Trust and team identification at multicultural workplaces – Perceptions of Finnish HR professionals

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Tiivistelmä – Abstract

Growing global mobility has rapidly diversified workplace demographics across the world. Finland that has traditionally been considered a relatively uniform nation in terms of cultural and ethnic diversity has also experienced a shift in its population in recent decades. Despite the growing multiculturalism, established diversity management practices are yet to be developed in many Finnish organizations, and the subject has not gained much academic attention either. Still, competent intercultural leaders are often vital for both successful business results and for the well-being of their multicultural teams.

The aim of this thesis is to shed light on the current state of international human resources management at Finnish workplaces. Through generic qualitative approach and semi-structured interviews this study reports how 5 Finnish HR professionals from different sized organizations perceive and promote social cohesion in the form of interpersonal trust and team identification in multicultural work groups.

A narrative analysis of the collected data reveals that diversity management is not yet a well-established concept particularly at strongly results-driven workplaces with high power distance between the employees and the management. However, organizations where intercultural interaction is a considered more of an innate characteristic of every-day operations are more conscious of the value of a functional and attentive diversity management. The findings give an introduction to Finnish diversity management practices and could provide interesting point of views for example for small or start-up companies who do not have prior experience in managing a multicultural staff base. Still, further research is needed to study larges samples in order to produce generalizable data.

Asiasanat – Keywords

International human resources management, diversity management practices, multicultural teams, trust, team identity

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Tiivistelmä – Abstract

Maailmanlaajuisen liikkuvuuden lisääntymisen myötä työpaikkojen väestörakenteet ovat nopeasti monipuolistuneet ympäri maailmaa. Suomen väestö, joka on perinteisesti ollut kulttuurisesti sekä etnisesti suhteellisen yhtenäistä kansaa, on myös kokenut muutoksen viime vuosikymmenten aikana. Kasvavasta monikulttuurisuudesta huolimatta vakiintuneet monimuotoisuuden johtamisen käytännöt ovat vielä lapsenkengissään monissa suomalaisissa organisaatioissa, eikä tätä aihetta ole myöskään juurikaan tutkittu akateemisessa maailmassa. Pätevät kulttuurienväliset johtajat ovat silti usein elintärkeitä liiketulosten sekä monikulttuuristen työryhmien jäsenten hyvinvoinnin kannalta.

Tämä opinnäytetyö pyrkii valaisemaan kansainvälisen henkilöstöjohtamisen nykytilaa suomalaisilla työpaikoilla. Tutkielma tarkastelee yleiskvalitatiivisen lähestymistavan sekä puolistrukturoitujen haastattelujen avulla sitä, miten viisi suomalaista erikokoisten organisaatioiden henkilöstöalan ammattilaista hahmottavat ja edistävät sosiaalisen yhteenkuuluvuuden tunnetta monikulttuurisissa työryhmissä henkilöiden välisen luottamuksen sekä ryhmään samaistumisen kautta.

Kerätyn aineiston narratiivisen analyysin perusteella voidaan sanoa, että monimuotoisuusjohtaminen ei ole vielä vakiintunut käsite etenkään vahvasti tuloslähtöisissä organisaatioissa, joissa työntekijöiden ja hallinnon välillä on suuret valtaerot. Sen sijaan sellaiset organisaatiot, joissa kulttuurienvälinen vuorovaikutus on olennainen osa arjen toimintaa, tiedostavat paremmin toimivan ja huomioonottavan monimuotoisuusjohtamisen hyödyt. Tutkimustulokset esittelevät suomalaisia monimuotoisuusjohtamisen käytäntöjä, ja ne voivat tarjota mielenkiintoisia näkökulmia esimerkiksi pienille sekä startup-yrityksille, joilla ei vielä ole aiempaa kokemusta monikulttuurisen henkilöstön johtamisesta. Jatkotutkimus ja suurempi otanta ovat silti tarpeen yleispätevän aineiston tuottamiseksi.

Asiasanat – Keywords

Kansainvälinen henkilöstojohtaminen, monimuotoisuusjohtamisen käytännöt, monikulttuuriset ryhmät, luottamus, ryhmäidentiteetti

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1. INTRODUCTION

Due to globalization and mobility in recent decades, social diversity has increased within organizations and workplaces. Members of work teams are gathered from all over the world across different cultures to best meet the requirements of high innovativeness and performance of the modern world. Using a multicultural workforce has many advantages. Nowadays, cross-cultural collaboration is essential for a company to gain a competitive edge in the global marketplace, and diversity is more and more often linked to the strategic business plans (Agrawal, 2012). According to Viitala (2007), diverse work environments are considered innovative as they are introduced to a wider range of perspectives, ideas and procedures. Today the modern workforce consists of people with different appearances, attitudes, values and behaviors. In the past decades, this demographic diversity has become one of the most interesting topics to scholars (Pelled, Eisenhardt & Xin, 1999). Demographic diversity is here defined as the degree to which a group is heterogeneous regarding demographic attributes such as age, gender and ethnicity, as well as individual characteristics including idiosyncratic attitudes, values and preferences (Ely & Thomas, 2001; Pelled et al., 1999).

The increased multiculturalism poses new challenges for both the management and the employees. Pelled, Eisenhardt and Xin state that group members with different demographic backgrounds may also have dissimilar belief structures concerning priorities, assumptions about the future as well as divergent interpretations of tasks (Pelled et al., 2001). Also, despite the quick spreading of knowledge and cultural influences through media and tourism, a person coming from a different cultural background may still face strong prejudice and alienation. As reminded by Viitala (2007), a multicultural workplace doesn't develop itself, but needs conscious effort from its personnel to elicit its benefits. It must be noted that cultural diversity at workplaces can also refer to differences in organizational cultures. People, who transfer from one organization to another, may have been used to different operating models or have different expectations based on their experience in their previous workplace. However, for the purpose of this thesis, the focus will be on diversity regarding ethnicity rather than organizational cultures.

Differing appearances, cultural habits and values can have a deteriorating effect on group cohesiveness if they are not addressed properly. In order to succeed, the differences must be seen as assets instead of liabilities (Agrawal, 2012). Even though addressing cultural issues properly is important for group cohesiveness, the topic has gained little interest from researchers outside the US, and there is a severe lack of empirical evidence on management practices regarding it (Hooghe, Reeskens & Stolle, 2007; Joshua-Gojer, 2012; Letki, 2008). Several scholars (e.g. Louvrier, 2011; Scroggins and Benson, 2010; Sparrow, 2009) criticize that international human resources management as a general discipline lacks a common thread and coherent models, which severely hinders effective and unbiased management in multinational organizations. The used practices are said to mostly exclude non-Western values and therefore convey stereotypes without taking cultural differences and minorities into account. According to researchers who have studied this issue in Finland (Kaikkonen, 2010; Louvrier, 2011; Salo & Poutiainen, 2010), this is the unfortunate reality also in Finnish multicultural companies and organizations. They express concern towards the fact that Finnish managers seem to show little interest in acknowledging the increased cultural and ethnic diversity in Finland but continue to practice outdated human resources management methods that do not meet the requirements of the modern intercultural society.

Due to the relatively small amount of research and empirical evidence regarding the state of diversity management in Finland, this thesis aims to shed more light on general attitudes of intercultural managers towards the significance of intercultural cohesion in work teams. The managers' views on the application and the relevance of prevailing diversity management practices are also explored in order to see if the field is really in such a need of improvement as literature alleges.

Because the concept of social cohesion is a vast area of study, it would be impossible to cover all aspects of it in one thesis. Therefore, the focus has been narrowed down to concern only two interrelated dimensions of social cohesion: trust and team identity. In academic literature trust is often mentioned as one of the key elements of social cohesion, and it has a particular importance in intercultural contexts where it can be difficult to trust someone with differing appearances or ideologies. Trust itself is also a manifold interdisciplinary concept, and it is studied at many levels. In this thesis trust is studied at a group level by examining HR representatives' perceptions and experiences of building trust at the workplace as well as its implications for the general cohesiveness. Furthermore, it seems that often being able and willing to trust others is related to sharing the same identity, values and goals, which in turn increases the sense of togetherness and cohesiveness within a group (Tanis & Postmes, 2005). Therefore, this thesis studied the dialogue between building a collective team identity and forming trust in a multicultural work team, as well as explored the management practices and the nature of the local organizational communication. The research was conducted by interviewing human resources professionals of multicultural workplaces with Finnish origins. In the process, different perceptions on the managers' role regarding the importance of trust and a shared team identity were elicited and differing diversity management methods were uncovered. Although the sample size was rather small, the obtained data proved to be quite rich and an interesting illustration of the current state of diversity management in Finland. While the results partially support previous research, they also reveal refreshing new attitudes that can benefit future managers in their journey to become competent and effective intercultural managers in the modern diverse society.

2. TRUST

Trust is built in communication and it forms a base for all every-day interaction. It is an ancient concept that has been studied in various interdisciplinary contexts. Trust has a big impact on societal, political and economical issues as well as on interpersonal communication between individuals and groups, as it improves the quality of dialogue and discussion, which in turn enhances knowledge-sharing and strengthens committed relationships. Trust is also subjective, and people may have very different perceptions and expectations regarding it. Due to the disjointedness and complexity of the concept, trust can be difficult to define. Academic literature has often focused on the aspect of "who can be trusted" and "who trusts others" (Alesina & La Ferrara, 2002; Glaeser, Laibson, Scheinkman & Soutter, 2000). Trust has for example been understood as a personality trait, as a rational choice, as the predictability of others or as expectations for others' behavior and characteristics (Marila & Ylinen, 2002). So in short, there is no universally acknowledged definition for trust in academic literature. However, Rousseau, Sitkin, Burt and Camerer (1998) argue that there is a general agreement that trust enables collaboration, promotes adaptive organizational forms (e.g. networking), reduces conflicts and promotes effective solutions to crises. Blomqvist (1997) on her part describes trust as "allowing oneself to be in a potentially vulnerable position relative to another, while possessing some knowledge of the other that inspires trust in his goodwill, i.e. in his good intentions" (1997, 272). Laeequddin, Sahay, Sahay and Abdul Waheed (2012) have made similar notions and say that both a trustor and a trustee are needed to form a trust relation. A trustor places him or herself in a vulnerable and uncertain situation, while the trustee, in whom the trust is placed, has the opportunity to take advantage of the trustor's vulnerability. So, the concept of trust assesses both the trustor's willingness to trust as well as the actual trustworthiness of the trustee. In other words, for trust to exist there needs to be an element of uncertainty and risk as well as some information on the other.

According to Alesina and La Ferrara (2002), trust has three main factors. Those factors include individual characteristics (e.g. education, income, recurring misfortunes), belonging to groups which traditionally claim to have been discriminated against (e.g. women, African Americans) and the characteristics of the community. Uslaner (2002) argues that the ability to trust is learned in early socialization and that trusting other people is based upon a fundamental ethical assumption that other people share your fundamental values. Trust is also said to be manifested for example in impressions, self-disclosure, perceptions, beliefs and emotions (Harisalo & Stenvall 2001).

Trust is an umbrella concept, and it can be divided into many subcategories. In literature trust is often discussed in terms of either calculated decisions or human emotions. *Cognitive trust* represents the former concept, as is studied from a rational point of view, and it refers to relying on others' competence, credibility and reliability. It requires some information about the other party that is gained by observing their behavior. There is also an element of interdependence between the individuals. Cognitive trust is often mentioned when talking about *calculus-based trust*. This form of trust is typical in professional contexts, and it occurs especially in the early stages of interaction. Calculus-based trust is based on conscious and strict deliberation on whether someone is worthy of one's trust. (Huotari & Iivonen, 2004; Johnson & Grayson, 2005; Webber, 2008.)

