Culture against cohesion

Global corporate strategy and employee diversity in the UK plant of a German MNC

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Abstract

Purpose – The purpose of this paper is to highlight employee diversity at the workplace level in a MNC, and consider its impact upon management attempts to promote a global corporate culture.

Design/methodology/approach – The investigation took the form of an ethnographic participant-observation study, which involved interviews and archival research plus a three-month period when the lead researcher worked on the plant's final assembly line. This provided insights into the personal and psychological issues of individuals within the workforce, and an experiential dimension to the study which is difficult to replicate in other ways.

Findings – The management approach to cultural and diversity issues worked both for and against the development of cohesion and improved employee relations. Managers sometimes ignored the real impact of local ethnic diversity, focusing instead on inter-management conflicts, which contributed to employee morale and communication problems. But where diversity was recognised, more success followed, in particular where the distinct history and identity of the plant was emphasised. The study also tentatively suggests that "crossvergence" may be a fruitful way of interpreting the complex determinants of employee attitudes.

Originality/value – The paper highlights how global strategies are always mediated by local circumstances, thus strengthening the arguments for recognising the interaction between management elites and local workforces, acknowledging cultural diversity and its impact on global business, and looking beyond simplistic notions of "national culture" towards diversity within national boundaries. The key implication for managers is that the successful implementation of global corporate strategies works best not just with due acknowledgement of local workforce identities, but with positive engagement with local historical and cultural traditions.

Keywords Organizational culture, Employees, Multinational companies, United Kingdom, Germany

Paper type Research paper

Introduction

This paper is concerned with corporate strategy and employee diversity in the UK manufacturing plant of a German multinational company (MNC) in the automobile sector ("AutoWorks" hereafter[1]). In particular, it explores the way that employee diversity affects and mediates attempts by management to foster a global corporate culture.

We focus on two inter-related areas, both theoretically and empirically. First, we refer to debates on MNCs and globalization, and argue that much of this literature tends to obscure the role of employees at the workplace level and the way that global strategies are always mediated by local circumstances and power relations. We thus argue the need to recognise the importance of the interaction between management

elites and local workforces; we offer primary data to illustrate this, and we posit the concept of "crossvergence" as useful in interpreting employee responses.

Second, our focus on local circumstances highlights the need to acknowledge cultural diversity and diffuseness and its impact on global business, and we thus also address some of the literature in this area, arguing for the need to look beyond simplistic notions of "national culture" and towards diversity *within* national boundaries. Here we use primary data to illustrate how ignorance of cultural complexity on the part of senior managers works against the development of organisational cohesion, whilst recognition of it promotes more productive employment relations.

The paper is structured in four parts. First, in the literature section, we briefly address some of the theoretical and conceptual issues around:

- the interaction of global MNC strategies with "host country effects" and the importance of local power and resistance;
- the role of employee diversity in mediating corporate strategies; and
- the efficacy of "crossvergence" as a way of interpreting employee responses.

Second, we outline the historical development of the UK subsidiary of AutoWorks, emphasising the cultural diversity of the workforce and its place within the local community. Third, in the major substantive part of the paper, we assess certain aspects of the way the global corporate strategy – in particular the emphasis on quality and flexibility – has been communicated to the UK workforce, consider the perceptions and approaches of local managers to cultural issues within the plant, and illustrate how these have worked both for and against the development of cohesion and understanding between management and employees. Fourth, some brief conclusions are drawn.

Literature

There is an ongoing debate about the impact of globalization upon the national dimension. Whilst some argue that we are witnessing a "borderless world" in which the decisions of MNCs are detached from the influence of nation states (Korten, 1995; Ohmae, 1995; Bartlett and Ghoshal, 1998; Wolf, 2004), a more sober assessment of the evidence suggests that national characteristics and "national effects" continue to matter (Gray, 1998; Held *et al.*, 1999; Hirst and Thompson, 1999; Scholte, 2003). Broadly speaking, there are two major analytical categories which are commonly utilised to explain the importance of the national dimension in business:

(1) cultural theories; and

(2) institutional theories.

