

Caroline Eklund 21387

Colette Li 21339

Stockholm School of Economics

Department of Management and Organization

A CULTURAL PERSPECTIVE OF DIVERSITY MANAGEMENT IMPLEMENTATION

Abstract

Diversity management is a relative new ideology that aims to lift up the underrepresented minority groups in organizations. During the past few years, an increasing number of firms are adopting this diversity paradigm as a part of their business strategy. However, there is a lack of a contextual aspect in this broad philosophy which makes it difficult to predict or understand employees' emotions and attitudes when organizations adopt the diversity management in practice. Simultaneously, an implementation of diversity management is exercised within the context of an organizational culture. The aim of this paper is to give organizations that are planning to adopt diversity management insights in how these implications could appear in practice by analyzing the underlying cultural causes to these. The results have shown that organizations would benefit from having a deep understanding and map its organizational culture in their business context. This facilitates their prediction of the workers' attitudes and emotions since many of these are hidden under the surface or not apparent to the people within the culture. A comprehensive understanding of Schein's *levels of culture* and their stage of *the group evolution* provides them a starting-point in managing the employees where unlearning may be necessary.

Course 619. Degree Project in Management, Spring 2010

Mentor: Annika Schilling, Center for People and Organization

Contents

1. Introduction	4
1. 2. Purpose.....	7
1. 3. Formulation of Question.....	7
2. Method.....	7
2.1 Restrictions	7
2.2. Data Gathering	8
2.3.3. The Sample	8
2.3. Interview Format.....	9
2.4. Basic Assumption of Social Construction	10
2.4.1. Institutionalization.....	10
2.4.2. Legitimation	11
3. Theoretical Framework.....	11
3. 1. Theories of Organizational Culture.....	12
3.1.1 The Levels of Culture	12
3.1.2. Schein's Theory of Culture Impact and Group Evolution	13
3.1.3. Critical Views of Culture.....	18
3.2. Definition of Diversity.....	19
4. Empirical Findings.....	19
4.1. Background Information About Adidas	19
4.2. Culture From a Human Resource Manager's perspective	20
4.3. The Overarching Culture at Adidas	21
4.3.1. Sporty	22
4.3.2. Healthy.....	22
4.3.3. Determination & Competitiveness.....	23
4.3.4. High Tempo	23
4.3.5. Openness	24

4.3.6. Subcultures.....	24
4.3.7. Homogeneity.....	25
4.3.8. Employees' Attitudes Toward Diversity	26
4.3.9. Different Definitions of Diversity	27
5. Analysis	28
5.1. Social Construction.....	28
5.1.1. Meanings of Diversity	28
5.1.2. Transmission	28
5.1.3. The Degree to Which Knowledge is Shared	29
5.2. Levels of Culture	29
5.2.1. Artefacts.....	29
5.2.2. Basic Assumptions	30
5.3.3. Espoused Beliefs and Values	33
5.3. Schein's Group Formation Versus Diversity Management	36
6. Discussion	38
7. Conclusion.....	40
8. Appendix	42
9. References	44

1. Introduction

It is uncertain who established the diversity management movement but numerous diversity programs have been introduced to the world in the last decade. It is most likely that this movement took off in the United States because the majority of diversity management articles are from the states. The notion of diversity management can be found in an article from 1987 called “Workforce 2000” published by Hudson Institution. This report claimed that in year 2000, the majority of the labour force is going to consist of African-Americans, women and other underrepresented minority groups. This was shocking to the business world in America and stirred an increased attention to the changed demographic in the labour force and the possible implications¹. Could this perhaps have been the beginning of the diversity management era?

Nevertheless, diversity management is a relative new ideology which aims to lift up the underrepresented minority groups in organizations. This ideology is different from the former approaches where they focused on equality with affirmative action. However, the rationale of diversity management is to improve efficiency and competitiveness driven by its business purpose and market advantage. This philosophy emphasizes the importance of diversity as it regards it as beneficial to the organization in terms of increased creativity, productivity and better work environment. It is therefore crucial for firms to recognize the cultural differences within the group of employees. In contrast to the former policy of diversity which was solely directed to the underrepresented minority groups, this new ideology is as an inclusive policy where the interests of all employees are included².

During the past few years, an increasing number of firms are adopting this diversity paradigm as a part of their business strategy. It is believed that diversity, which promotes creativity and new perspectives, enables the firm to be more flexible and adaptable in the market. This is also viewed as a method for the employer to attract and attain diversified employees. Diversity management should be regarded as a strategic approach and create a culture that celebrates the uniqueness of every employee regardless changes in demographic, legal and economic situation³.

¹ Lorbiecki, A., Jack, G. (2000)

² Wrench, J. (2007)

³ Ofori-Dankwa, J., Reddy, S. (2007)

Michele E. A. Jayne & Robert L. Dipboye have based on researches presented these recommendations for implementation of diversity management⁴:

1. *Build senior management commitment and accountability.*
2. *Conduct a thorough needs assessment.*
3. *Develop a well-defined strategy tied to business results.*
4. *Emphasize team-building and group process training.*
5. *Establish metrics and evaluate the effectiveness of diversity initiatives.*

Carolyn I. Chavez and Judith Y. Weisinger present three objectives for managing an effective diversity management in an organisation⁵:

- 1. Establish a relational culture within which people feel proud of their own uniqueness, while becoming socially integrated into a larger group by celebrating the “me” within the “we.”
- 2. Maintain an inclusive culture within which employees are intrinsically motivated to take ownership of the learning experience and to learn from each other so that organizational members can discover and appreciate multiple perspectives.
- 3. Incorporate an organizational strategy that capitalizes on the multiple perspectives individuals contribute to creativity, productivity, organizational attractiveness, and employee well-being.

Carolyn I. Chavez and Judith Y. Weisinger explains in a relatively new article that we will not feel “that which we are” with the organization if we are not comfortable with their uniqueness. If we do not appreciate differences of others, we will likewise not appreciate their contributions to the organization. Hence, it is essential to have an inclusive culture that provides a good working environment where everyone’s competences, experiences and perspectives are appreciated. They also argue that the traditional diversity programs are non-integrative and reflect misguided expectations about what diversity training can really achieve⁶.

⁴ Jayne, M.E.A., Dipboye, R.L., (2004)

⁵ Chavez, C. I., Weisinger, J. Y., (2008)

⁶ Ibid.

Michele E. A. Jayne & Robert L. Dipboye provide us one of the many guidelines on how to manage diversity in firms. The actual strategy for diversity management can be expected to vary from firm to firm depending on their vision, goals current employees and the culture. Diversity management does not provide generic theoretical frameworks and is a philosophy that is hard to grasp due to the many abstract elements it involves. According to Michele E. A. Jayne & Robert L. Dipboye guidelines, organizations need to have a well defined strategy tied to business results in order to show the link between diversity and improved performance and also evaluate its effectiveness. However a question that arises is whether it is possible to measure diversity. As it is described above, diversity is rather abstract and difficult to calculate. This guideline, that aims to align employees' emotions and attitudes towards diversity, could therefore be questioned whether it is really feasible to show a correct link between diversity and improved business performance.

Moreover, there is a lack of a contextual aspect in this broad philosophy which makes it even more difficult to predict or understand employees' attitudes and emotions when organizations adopt the diversity management in practice.

“Emotions provide the bridge between rational and nonrational processes... They reflect the individual's sense of self-relevance of a perceived situation and facilitate social adaption and individual change...”⁷

Simultaneously, an implementation of diversity management is exercised within the context of an organizational culture. Therefore another issue that complicates the predictable implications of diversity management is to actually grasp the organizational culture. Thus, we believe that a prerequisite to predict the possible implications of diversity management and manage these is firsthand to have a picture of the cultural context. During our research, we have found very few conducted studies on how the organizational culture influences diversity management in firms and what kind of implications it accompanies. Thus, such a study might bring new insights to the matter.

Furthermore, culture is something the employees embody and often not apparent with many emotions and attitudes hidden under the surface. Consequently the people that are within an organizational culture might even be unaware of all their shared beliefs, values and assumptions. It is therefore difficult to understand the causes if one solely investigates the results and culture of an *executed* diversity management plan in an organization, since the culture would already be changed and for that reason invalid to study. We find this very interesting and have chosen

⁷ Huy, Q. N., (1999)

Adidas, which is planning to adopt diversity management, as our study object in this case-study to observe an organization's culture and analyze the possible implications when implementing diversity management.

1. 2. Purpose

The organizational culture can be viewed as a contextual framework that affects the implementation of diversity management. The purpose of this paper is to give organizations that are planning to adopt diversity management insights in how these implications would appear in practice by analyzing the underlying cultural causes to these.

1. 3. Formulation of Question

In order to investigate the purpose of the paper, the question that is interesting to answer is:

How does the organizational culture at Adidas shape the context in which diversity management is to be applied in and what are the possible implications?

2. Method

To study the purpose and answer the question of the paper a case study has been conducted at Adidas with interviews as data gathering.