Whereas cognitive trust is rather calculated and competence-based, *affective trust* is emotional-based, and it includes perceptions of caring, goodwill, altruism, commitment and mutual self-respect. (Huotari & Iivonen, 2004; Johnson & Grayson, 2005; Webber, 2008.) Even though cognitive and affective trust seem like two polar opposites, they can be related to each other. Often a relationship starts from cognitive, perceived trust, and gradually through time and experience evolves into affective trust (Erden & Ozen, 2003, 132). This thesis is based on two particular forms of trust that partially represent both cognitive and affective trust: value-based trust and identification-based trust. These two concepts are discussed in the following chapters.

While trust is often understood as calm and collected and as reliance to trustee's integrity, *distrust* - or sometimes referred to as *mis*trust - reflects the emotion-charged human survival instinct, a sense of readiness for danger and an anticipation of discomfort and punishment rather than rewards (Lewicki, McAllister & Bies, 1998; McKnight & Chervany, 2001a; McKnight & Chervany, 2001b). Lewicki and associates, who are considered the "fathers" of trust research, have defined distrust-related behavior as not voluntarily depending on others and having a feeling of relative certainty of negative consequences. Liu and Wang (2010) add that distrust is different from low trust in that it emphasizes negative expectations rather than the absence of positive expectations.

Traditionally distrust is often treated as the mirror opposite of trust. However, in recent literature trust and distrust are not understood as polar opposites - as the "good" and the "bad"- of the same conceptual spectrum, but as separate and qualitatively different constructs that can co-exist. Liu and Wang (2010), for example, argue that the elements contributing to the growth and decline of trust and distrust are often separate but can exist simultaneously in a person (e.g. trusting in someone's competence but doubting their motives for doing something). McKnight and Chervany (2001b) also agree on the coexistence of the two, and claim that distrust is used as a backup mechanism to reach desired results when trusting and hoping for them is not enough. Lewicki, McAllister and Bies (1998, 439) have also provided definitions for trust and distrust that use virtually the same terms. They define trust as "confident positive expectations (i.e. belief in virtuous intentions) regarding another's conduct" (i.e. another's words, actions and decisions) and distrust as "confident negative expectations (i.e. fear of sinister intentions) regarding another's conduct". The former also refers to the willingness to act on the basis of others conduct, while the latter refers to the desire to protect oneself from the effects of another's harmful conduct. According to Lewicki and associates, both these concepts involve movement towards certainty (things hoped for and things feared).

There are several factors that may cause distrust that develop through a person's experiences with others in multiplex situations such as favoritism, spreading rumors, lack of openness, inconsistency between words and actions and general injustice (Harisalo & Stenvall, 2004). Vanderbilt, Liu and Heyman (2011) also remind that people may lie to promote their own interests or otherwise do not communicate their knowledge accurately.

Distrust is often detrimental to the building of social interaction as it makes people fear arbitrary action, betrayal and coercion. Naturally, people who have previously acted deceptively are less likely to be trusted in the future. Distrust typically leads to inefficiency, passivity, evasion, difficulties in resolving conflicts and lack of cooperation. Other distrust-related behaviors include information distortion, controlling and formal agreements (to prepare for possible legal repercussions), not accepting influence, not granting autonomy and no business transacting. Having distrust also causes people to have fewer positive interactive experiences that could correct their initial (erroneous) distrust. (Bigley & Pearce, 1998; McKnight & Chervany, 2001a.) Fang and Chiu (2010) state that without trust, people keep their knowledge and experiences to themselves and do not go through the trouble of sharing with or learning from others.

2.1. Value-based trust

In order to narrow down the focus of this thesis, the concept of trust will be studied from two different points of view: *value-based trust* and *identification-based trust*. This chapter will focus on the former. Values are important beliefs and ideals that guide one's behavior and attitude based on what is desirable or undesirable - or "good" and "bad". In academic literature values are defined as desirable states, objects, goals and behaviors, and they can be either individual's fundamental beliefs or shared by a group reflecting preferred ways to perform individual and groups tasks. (Cazier, Shao, & Louis, 2006; Cazier, Shao, & Louis, 2007; Posner, 2010). Posner (2010) further elaborates that values exists in many levels such as personal, professional, organizational and societal levels. According to him, values cannot be seen but they provide the foundation for one's actions, and manifest themselves in opinions, fears, attitudes, preferences etc.

It is said that the more similar our values are, the easier it is to trust the other. According to Cazier, Shao and Louis (2006, 2007), value-based trust refers to the sense of shared commonality and values that one has with other parties. This sort of trust results from (seemingly) similar ethnicities, backgrounds and experiences. When a person feels that the other party has similar values - but not necessarily identical ones - and thus similar motivators behind their ideas, one tends to more willingly disclose and share information and cooperate with the other as they seem to be working towards the same goal. (Cazier et al., 2006; Cazier et al., 2007.) Researchers widely agree that individuals often perceive outsiders as less trustworthy, and that failing to combine different sets of values can lead to consequences such as lack of commitment, dissatisfaction, suppressed motivation, stress as well as increased number of relationship and task conflicts. Conversely, shared values have been reported to enhance group performance, outcomes, satisfaction and supportiveness and reduce group conflicts. The latter can be explained by the fact that people with similar values more likely agree on group actions, interpret and resolve problematic situations in similar ways and identify with one another more easily. (Cazier et al., 2006; Cazier et al., 2007; Jehn, Chadwick, & Thatcher, 1997; Posner, 2010.) The relationship between value congruence and team identification especially is an important aspect of this thesis as well, and it will be dealt in more detail in the following chapters.

It is worth mentioning that value congruence is always perceived and contextual. It is very much felt on a personal and emotional level, and it is not necessarily scientifically definable. According to Jehn and associates (1997), conflicts, for example, are often irrelevant to the task in question but more likely caused by visible demographic characteristics than actual informational demographic characteristics. People tend to be attracted to others similar in e.g. appearance, as they are assumed to be more trustworthy and easier to communicate with (Jehn et al., 1997). This kind of reasoning is often met especially in intercultural situations and therefore provides an interesting viewpoint for this study as well.

2.2. Identification-based trust

In addition to value-based trust, another form of trust relevant to this thesis is identification-based trust. This thesis will focus on that concept especially from the viewpoint of team identification, which will be more thoroughly discussed in the following chapter. According to academic literature, identification-based trust is derived through empathy, and it is based on mutual identification of other's needs and desires and shared values and goals. Identification-based trust allows different parties to be aware of each other's intentions and effectively act in favor of others while being confident that their own interests are protected. (Hernandez & Santos, 2010; Laeequddin, Sahay, Sahay, & Abdul Waheed, 2012; Mládková, 2011; Scarso & Bolisani, 2011; Van de Walle, 2010.)

Identification-based trust is often said to be the third and final level of a gradual trust development. The first level is sometimes referred to as calculus-based trust (Hernandez & Santos 2010; Lewicki & Bunker, 1995) in which trust is rather calculative and fragile in nature. In this stage people feel that there is a risk factor and choose to act and disclose information in a way that maximizes their benefits. Sometimes calculus-based trust is replaced with the concept of deterrence-based trust which is based on fear of retaliation if the trust is violated. Here, the individuals act in accordance with what they say because they are afraid of a possible punishment in case a consistent behavior is not maintained. (Bello, 2012; Shapiro, Sheppard, & Cheraskin, 1992.)

The second stage on the trust development scale is knowledge-based trust (Hernandez & Santos, 2010) which is achieved once an interactive and informative relationship has already been established and others' behaviors are somewhat predictable.

The ultimate stage of trust, identification-based trust, is achieved once a relationship has fully developed and reached maturation, and the interpersonal trust level is at its highest (Han & Harms, 2010). Unlike calculus-based and knowledge-based trust - which are cognitive in nature - , identification-based trust is said to be very much emotional and exists because the parties effectively understand and, above all, share the other's wants, needs, choices and preferences. This sort of identification and responding to other's needs enables individuals to empathize with others and form a collective identity. (Han & Harms, 2010; Laeequddin et al., 2012.) However, as Van de Walle (2010) along with Pirson and Malhotra (2011) point out, a stable identification-based trust is limited to only a few close relationships, and it is developed very late in a relationship over a long period of time. Scarso and Bolisani (2011) concur with this statement, and remind that one needs to be able and willing to cultivate personal relationships and have the courage to disclose personal information without the fear of being betrayed to reach this stage of trust. Here communication abilities and some elements of psychology are essential. Hernandez and Santos (2010) call this stage an environment of unconditional trust.

2.3. Trust in multicultural groups

It has now been established that trust is vital in achieving willingness to engage and share knowledge in teams and organizations. Trust is important for any group's success but one could argue that they play an especially vital role in multicultural teamwork where uncertainty and risk are enhanced due to cultural differences. As industries are becoming global and aiming for innovativeness and high-performance, members of work teams are gathered from all over the world across different cultures. Group members with diverse cultural backgrounds may also have dissimilar belief structures concerning priorities, assumptions about future as well as divergent interpretations of tasks. For them to succeed in today's competitive market, trusting relationships are a must, for the lack of them is likely to lead to botched communication, cultural misunderstandings and even failed business results.

Trust is said to be more difficult to foster in culturally heterogeneous societies because people there do not necessarily share the same mental models that enable mutual understanding and are therefore likely to interpret situational events and management practices in different ways. Such variations can potentially lead to group conflicts and low levels of integration and interaction. (Hooghe, Reeskens, & Stolle, 2007; Lowry, Zhang, Zhou, & Fu, 2010). Related to this issue, Kim (2001) brings up the point of ethnic proximity, according to which we are more likely to develop trust in those who resemble us either externally (appearances) or internally (i.e. values, ideologies). This notion is supported by Hooghe, Reeskens and Stolle (2007) who suggest that diverse societies with a strong sense of hostility and ethnocentrism toward outsiders will have more difficulties in achieving cohesion among its members. Similarly, Alesina and La Ferrara (2002) agree with the interrelation of ethnic proximity and trust, and link the low level of trust in racially heterogeneous communities to strong rejection of racial integration. They call this phenomenon the natural aversion to heterogeneity. Leigh (2006) also agrees that there is a link between diversity and lack of trust. However, instead of explaining it by differences in ethnic heritages, she says the main reason lies in linguistic heterogeneity and the lack of communication competence. The effects of the similarity-attraction are often associated with the surface-level aspects of culture (e.g. ethnicity, sex, age) which often manifest themselves in stereotypes. However, once group members interact and form interpersonal bonds with one another, these stereotypes are eventually replaced by more accurate information and knowledge of others as individuals and develop into interpersonal trust. Such trust enables a better understanding of deep-level aspects of culture (e.g. values, attitudes), which in turn increases effective communication, group cohesiveness and willingness to take in different perspectives while reducing prejudice and conflict. (Harrison, Price, & Bell, 1998; Stahl, Mäkelä, Zander, & Maznevski, 2010.)

In academic literature, the individualism-collectivism dichotomy has been used to explain cultural differences in establishing and fostering interpersonal trust. Several scholars propose that individualists in comparison with collectivists are less likely to trust within groups in general. Lowry, Zhang, Zhou and Fu (2010) along with Huff and Kelley (2003) attribute this difference to the claim that individualists are more calculative and less willing to cooperate and depend on others because their cultures are task-oriented rather than relation-oriented and ties between people are loose while individual freedom is valued over collective goals. In contrast, collectivistic cultures highly value group balance and harmony at the expense of individual gain and manifestation in fear of being isolated. However, Lowry and associates continue that individualists actually prevail over collectivists in trusting members of culturally diverse groups as they do not value in-groups based on cultural proximity as much as collectivists.