The culturalist school (cf. Hofstede, 2001a; Trompenaars and Hampden-Turner, 1997) sees cultural values as deep-seated and enduring, as varying systematically between societies, and as conditioning what is deemed acceptable organizational practice. This approach has become very popular in IHRM research, with national culture used as a way of explaining – for instance – why MNCs of various national origins adopt different HRM practices (e.g. Ngo *et al.*, 1998) or the way in which MNCs adapt to host country cultures (e.g. Tayeb, 1998). However, there remain serious concerns over the theoretical status of culture and its relevance for organization. We do not know, for

instance, which organizational features are shaped by culture, how are they are so influenced, and what is the significance of culture *vis-à-vis* economic, technological and political factors. Moreover, there is a tendency to assume cultural homogeneity within a country, with much business strategy literature taking it for granted that national differences can simply be expressed in cultural terms, and that the "nation" can be used as the unit of analysis for culture. But this is highly questionable, not least because almost all countries, but particularly large ones, are characterized by considerable heterogeneity according to regions, social classes, minority and majority ethnic groups, and so on.

A useful way forward, therefore, is to also consider the societal origins of cultural differences, emphasising how management and business have different *institutional* foundations across countries and regions (Powell and DiMaggio, 1991; Lane, 1989). Key institutions are the state, the legal system, the financial system and the family. Taken together, such institutions constitute the distinctive social and economic organization of a country or region, and shape different "national business systems" or "varieties of capitalism" (Hall and Soskice, 2001; Orru *et al.*, 1997; Whitley, 2000).

Both culturalist and institutionalist perspectives are "high context" approaches which draw our attention to the national level and the way that attempts to develop "global" corporate strategies will inevitably lead to different outcomes in each society. In other words convergence will always be balanced by divergence. Any global strategy will, in the course of its diffusion and application, be internalized into the working of existing institutional mechanisms as well as being subjected to the impact of actors' cultural values. In this sense, culturalist and institutionalist insights can be integrated; as Sorge (2004) observes, institutions are "created, modified or held in place through the mental programming of actors [. . .] [which itself emerges] through the confrontation of actors with fairly stable and robust patterns" (p. 133).

Although these national-level perspectives offer a useful corrective to the populist view of all-pervasive forces of globalization, we would argue the need to go a step further. Whilst indicating the importance of national factors in terms of historical traditions of class and culture, our data also highlight wide diversity *within* the national setting, as well as suggesting how actors at more micro locales can draw upon various power resources to respond differentially to corporate strategies. As such, whatever rigour is applied to the conceptualisation of the national dimension, this level of analysis can still obscure important processes at more *micro* levels. In terms of the globalisation of HRM practices, Ferner *et al.* (2005) suggest that national-level analyses tend to give "scant attention to the role of power and interests in this process" (p. 307). As such, explanations for the degree of internalisation or absorbtion of global policies by employees need to look deeper and appreciate the impact of workforce diversity and political dynamics at the micro level. When these factors are illuminated we see that the "hybridisation" of global corporate policy takes place on a routine basis, and that employee responses to global strategies vary widely both between national settings and within particular MNC subsidiaries (Belanger *et al.*, 1999; Kristensen and Zeitlin, 2005; Morgan, 2001).

In terms of the implications for the culturalist paradigm, which remains, broadly speaking, the dominant perspective despite recent advances in institutionalist thinking, this suggests the need for a more nuanced view of culture and the imperative to look beyond the simplistic notion of homogenous "national cultures". The culturalist

perspective tends to assess differences between countries in terms of simplistic cultural indices that fail to take into account not only crucial differences in institutions but also the rich variety of *sub*-cultures and diverse cultural identities *within* one national setting, which – as we seek to illustrate here – can be crucial factors in influencing employee attitudes. As Tomlinson (1999) notes, both nations and organizations are more culturally diffuse than much of the literature on MNC strategy would suggest, and diversity at the workplace level challenges any easy assumption of cultural homogeneity within nations. As a result, "studies such as that of Hofstede, which provide characterizations of nations as a whole, are of little use in understanding behaviour within a given sample, due to intra-cultural variability" (Smith, 2001, p. 22). Hofstede (2001b) has himself acknowledged as much, pointing out that "the analysis of differences in national cultures should be complemented with a further differentiation of regional, ethnic, occupational, and organizational sub-cultures" (p. 12).