2.1 Restrictions

The study object in this case-study is Adidas which is a big corporate group. Some restrictions had to be made concerning the scope of the study in order to go in depth. For that reason, the investigation in this paper is restricted to the Scandinavian section's headquarter which is situated in Stockholm and called Adidas group Sweden. This restriction had both logistic reasons but the Swedish headquarter can also be expected to transmit the culture and values throughout the organization. Spreading values and new policies can be perceived to stem from the top in an organization and stretch downwards. The same would thereby apply for the implementation of diversity management. Therefore, it becomes interesting to conduct this study at the level of the Swedish headquarter. To facilitate the reading, we have decided to write Adidas instead of Adidas group Sweden when referring to the Scandinavian headquarters. Furthermore, hereafter the Swedish headquarter will be denoted as the organization; with the consideration in mind that this headquarter may not be representative for the entire Scandinavian organization.

Due to the format of the essay, absolute conclusions in a case study cannot be drawn for how it would look in other organizations. However, the results can still be an indication of the possible

implications for other companies by providing deeper insights in how the cultural aspect might affect a diversity management implementation⁸. Such indications would probably be the most valid for companies that are similar to Adidas in scale and market. As is custom with case studies, we have studied the object in its ordinary surroundings and have had little impact of irrelevant factors⁹.

2.2. Data Gathering

Nine persons were interviewed at Adidas for a total of ten interviews. The interviews ranged from 40 minutes to one hour and took place during a total of six days with several interviews per day on occasion. The Human Resource (HR-) manager has been the contact person throughout the research and was the key person in arranging the interviews.

2.3.3. The Sample

Our wish was to interview a representative sample of employees from the organization. Therefore it was requested to interview employees with different backgrounds, from different departments and with different positions.

Table over interviews:

Name	Position	Department
Anna	HR Manager	Human Resources
Anna	HR Manager	Human Resources
Sara		Economy, Customer Service
Peter	Manager	
Matilda		Customer Service
Lisa		Original
Lovisa	Manager	
Erika		Economy
Sandra		Economy
Sofia	Manager	

Table 1. *Due to confidential reasons either the interviewee's position or department is listed and they are not in chronological order.*

⁸ Andersen, Ib. (1998), p. 129

⁹ Ibid, p. 128

Even though this was the intention it is significant to bring up that this may not have been the case. Recognizing the strengths as well as the weaknesses about the sample of the interviews brings lights to how representative this sample is to the organization as a whole. An invitation to interview was sent out by the HR-manager to a diverse selection of employees. Firstly, the selection the invitation was sent to might have been narrowed down by preferences. Second, since it was voluntary to attend means an inevitable loss of respondents to the invitation. People who did not feel motivated to respond to questions concerning diversity might have turned down the invitation or it was turned down for other reasons. Whichever, the loss might represent a loss in the diversification in the sample of interviewees.

We made it clear to the interviewees that all collected data was to be confidential. All interviewers knew the purpose with the data collecting and agreed on being audio-recorded. Ensuring confidentiality might have improved the chances of obtaining true to the heart answers. Otherwise, people might have risked feeling unsecure about saying things that could put them in a bad light. Even though confidentiality was stressed it can still be brought up that interviewees might have altered their responses in order to answer diplomatically.

Further weaknesses with the sample might be more identifiable issues such as that all except one of the interviewed were women and that no-one from the sales department came to an interview. As seen there exist several weaknesses with the sample of the organization in order for the sample to be fully representative for the organization as a whole. However, the sample has some strength as well.

The sample includes a mix of chef and employer under the chef and, except the sales department, several other departments were represented. It is argued that even though the sample might not be fully representative it can still give insightful indications of the organization as a whole on which to draw conclusions upon.

2.3. Interview Format

The interview questions were prepared in advance with no specific order hoping that this would distract the interviewee to provide us with too standard answers. Nevertheless, the questions can be divided roughly in two categories: Diversity and Culture. Some of questions were slightly modified depending on the position the Adidas employee had. Several of the questions asked were open that allowed the interviewee to develop freely while other questions were followed by attendant questions. For a better overlook of the questions asked see Appendix 1. The

interviewees were interviewed individually in order to obtain accurate data of the individual opinions and attitudes.

Besides collecting data, the interviews were also used to “read between the lines” for a more judicial review of their attitudes and assumptions. The perceived attitude and personality were noted and we tried to identify different artifacts during the interviews. Their body language has also been taken into consideration in order to get a comprehensive view of the general culture.

2.4. Basic Assumption of Social Construction

In accordance with the perspective of Berger & Luckman this paper will be based upon that the study of knowledge must be done in parallel with studying the process of how reality is socially constructed. The sociology of knowledge has a history in philosophy from the 1920's. From Marx the sociology of knowledge formed fully and its basic proposition became that “man's consciousness is determined by his social being”. What is seen as “reality” or “knowledge” differ between for example between a monk and a policeman, why these concepts can be seen as a product of the social context. A social gathering creates a construction of reality and therefore one must think of everything that passes for “knowledge” in a society in order to grasp the sociology of knowledge. The sociology of knowledge seeks to analyze how “realities” are taken as “known” and how “knowledge” comes to be established as “reality”¹⁰. Knowledge is seen as the way to bear meaning which no society could exist without and guides how to perform everyday life¹¹. The validity of the knowledge of everyday life is not questioned until problem arises that cannot be solved using the knowledge at hand¹².

2.4.1. Institutionalization

Habitualization covers all forms of human activity and decreases the number of alternative ways to conduct tasks. The processes of habitualization precede institutionalization.

Institutionalization occurs when there is a mutual understanding of how tasks typically are conducted. In fact, any such typification of activity of actors is an institution. Therefore, institutions always have a history which they are a product of¹³. When an individual perform an institutionalized action it is not seen as an isolated event, but rather related to a shared universe with articulated meanings. This is how institutions are integrated in the society according to

¹⁰ Berger, P.L. and Luckman, T. (1967), p. 1- 5.

¹¹ Ibid, p. 15, 19

¹² Ibid, p. 44.

¹³ Ibid, p. 53, 54.

Berger & Luckman¹⁴. In a social gathering, habitualization forms from “there we go again” to “this is how things are done”. For the ones who were part in forming this reality it is clear why things are the way they are. For newcomers, however, there is less transparency and “the world” confronts them as a given reality. With ongoing transmission, the reality of the world becomes more firm and cannot be changed easily¹⁵. Every institution has a stock of transferred knowledge that acts as rules of conduct as well as predicts and controls it. This knowledge is seen as a stock of generally valid truths about reality and therefore any deviation from the institutionalized conduct appears as a departure from reality. In the course of socialization the knowledge is transferred as the truth and thus it forms the reality. The reality in turn shape the person in the society since it provides a map of conduct and perceptions¹⁶.

2.4.2. Legitimation

Legitimation is necessary in an institutionalized world when the “knowledge” is to be transmitted to a new generation of actors. At that stage the new generation demands explanations and justifications of the institutional order, in other words it needs to be legitimized¹⁷. Legitimation works to both justify knowledge and values, for example why someone should do something as well as why things are the way they are¹⁸.

The assumption of social construction will function as a scientific way to analyze the data from the interviews. Social construction puts the data in a perspective and it is possible to analyze why the results are the way they are. Hence, it serves as a reflective and explaining perspective of this issue.

3. Theoretical Framework

With the intention to provide a deeper understanding of the possible implications when firms adopt diversity management, the analysis will begin with an investigation of the different levels of an organizational culture by applying Schein’s *levels of culture*. The analysis will thereby end with an analysis of their overall culture, using Schein’s theory of *group formation*, while having the

¹⁴ Berger, P.L. and Luckman, T. (1967), p. 65.

¹⁵ Ibid, p. 59.

¹⁶ Ibid, p. 65-67.

¹⁸ Ibid, p. 61, 93-94.

different cultural levels in mind in order to obtain an extensive understanding of the implications from a cultural perspective.

3. 1. Theories of Organizational Culture

Studies of organizational culture arose in the 1920s and grew stronger during the 60th century to the 80th century when the organizational culture was studied as a single phenomenon in the context of a search for answers as to why Japanese companies during the 70th century had been more successful than American. Much of the interest in studying organization culture lies in how it affects a company's success. Culture can be used as a management tool and thus be likened to formal control by screening and systemizing out relevant information among employees¹⁹. Edgar Schein defines the culture of a group as thus:

*“A pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaption and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.”*²⁰

3.1.1 The Levels of Culture

Schein divides culture into three levels: artefacts, espoused beliefs and values as well as basic assumptions. Each level represents the degree the culture is visible to an observer. One must first interpret how the basic assumptions are in order to understand the artefacts accurately or how much faith to give to the observed values²¹.

Artefacts

Artefacts include things the observer hears, sees or feels in the group. Therefore it can take the form of language, clothing, emotional displays, myths and stories, rituals, organizational charts and the psychical surroundings etcetera. Schein points out that artefacts are very difficult to interpret²².

Espoused Beliefs and Values

Espoused beliefs and values are open to discussion and the employees can choose to agree or disagree to them. Beliefs and values work to reduce uncertainty in how the group is to function

¹⁹ Jacobsen, D.I. and Thorsvik, J. (1998), p. 133-135.

²⁰ Schein, E. H., (2004), p. 17.

²¹ Ibid, p. 25-26,36.

²² Ibid, p.25-26.

when it comes to critical situations. When the employees reinforce each others beliefs and values these start to be taken for granted. The level of espoused values and beliefs will predict and decipher much of the observations at the artefact level²³.