One common challenge, that globalization presents for interpersonal relationships and organizational performance is the increasing use of virtual teams. Moving group work to an online setting is obviously cheaper, more flexible and less time consuming as it does not require a physical location nor the physical presence of participants, and it allows organizations to look for talent across the globe. However, virtual work has its drawbacks also. Although a rather recent issue, virtual group work has gained a fair amount of research. Fang and Chiu (2010) remind that trust is particularly important but also more difficult to establish online. Nonetheless, it is crucial for virtual team functioning and enabling relationships between spatially and temporally dispersed people. Gibson and Manuel (2003) add that collective trust increases confidence and a sense of security in such relationships and promote open exchange of information as well as reduce conflicts. Lowry and associates (2010) go as far as suggesting that face-to-face relations are irreplaceable for building and repairing trust. According to them, a virtual team consisting of several cultures results in lower levels of interdependence - as in homogeneous groups it is easier to share information, and they are therefore more interdependent -, which reduces trust.

One particular challenge that virtual groups have to overcome is the lack of face-to-face communication which can become a problem especially when the group involves members with differing communication styles. Efficient communication requires that teammates communicate so that nothing is missed or misunderstood. Due to the fact that much information is transmitted non-verbally, electronic communication may have a negative impact on message understanding as there is low level of social presence and direct observation and monitoring of team members is impossible. Therefore, important interpersonal cues such as warmth, attentiveness and trust are eliminated. The lack of physical interaction can also become a source of social isolation as the workplace is also the place for meeting co-workers with whom one traditionally spends much time socializing. Such absence of bonding, friendships and get-togethers may cause stress and loneliness in an individual.

There are also cultural differences in, for example, the directness of speech and the contextual importance of the message. (Gibson & Manuel, 2003; Lowry et al., 2010.) One could imagine an American writing a straightforward e-mail that a Japanese might find impolite or even rude. Or the vagueness or over-politeness of a Japanese might cause an American to think that everything is fine when in fact everything is not fine. One can only imagine the impact of such different communication styles on virtual group work when they cause conflicts and misunderstandings even in face-to-face communication.

What can then be done to ensure trust in a multicultural group? Not surprisingly, good interpersonal skills, mutual respect and seeing differences as assets instead of liabilities are recommended (Agrawal, 2012; Ochieng & Price, 2010). Gibson and Manuel (2003) emphasize the importance of effective, open and prompt communication as it provides a basis for continued interaction and development of common norms and values as well as shared identities. It is through communication that the personalities of team members are revealed and interpersonal bonds are created. As strategic tools in overcoming intercultural communication barriers regarding trust Gibson and Manuel recommend supportive and resolving communication climate, active listening to ideas as well as properly decoding and responding to them. Ensuring and maintaining equality, fairness and sense of procedural justice also goes a long way in increasing trust. In addition, even though it is not unusual to introduce a common organizational language, Lauring and Selmer (2010) caution that such practices may simultaneously generate smaller language-based networks among its speakers in multilingual organizations, which could then damage intercultural trust and create group conflicts.

It is important to keep in mind that the eroding effect of cultural diversity on trust discussed in this chapter is mixed and largely confined to American examples. Often these negative results are gained from collecting data in immigrant neighborhoods and in low income contexts. Therefore, these negative implications of diversity for trust do not necessarily hold true in other environments such as at multicultural workplaces - the foci of this thesis -, where people usually have some form of education, speak the common language at least to a certain degree, and are there voluntarily.

3. TEAM IDENTIFICATION

In many modern workplaces, teams have become an increasingly common choice of work unit, as they improve the overall creativity, efficiency and quality by providing diverse skills and talents for the task. Teams are nowadays vital for the survival of organizations because technologies and markets change rapidly, and those changes need to be addressed quickly. Furthermore, working in teams serves a social purpose as well, as identifying as a member of a given team satisfies the basic human need of belonging and wellbeing. Yet, it takes much consideration and research to understand how to develop a well-functioning team unit. While teamwork has its undisputable benefits, it also entails various potential problems. Every time when people from different backgrounds are put together, the likelihood of conflicts and other complexities increases, which can be detrimental to the efficacy and outcomes. Professional teams are no exception to that phenomenon. Therefore, it is up to the management along with each member of the team to ensure that despite demographic or professional differences, they are able to overcome any obstacles thrown at their way and come together as a tight cohesive unit. Forming and cherishing a common identity is one of the most fruitful methods to achieve that kind of steadiness.

Identity, in general, refers to person's self-concept that can be sectioned in various sub-identities depending on the context. Classically, one's identity is discussed in terms of personal (identification with roles and attributes) and social (category and group memberships) identity (Obschonka, Goethner, Silbereisen, & Cantner, 2012). Here, the relevance is on the latter, which has gained much academic attention, and it has been widely studied under the popular *social identity theory*. As reminded by Fishbach, Henderson and Koo (2011), social identity is not a solid but a contextual concept, and it typically adapts to diverse situational cues (e.g. group goals instead of personal goals, intergroup conflicts and intergroup competition). With respect to the social identity theory, literature suggests that there is a three-dimensional model to analyzing team identification that looks at the building of cognitive, emotional and behavioral bonds between an individual and a team (Desivilya, Somech, & Lidgoster, 2010; Van Der Vegt & Bunderson, 2005). A collective team identification has for example been defined as "the emotional significance that members of a given group attach to their membership in that group" (Van Der Vegt & Bunderson, 2005, 533), or "how team members consider team goals as their own and feel psychologically intertwined with the group's fate" (Han & Harms, 2010, 21). In other words, identifying oneself as a member of a team is emotionally significant as it forms a sense of oneness and belonging with those who we categorize as part of ourselves (Desivilya et al., 2010; Somech, Desivilya, & Lidogoster, 2009). It is clear that out of the three elements mentioned above regarding the construction of a collective team identity, the emotional aspect of it seems to carry the most meaning.

The beneficial and manifold effects of team identification are widely reported. First, it has been shown to positively influence job motivation (Desivilya et al., 2010; Fishbach et al., 2011), work attitudes and behaviors and professional outcomes such as team performance, job satisfaction, decreased turnover and employees' organizational citizenship behavior (Han & Harms, 2010). Second, cooperation, harmonious relationships, solidarity and trust among group members are furthered, because a shared group identity minimizes the chance of sub-group categories, cliques and negative biases (Bezrukova, Jehn, Zanutto, & Thatcher, 2009; Hobman & Bordia, 2006) and reduces the willingness to exploit teammates for personal gain by promoting win-win strategies instead (Somech et al., 2009; Van Der Vegt & Bunderson, 2005). As the common saying goes, there is no "I" in team. Team members who identify themselves with each other are more likely to exert effort and share skills and information because the team's success or failure becomes their own personal interest (Han & Harms, 2010). Emphasizing common goals and cultivating a sense of "we" instead of "I" is particularly important in conflict situations, when viewing a conflict as a joint problem that affects everybody and needs common consideration and solution enables team members to make better decisions and improve performance. Competitive approaches instead of cooperative ones are to be avoided as they lead to close-minded discussions and imposed solutions. (Somech et al., 2009.) Universally effective ways to enhance team identification are of course open communication and frequent interaction among team members.

Several scholars put special emphasis on the responsibilities of the management in embedding a shared identity among its employees. These responsibilities call for creating a supportive environment for the teams by providing adequate managerial support (e.g. encouragement, resources and information) and training for technical and team skills. It is also recommended to give teams some degree of autonomy, independence and self-management as well as an opportunity to participate in decision-making processes. Such actions increase involvement, commitment, and a sense of belonging, which lead to a higher level of team-identification. Additional importance is put on managers' role in monitoring team progress and processes and giving feedback on a regular basis to both individuals and the team as a whole. (Baiden & Price, 2011; Campion, Papper, & Medsker, 1996; Desivilya et al., 2010.) Regarding the aspect of belonging, a socialization process should be started immediately upon the arrival of new team members, as socialization is likely to increase team identification and the acquisition of group norms which does not happen automatically but requires conscious efforts from management). From a practical point of view, this means introducing the newcomer to the local organizational practices, norms and values through participation and activities that serve to increase their sense of identification with the organization. (Bhattacharya et al., 1998; Livingstone, Haslam, Postmes, & Jetten, 2011.) More information about the management's involvement in implementing team identification is found on chapter 4 that discusses the nature and tasks of international human resources management and diversity management.

Finally, it is evident that team identity and interpersonal trust are strongly intertwined. Chattopadhyay and George (2001) define trust in peers in a teamwork context as employee's expectations regarding the behavior of their work-group peers so that those who they trust will reliably support processes that help them and oppose processes that will harm them. Han and Harms (2010) state that for a shared team identity to exist, team members must view others as in-group members. As it was established earlier in this thesis, the co-existence of differing values and norms and the distinction between " us" and "them", which is a common occurrence (but by no means limited to it) especially in a multicultural setting, can be a significant source of lack of interaction and communication, conflicts and mistrust. Therefore, a division into in-group and out-group members in a single team unit makes the building of a common identity very difficult if not impossible. The dilemma here is that while shared identification is needed to establish trust, similarly trust is needed to support identification. It is a classic case of which came first, the chicken or the egg. However, what is important is not which is established first, trust or identification, but how to enhance the development of either one. Once one of those two concepts is acknowledged and nurtured, the other one is more likely to follow. Nevertheless, it should not be left up to fate but there are concrete ways and practices to cultivate both trust and team identification at a group level.

3.1. Team identity in an intercultural context

As the number of multinational organizations increases and multicultural teams (MCTs) have become more or less the prevalent work unit, the challenge now is to make these teams as effective as possible. The diverse nature of such groups can either be an asset or a hindrance depending on how it is addressed. It can be argued that whenever a team is formed, it inevitably presents a cocktail of cultures. Even within a same culture, there is a variety of personalities, ideologies and behavioral models. Also, whenever employees transfer from one organization to another, they are exposed to perhaps a completely new organizational culture and practices. However, unlike a group consisting of members who are somewhat accustomed to the same (ethnic) culture and cultural meaning system, MCTs encounter a mosaic of cultures that generally experience a lower level of social integration (Stahl, Mäkelä, Zander, & Maznevski, 2010), and complicate the shared understanding and their ability to correctly interpret the behavioral responses of other team members (Shokef & Erez, 2006). Nevertheless, if handled correctly, people with different cultural views can complement one another and make the team more efficient and productive by providing alternative practices and ways of thinking. As discussed in the previous chapter, forming a shared team identity is a useful method in bringing the group together. In the case of MCTs, promoting team identification can also mediate and minimize the negative effects of cultural dissimilarity.

According to Van der Zee, Atsma and Brodbeck (2004), on their way to become efficient, groups first proceed from high member uncertainty to eventually developing common norms and goals and sharing information. They say that this phase can only be reached once a common social identity is formed. The view that in order to be effective, team members to see themselves as a unit with common goals, values, and norms, is widely shared along with that any obstacles created by diversity (e.g. lack of cooperation, distrust etc.) must be overcome if the team wishes to obtain its maximum benefits. (Eckel and Grossman, 2005; Hobman & Bordia, 2006; Shokef & Erez, 2006.) This case begs the obvious question: what measures can then be taken to glue global MCTs together beyond cultural boundaries? Based on research, the frequent answer seems to lie in promoting an organizational culture, a.k.a. a third culture, a hybrid culture or team synergy. For example, Shokef and Erez propose a macro-level meaning system of a global work culture which they define as “the shared understanding of the visible rules, regulations and behaviors, and the deeper values and ethics of the global work context, that is formed outside of the level of national cultures binding members of multicultural teams” (Shokef & Erez, 2006, 325). This system is said to decrease the variability of values and behavioral patterns as it conveys task knowledge, trust, mutual respect and cooperation, and it develops through socialization and interaction between team members in response to common goals. Promoting a shared organizational culture finds support in several scholars including Hobman and Bordia (2006), who have found evidence of its mitigating influence on the harmful effects of diversity when made more salient than individual differences. As it was discussed in previous chapters, the division into in-group and out-group members based on demographic differences can be a particularly detrimental - yet not at all uncommon - factor potentially causing decreased cohesion and a sense of exclusion in MCTs. However, when team members spend time and get to know each other, stereotypes and other cultural prejudices start to fade, and they are replaced by a more accurate understanding and mutual trust (see surface-level differences versus deep-level differences in chapter 2.3.). Similarly, after continuous interaction among work group members a common identity starts to form and eventually overrides these separate demographic subgroups by making everyone a member of the one salient in-group. (Eckel & Grossman, 2005; Hobman & Bordia, 2006; Van Der Zee et al., 2004.) Therefore, team identification and sharing the global work culture have an affirmative effect on a person's sense of belonging and self-esteem, which consequently also improves the performance of MCTs.