If national factors do not provide a complete picture in terms of explaining employee attitudes towards global corporate policies, neither do more local factors. Rather, we need to grasp the interplay between the two. The convergence-divergence debate, in this context, essentially revolves around whether the diversity of behaviour in organizations across cultures is increasing, decreasing or remaining the same. The divergence perspective would posit that an individual's culture will determine their values and behaviour, and that given fundamental differences in work and management styles among different countries, management practices will thus need to be adapted to the local environment. By contrast, proponents of the convergence hypothesis argue that the work environment will have a strong influence on values and behaviours, and the increasing prevalence of common technologies and education will encourage MNCs to apply relatively identical management practices across countries; these common business practices will in turn lead to similar managerial values, and hence a convergence of diverse individual work values, such that MNCs become truly global organizations.

The theory of *cross*vergence essentially seeks to blend these two alternative positions and consider the dynamic interaction between culture and environment (Ralston *et al.*, 1997; Pearson and Entrekin, 1998; Entrekin and Chung, 2001). It argues that there are likely to be both convergent and divergent aspects to the same organisation, and that different parts of the organisation may lie on different points of a continuum between convergence and divergence. It thus paints a more complex picture of what is happening to culture under globalisation. In terms of the MNC studied in this paper, these terms help us to address the relative impact of AutoWorks' global management strategy (the "work environment") *vis-à-vis* local historical and cultural factors (the "individual's culture") in determining employee attitudes towards and acceptance of management policies. We suggest that our evidence might usefully be interpreted through the crossvergence lens, to the extent that employee attitudes are influenced by a combination of cultural influences and organizational factors.

History and diversity at the UK plant

The UK plant has a long history within the local area, a strongly multiethnic workforce. Whilst the management is largely Anglo-German, the workforce consists of a combination of English workers, from a variety of ethnic backgrounds, and recent immigrants to the UK from Eastern Europe, Africa and the Middle East. Thus both

nationality and ethnicity are sources of identification at the plant, and ethnic and cultural differences exist not only between managers and workers, but also between different groups of workers.

The factory started life as a small domestic British car manufacturer in the early 1910s (Newbigging *et al.*, 1998) and remained more or less under the same ownership until the late 1960s. It rapidly became part of the culture of the local town, developing its own sports teams, volunteer fire brigades, bands, amateur dramatic societies and social clubs; children's events and open days were also organised, and are remembered with fondness by many local people (Bardsley and Laing, 1999). In the mid-1990s, after nearly 30 years of financial difficulties and constantly changing ownership, the company was sold to a German multinational manufacturing group (Scarbrough and Terry, 1996). The takeover had not been without problems, and there had been considerable concern about the plant's future within the group up until about two years before the start of this study. The historic presence of the plant on the site has given it an intimate association with local culture, which has continued regardless of the plant's changes in ownership and gradual changes in the area's ethnic makeup (Schofield and Noble, 1993, Ward *et al.*, 1993), and socially the plant continues to be a focus for organised activity.

The staff of the Final Assembly Area (generally known as "associates") fall into two categories:

(1) those with a permanent contract; and

(2) those hired through a temporary labour agency.

The difference is largely one of rights and benefits; it is impossible to tell the difference between the two groups in terms of appearance or duties, and there are some temporary associates who have been working at the plant for longer than most contract associates. While no data were available on the temporary associates, the ethnic composition of contract employees in Assembly is slightly over two-thirds White, with the remaining third being approximately evenly divided between Black/Afro-Caribbean and Asian. The gender ratio is slightly over 90 per cent male. Casual observations by the researcher suggest, however, that while the gender mix of temporary associates was about the same as for permanent employees, there were more Black than Asian temporary associates, and in particular more Black women than Asian women (the researcher saw several black women on a daily basis, but no Asian women).

According to the Equal Opportunities Commission, the British workforce as a whole is approximately 10 per cent "non-White", and so AutoWorks is significantly more diverse than the statistical norm. Also, most of the "White" workforce are actually Central or Eastern European, South American, Turkish or Kurdish, rather than British. The single category "Black" also covers Black British, Jamaican, Haitian, North, South and East African, and many others. The workforce is thus male-dominated and ethnically diverse. The local area is also ethnically diverse, with large Asian and Afro-Caribbean communities, both of which are well represented in the Final Assembly Area. In addition, although little documentation exists, anecdotal evidence suggests that refugees and asylum-seekers from the detention centres recently established in the area, once their claims were formally approved, also became part of the workforce.

Although we could obtain no statistics on their gender and ethnic composition, anecdotal evidence and observation suggested that the plant's management are largely White Europeans, mostly English, with some Germans (the latter most in evidence in senior managerial positions). Although the gender ratio among office managers seemed more balanced, the population was still overwhelmingly male (perhaps 30 per cent women to 70 per cent men). There was also an unspoken tension between managers who had been with the plant since before the takeover and those who had joined subsequently.