Basic Assumptions

The third level of basic assumptions is completely taken for granted and non-debatable. Those that do not share the basic assumptions with the group risks being automatically dismissed. When values in the form of a hypothesis about how to conduct an activity repeatedly works it comes to be treated as reality. Therefore it tends to be little variation of the basic assumptions within a group. As the basic assumptions are tied to how we interpret the world, what things mean and how to react emotionally, changing the basic assumptions releases large quantities of anxiety. Hence, they are very difficult to change²⁴.

Putting the Theories to Use

We observed resemblances between Schein's *levels of culture* and the notion of *social construction*, as is an underlying assumption of the paper, in the sense of how knowledge form the reality in the group. When studying the *levels of culture* it can be viewed as observing the increasing degree of social construction in the society. Assumptions could thus be regarded as socially constructed to a large degree and values as being in the midst of the process of social construction.

We find Schein's theory of the *levels of culture* to be an appropriate tool in order to go in depth and unravel the different cultural characteristics at Adidas. Schein's *levels of culture* will in this paper be used to identify assumptions and values at Adidas that can give insights into which group formation stage they are at as well as identify possible hurdles when implementing diversity management.

3.1.2. Schein's Theory of Culture Impact and Group Evolution

Because culture's significance when managing diversity, it is obvious to use culture theories for the research of the relationship between culture and managing diversity in order to get an overarching view of the implications. Schein asserts, based on empirical findings, that an organizational culture has a significant role when implementing changes in an organization. In

²³Schein, E. H., (2004), p. 25-26,29.

²⁴ Ibid,p. 25, 30-32.

order to have the changes to stay in put, it might be necessary to modify the culture as it could aggravate the process of implementing.

*” Whether a culture is functionally effective depends not on the culture alone, but on the relationship of the culture to the environment in which it exists”*²⁵

Schein presents a perspective of culture that views personality and character as the accumulation of cultural learning that an individual has experienced. With this point of view, culture is something within us all as individuals and yet constantly evolving as we join and create new groups.

According to Schein, the development of an organizational culture involves four stages²⁶:

Stages of Group Evolution:

Stage	Dominant Assumption	Socioemotional Focus
1. Group formation	Dependence: "The leader knows what we should do"	Self-Orientation: Emotional focus on issues of (a) inclusion, (b) power and influence, (c) acceptance and intimacy, and (d) identity and role.
2. Group Building	Fusion: "We are a great group; we all like each other"	Group as Idealized Object: Emotional focus on harmony, conformity, and search for intimacy. Member differences are not valued.
3. Group Work	Work: "We can perform effectively because we know and accept each other"	Group Mission and Tasks: Emotional focus on accomplishment, teamwork, and maintaining the group in

²⁵ Schein, E. H., (2004), p. 8

²⁶ Ibid, p. 70-84

		good working order. Member differences are valued.
4. Group Maturity	Maturity: "We know who we are, what we want, and how to get it. We have been successful, so we must be right."	Group Survival and Comfort: Emotional focus on preserving the group and its culture. Creativity and member differences are seen as threat.

Table 2. *The table is presented by Schein to illustrate the stages of group evolution*²⁷

The relationships and working norms within a firm vary depending on which stage the organization is in the moment.

Group Formation

At this stage the group is not yet really a group but rather a collection of individual members. The situation is uncertain and each group member focuses on safety. Even though there might be some shared emotional responses, these new members are more concerned about their own personal issues than the group problems. Moreover, they assume that the leader knows what the group is supposed to do and are dependent on him/her. They focus on safety in the sense that they keep request for explanations, suggestions, and constant checking for approval. Even though the members share the common assumption of being dependent on the leader, they can react differently. Some might deal with the authority by accept the dependence, suppress aggression, accept the leader's suggestions, and attempt to do what they are asked to do. Other members have learned to resist authority by seeking what the leader wants and resist. There might be group members that find people to share their feelings about the authority and form a subgroup within the group²⁸.

This is also an early stage where they test each other to see who has the control or influence over whom and how much guidance is offered etc. There might as well be some competition for leadership and these are going to contradict each other which will keep the group from achieving

²⁷ Schein, E. H., (2004), p. 70

²⁸ Ibid, p. 70-77.

any real consensus. Schein claims that there are no short-cuts to skip this early battle for authority; these will surface when task issues for the group occur²⁹.

A common language is slowly getting established. A shared experience accumulates and some the members are starting to feel that they are being included³⁰.

Group Building

The group has come to this stage when they have solved the dependence problem in the stage group formation. They are assuming that “we all like each other” and “we are a great group”. There is a strong emotional need to feel part of the group and deny internal differences. This behavior can be observed when there is an absence of internal conflicts (they try to avoid it) and everyone tries to be nice each other. They deny conflicts or anything that harms the harmony and deny it. The need of intimacy varied among the group members. Buddy pairings within the group usually occur at this stage. Those who are in high need of it are going to protect the intimacy no matter what while other who are anxious about it the coziness challenge the harmony by complaining about the denials. The staff member that was earlier viewed as a leader with high authority is considered as “no different from the rest of us”. If the authority issue arises again the group will either turn to the staff member or flee from the problem. They may also project the negative feeling to someone outside the group for example the administration. Schein claims that only when the group feels reasonably secure can it give up the false solidarity that the assumptions have built up. That comes gradually from experiences, success with tasks and competition with other groups³¹.

Schein argues further that many organizations get stuck at this level of group evolution. They have developed an adequate authority system and a capacity to defend against external treats but do not acknowledge differences neither clarify the personal relationships. Changes can be done but need to be carefully managed. If two people in a group erupt into a hostile confrontation and the leader punishes either or both, norms are built that they should suppress their feelings. These are norm-buildings can be very short and are easy to miss if you are not alert. The survivals of norms are based on two basic mechanism of learning: *positive problem solving* to cope with external integration issues and *anxiety avoidance* to cope with internal integration issues. If the group fails repeatedly, some people are going to suggest different processes of how things should be done.

²⁹ Schein, E. H., (2004), p. 70-77.

³⁰ Ibid.

³¹ Ibid, p. 77-81.

The norms that seem to produce greatest success will survive. Simultaneously as new norms form, group members test whether they feel comfortable with the new way of doing things. In conclusion, norms will be set based on what makes everyone most comfortable³².

Group Work and Functional Familiarity

When the group successfully deals with being a group, they have managed to come to this stage in the culture evolution. At this stage, they have managed to achieve a *mutual acceptance*. They will have had enough experience to know what to expect other group members and learned that they can cooperate even though they do not like everyone. There's an emotional shift from the fake solidity to mutual acceptance and *functional familiarity*. A new assumption emerges:

*"We know each other well enough, both in a positive and negative light, that we can work well together and accomplish our external goals."*³³

At this stage they focus on building norms that encourage personal growth with the belief that by doing this the group will benefit. The group now exerts less pressure to conform. However, Schein explains that many groups actually never come to this stage and this often due to unresolved issues in the group. He writes that *the ability to focus on the task is function of the degree to which group members can reduce and avoid their own anxieties*³⁴. In other words, the energy available for work is lowest in the early stages of this evolution. The group loses its ability to work if its cultural assumptions are being questioned, the primary anxieties will then rise again³⁵.

Group Maturity

If the group works successfully over a time, its assumptions about itself and environment will be reinforced thus strengthening the culture it has developed. The culture grows stronger as more shared emotionally intensive experiences the group goes through. Assumptions about its role in the world, how to accomplish its mission, and how to do the business are developed. They start to take for granted that this is the only correct way to see the world. The issue that arises in this stage is how to avoid staying in status quo³⁶.

³² Schein, E. H., (2004),p. 77-81.

³³ Ibid, p. 82.

³⁴ Ibid.

³⁵ Ibid, p. 82-83.

³⁶ Ibid, p. 83-84.

Putting the Theory to Use

We find this theory a suitable tool to put the different pieces of culture in place to give the reader an overall picture of the organizational culture by identifying their stage of group evolution.

Furthermore, Schein's characteristics for the different stages of evolution are going to be used to predict the possible consequences that might occur during Adidas' implementation of diversity management in their overall cultural context.

3.1.3. Critical Views of Culture

There also exist critical attitudes towards the organizational culture such as brainwashing, group thinking and aggravation of learning and change in organizations. A group thinking organization uses collective rationalization, where the group's power and morals are over-valued, negative stereotypes are created that create even greater distance by aversion to criticism or other views, censorship of opinion may arise as a result of the pressure of unified thinking³⁷.

Another theory concerning the aggravation of learning is called the *success syndrome*. It is a form of cultural inertia that stems from age and success. The more success a company has experienced the more institutionalized the values and behaviours have become. The company thereby becomes inflexible to altering its actions and learning in the organization becomes aggravated³⁸. In order to overcome the effects of the *success syndrome* unlearning may be necessary³⁹. According to McGill and Slocum unlearning opens up for new ways to act by forsaking knowledge that may have worked in the past. By doing so, assumptions that the organization has must be examined. McGill and Slocum further argue that "unlearning is the first step toward learning". However, as assumptions are to be examined the process of unlearning can be both time consuming as well as causing anxiety. It is described as a three step process whereby the employees first have to examine their assumptions, followed by uncertainty on how to act and lastly attempting to think in new ways on how to take action. Even though McGill & Slocum describe unlearning as a way to unlearn practises that have proven to have outlived their usefulness⁴⁰, their concept of unlearning will in this paper be applied to highlight the need of changing attitudes toward acting in new ways. The practises in place at the organization in this case-study may thus still be useful but can be seen to hinder the organization to develop in desirable directions.