As a person starts to identify him- or herself as a part of a multicultural team, they develop what is called *a global identity.* This identity reflects the sense of belonging to a global work environment and the awareness of one's role in it. Global identity is thus closely linked to global work values. This relationship is reciprocal in nature, in a way that as global identity endorses global work values (e.g. intercultural cooperation and openness), these values, in turn, contribute to the forming of global identity. (Erez, Lisak, Harush, Glikson, Nouri, & Shokef, 2013; Shokef & Erez, 2006.) Establishing a global identity and adopting global work values is not a straightforward process, and it is influenced by team members' personal cultural backgrounds. When mirrored against Hofstede's cultural dimensions (Hofstede, 1984), for example people with backgrounds in collectivistic cultures may find accepting new norms and values more difficult than people with individualistic backgrounds because belonging to an "outside"-group may compromise their own group membership. Similarly, in highly hierarchical cultures people are less willing to deviate from customary norms. (Shokef & Erez, 2006.) So, the emergence of global identity along with the disposition to adopt global work values are intertwined with one's ability to acculturate to a culture different from their own (Nguyen & Benet-Martinez, 2010; Shokef & Erez, 2006). According to Berry's acculturation model, acculturation is a process of cultural and psychological change that follows intercultural contact. It involves a dialogue between the willingness to maintain one's original cultural identity and the willingness to become involved in other cultural groups. This acculturation space is created in four sectors: assimilation (preference in becoming a member of new society with little interest in original heritage), separation (own heritage important with no interest in others), marginalization (unwillingness to engage in either own or other culture) and integration (desire to both maintain own heritage and become involved in new society). (Berry, Phinney, Sam, & Vedder, 2006.) As with acculturation in general, out of these four endpoints, integration has provided the best results in adapting to a global workplace and acquiring a global identity. As covered earlier in this thesis, a person holds multiple identities, and depending on the situation the relevant identity becomes more salient. Therefore, one's local and global identity can also co-exist simultaneously without competing with each other. In fact, MCTs have proven to be more successful when they aspire to maintain cultural diversity. These "glocal" identities enable people to shift from an intercultural context to a local context without difficulties. (Shokef & Erez, 2006; Van Der Zee et al., 2004.) A glocal identity widens an individual's range of inclusiveness because it allows them to belong to a multicultural in-group without having to abandon their own cultural background (Arnett, 2002; Erez, Lisak, Harush, Glikson, Nouri, & Shokef, 2013).

Creating and promoting multicultural team identification does not happen automatically, and it plays a crucial role in the management of cultural diversity. In order to effectively manage MCTs, every multinational organization must have an up-to-date international human resources department and practices. The following chapter will focus on this very issue.

4. DIVERSITY MANAGEMENT

Diversity management is a part of a broader field of international human resources management (IHRM) which broadly defined focuses on how organizations manage people across national and cultural borders and acknowledge and respect the challenges and the opportunities they provide. There are several other dimensions to diversity as well including age, gender, language, religion, sexual orientation and disabilities. And while the original focus of diversity management was on problems and individual differences between different age groups and sexes, nowadays it is more about developing efficient relationships between different ethnic and cultural groups as well as addressing individual differences such as abilities, education and personal background (Kelly & Dobbin, 1998). Thus diversity management is an important part of international human resource management whose goal is to create interpersonal respect and improve both individual well-being and business image and productivity. Efficient diversity management creates a so-called third culture by creating a balance between the organizational culture, new work methods and procedures as well as the values and demands of a multicultural staff. In recent decades diversity management has become even more relevant because of aging workforce and increased international mobility which set new challenges to leading, functionality and practical arrangements at work places. International companies benefit greatly from the knowledge, experiences and perspectives that a global talent pool provides if managed properly. (Shin & Park, 2013.) Nowadays, in the climate that calls for tolerance and equality, promoting diversity is also a competitive edge for companies and a way of enhancing their image. The European Diversity Awards (EDA) - also called the “Oscars of diversity – that were first launched in 2010 celebrates organizations and individuals that recognize diversity in all its forms. It is a coveted honor (and an effective way to get instant media coverage) for companies to be nominated in the various categories – including for example Diversity team of the year - of this prestigious annual event. (European Diversity Awards.)

4.1. The background of diversity management

There are somewhat mixed perceptions about when the concept of diversity management was first created. The origins of the concept can be traced back to the 1960's United States when the emergence of societal changes and new equality laws began to enhance ethnic minorities' and women's position in the labor market (Kelly & Dobbin, 1998). Europe was later introduced to the concept through global companies. Lorbiecki and Jack (2000) on the other hand say the term diversity management was first used and brought to human resource managers' attention in the report Workforce 2000 published in 1987 by the Hudson Institute - a report predicting that American labor force would be highly demographically diversified by the year 2000. Diversity management since became the "politically correct" choice required to meet the demands of the global market and gain a competitive edge.

According to several scholars, since its birth in the mid-1980s and early 1990s the field of IHRM has become rather fragmented and it lacks a clear discipline. Sparrow (2009) criticizes its abstract and rambling theories and calls for a stricter research emphasis as well as a deeper understanding of effective management of multinational organizations. Scroggins and Benson (2010) on their part debate whether universal human resource management rules and practices should be created or should they be tailored to suit each intercultural contact. The authors are concerned that due to the rather young theoretical background of the discipline, IHRM uses cultural models that are based on Western values and are therefore not necessarily suitable for other cultures. Still, even though it does not have a straightforward research paradigm, diversity management as an academic discipline has often been studied under three recurring categories: cross-cultural management (e.g. internationalization processes and expatriate management), cross-cultural comparisons of management practices and international human resource management

(management in specific countries within the domain of international management). (Sparrow, 2009.)

4.2. The tasks and nature of diversity management

IHRM and diversity management share many commonalities and dimensions with traditional human resource management (HRM) (e.g. planning and staffing) but it operates on a much larger and complex scale. As IHRM works across national boundaries, there is obviously a need for a broader perspective and appreciation of cultural differences. It must manage relations with host governments around the world and have an extensive knowledge about various administrative services such as international taxation and social security issues. Compared to HRM, IHRM is also more involved in employees' personal lives and family situations as international workers need more attention than domestic workers. It is often the responsibility of the management to take care of the practicalities regarding expatriates for not only the employee but for all family members relocating as well. Such practicalities include for example organizing and arranging travel details, accommodation, pre- and post-departure training and orientation, schooling, medical care, repatriation orientation etc. The way an organization handles these proceedings has a considerable impact on the employees' willingness to either relocate or to stay in the company after the job is done. For example, in the selection of international workers and expatriates, while occupational qualifications are important, the recruitment process should be viewed in a more holistic manner. Diverse communication and adjustment skills as well as high tolerance for stress, emotional and cultural intelligence are desired in an efficient expatriate. As mentioned, for the assignment to be successful, it is necessary to also ensure the functioning and well-being of the whole family. It is not uncommon that an international assignment has failed because the spouse has not adjusted well to the new surroundings. In the past, often only the departing employee was interviewed and provided tailored training. However, nowadays many organizations fortunately pay much more needed attention also to the spouse and children and to their role in the whole picture. Still, it is reported that regardless of the importance of both pre- and especially post-departure training of expatriates and their families, it is surprisingly lacking or sometimes even downright ignored by several companies or performed by using universal models instead of culture specific ones. (Brown & Martindale, 2012; Joshua-Gojer, 2012; Stahl, Chua, Caligiuri, Cerdin, & Taniguchi, 2009.) Sparrow (2009) however points out that while expatriate training is undoubtedly important, it sometimes gets too much attention and tends to steal focus from the wider range of international employees (e.g. various short-term assignees) - a group relatively little studied and whose experiences are often forgotten. Another important task of IHRM that should not be overlooked is to prepare domestic employees to successfully face new intercultural contacts and possible cultural differences. (Dowling, 2008; Joshua-Gojer, 2012; Scroggins & Benson, 2010; Sparrow, 2009.)

The department of IHRM itself is not exempt from further developing itself and its practices either but should undergo a continuous learning and adaptation process. Literature on the subject strongly recommends the implementation of formal diversity education and training programs for managers to attend already in business schools as well as in global organizations. Such programs should promote hands-on experience in working different multicultural settings, foster trust, increase social consciousness, provide a safe communication climate, ensure the incorporation of diversity management as an integral part of the overall organizational development and emphasize the importance of management responsibility and accountability. (Erez et al., 2013; Shin and Park, 2013.) When it comes to training, although there is no straightforward model for a good global leader, based on their empirical research on employee-leader relationship, Nichols and Cottrell (2014) have come to the conclusion that certain traits – most importantly intelligence and trustworthiness – are universally desired in all leaders. The authors claim that job satisfaction and job commitment are strongly linked to how much employees like their supervisors' personalities, and that discrepancies between expected and actual traits may lead to negative organizational outcomes. For that reason Nichols and Cottrell strongly recommend that organizations focus on trait desirability and fitting personalities by consulting with employees in leader selection and promotion as well as in leadership training. Still, due to the manifold and specific nature of the responsibilities of diversity management, there are certain expectations of intercultural leaders that must be met in order to achieve successful results from a multicultural group. Therefore, even more special attention should be put to the hiring and the selection of such leaders. There is some consensus on what qualities a leader responsible for diversity management should have. Current IHRM research focuses on having a better understanding of the skills that are needed to communicate and function effectively in a multicultural environment. Sparrow (2009) makes a notable point that mere international experience is not enough to make good global leaders. His notion gets support also from Joshua-Gojer (2012) and Winkler (2011), according to whom having emotional intelligence (i.e. empathy, self-awareness and such) surpasses the need for actual intercultural knowledge in intercultural adjustment. Sparrow on his part stresses the importance of having social, political, human and cultural competencies. According to him, social capital leads to trust as it helps to build and meld the many cultural norms. Political capital - including reputational (e.g. known to be efficient) and representative capital (the capacity to effectively build constituent support and acquire legitimacy by using traditional forms of power) - on the other hand leads to legitimacy. Human capital leads to competencies and cultural capital leads to social inclusion and acceptance. (Sparrow, 2009.)

4.3. Current state of diversity management in Finland

Up until recent decades, Finland - undoubtedly due to its small size and remote location - has been a relatively homogeneous country in terms of cultural and ethnic diversity. It was not until the 1990's that Finland first started to experience wide scale immigration that brought along masses of foreigners most of whom were immigrants from the collapsed Soviet Union and refugees escaping from the turmoil of Somalia and former Yugoslavia. Nowadays Finland is experiencing a very similar situation as the current Syrian crisis has multiplied the average annual number of asylum seekers. According to the Finnish Immigration Service, in 2015 Finland received a total of 32 476 asylum seekers. The majority of them came from Iraq (20 485), Afghanistan (5 214) and Somalia (1 981). Occupational migration on the other hand started to increase in the 21st century due to the free labor mobility policy for European citizens implemented by the European Union, and work-related residence permit applications have since tripled. (The Family Federation of Finland.) In 2015 the number of foreigners permanently residing in Finland was 231 295, most of whom were from Estonia (50 492), Russia (31 069), Sweden (8 291), China (8 140), Somalia (7 475) and Thailand (7 418). In addition to the official and registered immigrants, there are thousands of temporary foreign workers in Finland every year including expatriates, seasonal workers (e.g. Thai berry pickers) and agency workers (e.g. Estonian construction workers). There is, however, no reliable information available on the exact number of such workers as the records - if they exist in the first place - are dispersed in the government registries. Nevertheless, the amount of especially the temporary foreign workers is expected to increase in the following years. ("Foreign citizens living permanently in Finland", 2015.)