Management strategy and cultural diversity
The company which took over production in the mid-1990s is a German MNC which began as a small family-owned enterprise around the turn of the twentieth century and remained fairly specialised for the next 40 years, only developing an international presence after the Second World War. Today, however, the company is very conscious of its presence as a global brand, promoting the group as one with a global focus, and one whose managers think in terms of a "global ethos". As an aside, the company has a widespread exchange programme in which workers and managers can go to different plants around the world, and during the period of fieldwork more than one person assumed that the researcher's North American accent meant that she was on exchange from the company's US plant. The essence of the global corporate culture that senior management are trying to create centres around the twin concepts of quality (in terms of the product and the work done) and flexibility (in terms of the cars being produced according to the individual orders of clients in a variety of styles and with a variety of extras). We consider below some of the implications of cultural diversity for the achievement of these ideals.

Managerial (mis)conceptions of cultural diversity
Managers' difficulties in recognising the importance of cultural diversity led to morale and staff retention problems, decreased productivity and a failure to address health and safety issues. However, the same diversity had also encouraged the development of innovative management education programmes and community-based initiatives.

The first thing any visitor to the Final Assembly Area sees is a diorama depicting four mannequins grouped around one of the cars the factory produces, three dressed as associates and one as a visitor. All are white; the three associates are men and the visitor is a woman. On the opposite wall is a pair of charts depicting proper attire for associates and visitors; again, the figures shown are both white, the associate is male and the visitor is female. Recently, an article ran in the plant's newsletter, describing the diorama and urging all employees to stop by and have a look at it. The message of this diorama is also, unintentionally, reinforced in other ways. Publicity photos, as well as the historical images of the plant on display in the visitor centre and at the entrance to the Final Assembly Area, also depict only white male workers, in contrast to the actual historical realities.

This anecdote typifies the situation between managers and associates. Although the managers interviewed did seem genuinely concerned about the associates, frequently their beliefs and expectations regarding how diversity affected the workforce were strongly at odds with the realities on the line, focusing on the Anglo-German nature of the management rather than the multiethnic composition of the workforce. The result

was that managers had difficulty in properly understanding the concerns of the workforce. The ethnic diversity of the workforce did not seem to register with managerial interviewees beyond a superficial level. They would frequently slip into talking about "the English worker" when discussing the peculiarities of the workforce; although they would acknowledge that the workforce was extremely diverse, they did not do so spontaneously. When asked directly about diversity at the plant, responses tended to resemble this one given by a young female British manager:

> In our management level we have females, not so many females, but we have females, we have Afro-Caribbean managers, we have English managers, we have German managers, there's a huge sort of diversity to work here, so I am very surprised we don't get more issues than we get.

The managers' vision of the workers thus tends towards defining them as "English" and generally harmonious, and consequently ethnic diversity at the plant is liable to be rendered invisible. Where British managers did consider the issue of ethnic diversity, it tended to relate to their own experiences of dealing with German colleagues and superiors. A managerial project group formed to deal with cultural issues at the plant concentrated for the most part on communication problems between English and German managers (which we do not explore in detail in this particular paper), and when asked to comment on diversity issues, managers invariably responded with some humorous or rueful anecdote about German expatriates.

Most of the managers interviewed also either directly or indirectly expressed the feeling that they felt "closer" to the workforce (whom, as noted above, they viewed as "English") than to their senior managerial colleagues, and frequently expressed a sense of resentment and frustration against the – mainly German – senior management. Whilst showing an awareness of diversity as multi-dimensional, they focused primarily on their difficulties in assimilating to German business culture rather than on the cultural diversity of the workforce, perhaps in part reflecting the fact of the takeover being relatively recent and their consequently being preoccupied with the ongoing process of adaptation to the new regime.

Managers certainly did not view the workforce with any sort of hostility. On the contrary, most seemed genuinely concerned about employees, and expressed a desire to understand "where they are coming from"; the very fact that they were prepared to allow this study suggests that they are willing to take risks in order to identify their weaknesses in this area. There were cases of managers going out of their way to try and help employees, and in general they were sympathetic, albeit they frequently expressed concerns about not being able to "connect" with them on certain issues. Managers in general lacked awareness of diversity issues and tensions within the workforce. As we outline below, in some cases this would not necessarily cause any problems, whilst in others it would.