³⁷ Jacobsen, D.I. and Thorsvik, J. (1998), p. 139-140.

³⁸ Tushman, M.L. and O'Reilly, C.A. (1996).

³⁹ Jacobsen, D.I. and Thorsvik, J. (1998), p.396.

⁴⁰ McGill, M.E. and Slocum, J.W. (1994), p. 23, 55.

3.2. Definition of Diversity

Eriksson-Zetterquist, U. and Styhre, A. brings up that the concept of diversity and recent spread of the notion can be seen as an effect of the commercial opportunities that a diversified society brings. Business opportunities in the form of educations and consultancy services have emerged in the wake of the diversity wave and caused it to get an even stronger foothold⁴¹. Today companies may feel they have to adopt a diversity policy to be in line with the modern movements on the markets.

The risk when dealing with diversity management is that one becomes very concerned to be politically correct. One way to avoid the unreachable strive toward total political correctness could be to discuss what diversity means in practice rather than in theory⁴². Therefore we have chosen to distinguish what diversity means in practice in the case study of this paper. The parameters integrated in the notion of diversity in this paper are: ethnicity, age, gender, interests and education. If one would look at all the parameters one could lay into the concept of diversity one may not be able to go in depth with parameters that could be regarded as especially significant. The parameters taken into account in this paper we regard as relevant for the workplace and have shown up during interviews. However, we have in mind as Eriksson-Zetterquist, U. and Styhre, A. point out that this way to distinguish differences results in that the differences are seen as inner qualities inert to change, rather than as an effect of social processes that shape the differences of a group⁴³.

4. Empirical Findings

4.1. Background Information About Adidas

Adidas group Sweden is the Scandinavian unit of the big corporate group Adidas with the head office in Germany. Adidas group Sweden is in charge of the Scandinavia area but also some of the Baltic countries. Adidas acquired the brand Reebok in year 2005 and this resulted in that the majority of the original Reebok employees quitted. Reebok experienced a cultural clash with Adidas which is much bigger and structured than the former Reebok. Working processes and

⁴¹ Eriksson-Zetterquist, U. and Styhre, A. (2007), p. 99.

⁴² Ibid, p. 100

⁴³ Ibid, p. 102.

norms were different and some of the Reebok workers were not comfortable or used to the high working-pace. The acquisition was described as:

*“Reebok was being pushed into the Adidas frame... those who managed to stay are employees that have managed to adapt to the performance culture.”*⁴⁴

Adidas Sports Performance, Reebok and Adidas Sports Style, Rockport and Tailmade are other two brands that are owned by Adidas. They recently gathered all the brands in the same building in Solna. However, Rockport and Tailmade report directly to the European unit which is in Germany and not to the Scandinavian headquarter. Hence Adidas group Sweden is responsible for three selling units while the other two report directly to Germany. The group management consists of one HR-manager, Sales manager, Retail manager, Wholesale manager and the CEO.

4.2. Culture From a Human Resource Manager's perspective

The HR-manager claimed that there is a lack of a clearly defined corporate culture that includes all the different units and sub-brands. Nevertheless, she explained further that *general* organizational culture is imprinted by a strong sport culture and the wellbeing.

*“Everyone in Adidas is interested in sport and most of them have been engaged in team sport. Some of them are even top-level sportsmen. Passion for sport has always been the foremost important criterion when recruiting... consequently, many of the current employees do not have an academic background but instead a strong sport interest...”*⁴⁵

The HR-manager believes that it is difficult to fit in the company if you are not sport interested since Adidas is a sport brand with a prestigious and long history in sport. She also emphasized that the interest in sport among the employees is not simply working out once a week but being genuinely interested in sport.

*“By working at Adidas, you somehow become part of the company and need to embody the Adidas-meaning.”*⁴⁶

On the other hand, she is aware of that recruiting people with the sport interest as the first criterion might be problematic for the company in the long-run. For this reason, Adidas has started to take the academic background more in to consideration when recruiting. They have a sportsman's mentality where the team goes before the individual and use a football field to

⁴⁴ Interviewee Peter

⁴⁵ Interviewee Anna

⁴⁶ Ibid.

visualize the market. She states that Adidas is looking for determined employees that have both their own personal goal with their lives and sharing the company's goals.

Additionally, the Adidas culture in the Swedish office has been influenced by the German culture. Adidas is after all a German brand. The HR-manager explained further and described the German culture with straightforwardness, performance, hierarchical, strict and rigid. Although the culture in the Swedish unit is not as strict and hierarchical as the German, employees at Adidas have very competitive minds and strive for performance. She contrasted the Swedish and German culture by giving an example:

“Adidas in Sweden is aiming for work life balance which they define as being able to exercise, work and have good balanced life. The Germans interpret this expression a bit different compared to the Swedes in the sense that they are only focusing on work and their way of manage work for women with children.”⁴⁷

The head management group in Germany has also expressed their wish to promote diversity but those are only words with no actions followed by according to the HR-manager. Yet, she thinks that Adidas have a relatively good diversity globally except for the Scandinavian unit where there are mostly workers with Swedish ethnic background. She explains that this is mainly because they receive very few job applications from people from minority groups. Adidas wish to attract more people with different background and increase the diversity among the workers. She believes that diversity is something very valuable for Adidas that has a diversified customer base but also to develop the company:

“...Increased diversity will improve Adidas efficiency and creativeness by stimulating different ideas. Workers that come with different experiences give us new perspective and facilitate Adidas to evolve...”⁴⁸

The HR-manager pointed out that the workers are homogenous especially in their sales unit where the tasks are characterized as “manly” and “aggressive”. As a result the majority of workers in that unit are males with Swedish ethnic background.

4.3. The Overarching Culture at Adidas

The interviewees were asked to describe their perception of the Adidas culture and the most repeated key words that were observed are: Sporty, healthy, determination & competitiveness, high tempo and openness.

⁴⁷ Interviewee Anna

⁴⁸ Ibid.

4.3.1. Sporty

It is not very surprising that sporty was the key word that all the interviewees mentioned since Adidas is a very strong global sport brand. The majority of the employees is sport interested and enjoys the weekly sport-hour that Adidas offer them to use for working out during work-hours. Although everyone seems to be interested in sport, it was not on the same level as the HR-manager described. Some of them even claimed that they are not very sporty but care about wellbeing and therefore work out at least once a week to keep fit. One of them even said that she/he is not particular interested in sport but claimed this during the recruiting interview, simply because he/she knew that they expected applicants to be very sporty. However, the interviewee explained further that the strong sport and wellbeing spirit in the company motivated her/him to work out more.

During the interviews we noticed that many of them used some sort of “sport language”, for example someone visualized the high tempo as “snabba puckar” and that the young employees “springer med många bollar”. This sporty atmosphere was very apparent as soon as you stepped into their office where everyone wore either casual or sporty clothes. The internal design was very clean and modern with a sporty touch. The office was light and airy with 3-4 showrooms for their clothing lines. “We live the brand” was mentioned several times and it was explained that the employees are very proud of working at Adidas. They expressed that it felt natural to wear Adidas and Reebok clothes both at work and outside work.

4.3.2. Healthy

Adidas is very keen on having healthy employees both mentally and physically. They have offered stop-smoking courses for their employees and other courses that teach them how to live healthily.

“As soon as you step through the door you should perceive that people are healthy.”⁴⁹

“Those who do not think sports is fun and/or care about their health does probably not fit into the culture. It is not important to be an elite performer but that you like to move.”⁵⁰

As mentioned before, all Adidas employees have a weekly sport-hour for the employees to use it for working out. However, there was one period that the managers noticed that not all the employees used the sport-hour to work out and did something else on that free hour. Adidas

⁴⁹ Interviewee Peter

⁵⁰ Interviewee Sofia

wanted to encourage their employees to use the weekly hour for its real purpose and gave guidelines to the managers to promote them to work out during that hour.

One interviewee expressed that this strong healthy value in Adidas might set pressure on the employees to be more attentive to their health. It has actually even caused some discomfort for one employee who was sick during a period of time and unable to work out as much as usual.

“Those who are sick feel pressured in that environment—It can be hard for those who cannot participate in everything. It is not the company that puts the pressure but rather the environment itself.”⁵¹

Even though it was not anything explicitly expressed by anyone in Adidas, this employee found this pressure about being healthy and sporty somewhat stressful. The very common topics among the workers are, after all, OS- and sports related.

4.3.3. Determination & Competitiveness

We noticed that the determination that the employees at Adidas feel is somewhat linked with their sporty attitude, it can be compared with a successful sportsman's competitive spirit with the determination to win. They are all driven towards a shared vision which is becoming the leading sports brand globally. They share the assumption that people need to be healthy and have personal goals in order to succeed.

“We are working on high pace here, you do not enjoy working here if you are not goal oriented... if that is the case, you should either change your attitudes otherwise you might not fit in here...”⁵²

The different sections at Adidas are also being encouraged to be internally competitive towards each other, for example different sub-brands compete on getting the highest sales rates. However, they claim that it is a healthy internal competition and does not harm the company as a whole. Each section has its own goals and every worker has his/her own goals such as be on time or increasing sales etcetera.