As Finland as a nation has been introduced to multiculturalism rather recently, the increased emergence of other cultures has not happened without difficulties. Naturally, people tend to have a more favorable attitude towards more familiar Western cultures as opposed to the more foreign cultures with significantly different values and customs. The growing diversity therefore brings about new challenges. In 2011, FIOH (The Finnish Institute of Occupational Health) conducted a diversity indicator survey, and its results showed most HR professionals seeing workplace diversity as a valuable asset and a resource that would provide a potential solution to the problem of rapidly aging Finnish workforce. Nevertheless, ethnic discrimination and racism are not foreign phenomena either. Many immigrants - including both less-educated refugees and those with diplomas in higher education - are documented to have faced difficulties in landing jobs. Probably the most frequent problem in finding work is related to insufficient language skills that hinders the adaptation process in the work community and can lead to social marginalization. Another element that keeps ethnic minorities out of work is the degree that a foreign worker may have obtained in their respective home country but that in many cases is not valid in Finland. It is possible to update such a degree for example through Finnish further education, which, however, is difficult without mastering the Finnish language. Other common challenges in employing foreigners are still the ever existing prejudices and negative stereotypes and the aversion to visible cultural or religious symbols for which native Finns are often preferred in a recruitment situation. (Ministry of Employment and the Economy; The Center for Occupational Safety.)

Due to the fact that a multicultural work community is a relatively recent phenomenon in Finland, diversity management here is a rather new concept as well and little research can be found on the subject. Previously it has been referred to for example as “management of differences” or “equal treatment”. Thus, despite the undisputable need for it, the development of diversity management practices is only taking its first steps in the country. Currently, diversity management training is provided in Finland mainly by some select universities and universities of applied sciences, institutions with adult education programs, private consulting agencies and trade unions. (YES - Yhdenvertaisuus Etusijalle -project.) Louvrier (2011) and Kaikkonen (2010) paint a rather bleak picture of the current state of diversity management in Finland. They report that the growing diversity has had little impact on local strategic and operational HRM practices, and that organizations are not willing to learn about the new situation nor undergo any needed changes. Louvrier (2011) reprimands Finnish organizations - although the situation is looking better and better - for generally still not providing necessary language and culture training targeted at both minority and majority employees as well as managers in order to shed harmful biases that can distort recruitment processes and intercultural interaction. She emphatically stresses the need to further develop good induction programs that take ethnic minorities more into account. Salo and Poutiainen (2010) have studied such induction material and how multiculturalism is addressed in them. According to them, the said material currently actually conveys very stereotypical views of Finns and immigrants and further accentuates the differences between these two groups instead of challenging them. Toivanen, Haapanen, Väänänen, Bergbom and Viluksela (2012) summarize it well that even though successful addressing of diversity does require sensitivity towards differences, stressing them too much actually creates inequality. The matter to focus on in the future, according to them, is the role of leadership action that combines individual needs, community demands, fairness and equality (Toivanen, Haapanen, Väänänen, Bergbom, & Viluksela, 2012).

Whether the general state of diversity management in Finland is indeed still in such an early stage and in need of development as described by current research, is further studied in this thesis. The following chapters - preceded by the methodology section - will delve into this very question by first examining Finnish HR managers' views on the significance of trust and team identification in multicultural work teams followed by an analysis of diversity management methods and practices currently used in companies and organizations in this particular country.

5. METHODOLOGY

Finland and its workplaces have become more and more multicultural in the last decades. Especially in recent years due to free labor mobility within the EU and the refugee influx from the Middle East. Also Finnish companies must become international nowadays in order to succeed in the globalized world. Social media along with increased internet marketing and business has made it possible to go international without even investing that much in marketing. It is much easier by default nowadays to be international.

International human resources management will surely be a more and more relevant topic in years to come and will no doubt be much studied in the future. However, not much information is found on current international human resources management in Finnish or Finland-based companies. Perhaps it is still such a new issue that not many companies have prepared itself for the internationalization of its workforce or do not have the tools to deal with it. That is why it is important to shed light on this matter, even though this thesis provides only a scratch on the surface. As was established in the literature review portion of this thesis, interpersonal trust and the ability to identify oneself as a member of a team can be vital elements for job satisfaction and motivation, which again are more likely to generate a positive job outcome and favorable business results. Ensuring such trust and a shared team identity among multicultural team members whose different backgrounds may already pose a challenge to this particular task requires efficient and competent intercultural managers and management practices. To explore and provide some answers to this topic – something that current research largely fails to do –, this study aimed to find answers to the following research questions:

RQ1: How is trust and team identification perceived and built by the management in a multicultural work team?

RQ2: What kinds of diversity management practices are used in Finland nowadays?

5.1. A qualitative and interpretive approach

This thesis is a qualitative study and the collected experiences and perceptions in this case are going to be subjective. Therefore there are no predetermined hypotheses to test and validate, but the goal is to uncover perceptions and explanations of the studied phenomenon from the obtained data. Thus the used approach to the research questions is inductive in nature. This research is also an interpretive study (as opposed to for example a positivist study according to which an objective reality exists externally to the researcher who tries to uncover universal laws and patterns of the world), as the goal is not to predict the behavior of my informants, nor to affirm any laws. Instead, interpretivists seek to uncover the meanings by which people understand their own experiences, behaviors and communication. So the emphasis is on understanding instead of scientific explanation or quantitative measurement. The aim is merely to explore subjective perceptions and experiences as well as practices local to a certain workplace. After all, according to the interpretive approach, understanding a phenomenon is an ongoing process, the outcome of which is never complete but might change with time and place. Also, inductive reasoning is therefore often associated with interpretive studies as they do not deal with predetermined theories but develop them along the research. (Daymon & Holloway, 2011).

The chosen approach suits this study as it strives to provide an insight and a window to multicultural workplaces in Finland. The human resources management practices in such contexts are yet rather unknown and the goal of this thesis is to give an introduction to how multicultural staff there is managed. Therefore there are no pre-determined hypotheses to validate, but the idea is to get more of a snapshot of the current situation and to uncover and understand subjective perceptions of how diversity management is seen and executed in Finland. As is the case with most qualitative work, this thesis is a small scale study with a small sample, and it aims to discover how individuals and groups make sense of the phenomenon studied here.

Instead of any specific qualitative approach (e.g. grounded theory, phenomenology, discourse analysis etc.), this study uses a generic one that is not rooted in any particular established methodological paradigm - although it might borrow certain bits and pieces from them. Although perhaps seen as less academic, the generic qualitative approach is considered most suitable for this thesis research for a couple of pragmatic reasons. First, the researcher is not an experienced scholar but rather a novice when it comes to academic research. Second, the goal is to generate explanatory data through this research. Generic qualitative data produces descriptions of how participants understand their experiences. Both the advantage and the disadvantage of such an approach is that the researcher does not mainly concern him-/herself with methodology but focuses on the findings of the study instead. (Daymon & Holloway, 2011; Kahlke, 2014.)

5.2. Data sampling and collection

When it comes to the selection of the participants, this study used non-random purposive and rather homogeneous sampling (Croucher & Cronn-Mills, 2014). Purposive sampling technique is used when informants are selected deliberately for particular information and qualities that they possess. Such a research technique does not need underlying theories or a fixed number or study objects. Instead, it is the researcher who sets the rules and determines what they want to know, and then looks for suitable people who can provide and are willing to share the needed information often gained from personal experience. (Tongco, 2007.) Initially, as the main goal for this thesis is to get a clearer picture of diversity management practices in Finland, the research targets of this study were small or medium -sized Finnish or Finland-based companies that would have a multicultural staff and an established international human resources management department. However, as it was found out during several months of locating and contacting possible objects to interview, accessibility proved to be a real challenge. Therefore, the initial rules were relaxed, and practically every company or organization that agreed to participate in this study was admitted despite its size. Nevertheless, all of them still have a multicultural employee base and at least an appointed person in charge of managing it if not a whole official international human resources management department. So to sum up, as the inclusion criteria, this study used the existence of a) an international workplace, and b) a person responsible for the multicultural staff management.

To find the participants, the researcher mapped out different international or multicultural companies based in Finland by using previous knowledge of such companies, different company registries found online as well as search engines with such search words as “multicultural companies in Finland”, “diversity management in Finland”, and “multicultural staff Finland” and many more. Then, either the organization switchboard or directly an HR manager if such a number was available were contacted and explained the background of the researcher and the thesis topic and asked if they would be willing to participate in the study. In a few cases people were contacted directly via email. In the end, a total of five companies or organizations engaged in intercultural activity agreed to participate in this thesis research. Participants 1 (public organization) and 3 (public foundation) are non-profit organizations, whereas participants 2 (cooperative), 4 (private company) and 5 (public company) are all commercially driven.

Email interviews were chosen as a main data collection method. While email interviews are not an ideal research method and perhaps not always seen as a proper interviewing method, this particular method was chosen due to time and logistical constraints. While collecting the data, the researcher was also working as a full-time intern and thus did not have the time or infinite finances to travel around the country conducting interviews. Collecting data through email was also a time-saver in terms of not having to transcribe the material as it was already received in a written form. It also allowed the participants to have more time to reflect more deeply on the questions and provide perhaps more thoughtful answers. Also, nowadays digital data collection methods are becoming more and more frequent in social research thanks to modern technological advancements that more often than not also allow face-to-face contact in addition to overcoming all geographical barriers. Burns (2010) also agrees with these advantages of email interviews but finds a possible digital illiteracy and insufficient IT skills a disadvantage especially for older generations. However, the researcher did not come across such a problem during the research process perhaps because it dealt with a workplace setting and rather high professional positions (e.g. human resources managers), and possessing adequate IT skills can be expected from people holding such positions.

After locating the willing informants, the interview process was started by first sending them an email containing a cover letter with detailed information on the thesis as well as the interview questions in a separate Microsoft Word attachment. The anonymity of all participants was also ensured in this letter. The answers were written directly in that same Word document and the researcher often revisited them with counter questions in case she needed further explanations. Such dialogue also perhaps gave the interviews a bit more personal and conversational feeling which otherwise would have been missing from them. The complete interview documents were copied and identified and saved to a separate folder as well as a back-up folder and removed from the email inbox.

The received and final data proved to be a rather small sample with a total of 5 interviews. Qualitative studies are often done on a small-scale but a slightly larger number of participants would have been beneficial. Initially, more than 20 possible companies were contacted, most of whom seemed very interested and agreed to participate in the research. However, even after several call-backs and reminder emails, only those five finally answered back. Therefore, the initial concern of not getting access to my target companies was realized in the end. Nevertheless, the collected data proved to be fruitful and insightful. After all, the purpose of this thesis was never to reach a saturation point but to get an introductory idea of individual diversity management practices at different Finnish workplaces and in different fields, and this point of view was reached with the interviews.