Although the working teams are multi-ethnic, people tended to sit with members of their own ethnic group during breaks, and to form their friendships with co-ethnics rather than co-workers. Other issues were the subject of tacit improvisation: for example, at some point Muslim associates had set up an *ad hoc* prayer room in one of the walk-in supply closets, writing an inscription on the wall in black marker pen and keeping a stack of prayer mats on a handy chair. Issues of ethnic diversity were thus dealt with in informal ways in the workforce, through avoiding potentially contentious subjects and improvising around practical problems.

Other diversity-related issues were a source of tension for some, such as the role of women in the workplace. As well as the lack of Asian women, some male workers of Indian origin were openly hostile to a female supervisor, arguing with her and proceeding more slowly than they would for male supervisors. When she asked an Indian management trainee about this, he remarked that among his own family and co-ethnic circle of acquaintances, work in an automobile factory was seen as unsuitable for women (although this was not true of factory work in general, as textile, garment-producing or food-processing plants were seen as acceptable), and that he thought the men were uncomfortable with a female presence in their team. Different ethnic groups thus had different attitudes to gender, work and authority, which could be a source of conflict.

Furthermore, language diversity could be a serious problem during training. Management had recently abolished formal training programmes as "too expensive", forcing the workers to rely on worker-to-worker on-the-job training methods instead. However, this meant that workers with a limited grasp of English were not given the time, resources or explanation of their tasks necessary for them to grasp the rationale behind their job and the way it fitted into the system. Although a test of English formed part of the selection process, in practice only a fairly rudimentary language ability was required. This resulted in frustration on the part of both trainer (who had not usually been given any sort of formal instruction in how to perform this role) and trainee, as well as in poor quality of work.

Whilst issues of linguistic and cultural diversity produced a number of practical problems, lack of communication within the workforce also had other "unseen effects". For instance, although a European Works Council (EWC) had been established, and its structure and aims prominently advertised by a large poster in the canteen, most associates were unaware of what it was or what it did, simply ignoring the poster as they did those on ergonomics put up by the Health and Safety Committee. And the fact that there was little communication between teams meant that even though there were British representatives on the EWC, people who were not on their teams would not have been conversant with many details about it. Whilst it cannot be firmly established that lack of awareness of the EWC was a direct consequence of cultural diversity, as opposed to communication more generally, the concept is unfamiliar to many British workers, as well as many originating from outside the European Union, and so in that sense it is likely to have played a role. The parent company's efforts at developing European integration within the company via this mechanism certainly went largely ignored at the UK plant level.

Many associates were similarly ignorant of the purpose of the quality-circle (*kaizen*) system, regarding it as simply a time period in which the line supervisor would read out management directives, rather than recognising that they themselves were expected to contribute to the process. This difficulty appears to predate the takeover, as the *kaizen* system was adopted by the previous owners of the company in the early 1990s and was not regarded as a success at the time. However, the parent company did little to ameliorate the situation; indeed, the researcher saw no evidence that the new managers had registered this problem, perhaps because there had been less difficulty with the adoption of lean production in Germany, or perhaps because they were more physically isolated from the workforce than in the German operations due to the structure of the plant (namely, having the managers' offices outside the factory itself).

Many associates also did not feel able to bring their concerns to managers. For example, a number were angry about the lack of formal training on the line, yet rather than raise the issue officially they tended to employ more subversive and internal measures, such as informing new associates about "the way it used to be" – followed by assertions that the change is because "managers don't care about us" – thereby directly warning new associates against going to see the manager, or through supplementing the two days officially given to train new associates on the job with a longer unofficial period of up to two weeks:

> They only give you two official days of training – that's a joke. Nobody can learn one of these jobs in two days. They have no idea what it's like down here (Temporary Associate).

Furthermore, rather than confront management, associates were more inclined to quit and find work elsewhere. The attrition rate at the plant had not gone unnoticed by managers, but most either professed that they could not understand the cause, or else developed hypotheses based on practical issues (disappointment at the lack of formal contracts, for instance, or pay-related concerns). Whilst we cannot be precise about the relative weight to ascribe to these different causes of turnover, the researcher's period of working on the production line gave her some insight into employee attitudes in this regard. Moreover, one of the reasons for allowing that level of access was precisely because management were unable to find satisfactory explanations for high turnover themselves and were hoping to learn more about it from the research project.