4.3.4. High Tempo

One employee expressed that Adidas needs to be adaptable in the global market, therefore, employees have to think fast and make decisions on time. This high tempo can be contrasted with Reebok which was much smaller than Adidas when they acquired it. Reebok employees were not used to these tough and fast working norms in Adidas and were described as more reflective.

⁵¹ Interviewee Sara

⁵² Interviewee Peter

Some interviewees mentioned that they have noticed that workers from Reebok do have a hard time to keep up sometimes. Since the average age in Adidas is relatively young, around 30 years old, the employees are described as being rather spontaneous and make fast decision for short-term goals. One of the employees expressed that they sometimes forget to be forward-looking and should reflect more around the possible consequences of the fast decisions.

4.3.5. Openness

The majority of the interviewees think Adidas is not hierarchical and a workplace where expressing opinions is encouraged. They feel that the manager welcomes all the employees to come to their offices and discuss things that they have on their mind. One of the employees gave a very symbolic example of this that the CEO sometimes goes around in the office building to say good morning. He/she explain further that employees still have their respect for the management but do not think it is hierarchical, compared to the German Adidas headquarter. Furthermore, the Swedish Adidas office is as we mentioned earlier very big and airy, it has many open areas and the doors to different offices are often open. Conversely, one employee believes that one worker easily feel like being one in a big crowd in this big organization.

4.3.6. Subcultures

The culture that is described above is observed as a general view on the Adidas culture. There are however some differences between the different sections at Adidas.

Although Adidas is generally described as open, there is one employee that feels that the section he/she works in is not that open and non-hierarchical. She/he does not feel that different opinions are accepted neither has the manager an open door to all the employees. They have very strict working processes and little space for self-development. Furthermore the level of homogeneity among the sections seems to vary as well.

Interviewees have stated that workers in the sales unit are homogenous because there are mostly male employees there, and the customer service unit is homogenous in the sense that they think very similar:

“We at the customer service unit are quite similar in the sense that there some group-thinking among us and we are very comfortable with each other.”⁵³

We noticed after a couple of interviews that the atmosphere in the customer service unit is described slightly different from the other as they are more committed and friendly to each other.

⁵³ Interviewee Sofia

Many of this section's employees even meet each other outside work. While the atmosphere in the other sections is less "we are all friends and happy together" and more like a workplace with co-worker relations.

We have also identified different cultures in the different brands at Adidas. Although the overarching vision at Adidas is to become an international leading sports brand, they still view each other differently between the different brands. One of the interviewees said that Adidas has worked a bit too "separately" with Adidas Performance and Adidas Original. Adidas Performance is bigger as a brand than Original and they tend to see Original as being less serious and structured. Furthermore, the Adidas Sports Style is a less sporty brand than the other sub-brands and employees are described as having a less sporty mind. Some of the interviewees feel that these employees are the "odd ones" because they are less sporty and the section that do not always use the every week's sport-hour for working out.

As mentioned before, the internal competition is viewed as something healthy for the company because they all want Adidas as a whole company to be successful. However, an employee experienced that Adidas employees are united when it comes to benefits for Adidas as a whole company, but pushes around the responsibility when something wrong occurs instead of solving it together.

4.3.7. Homogeneity

The level of homogeneity at Adidas varies across the different sections, but the workers are overall rather homogenous in the sense that they are mostly employees with Swedish ethnic background or at least Scandinavian. One of the employees explained that the Adidas culture naturally filters away dissimilar employees and that similar people are drawn to each other. The different sections have different recruiting processes but one of them allows the group of workers to meet the candidate and express their opinions. Moreover, a very interesting observed phenomenon is that the older and more experienced usually form and teach the new employees. Hence, there are units where workers tend to think and do things similar.

Furthermore, the majority of the employees at Adidas are workers with Swedish background and some workers are originated in other west-European countries but there are extremely few "coloured" employees. There are for example only employees that speak Swedish in the customer service unit. They rationalize this by stating that they need to recruit employees that can speak Swedish since they cannot force their customers to speak English; they have therefore rejected some English-speaking applicants because of their poor Swedish.

The majority of the employees in the sales unit are men (two females and 18 males) while the economic units consist of almost only females (except for the controlling unit). However, despite the uneven distribution of genders, the total number of female and male employees is relatively equal. Interestingly though, the interviewees described a typical Adidas employee as a male and not a female. Nevertheless, their explanation to the uneven distribution of genders is that workers at the sales unit need to be more competitive and aggressive to increase sales, these traits are perceived to be more “masculine”. In contrast to this, economic tasks are conceived as more administrative and less masculine but it is foremost because of the majority of applicants for these works are female.

Additionally, there are some disagreements among the employees whether a section is homogenous or not. We interviewed two workers from the same department but their opinions are very different from each other. The first interviewee did not feel that the workers are diverse and think they need to improve it. The second interviewee answered quite the opposite and finds the workers in the unit very different to each other that even small fuss might occur because of this.

4.3.8. Employees' Attitudes Toward Diversity

All the interviewees perceive diversity as something beneficial for Adidas and seem to be positive towards diversity management. They claim that it is essential to be able to work with different people and learn from each other. Most of them expressed a necessity to increase diversity in the sales unit because they think that female workers are at least as competent as males. It appears to also be a need from a customer's perspective:

“We have been struggling with selling sports bras which is perhaps a result of the lack of females in the sales unit...”⁵⁴

While having a relative positive attitude towards diversity, they still think it is necessary to have sport interest as a prerequisite in diversity management. However, with some interviewees it was rather difficult to distinguish whether it was their personal attitude in this issue or their professional façade.

One interviewee explained that he/she personally prefer to associate with people that are similar to him/her-self and find it very difficult to work with people that are indecisive and not goal-oriented.

⁵⁴ Interviewee Lisa

“I think that being too dissimilar might lead to conflicts at work but it might be good way to push everyone to think and discuss.”⁵⁵

This employee appears to know the advantages with diversity in the long run but is simultaneously concerned about the possible negative outcomes with increased diversity at Adidas on the short run.

None of the interviewees personally explicitly expressed fear of diversity but some of them could imagine that some Adidas workers might feel uncertain with it, but not necessarily having negative feelings to it. As long as the group management can explain the benefits with diversity management and a structured approach to it, they feel that workers will fear less to this change. Nevertheless, it is difficult to present how the other employees, except for our interviewees, feel about diversity since the majority of the sections seem to not have discussed it. Only one interviewee claimed that they have talked about it among the workers regularly, it was however done on their own initiatives and not based on any guidelines given by the company.

4.3.9. Different Definitions of Diversity

The interviewees were asked to define their personal conception of the purpose of diversity. Their opinions are similar and quite in line with the purpose of diversity management and believe that increasing diversity is not only good from an ethical perspective but also beneficial for Adidas as a company.

However, their perceptions of the level of diversity seem to deviate. When the employees were asked why they thought that the section they belonged to is too homogenous, they answered either a gender is too dominating or because there are only “white people”. While we got a contrasting answer from another employee who felt that their section is already very diverse with many different types of people in terms of age, family background, multilingual, and personality. When the interviewee explained further, it appeared that people that are multilingual come from mostly other Scandinavian countries and all the employees need to know Swedish due to their customer contact. In other words, there are two contrasting views on whether having employees originated north west-European (so called white people) implies a high level of diversity or not.

⁵⁵ Interviewee Peter

5. Analysis

In the analysis, empiric findings will be confronted with the chosen theoretical frameworks and concepts. The analysis is divided into three parts. The first section covers social construction followed by Schein's theory of *levels of culture* and lastly Schein's theory of *group formation* is covered. A discussion will follow thereafter, summing up the relevant observations from the analysis in order to draw conclusions.

5.1. Social Construction

The analysis will be based on the assumption of *social construction*. Therefore, the analysis will briefly begin with studying the empiric findings from this perspective. The assumption of social construction will thereafter be a reoccurring thread throughout the analysis.

5.1.1. Meanings of Diversity

One must have in mind when conducting the analysis that the employees' concept of diversity may differ. Their opinion on the diversity at Adidas may be much differentiated which will affect their answers throughout the interviews. However, with the assumption of social construction this diversion may not be as great as one might presume at first. The concept of diversity may be viewed as a knowledge that is shared in the organization and therefore seen as reality.

5.1.2. Transmission

The HR-manager thinks that it is mostly her and the CEO that are openly talking about diversity. She has realized that if their discussions about diversity are not shared with the rest of the organization, the recruiters will not change their perceptions regarding diversity. In other words, diversity will not be improved at Adidas if their values are not shared with the rest of the organization according. Her perception of this issue is supported by some answers from the interviewed people who state that diversity is not discussed or worked towards. However, a few employees claimed that they have started to talk about diversity and that the HR-manager points of view are starting to spread but only one of the interviewees thinks that diversity is an *actively* discussed topic. This interviewee explained further that this is not done based on directions from the management team but rather something that she has done on her own accord in her department.

Even though the points differ to some degree, most of the interviewed employees think that values about diversity or how to work towards are not transmitted throughout the organization.

5.1.3. The Degree to Which Knowledge is Shared

Although the interviewees seem to have quite similar opinions regarding the purpose with diversity, the answers concerning the *definition* of diversity was rather different and the responses did not seem to follow a set pattern. Every employee seems to have their own definition of diversity to some extent.