Other limitations to email interviews mentioned by Burns are a too large number of questions and getting little details. Both of those concerns are valid also for this thesis. The interview was semi-structured in nature and consisted of questions divided into the following four sections:

1. Background information
2. Building trust in a multicultural work community
3. Building team identification in a multicultural work community
4. Diversity management practices

Each of those four sections contained an average of five questions. In hindsight, the number of questions could have been trimmed down to approximately three questions per section to lessen the answer load for the participants. As for the concern about getting too little details in the answers, this scenario was tried to be avoided best by asking open-ended questions instead of plain “yes” or “no” questions. Such questions proved to generate more descriptive information and personal experiences. In the cover letter, the participants were also encouraged to share as many detailed and real-life examples as possible. This wish was mostly fulfilled and apart from one or two exceptions, all questions were answered. The responses amounted to a commendable total of 23 pages of data. A few of the participants had skipped some of the questions and it is assumed that those questions were not relevant for them. But all in all the received answers were rather broad and descriptive.

Table 1: A cross section of the participants

	% of foreign employees	Field of practice	Separate IHRM team/department	Country of origin	Countries of operation
P1	38 %	Civic and social activity and development	No	Finland	1
P2	99 %	Retail, tourism and nutrition	Yes	Finland	5
P3	21 %	Education and research	Yes	Finland	1 (+ cooperation partners worldwide)
P4	11 %	Technology Industry	No	Finland	32
P5	6 %	Postal and logistic services	No	Finland	9

5.3. Data analysis procedure

The interviews are analyzed by using content analysis as the primary analytical tool. This form of data analyzing methodology is widely used in both quantitative and qualitative studies. Through content analysis new or emergent patterns and messages communicated by the participants are identified in the data by the means of coding, categorizing and seeking broad themes. (Croucher & Cronn-Mills, 2014; Daymon & Holloway, 2011.) Through this method of analysis the received data here is interpreted in terms of how trust and team identification are both perceived and constructed by a multicultural team and the management in particular.

The interview framework has already been divided thematically into four broad categories before even collecting the data: background information, trust, team identity and diversity management practices. These themes also revolve heavily around the following research questions:

1. How is trust and team identification perceived and built by the management in a multicultural work team?
2. What kinds of diversity management practices are used in Finland nowadays?

Not many studies of such themes in a Finnish context are published, and therefore the data here is analyzed inductively and not deductively based on other previous research results. The content of the answers itself provided by the participants is interpreted through narrative analysis with a thematic undertone. Following the narrative analysis paradigm, the focus is on the narrative in the text. According to Riessman (2005), narrative analysis examines how people make sense of the world and how they interpret it in their stories. These stories are not to be regarded as facts but as products of the current social, cultural and temporal context that is constructed through interpersonal interaction. For this reason Labov and Waletzky (1997) for example position the narrative analysis method closer to social constructivism than positivism, which is also in accordance with the interpretive and data-driven nature of this thesis. A narrative analysis identifies and produces generalizations about the researched phenomenon - which is also the goal of this thesis - and the focus is on both the intended (conscious) and the unintended (unconscious) meaning of the text (Croucher & Cronn-Mills, 2014).

The data analyzing process focuses on the comprehensive account and attention is paid to the different aspects of the research topic. As stated already on several occasions, this is a qualitative and interpretive study and the results do not depict a general state of multicultural companies' cohesiveness or their means of creating it. This study provides a window into particular companies and their practices and mentalities at a certain moment in time. The results could, however, be beneficial for other companies who are for example only just becoming international or multicultural, and who do not yet have established multicultural practices of their own.

6. RESULTS

6.1. Overview of study participants

All five of the participants (P1, P2, P3, P4 and P5) are Finnish companies or organizations and who also hold their headquarters in Finland (see table 1). Only P1 operates solely within Finnish borders. P2 has operations also in the Baltic countries and in Russia. P3 is based in Finland but is in close continuous cooperation with several overseas partners. P4 has the biggest branch network of the bunch by operating in 32 countries worldwide. P5 has activities in Russia, Sweden, Norway, Poland, Germany, Estonia, Latvia and Lithuania.

P2 and P3 are the only ones with a separate international human resources department or a team designed to manage their multicultural work force. Nevertheless, the percentage of foreign employees is rather considerable at all of the workplaces studied. P1 has six immigrant employees - some of whom are current Finnish citizens - in their team of 29 people in addition to two board members with an immigrant background. P2 has reported that as much as 99% of its workforce consists of foreigners and only their highest administration members are Finnish. P3 employs altogether approximately 2000 people, 21% of whom are foreigners. P4 has currently 7 permanent foreign employees and one official working in their Finland-based offices. P5 states that 6% of their total employee base is of foreign extraction.

When asked about why they have originally decided to diversify their workforce, four prevalent themes come up in the answers. First, cultural diversity is considered a *natural* and even an *intrinsic part of the nature of the work*. For example, P1's operations are based on work with immigrants and helping them integrate to the Finnish society, so it is natural for them to also employ people with such backgrounds. P2 on the other hand operates largely in the Baltic area and in Russia, so it is natural and also *practical* for them to therefore hire local employees from those areas. However, in addition P2 also mentions that local workers are wanted especially for their language skills, knowledge of the local culture and their lower wage level. P3 on its part states that an international employee base is a *necessity* in their line of business and that they need to hire the best people from different fields in order to produce high quality results. This kind of need and desire to gain results and profits can be read also in P2's narrative - having people who speak the language of the target business market and know how to navigate the local cultural system and its pitfalls but who do not have to be paid as high a salary - even if they do not state it directly. P4 and P5 say that the reasons behind hiring foreigners is purely based on the need and shortage of workers for certain jobs, and that their cultural backgrounds do not play any role in their selection.

All five participant companies and organizations agree that cultural diversity has had an effect on their business and every-day operations. One of the most prominent results of having a multicultural workforce seems to be financial gain and a competitive edge.

> *"The investors have been very satisfied* [with diversity]. *We have had new ideas and perspectives and through them new ways of operating as well as funding for them. In addition, our different target groups have found us better. A direct gain for our business activity gained through this is a good brand that is easy to "sell."* (P1.)

> *". . . in a multicultural work environment and in cooperation with other international* [operators in the same field] *we have been able to improve our ratings in international research comparisons very well. -- Through international competence* [the organization] *is able to provide the best possible research knowledge and contacts."* (P3.)

Even though cultural diversity may not be highlighted in the every-day operations, having employees with language and cultural competence also sometimes has its practical advantages especially in overcoming language barriers. The following quote also alludes to a cultural difference in work motivation between different nationalities.

"Foreign employees are a part of our workplace and they are not treated differently. Some examples that sometimes have come up: they have been helpful in getting certificates (for example in Russian), acting as a host on a factory tour for our foreign guests . . . well committed and hard-working." (P4.)

Nevertheless, working across international borders and managing a culturally diverse employee base requires additional resources and sets also extra challenges and requirements for the entire staff and especially for the management.

"Almost all processes must be checked and adapted to the local procedures (for example from a legal and work culture point of view) . . . language skill requirements for all parties." (P2.)

"A manager in charge of a multicultural workplace must not only him-/herself internalize the company's vision and strategy in their own unit but also figure out how to implement them in a diverse work community in a way that supports the company goals." (P5.)

However, as P5 continues, such need to reflect on the company operations from an intercultural perspective brings about new kind of interaction and cooperation between the management and the employees that leads to a more functional work environment:

"It creates a natural dialogue and solutions that are found together." (P5.)

Cultural differences may often manifest themselves in workplace communication and especially when they deal with differences the concept of power distance. Finland is traditionally a low-hierarchy country and a pioneer for the promotion of equal rights. At the same time, the Finns are not stereotypically exactly known for their communicative or talkative nature. Also, as everywhere, there are great differences in individual organizational cultures and their hierarchical concepts. Often the bigger companies tend to have higher hierarchic systems and boundaries than smaller companies or organizations. All of these aspects are also reflected in the narratives of the study participants.

P1 - perhaps due to its organizational nature among businesses and companies - is the only participant who claims to have a very low hierarchy system. Therefore, their communication flow is said to be very straightforward and omnipresent in every-day work life between the management and the workers. Because P1's operations are based on work among immigrants and diverse ethnicities, intercultural communication is a natural part of their every-day life and their "normal". P2, on the other hand, is the only study participant who prioritizes the different hierarchic levels with the communication chain moving from top to bottom. Cultural differences are only a secondary concern. However, P2 is also the only one of the respondents to give more details in how cultural differences are taken into account in practice. According to P2's narrative, they first make sure if the employees are fluent in English. If not, interpretation is provided in their own language. P2 is also aware of the fact that messages are sometimes understood differently. For this reason, the content and wording of the message must be adapted to a certain cultural group. The tone of the message (e.g. informative, directive, recommendative, and instructive) also depends of the culture with whom they are communicating.

"If you do not give a strict deadline, it is easily understood that [the task] *does not have to be executed at all. The employees do not spontaneously ask for additional information or let us know if they do not understand something."* (P2.)

P2 continues that it is also important for their managers to sometimes reflect on and modify their own management and communication style in order to be effective during business trips or when re-locating to another country.

"This is practical necessity. When [from our company] *a manager goes from Finland to Russia on a job assignment, (s)he likes to spar and prepare by talking with several other Finns who have been there, and try to find out beforehand if their own management style must be changed somehow . . . In Russia to a harder and more assertive direction. A Western/Finnish style that is more softer, trusting and gives more liberties, does not usually make things move forward in Russia or even attain a mental managerial position and "earn their status" that for example for a CEO is a necessity"* (P2.)

The other participants do not stress hierarchy so much in their cross-cultural communication process. Instead, equality is an important factor when discussing intercultural communication flow between the management and the employees. There are however differences whether equality means treating everybody in the same way regardless of one's cultural background or providing equal treatment by deliberately acknowledging and addressing cultural differences. For example, P4 simply states that they have several different cultures and languages but no one receives special treatment. P5 on their part strongly stresses how they accept and respect cultural differences and ensure equal opportunities for employees of all ethnicities, sexes, religions and sexual orientations. They have also signed FIBS' Diversity Charter Finland agreement about equal rights and communication at workplace. Nevertheless, P5 does not elaborate in what way exactly these demographic differences are taken into account in ensuring equal treatment.

P3 says that they also do not differentiate or target their organizational communication to any specific cultural groups separately but all foreigners are offered help in settling in Finland. Even though the administrative language is officially Finnish, all communication is said to happen also in English.

Before moving on to the main focus points - trust and team identity as well as diversity management practices - of this thesis, below is summarizing chart of the study participants depicting their intercultural orientations.

Table 2: General organizational attitudes of the study participants towards cultural diversity

Reasons for diversifying work community	Cultural diversity is an innate and inseparable part of the operating field	P1
	Practicality Desire to enhance business results and productivity	P2 P3
	Individual skills meet the demand, any cultural factors are irrelevant	P4 P5
Effects of cultural diversity on business	Financial gain and a competitive edge	P1 P3
	Practical advantages (e.g. language skills)	P4
	Additional challenges and requirements for the whole staff	P2 P5
	Improves management-employee cooperation	P5
Intercultural communication flow between the management and staff	Low hierarchy. Intercultural communication and cultural differences are a natural part of every-day operations	P1
	Cultural differences are acknowledged but hierarchy is prioritized	P2
	Cultural differences are acknowledged in communication, equal treatment is ensured for all	P3 P5
	Equal treatment is ensured, cultural differences at not acknowledged	P4

6.2. A glance into current diversity management practices in Finland

The relatively short history of diversity management practices in Finland is also somewhat reflected in the collected data. For example, P2 that has one of the largest multicultural employee bases of all the participants, and yet it cannot really specify how their company has evolved or developed their internationalization process or their HR practices over time. According to P2, their diversity management practices do not really differ in any way from their regular HR practices. Their operations are developed through additional training and centralizing their organization when necessary. This view, however, slightly contrasts the fact that earlier P2 has mentioned that multiculturalism sets particular challenges for all staff and management as Russian workers for example require and respond to considerably different and more stern management style than their Finnish counterparts do. So contrary to P2's reference to the inexistence of differences between regular and international human resources management, according to its narrative, there is still clearly a need for adjusting one's management style according to different cultural environments.

