration within an organisation?

Question 5b

Why do you believe these additional contributing factors to be important?

Question 5c

What mechanisms would you use to implement these factors into the organisation's operations?

10 APPENDIX C

ArcelorMittal's corporate newsletter highlighting ethnic awareness within the Group

The following information was downloaded from ArcelorMittal's internal corporate communications archives (ArcelorMittal 2009).

11APPENDIX D

Vanderbijlpark's Employment Equity Plan

The following information was extracted from an internal audit report (ArcelorMittal South Africa Limited 2010c)

12APPENDIX E

Vanderbijlpark's forecasted September 2010 Employment Equity Scorecard

The following information was extracted from an internal audit report (ArcelorMittal South Africa Limited 2010c).

13APPENDIX F

ArcelorMittal South Africa's information pamphlet regarding employment equity

The following pamphlet was distributed to all of ArcelorMittal South Africa's employees (ArcelorMittal South Africa Limited 2010b).

14APPENDIX G

ArcelorMittal South Africa's Science Centre

The following article was extracted from ArcelorMittal South Africa's internal magazine (Fata 2009).