Since diversity is not a concept that is transmitted to a large extent in the organization one can draw upon the possible conclusion that the concept of diversity is not strongly socially constructed in the society of Adidas in the sense that it has not become the true reality. This is further validated by that the employees put rather varying values into the concept of diversity. There are external realities as well since every person exists in several societies which could have an impact on the responses concerning the meaning of diversity. Even though the concept of diversity is identified to be weakly socially constructed in the society some social construction around the concept is seen to exist. Whether this construction stems from Adidas internally or has external sources is unsure to determine. What can be said, however, is that since the employees put in somewhat differing values to the concept of diversity one employee can consider that the diversity is vast while someone else may say it is not, which has been observed in the empirical findings.

5.2. Levels of Culture

In this coming section Schein's theory of the three *levels of culture* will be used to analyze the empirical findings. These are artefacts, espoused beliefs and values as well as basic assumptions. We have chosen to rearrange the order of the three levels as it is interesting to present the observed artifacts as an introduction. We will thereafter go directly into depth and study the assumptions followed by beliefs and values.

5.2.1. Artefacts

Genus

The employees exposed an interesting artefact when they described their view of an typical Adidas employee. When a gender was referred to they all mentioned that the typical Adidas employee is a male, not female, but interestingly the percentage of female employees is rather equal with the male. This artefact is probably connected with their beliefs and values which are going to be analysed further on under the heading values.

Language and Dress Code

The language that was encountered at Adidas contained many Swedish sporty expressions. For example "snabba puckar", "springer på många bollar" and "play safe" were mentioned at times.

The HR-manager drew parallels between the culture in Adidas and the culture in sport environments. They have a concept of working together in teams and sometimes use soccer fields to illustrate how they are going to act in different situations on the whiteboard with coaches making up the administrative part outside the field. The dress code was very relaxed and several were wearing sneakers or clothes from Adidas own clothing-lines. How these artifacts might express the assumptions or values at Adidas will be reflected upon in the coming sections.

Health and sports

Adidas have a sacred sports hour on Fridays when everyone are expected to perform sports. One employee describes how Adidas helped her to quit smoking. These artifacts can be interpreted as an expression of underlying assumptions which will be dealt with in coming sections.

Openness

At Adidas there was an open plan solution where the employees had their desks. The offices were surrounded with glass windows and open doors. It was easy to see what everyone was doing in their offices and even though they were on the phone the doors were still open. These artifacts could also be an expression of values at Adidas and will be touched upon under coming headings

5.2.2. Basic Assumptions

Diversity

The issue of diversity is not a common shared concept since the interviewed people differ in their answers to what it means. The similarities that do exist can be due to external socialization as discussed above. Adidas approach towards diversity is also questioned from time to time according to statements from the interviewed employees. At two occasions the employees have witnessed candidates being denied during recruitments due to their dissimilarities in terms of their ethnicity, language or age. Further statements question the necessity of diversity in the formation of a group and whether is better in the long run versus the short run.

The fact that the concept varies a lot in the organization and that it is a debatable issue are arguments for diversity not being a basic assumption at Adidas. As argued above, diversity is not strongly socially constructed in the society and that a reality has not been formed around it. The “knowledge” of diversity and its assumed implications can therefore be argued to not have transformed into “reality” in the society of Adidas. Thus, it is in line with the observation that it is not part of their basic assumptions. Since basic assumptions are very difficult to change, this could imply that it will be easier for the management team to form their strategic desired basic assumptions regarding diversity in contrast with if the assumptions were already in place that the

employees do not consider diversity as beneficial for the company.

Important to feel well to perform on top

The idea that sports or other activities are good for the wellbeing of a worker and improve the performance in a team, is shared among the interviewed employees. Two statements catch the essence particularly well:

“As soon as you step through the door you should perceive that people are healthy.”⁵⁶

“Those who do not think sports is fun and/or care about their health does probably not fit into the culture. It is not important to be an elite performer but that you like to move.”⁵⁷

This opinion is shared but differently expressed by the other employees and they all think that it is important to take care of your health. According to the statement above, people who do not share this thinking will not fit in to the society. Hence, it is an argument that wellbeing is part of Adidas' basic assumption since the risk of being automatically dismissed occurs when someone thinks differently.

Even though there is variation in how much the employees find that one should be doing sports or the degree of interest in sports at Adidas, the essence is that they all share the value of the importance of taking care of yourself. Therefore, one can argue that despite the variation in their beliefs regarding the level of sportiness among the employees at Adidas is high, the variation of their beliefs that wellbeing is beneficial is very low and therefore a basic assumption.

With the assumption of social construction, the knowledge of the benefits with wellbeing can be said to have become the truth and thus also the reality in the society to a large extent. Therefore, it is also transmitted to newcomers as the way to perceive life and behave. This can explain why people have changed their way of living when joining Adidas like losing excessive weight or quit smoking. The other artefacts of health and sports as well as the language and dress code previously mentioned can also be interpreted as an expression of the assumption of the importance of wellbeing and health.

The basic assumption of wellbeing can however make some people feel uncomfortable as stated in the empiric findings.

⁵⁶ Interviewee Peter

⁵⁷ Interviewee Sofia

“Those who are sick feel pressured in that environment—It can be hard for those who cannot participate in everything. It is not the company that puts the pressure but rather the environment itself.”⁵⁸

Having the statement in mind one can ask whether the basic assumption naturally reduces diversity as an excluding factor rather than an including. According to Schein those who do not share the basic assumptions risk being automatically dismissed. It is however unclear whether those who might share the basic assumption with the group, but are unable to act on them, still are welcomed in the society of Adidas.

Goal orientation

When asked to describe the typical Adidas employee the interviewed people stressed the importance of a person with a goal orientation, who works a lot, is committed and have clear goals. Moreover, according to the HR-manager the goal orientation has an even broader meaning. She believes that everyone should have goals in their lives and that the purpose with working is not only to work, it should be a part of their drive in life. Working with Adidas should thus be part of the employee's personal goals in life.

The interviewed employees at Adidas seem to have a very similar notion of the implications and significance of goal orientation. In fact, their opinions have so little variation that one could argue that the idea of goal orientation is a basic assumption at Adidas.

Furthermore, one can see the effects of such a basic assumption in Adidas recent acquisition of Reebok. Reebok has been described as a more reflective culture than Adidas. Adidas, on the other hand, has been pictured as having a lot stronger goal orientation. After that the acquisition took place, almost 80 percent of the former employees of Reebok have left the organization. Reebok was described as being pushed into the Adidas model. The fact that so many of the former employees of Reebok left after the acquisition can be seen as an argument that goal orientation is one of Adidas basic assumptions. The society of Reebok might not have shared this assumption and the employees were thereby automatically dismissed.

There are once again similarities between Schein's theory of *levels of culture* and the notion of social construction. The knowledge of the benefits of goal orientation can be viewed as having become accepted as just knowledge, and thereby contributed to the reality to a large extent in the society of Adidas, as a basic assumption.

⁵⁸ Interviewee Sara

Whether this assumption affects or limits the diversity at Adidas is difficult to determine with certainty. It is, however, possible to reason around the appearance of such effects. The older generation, described as more reflective than the young one at Adidas, is similar with the culture at Reebok in the sense of reflective tendencies. The average age at Adidas is around 30 which can be a result of the goal oriented assumption in the sense that the members of the older generation might feel like being automatically dismissed. There are however, other possible explanations for this that could have little to do with the assumption of goal orientation. For example the assumption of health and wellbeing could be one explanation to the young average age, since it may be difficult to keep doing sport activities when getting older.

5.3.3. Espoused Beliefs and Values

Openness

As brought forward in empirical findings, several of the employees find that openness is a big part of Adidas. Apart from that the culture is being described as open and that a typical Adidas employee is open-minded, the interviewed employees also find the organization as non-hierarchical and open by using the Swedish expression of “*bögt i tak*”. Nevertheless, since one of the interviewees did not agree with this statement, it could be argued that openness is a value rather than an assumption at Adidas. However, since this is a minor variation in the regard to openness the social construction of the concept of openness can be seen to have progressed into a gray area of value and assumption. As it is not the purpose of this paper to distinguish between values and assumptions, but rather to use these concepts as tools to interpret how culture and diversity intertwines, this matter will not be dwelled upon. The artifacts previously mentioned, such as the open plan solution, could reflect the value of openness identified at Adidas.

According to I. Chavez & Y. Weisinger, objectives for managing effective diversity management are to celebrate the “me” with the “we” and to motivate learning from each other⁵⁹. Without openness as a value it might be difficult to reach these objectives. As employees at Adidas feel that their bosses have open doors to their offices for discussion and sharing new ideas, these attitudes are beneficial for the feeling or leveraging everyone’s uniqueness and celebrating the “me” with the “we” as well as learn from each other’s experiences. Contradictory to this, one employee stated that there is a feeling of becoming one in the crowd because of the organization’s size. The employee might thereby feel less motivated to share his/her ideas to the colleagues or his/her boss since the feeling of celebrating each individual’s uniqueness is not appreciated in this big organization. Consequently, the benefits with openness and transparency

⁵⁹ Chavez, C. I., Weisinger, J. Y., (2008).

at Adidas for the implementation of diversity management might be reduced by the feeling of being one in a big crowd. Yet, as only one employee reported this feeling, the value of openness identified at Adidas can still be expected to benefit the implementation of diversity management.