P4 says that they have not established clear international HR practices either as their diversity management is only taking its first steps. However, they do acknowledge the growing importance of international HR management by continuously increasing cooperation between the HR units in Finland and abroad and by creating common processes and systems.

The other participants have gone through more concrete and versatile actions during their history of diversity management development. P1, who is the only interviewee whose organization is based solely and expressly on intercultural work, has naturally been multiculturally oriented since the beginning. Thus they have not have had to go through any particular internationalization process or separately adjust their management accordingly. Nevertheless, multiculturalism still continuously exposes them to new ideas and practices, and teaches them mutual, "two-way integration".

“[Multiculturalism has taught us] *tolerance for differences . . . reflecting on our own work methods (why we act a certain way) and facing different kinds of people. We have gotten to know different organizational practices and have discussions about them”* (P1.)

P1 also reputedly actively develops its diversity management in the fields of occupational health and safety and staff planning. P1 emphasizes the central importance of open communication and solution-focusedness.

P5 and P3 do not have intercultural origins but they do have actively built and developed their international human resources management practices. Over the years, P5 has been of part of several different projects that promote tolerance and multiculturalism in work life and provide information on immigrant integration. Recently they have not experienced any major changes in the employment of immigrants but the overall internationalization of their organization has diminished with the focus now being just on Finland and Russia. These two countries have their own human resources management departments but they still work in close cooperation with each other and according to uniform operations models as much as possible.

Despite its Finnish origins, P3’s international history dates back already to the 1970’s. At that time, diversity management was an unknown concept in Finland, so they have had to create and adapt their practices as their activities and the number of foreign employees has grown considerably over the last decades. Nowadays, they have a permanent team of two people handling international HR business along with their staff members stationed abroad. P3 tells that their current operations as well as their guarantees of success are comprehensively international, which affects their processes at all levels. Different cultural backgrounds have taught the whole staff new work methods and communication styles. P3 puts much effort in developing its services and listening to its workers. In fact, P3 tells that the center of focus of all their HR operations is currently on strengthening its diversity management and sharing its skills and know-how to the other departments. The staff receives regular training, and the organization work in cooperation with its global partner network through which they gain new working methods and practices and ideas on how to implement to the work community.

Effective leadership is a key element in all work groups regardless of culture. There are certain universal traits that a good leader should possess and that are also noticed by the study participants. Most notable of such traits are considered to be openness, interactive, listening, fair and just. However, the role of the leader is perhaps even more deeply emphasized in leading a team whose members do possess differing cultural backgrounds, perceptions and ideologies. Therefore, according to the interviewees, a good *intercultural* leader should also obviously have cultural knowledge and understanding for cultural differences as well as skills to adjust their own management style accordingly. Several of the narratives also concur with the earlier literature review on that emotional intelligence is certainly a must-have quality that even surpasses cultural knowledge.

Table 3: Diversity management practices in Finland

Current state of diversity management	International HR practices are well-established and in continuous and active development	P1 P3 P5
	International HR practices are in early development	P4
	No difference between national and international HR practices	P2

6.3. Trust in a multicultural work community

Generally, based on the research results, trust is seen as an essential element of a well-functioning and a productive work team. It is not relevant whether the team is multicultural or only comprised of people with the same ethnic background. What is considered important for maintaining a trusting environment in any work community is efficient communication and making sure that everyone is one the same page when it comes to workplace rules and expectations. The participants largely agree that trust needs to be built, achieved, earned and cherished in order to keep the productivity going. There is some dispersion in the collected data, though, in terms of which party is considered responsible for creating trust and who should be able to trust whom. For example, P1, P3 and P5 emphasize the importance of having mutual trust between the management and the employees and that trust is built together between the people and the work community. The managers are responsible for conveying clear messages and making sure that everybody understands or is provided the right tools to understand the intended message. P3 also adds that especially for multicultural team members, personal contacts and interactive opportunities are important for creating trust when they are far away from their families and their own cultural networks. Such attitude towards trust where there is general concern for mutual well-being and respect depicts affective trust (see page 5).

P2 and P4 on the other hand give a slightly different approach by stressing more the employees' need to be trustworthy in the eyes of their managers. In P2's case, the management is located in another country than the actual employees, and the managers are not there physically to supervise them every day. Hence, the need to be able to trust their employees to manage the every-day operations independently. This sort of situation echoes a scenario where, in order for trust to exist, there needs to be an element of uncertainty and some information on the other party (Blomqvist, 1997). Lowrey and associates (2003), who have studied virtual teams, also assert that a lack of face-to-face contact reduces the level of interdependence and trust. Here, the managers put themselves in a vulnerable and undoubtedly somewhat challenging situation where they must be able to sort of blindly trust their employees and their willingness to do their job while unsupervised. It is a case of cognitive trust (see page 5) that requires the trustor to know their trustees and be able to somewhat predict their actions. P4 on their part describes trust as employees following workplace rules. Such description of trust is a rather one-sided point of view as it shifts the responsibility solely on the shoulders of the employees thus removing the role of the management altogether. It also leads to the assumption that in this particular organization the employees are considered to be merely impersonal media for achieving results instead of valued members of a workplace community. This form of trust reflects more cognitive or calculus-based trust - the least evolved level of trust often met in professional contexts that is based on conscious and strict deliberation on whether someone is worthy of one's trust. (Huotari & Iivonen, 2004; Johnson & Grayson, 2005; Webber, 2008.)

The perceptions of the study participants rather unanimously concur with the research literature that open and frequent communication are considered vital elements in actively building mutual trust in a work team. Here, addressing cultural differences comes to play a role again in the interview answers. Academic literature suggests that efficient communication in multicultural contexts reduces misunderstandings generated by cultural differences. This notion too is confirmed by the study participants, most of whom agree that different linguistic aspects (e.g. providing important information and training in a known language), differing time concepts (e.g. scheduling, being on time) and communication styles as well as ensuring the correct understanding of messages are important to take into account - especially by the managers - in order to secure a trusting environment. Focusing on solving problems instead of the problems themselves - and sometimes dealing with them with a good sense of humor - is similarly much recommended in both the literature and the collected narratives.

On the basis of the analyzed literature review, it would be a rather safe assumption to make that trust is more difficult to foster in heterogeneous or multicultural groups than in homogeneous groups. Similarity in values, mutual understanding and social cohesion are often associated with ethnic proximity, and the lack thereof is often said to lead to low levels of integration and trust (e.g. Cazier et al., 2006, 2007; Kim, 2001; Uslaner, 2002). However, according to the collected data, especially in work environments that are fundamentally intercultural, people are described as being rather interested in other cultures and are more curious than anything to communicate and discover different ways of thinking and acting. New cultures and their characteristics are often considered fascinating instead of something negative or something to avoid. Most participant managers also say to encourage such attitudes. Not only is diversity not seen as a particular challenge for the generation of trust in a multicultural work team, but it is sometimes diversity itself that sets it in motion.

> *"Diversity has generated real and more genuine discussions between the management and the employees. There is now a need to reciprocally understand, accept and adapt to different points of view. Staff meetings and* [other similar events] *have since become more dialogical in nature"* (P5.)

So, even though the literature might be quick to claim that cultural diversity is often a detrimental force in the construction of trust, sometimes diversity can actually be the instigator. Ethnic similarity does not seem to play a huge role in the degree of mutual trust between multicultural team members either. In cases where distrust exists, it is usually related to individual qualities instead of any cultural factors. In some rare cases, negative cultural stereotypes - often based in surface-level characteristics and hearsay - could have a diminishing effect on interpersonal trust. P2 for example has experienced that people from the Baltic countries sometimes have a hard time trusting Russians. P4 also describes a situation when there were so many workers from the same country that they only interacted with each other. Such ethnic similarity in this has hindered their integration process to the larger work group to a certain degree but it did not necessarily affect the degree of trust per se. So, in the end, it all comes down to individual traits and characteristics. Therefore, in this study, the claim that ethnic proximity is detrimental to trust, is more or less debunked. However, ethnic proximity can arguably still affect negatively one's integration to a demographically larger population.

Table 4: Perceptions of trust in a multicultural team

The meaning of trust in a multicultural team from HR's point of view	A necessary element of any functioning and productive team regardless of culture	All participants
Who is in charge of building trust?	All parties	P1 P3 P5
	Managers expect employees to be trustworthy and follow the rules	P2 P4
Trust building tools	Open communication and dialogue Taking cultural differences into consideration	All participants
Perceived effects of diversity on interpersonal trust	Cultural factors are irrelevant or do not show in relation to trust	P1 P3 P5
	Stereotyping has some deteriorating effects on trust, mostly only an individual matter	P2
	Ethnic similarity may hinder integration but does not affect trust	P4

6.4. Multicultural team identity

Three out of five participants are strongly of the opinion that mutual trust and shared team identity are two interrelated concepts - a notion strongly supported by the earlier academic literature as well. Participants 4 and 5 left the question unanswered. It is widely believed that in order to be able to establish a team identity - not just in multicultural groups but in all teams - trust must exist, and without trust, a functioning group identity cannot be formed. On the other hand, without a shared identity, trusting others, especially those coming from different cultures can be difficult. Participants 1, 2 and 3 also find that a shared team identity is important for the functionality of the team as well as the outcome of the task especially if the task involves a lengthy cooperation or a project. A lack of a common team identity is widely acknowledged as a negative thing and as a possible hindrance to achieving the desired job outcome. For example, P3 states the following:

> *"If one does not feel like belonging to the group, it might be difficult to commit to common goals. Similarly, if you do not understand in what way you are supposed to work, it is difficult to contribute to those common goals."* (P3.)

What is then required for the building of a well-functioning multicultural group? The earlier literature review revealed that scholars (e.g. Baiden & Price, 2011; Campion, Papper, & Medsker, 1996; Desivilya et al., 2010) largely emphasize the responsibilities of the management in embedding a shared identity among employees. A supportive environment, adequate training and information sharing are particularly important aspects for a manager to take into account as they increase involvement, commitment, and a sense of belonging, which lead to a higher level of team-identification. Participants 1, 2 and 3 are very much on the same lines, and they all agree that much of the responsibility falls on the management, and forming a functional group requires a lot of pre-planning and investment.

> *"A good group is built on clear division of tasks, encouraging and supporting environment, strong leadership that takes everyone into account and each member personally taking responsibility to ensure a functional group"* (P1.)

> "[Elements of a good group are] *leadership, substantial communication, motivation, common goals, attention to cultural differences."* (P2.)

P3 offers similar perceptions and adds, that

> *"In the beginning of cooperation enough time should be spent on organizing the group's functions as well as on developing common practices so that we can start building the shared project/research based on goals that we have established together."* (P3.)

The establishment of common goals clearly has a big impact on the employees' motivation and ability to identify themselves as those essential "in-group" members. It is also closely linked to the concept of value-based trust which is often said to result from similar ethnicities and backgrounds, but which can very much protrude also from organizational values. When people share the same goal, they are more likely to disclose information and cooperate, which again accelerates the development of a shared identity (Cazier et al., 2006).

P4 expresses rather differing views on what makes a functional multicultural group. Earlier, P4 gave a statement that categorizes their trust toward their employees as calculus-based trust more than anything else. This same way of thinking is reflected also here. Instead of stressing the role of the managers, P4 shifts the responsibility on the employees themselves and their own degree of motivation and willingness to commit - not to the team per se but to the company in whole.

> *"We have noticed that having completed several internships* [in the company] *makes it easier for employees to adapt. Some of our foreign employees have participated regularly in our team nights and staff events, so they show willingness to commit to the company. No doubt it is about an individual's own attitude and motivation."* (P4.)