In sum, the managers' assumption that the workforce were largely undifferentiated, and that the main cultural issue in the organisation was the resolution of British and German management styles, was not only inaccurate but also contributed to problems on a number of fronts, from morale and retention to communication and participation.

The benefits of diversity recognition
Although they might not have been fully conversant with all the cultural diversity factors affecting the plant, managers did acknowledge that the construction of a harmonious corporate culture to which everyone in the plant could adhere was a priority. We briefly consider a few of the initiatives under this general aim, and the reasons for their success or failure.

The company wanted to instil a new "global quality-based culture" at the plant, essentially for three reasons:

(1) the German parent company had a strong international reputation for producing a quality product, and this would encourage the UK plant workers to feel greater solidarity with the group;

(2) to reflect the German focus on "quality" as a virtue in products in general; and

(3) to provide a deliberate break with the previous owners, whom the German management viewed as inefficient.

This initiative was only a partial success. Managers strongly embraced this new philosophy: when asked why they had chosen to work for this particular company, most cited "pride in the company and the quality of the product" above all else, whereas associates cited "high wages and congenial working atmosphere". It was not that the associates felt inclined to do a poor job, but that meeting quality standards was less a matter of pride for them as it was a necessary part of the job. The product was

not, for them, a symbol of the company, but something which they lived with on a daily basis and with whose vagaries, failures and quirks they were intimately familiar. We are not suggesting that workforce diversity directly explains these attitudes, but rather that the problems we have documented concerning diversity recognition contributed to a "manager-worker divide" that would certainly have made the achievement of any new quality-centred corporate culture that much more difficult.

In addition, the implicit criticism of the previous owners sat uncomfortably with the workforce, senior members of which were continually reminiscing about how much more relaxed things were "in the old days". Furthermore, the fact that the plant had changed ownership several times historically meant that the workforce, like the local area, had developed the attitude that the ownership of the plant was not important, so long as it was producing cars. The fact that the plant's current owners were strongly associated with a particular trait – "quality products" – thus did not particularly impinge upon them any more than that of the previous owners – "cheap products" – had. The failure to understand the mindset of the workforce thus meant that this initiative was a success only at the managerial level.

More successful, but not entirely so, was the establishment of a "plant uniform". This initially took the form of issuing bomber jackets, emblazoned with the plant's name and the name and rank of the staff member, to all personnel, managerial and shop-floor (including, provided they stayed with the company long enough for the jacket to be printed, temporary associates). The jackets were widely appreciated at all levels, with staff members wearing them off-duty as well as at the factory, and speaking of them with pride. Subsequently, however, assembly-line workers were also issued with T-shirts, colour-coded by shift, and instructed to wear these at all times when at work. This went down considerably less well; although the shirts were not unattractive, and served to create a distinct identity within the region for the plant's staff in the same way that the jackets did, associates expressed mixed feelings or denigrated them as "ugly". There seemed to be two reasons for the lack of appreciation. The first was that it created an obvious visible divide between managers and workforce; rather than creating a unified identity, it further stratified the organisation. Secondly, and more importantly, was the issue of personalisation and self-expression. Not only were the jackets personalised while the T-shirts were uniform, but the previous system of wearing a jacket with whatever clothing the worker wished to wear (subject to health and safety regulations) had meant there was considerable room for self-expression, with associates wearing shirts which expressed their personal preferences, ethnic affiliation and/or gender identity. Rather than acknowledging the diversity of the workforce within the plant, the initiative thus tried to impose a sense of uniformity, and was resented.

Another moderately successful initiative was a programme aimed at building bridges between management and workforce by allowing managers to work on the shop floor for a week. This had the advantage of educating managers about workforce issues, as well as opening up communication channels (managers who had participated in the programme universally said that staff had become more open with them subsequently). The problem was that they were never on the line for long enough to get a sense of the unspoken issues on the line, for instance the ethnic diversity issues discussed above. Furthermore, there were problems with securing the participation of all managers: as one manager involved with setting up the programme said, "The ones

who participate aren't the ones who need to". Associates, also, did not view the programme as doing very much good, regarding the managers who participated largely as a benign nuisance.