Diversity

Adidas' German headquarter has expressed their wish to increase diversity in the corporate. However, these values seem to be unclearly defined as the interviewed Adidas employees have different definitions regarding diversity. Even though the employees seem to be generally positive towards diversity management there are some traces of concerns which might be due to uncertainties about the consequences and result. A deviating value is that the employees have different beliefs about what kind and what level of diversity is good for the company. This might be due to individual preferences of the level of diversity or originated from earlier experiences that this is how it should be. These experiences may come from earlier jobs or learning from other people. Hence, Adidas may align and unite their values of diversity and perhaps reinforce these to eventually transform them to shared assumptions.

Schein claims that not all values can be transformed to assumptions because those beliefs and values need to be empirically tested and continue to work reliably⁶⁰. On the other hand, when dealing with less controllable and rather immeasurable elements he also claims that there is a possibility of consensus through social validation. This indicates that it is possible for firms to align employees' attitudes towards diversity by transforming their values to a shared assumption. Since it is difficult to prove with concrete cause and effect results that increased diversity is beneficial for Adidas due to the abstract elements, with the perspective of social validation, these values can still be validated if the members reinforce each others' beliefs and values. These will then be taken for granted in the organisation. The success with social validation of diversity is dependent on the internal relationships in the organisation and how comfortable employees are going to be when following orders⁶¹. Consequently, one can draw a conclusion that the level of trust in the organisation will influence the degree of employees' acceptability to new changes. Adidas' openness will therefore facilitate the introductory of diversity management since transparency increases the reliability and employees will feel more secure during the change since they are able to observe and express their opinions in the different processes⁶². This was also

⁶⁰ Schein, E. H. (2004), p. 28

⁶¹ Ibid, p. 29.

⁶² Brown, C., Cregan, C., (2008)

expressed during the interviews that as long as the group management are able to explain and share their plans, the employees will most likely have positive attitudes towards it.

Work Life Balance and Sports

It is crucial that the beliefs and values regarding diversity are based on learning or they might only reflect on “espoused theories” which predicts what employees will *say* in some situations, things that is expected due to the beliefs and values, but it is in fact not in accordance with what they actually *do* in such situations⁶³. An example of this kind of tendency to this at Adidas can be observed in the empiric findings where an employee claimed that she/he is sporty during a job interview since it was an expected answer whilst not actually sharing the value about sportiness. Although Adidas appear to have managed to incrementally change this employee’s perception about sports since he/she has started to work out more, it is however hard to determine whether they have managed to change his/her values. The artefacts previously mentioned, such as the language and dress code as well as the health and sports observations, could be a reflection of the value of sports at Adidas.

Schein distinguishes beliefs and values that are congruent with underlying assumptions and those that are either rationalisations or only aspirations for the future⁶⁴. Diversity values and beliefs at Adidas are not entirely in line with their underlying assumptions and current values in the sense that they do think diversity is beneficial for Adidas but at the same time believe that Adidas employees *have* to be interested in sports and health. Furthermore they have a strong belief in *work life balance* with the motto that people should work to live and *not* live to work. Academically merited candidates that are extremely passionate about their jobs and prioritises it before health and working out would feel excluded in this culture or even declined in the recruitment process.

Genus

An additional observation is that there seems to be some beliefs that male are better suited in the sales unit as the work is considered as more aggressive and masculine, because there are almost only male employees in the sales teams. The artefact previously mentioned on genus is related to this view. These are however some beliefs and not assumptions since the interviewees have actually challenged this statement and expressed that women are just as suitable for sales job as men. One can debate whether some of these restrictions in the diversity of Adidas are beneficial for the company since people work for example more efficient if they are more concerned about

⁶³ Schein, E. H. (2004), p. 30.

⁶⁴ Ibid.

their health and work out regularly, but the point is that it is indeed contradicting to the notion of diversity. In other words, there are some contradictions between diversity with their basic assumptions and existing values about the employees.

Summing Up

These contradictions may inhibit an effective implementation of diversity management since the validity of it decreases. Different emotions towards diversity management might arise such as cynicism about the genuineness with the implementation and perceive it as some trivialities that the company adopts for better image and legitimacy, without actually being sincere with the real purpose⁶⁵. Hence, if a company wishes to have some certain restrictions in their diversity policy, these restrictions have to be clarified and somehow rationalised in order to have a consistent and clear diversity management that employees can relate to. Those who fail in accepting the new values and beliefs are risking being “excommunicated” which is being thrown out of the group⁶⁶. This could be further explained in the light of social construction: if one does not recognize the generally accepted truth it could be perceived as a deviation of reality which might be intolerable by the group.

5.3. Schein’s Group Formation Versus Diversity Management

Although the HR-manager expressed that she did not feel that Adidas has a very strong group culture that includes all the brands under Adidas group, from an external point of view Adidas does have a rather characteristic culture that is more or less transmitted throughout the company. Their current culture might not originate from a strategic purpose but there are definitely shared values and assumptions which are the building blocks for an organizational culture. In fact, their culture appears to some extent fit in to the fourth stage of Schein’s group formation which is called *Group Maturity*. Additional subcultures have been identified in the organisation that deviates from the overall *Group Maturity* culture at Adidas. This is going to be argued and explained further below and implications with creating an *inclusive culture*, which is one of the objectives with diversity management according to I. Chavez & Y. Weisinger, will also be reflected.

Schein’s first stage of the group formation is automatically excluded in this context since workers at Adidas have clear relations with each other and neither do they have any internal conflicts over control and authority. They have instead developed an approach in how to accomplish its mission and how to do the business over time. Adidas is a prestigious company that has experienced

⁶⁵ Brown, C., Cregan, C., (2008)

⁶⁶ Schein, E. H. (2004), p. 29.

success in the past which seems to have formed their mentality in how things should be done. Hence, their assumptions about how to do things are derived from their earlier experiences, which is in line with social construction. A clear artefact to this mentality is the acquisition of Reebok which can be described as “being swallowed by Adidas” according to one interviewee, because there is almost no trace left of the old Reebok. Some of the employees rationalised this episode as necessary because Reebok was too unstructured and Adidas is bigger and more experienced with better and well thought processes. However, one employee expressed that the old Reebok has one good feature that Adidas is doing poorer at, which is being reflective. Nevertheless, the essence is not whether their opinions are right or wrong but their strong belief in the Adidas way of doing things. The organisation is also protective over their assumptions about sports, health and goal orientation which is another typical feature of a culture that has reached the *Group Maturity* stage. The empiric findings have detected that people that do not share the same values (sportiness, health and determination & competitiveness) will automatically be excluded and feel left out in the culture.

Nevertheless, based on several interviewees, Adidas does have some subculture formations among the different sections. As mentioned before, Adidas Originals is viewed as being less structured and dynamic while Adidas Street Style is perceived as being the “odd” ones due to their less sporty image. Additionally, the customer-service unit and the sales unit are more homogenous than other units according to the interviewees. Tendencies towards the stage *Group Building* in Adidas can be observed especially in the customer-service unit because the employees there are very committed and even associate with each other outside work. Their relations resemble friendship more than professional relationships. One interviewee has expressed that they do have group thinking in the unit and have the same opinions about matters. There are also very rarely any confrontations within the group or any conflicts that might disrupt the friendly harmony. A typical reaction towards conflicts or anything that might harm the harmony is denying it or flee. One employee stated that the different units are united in the sense that they all want Adidas to succeed and achieve outstanding results but as soon as a problem occurs nobody wants to take the blame and flees. Therefore, a change such as increasing diversity might be seen as something harmful towards the friendly atmosphere in the unit. The management team needs to be aware of the possibility of these kinds of behaviour as they can inhibit the implementation of diversity. Schein explains that the groups’ energy in stage two of the group formation is concentrated on the relations within the group and not the overall mission. Subsequently, in order to avoid these kinds of behaviours, the employees’ need to be managed to be concentrated on

work rather than having good personal relations with each other. The order of importance needs to be re-prioritised where the business and company come first.

The most desired stage of group formation is *Group Work and Functional Familiarity* where the group has managed to achieve a mutual acceptance and differences among workers are accepted because they can cooperate and not necessary like everyone. The energy has therefore transferred to work instead of relations. This stage is a desirable stage for Adidas and many other firms. Although Adidas has traces of cultures that resemble stage two and four of Schein's group evolution, the organisation does have potentials to move towards stage three, *Group Work and Functional Familiarity*. Even though there are some fears concerning diversity, the level of diversity at Adidas is currently being challenged by employees and the majority of the interviewees are positive about increasing the differences between the workers. More importantly, organisations need to bear in mind that they might have subcultures within the organization that lead to different reactions towards the diversity management, and need consequently to be managed differently. A group that is in the second stage of the formation might have more of relational emotional reactions towards diversity management, while a matured group's reactions are more based on learning. There is a risk that diversity management contradicts a matured group's apprehension of reality which is based on learning and experiences. As a result, a learning approach would be appropriate when managing these employees and introduce unlearning in order to change their perceptions of reality and create an *inclusive culture*.

6. Discussion

The last and third part of the analysis suggested that Adidas is at the fourth stage in Schein's theory of *stages of group evolution* even though there are some characteristics that seem to correspond to other stages as well. This suggestion was based on the earlier findings in the analysis. The analysis began with suggesting that diversity is rather weakly socially constructed concept as a conclusion of the high variation of the interviewees' conception of the notion which could be due to low transmission. After suggesting that there are not any basic assumptions around the concept of diversity, it is reasoned this would actually facilitate the shaping of their own desired assumptions around the notion of diversity. While the thesis is suggesting an existence of the basic assumptions regarding wellbeing and goal orientation, we also need to be aware of the possibility that there might are some undiscovered basic assumptions. Thus, some further interviews could be needed to detect these additional assumptions that may influence diversity management.