This lack of management's responsibility in creating a functional group is also highlighted by the fact that when asked to elaborate the management's role in creating a shared team identity, P4 has chosen not to answer the question.

Even though among the other participants the importance of a strong management in creating a functional multicultural group is a prevalent notion, there is also a little more dispersion in its perceived role in creating a shared team identity. Some of the participants still emphasize the managers' active role in it.

> *"The management's role is to establish the framework and listen attentively to the staff and support the employees."* (P1.)

> *"We aim to offer our community the best possible support services so that the staff can focus on their core tasks . . . We also support our staff by offering different trainings according to their needs."* (P3.)

> *"We as a company have participated in different multiculturalism seminars, workshops and development projects, and we have used the knowledge and tools gained from them."* (P5.)

Even though P2 in their previous answer considers strong leadership as one requirement for forming a functional multicultural team, team identity is not actively built by the managers in their company.

> *"The responsibility lies on the team itself . . . HR would perhaps intervene only should problems arise in the team."* (P2.)

It is therefore not surprising, based on the gained data described above, that some of human resources managements of the companies interviewed for this research invest more than others and take concrete measures to establish or enhance a shared team identity. Most effort in this is shown by P3 who organizes a variety of functions and events in order to help their multicultural team find a shared identity. In literature, for example Bhattacharya and associates (1998) stress the importance of an early socialization process in order to increase the newcomer's sense of identification and belonging and the acquisition of group norms. P3 has understood that such outcome requires a lot of work and investment in first helping the foreign employees to get settled into the country and the local culture. For example, according to P3, they provide substantial services and materials for their foreign employees about living and integrating in Finland. They also offer assistance in practical matters and paperwork related to their relocation. New staff members receive plenty of info sessions in addition to the traditional orientations. Once the groundwork is done and depending on the situation, P3 organizes cultural trainings and different excursions for the whole team, and also create events where the team members together can organize meaningful activities for themselves. Such activities are thought to help and advance the grouping process. So in their case, P3 not only focuses on the individual adaption process to the new country, but takes measures to actually create a sense of togetherness among the team members.

Like P3, P5 also arranges both work and free time activities for its employees, and according to them those activities have proven beneficial for mutual understanding among multicultural team members. P1 on the other hand does not arrange any special activities for its multicultural teams but relies on ensuring sufficient communication and eliminating language barriers in enhancing team identity. As most important points that a HR department can do to advance this matter, as according to P1, all team members must be taken care of, provided with support and thinking of as individuals with special interest in equality and fairness. P2 does not have any concrete practices in creating team identity in multicultural groups but they believe that team identity creates itself in practice when working together. P2 explains their lack of HR practices in this matter by the company's high efficiency standards and that because of that, all trainings for example are targeted to the business itself or management. P4 does not provide any information on how team identity is created by the management in their company. Based on P4's previous narratives, it can be assumed that there are no such practices in use.

Table 5: Perceptions of a team identity in a multicultural team

Necessary elements of a functioning multicultural team	Strong leadership Mutual sense of responsibility and motivation Effective communication Common goals	P1 P2 P3
	Employee's own attitude and willingness to commit	P4
	No comment	P5
A shared team identity affects group functionality and task outcome	Yes, in a positive way.	P1 P2 P3
	No effects noticed	P4
	No comment	P5
The role of management in creating a team identity	The creation of a shared identity actively supported by managers	P1 P3 P5
	Employees solely responsible for their team identity, managers get involved only in problem situations	P2
	No comment	P4
How sense of team cohesion is promoted in multicultural groups through HR practices	Individual support provided Cultural differences acknowledged Equal treatment	P1
	Assistance in the integration process Cultural training Excursions	P5 P3
	Not promoted by the management	P2
	No comment	P4

7. DISCUSSION

Academic literature (Kaikkonen, 2010; Louvrier, 2011; Toivanen et al., 2012) largely criticizes Finnish companies for still not having developed adequate and unbiased HR practices targeted at minority employees despite the growing cultural diversity, and for not providing adequate language and culture training or integration programs. Then again, too strong a focus on cultural differences is said to only create inequality, and there should be a healthy balance between individual and communal needs and fair treatment. The data collected for this thesis research somewhat validated the rather limited amount of previous studies done in this field in a Finnish context.

It turned out that especially the smaller organizations whose every-day operations were more or less based on expressly multiculturalism had the most well-established diversity management practices. The same applied for the bigger organizations whose main goal was perhaps not to make the biggest profit - although this aspect was not non-existent either - and who considered their foreign employees and their different backgrounds an important source of fresh new ideas and perceptions for the whole area of operations. Three out of two participants (P1, P3, and P5) belonged to this particular group of HR managers and they were also the participants paying the most attention to cultural differences with the goal of ensuring a meaningful and interactive workplace. It was also quite discernible that the two other participants (P2, P4) run perhaps a more results driven activities and, based on their narratives, they pay the least attention to any cultural factors. Instead, they prioritize task efficiency and organizational hierarchy. Interestingly, along with P3, P2 also is the only participant organization who has informed that they have a separate international human resources department but in its narrative there were no visible differences between their national and international human resources management practices. Both P2 and P4 also belong to the three biggest companies of this study with some of the largest international networks with P3 operating in 5 countries and P4 in 32 countries. Based on this notion, it can be assumed - obviously with a certain margin of error due to the small sample size - that the bigger the company is, the least time they have to consider different cultures and individuals working for them, but their focus is on general productivity instead.

One of the research questions were created with the aim of finding out more about current state of diversity management practices in Finland. So to sum up what can be said based on this small-scale study, there is clearly still a need for further development especially when it comes to the bigger companies where generally an individual's voice - regardless of their cultural origins - is probably not very loudly heard and that place the more importance on financial performance over individual needs. Nevertheless, there has still been progress made in the field of diversity management in recent years. Three out of two participants interviewed for this thesis actively develop their international human resources management and their practices to best suit the demands of the current multicultural atmosphere. All study participants also stress the importance of equal treatment whether equality is understood as treating everyone the same way and not taking cultural factors into account at all, or doing the opposite and addressing those differences and providing cultural training and integration activities. As opposed to the literature on this matter, the participants reported no obvious problems related to discrimination or even insufficient language skills among their intercultural team members.

The second research questions and aim of this thesis study was to uncover managers' perceptions on the meaning and significance of interpersonal trust and team identification among multicultural team members and co-workers. Evidently, trust is considered always vital for any team's success independent of its cultural characteristics. However, an identical division between the participants is observed also here when it comes to who should be able to trust whom. Again, P1, P3 and P5 unanimously agree that it is equally important for employees to be able to trust their managers as it is vice versa and that cultural factors do not affect the degree of trust in this case. P2 and P4, on the other hand understand trust more as a one-way concept and only as the management's need to trust their employees. This statement echoes one again the results-oriented way of thinking of such bigger commercial companies, and it also makes sense in the way that for a larger company to succeed, they perhaps feel the need to keep their workers under a stricter control and follow the rules. These two participants also acknowledge some negative aspects regarding the effect of cultural diversity on interpersonal trust. However, these negative aspects are still considered rather minor issues that occur mostly only on an individual level. In line with previous studies and despite the differences in their narratives, and open and resolving communication climate, good interpersonal skills and mutual respect are thought to be the building tools of team trust by all participants.

The participants continue to be similarly divided in their perception of a team identity. By P1, P3 and P5, a shared team identity is seen to positively affect the functionality of a group whereas P2 and P4 do not mention having observed such effects. Unlike the other three participants who actively help the teams to find and establish a common ground, P2 and P4 again shift the responsibility of creating a shared team identity to the employees themselves, thus omitting the management from the process.

The collected data in the form participant interviews even further confirms the proclamation that while international human resources management in Finland has definitely taken steps forward in recent years, there is still room for much more development, not only in an international context but in all management-employee communication and cooperation. The lack thereof is surely often due to budgetary restraints and strict efficiency and profitability requirements that sometimes leave little room for concerns and development of individual and lower-level work force. Nevertheless, employee satisfaction and team cohesion has proven to be nothing but beneficial for job motivation and therefore for overall productivity - a claim that is largely supported by both previous research and also this thesis study. In multicultural teams, achieving such cohesion and mutual understanding is perhaps even a more important thing to ensure as in the end, there still exists - although fortunately less and less - obstacles related to cultural differences among team members that if not properly addressed and managed, can lead to failed business results or at least to a reduced job motivation and a worsened work climate for all affected parties. Based on this study, this is a possible concern especially for large companies that traditionally employ higher power distance and have less consideration for single individuals.

Because the topic of this thesis deals with human beings and interpersonal interaction, there are some ethical issues to consider. Obviously all participants were informed of the details of the study and the voluntary nature of their participation in the cover letter which was sent to them before doing any data collecting. Their compliant answers were regarded as informed consents. As the research revolved around the topic of social cohesion - with the main focus being on interpersonal trust and team identification - and the data is collected from professional places of work, the researcher did not want to give anyone the feeling of being pressured to report on any problems related to those issues within the group. The approach of the thesis is not at all conflict-based but instead it is based on a sense of togetherness. All the information has been treated confidentially, and the name and the specific field of the company and the participants have been omitted from the analysis. The data was collected in Finnish - although questions were also presented in English - and later translated in English for the purpose of the written analysis. Therefore special attention was paid to ensure that no answers were lost in translation in the process.

The small amount of available information on Finnish diversity management practices is not very surprising as the main challenge for the realization of this thesis research proved to be getting people to get involved with the study. Over 20 human resources professionals were contacted and about a half of them originally agreed to be interviewed. Some contacted companies did not see that the topic was relevant for them even though they employed a multicultural employee base, which might also hint at the fact that indeed more awareness of the importance of international human resources management is still needed in Finland. However, even after agreeing to participate in the study, many withdrew their participation or were simply never heard from again. Based on the lack of previous studies and stories from other thesis students tackling the same field, getting access to such a business field was expected to be challenging even in the beginning of this thesis. Those expectations did indeed become true but the rich amount of collected data, despite the rather small sample size, was nevertheless a nice surprise in the end. Still, it is taken into notice while conducting the interviews via email instead of face to face, did evidently cause a certain amount of lost information such as contextual cues and the possibility to spontaneously delve deeper into a certain answer on the spot. It is also ironic that while trust is a predominant aspect of this thesis, not having face-to-face contact with the interviewees might have had a negative effect on the interpersonal trust between them and the researcher. In order to relieve possible doubts and concerns of the participants, they were first personally contacted on the telephone, encouraged to contact the researcher for any additional information and promised the access to the published results. Interestingly, trusting the participants proved to be a challenge also for the researcher at times. Sometimes it took the participants a long time to answer back, and the given deadlines for returning the answers were exceeded on many occasions. When the participants were not heard from for a while, the researcher occasionally wondered whether they had completely lost interest in the study. This was also a cause of uncertainty and stress. Conducting email interviews therefore can be a functional way of doing research but it involves the need to have somewhat blind trust from and towards all parties.

Evidently, much further research and bigger study samples are needed in order to reach a saturation point and to be able to make valid generalizations of the current state of diversity management in Finland. However, the goal of this thesis was to give an introduction to such management practices and show perceptions of given Finnish human resources managers - a task that was accomplished during the research. The study was able to show that diversity management is by no means an unknown concept at Finnish workplaces and that there are managers that definitely acknowledge the importance and the benefits of purposely fostering interpersonal trust and team identification in multicultural teams. Nevertheless, much more development is still clearly needed in this area and managers themselves would benefit from more training and information on the value and advantages of international human resource management practices. The need for competent intercultural managers will only increase in the future and so will the need for competent intercultural future researchers in this particular field of study.

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