The most successful initiative was, however, one based on developing a distinct identity for the plant within the global corporation. This took the form of local outreach programmes (including sponsoring community projects, developing trainee programmes, setting up guided visits for schoolchildren and other interested groups, and donating raffle prizes to local charities), programmes aimed at promoting the history of the plant (including displays in the visitor centre and the antechamber of the Final Assembly Area) and developing names and slogans which reflected the plant's nature as a distinct entity within a larger group. Significantly, none of these actually reflected the ethnic diversity of the plant, or its social connections with local ethnic groups, but rather its connections with the outside community as a whole. These initiatives not only went down well with the local community, but were appreciated at both the managerial and the plant level, with both groups speaking with pride of the plant's history and association with the community. The most well-supported and successful initiative was thus, significantly, one which acknowledged a degree of diversity and distinct identity for the plant, and took note of its diversity (in the sense of it having a different identity from other plants in the group due to the nature of the outside community), rather than promoting it as part of a single, homogenous global organisation.

Conclusions

Having presented a rich picture of the plant through a range of qualitative data we now briefly reflect on the implications of the study for the key themes introduced earlier in the paper, namely:

- the global/local issue and the role of local actors;
- the importance of workforce diversity; and
- the concept of crossvergence.

First, in the literature on MNC strategy there is frequent reference to the so-called global/local tension, whereby the global strategies of companies come up against and interact with national/local factors, whether these be predominantly cultural or institutional. The dominant view is one of economic globalization increasingly undermining the importance of national cultures. Our findings contribute to the more rigorous body of evidence which highlights the continued significance of the local/national context and supports the arguments for a more refined and complex approach to the study of national culture. The impact of workforce diversity on the way the company operated indicates that the dominant Hofstedian conception of national culture – as a uniform, single influence on company operations – needs considerable revision.

Second, and relatedly, we have argued that in studying MNCs there is a need to bring ordinary employees back into the picture. Much of the literature on international HR strategies is restricted to a consideration of senior managers and the so-called "global elite", with insufficient attention given to employees in more subordinate positions. Research needs to consider the role of, and interaction between, managerial

elites and local workforces if it is to better illuminate the nature and impact of global corporate strategies in actual workplaces.

Our data show how these interactions and relationships can materially affect acceptance and diffusion of corporate policy. While managers were aware of workforce diversity to some extent, they were also strongly wedded to the notion of developing a global organisational culture, to the point where they sometimes ignored the real impact of local ethnic diversity. Managers tended to focus very much on Anglo-German issues, and inter-management conflicts, not defining diversity in terms of workforce differences and multi-ethnicity. These "mis-perceptions" impacted on morale and retention, with linguistic and communication problems remaining unaddressed and employees feeling unable to voice their concerns. A dominant influence on employee attitudes and values was thus frequently ignored. Yet where diversity *was* recognised, more success followed, with managers cementing stronger connections with associates and the focus on the plant's distinct history and identity within the group solidifying a sense of corporate pride and attachment among the workforce.

Third, the fact that employee attitudes were influenced both by global corporate culture and also by local historical and cultural factors, as well as by a variety of factors on other levels, suggests that crossvergence may be a fruitful way of examining the determinants of employee perceptions of corporate strategies. There is certainly a need to grasp the complex interplay between *macro*-level national factors, *meso*-level corporate strategies, and features of the *micro*-level "work environment" such as organisational sub-cultures and local identities.

Whilst crossvergence would apply even in the absence of cultural diversity among the workforce, in this particular case we have argued that this was a key issue at the local level. Employees were influenced by corporate attempts to foster a commitment to quality and flexibility, and certainly responded to initiatives in this respect, yet their acceptance of this rhetoric was clearly tempered and constrained by adherence to more local identities, both in terms of ethnic and national identity, as well as allegiances to the previous management regime. Crossvergence highlights the balance between these factors in explaining employee reactions. Given that relatively few studies have been done which utilise the concept, we would suggest that it merits further exploration.

The primary implication for further research is that we need a more critical take on the concepts of "national culture" and "host country effects", through more detailed studies of the mediating influence of local cultural diversity on MNC strategies. The major implication for managers is that the successful implementation of global corporate strategies will work best not just with due acknowledgement of local workforce identities, but with positive engagement with local historical and cultural traditions to foster greater employee commitment and organisational cohesion. The focus should be less on pursuing the chimera of global corporate convergence and more on developing ways of recognising, and working with, employee diversity.

Note

1. While we use a pseudonym for the company involved, the nature of our research site means that it cannot be totally disguised; we are thus taking great care to disguise the identities of our interviewees and contacts within this site.

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