The observed assumption of wellbeing is suggested to shape the employee's interests and mold them into a model according to social construction. The assumption of goal orientation is also suggested to have an impact on the diversity at Adidas with their unwillingness of learning from Reebok during the acquisition as evidence for this statement. These assumptions have been the underlying arguments for classifying Adidas as being in the maturity stage in Schein's *stages of group evolution*. Member differences are seen as a threat in this stage and it is difficult to manage and change employees' attitudes. One could argue whether Adidas is more suited to be classified as being in the second stage of the evolution, group building, since they have a tendency to think "we are a great group and we all like each other". However, the evidence of Adidas' strong belief in itself when joining with Reebok suggests that Adidas assumptions of the way to do things are deeply rooted and indicates that Adidas have reached a mature and somewhat static stage.

The absence of promoting dissimilarities among employees is inhibiting the progress of diversity management since I. Chavez & Y. Weisinger argues that it is important that each individual feels proud of his/her uniqueness⁶⁷. It may be beneficial to apply unlearning in order to enable the society of Adidas to accept doing things differently from the traditional way. On the other hand, there is a risk that the society of Adidas perceives this as something negative due to their stage, maturity stage, of the *group evolution*. However, the implementation of diversity management could be facilitated by the fact that there does not seem to be any strong social construction or assumption of what diversity is today at Adidas. The management team could therefore communicate the strategic value of diversity and constantly reinforce this and eventually transform it to an assumption that is taken for granted in the organization. The implementation of diversity management could become problematical though, since one interviewee stated that there is a tendency that an employee feels like one in the big crowd at Adidas. Thereby, one might not feel motivated to share ones uniqueness which would cripple the implementation of diversity management. On the other hand, openness is described as a rather strong value of Adidas which could facilitate the implementation by motivating the celebration of the "me" with the "we" and thus sharing ones uniqueness and contributing to a diverse society.

An addition discussion that arises is whether firms need some restrictions in their strategy for diversity management in the organization. The philosophy of diversity management is to appreciate and recognize the employees' dissimilarities, which is a rather loose definition. This case-study has found that some values and assumptions that may inhibit an increase in diversity might as well be difficult to eliminate. The study-object, Adidas, is currently in a dilemma

⁶⁷ Chavez, C. I., Weisinger, J. Y., (2008).

whether they have to eliminate their strong beliefs in sports and wellbeing since, being a global sports brand, these are basic building blocks in their business. The rationalization for having this restriction would be that the business context requires this limitation as sportsmen would have a better understanding of the customer requirements. Conversely, an argument for not having this restriction is that this would enable Adidas to recruit not sporty but competent business candidates who can contribute worthwhile perspectives to the organization. Lastly, another possible approach to this issue is to have different diversity management strategies for the different sections since they have different priorities in their basic recruiting requirements. Sportiness might not be a crucial characteristic for an accountant as competences in accounting may be more essential.

7. Conclusion

The aim with this thesis is to study an organization's culture in order to analyze how the cultural context could affect an implementation of diversity management. Moreover, the purpose is, based on the findings, to provide insights to other organizations about their cultural context and how it could influence their diversity management. We believe that a deep and comprehensive understanding in an organization's culture is a prerequisite to an efficient introductory of diversity management in an organization. Companies also need to have in mind that it might require an external help to conduct a cultural context investigation in order to obtain this understanding as people within a culture are often not aware of all the facets of their culture since they are actually being a part of it.

Nevertheless, our findings have shown that even though diversity is something discussed at work or a generally known subject, there might still be some deviating definitions about diversity since it is a rather loose notion in the society. It is therefore important for organizations before initiating a diversity management project to have a clear definition of what diversity is to them but also be able to argue and rationalize this definition. Additionally, organizations need to acknowledge that employees might feel uncertain with diversity, which is a common emotion during changes, and need assurance to feel comfortable in this change such as persuasions about the benefits and/or integrate them in processes by asking for feedback.

An organization needs to identify employees' values and underlying assumptions for an efficient diversity management planning since these different levels of culture require different approaches during changes where underlying assumptions need more efforts to change. Additionally, a firm needs to be aware of their position in the *group formation* since unlearning might be necessary if

the organization has reached the *maturity state*. As Tushman & O'Reilly claim, unlearning is actually a way to enable an organization to learn and change. A HR-manager needs to be attentive to the employees' attitudes towards their working processes as there might be a risk that they have formed beliefs in how things should be done which may inhibit a change process such as increasing diversity in an organization. This is especially applicable for organizations with a strong history of success where their experiences and the past good results have confirmed their reality of how works need to be done in order to succeed.

We believe that the many guidelines to a successful diversity management implementation could be helpful tools for companies that wish to increase diversity in the organization but they need to be aware of their shortcomings such as the lack of the cultural context perspective. An understanding of the organizational culture gives a firm better prediction of the possible attitudes and emotions in order to plan and manage these efficiently during the implementation.

Since this is an investigation of an organization that has not yet started their diversity management implementation (with the choice of study object rationalized in the introduction) this thesis could be viewed as an introducing study. It would therefore be interesting if there could be a future study of the outcomes when Adidas has ended their diversity project at the organization to provide further insights in this subject.

8. Appendix

Appendix 1

Interview Questions

Diversity

- What is your opinion of diversity?
- What is the purpose of working with diversity?
- What kind of diversity does Adidas want?
- Should Adidas work with Diversity?
- What are the outcomes of working toward diversity do you think?
- How can Adidas work toward Diversity?
- Do you think that there exist norms at Adidas that could hinder the implementation of Diversity?
- What benefits can you see from increased Diversity?

Culture

- What goals do you work toward at Adidas?
- Do you work toward the same or differing goals in your department?
- Do you think all share these goals?
- What purpose do you work towards?
- What do you think of that purpose?
- Can you relate to that purpose?

- How do you think it is to work at Adidas?
- How is the climate like?
- How is it like to express ones opinions?
- Is the door to the boss open or closed?
- Was the culture as you thought it would be when you applied here?
- Has your opinion of Adidas changed since you worked here?
- Could you describe a typical Adidas employee?
- How would you describe the culture you perceive at Adidas in a few words?

- Does the culture that Reebok had differ from the one at Adidas? How?
 - How do you think that the management team perceive the company culture?
 - Do you think that the culture the management teams perceive reflect the one you experience?
-
- What is the best or worst think working at Adidas?
 - How do you handle disagreements here at Adidas?
 - Are there conflicts?

9. References

- Andersen, Ib. (1998), *Den uppenbara verkligheten-val av samhällsvetenskaplig metod*. Fredriksberg: Samfundslitteratur. 1:1 1 Edition.
- Berger, P.L. and Luckman, T. (1967), *The Social Construction of Reality-a Treatise In the Sociology of Knowledge*. New York: Anchor Books.
- Brown, C., Cregan, C., (2008), "Organizational Change Cynicism: The Role of Employee Involvement", *Human Resource Management*, Vol. 47, No. 4, p. 672.
- Chavez, C. I., Weisinger, J. Y., (2008), "Beyond Diversity Training A Social Infusion For Cultural Inclusion", *Human Resource Management*, Col. 47, No. 2, p. 331-337.
- Eriksson-Zetterquist, U. and Styhre, A. (2007), *Organisering och intersektionalitet*. Malmö: Liber. 1:1 Edition.
- Huy, Q. N., (1999), "Emotional Capability, Emotional Intelligence, and Radical Change", *Academy of Management. The Academy of Management Review*, p. 342.
- Jacobsen, D.I. and Thorsvik, J. (1998), *Hur moderna organisationer fungerar*. Bergen: Fagbokforlaget. 3:1 Edition.
- Jayne, M.E.A., Dipboye, R.L., (2004), "Leveraging Diversity To Improve Business Performance: Research Findings and Recommendations For Organizations", *Human Resource Management*, Vol. 43, No. 4, p. 415- 419.
- Lorbiecki, A., Jack, G. (2000), "Critical Turns in the Evolution of Diversity Management", *Brittish Journal of Management*, Vol. 11, Special Issue, S17- S31, p. 17- 19.
- McGill, M.E. and Slocum, J.W. (1994), *The Smarter Organization-How to Build a Business That Learns and Adapts to Marketplace Needs*, Canada: John Wiley & Sons.
- Ofori-Dankwa, J., Reddy, S. (2007), "Diversity Management Using The Diversimilarity Paradigm: A Case Study Of A Major Mid- West Food Retailing And Distribution Corporation", Vol. 2, No. 2, p. 61.
- Schein, E. H. (2004), *Organizational Culture and Leadership*, San Francisco: Jossey- Bass A Wiley Imprint. 3rd Edition.

Tushman, M.L. and O'Reilly, C.A. (1996), "Ambidextrous Organizations: Managing Evolutionary and Revolutionary Change", *California Management Review*, Vol 38, No. 4, p. 18.

Wrench, J. (2007), *Diversity Management and Discrimination. Immigrants and Ethnic Minorities in the EU*. Hampshire: Ashgate Publishing Limited, p.3

