

# MANAGEMENT OF A MULTICULTURAL WORKFORCE IN GREEK ORGANIZATIONS

**Topalidou Paraskevi**

**Mba21035**

**January 2022**

**Supervisor: Kafetzopoulos Dimitris**

# AIM OF THE RESEARCH

- ✓ To investigate the type of leadership that is followed in Greek organizations which are formed by multicultural workforce and, consequently, what is the impact of this on business performance and employee satisfaction.
- ✓ To discuss the delineation of the ideal style of leadership that must be applied in organizations that promote diversity as their virtue so as to optimize their performance and the satisfaction of their employees.

# RESEARCH HYPOTHESES

1. Ethical leadership has a positive correlation on business performance.
2. Ethical leadership has a positive correlation on employee satisfaction.
3. Paternalistic leadership can act negatively on business performance.
4. Paternalistic leadership can act negatively on employee satisfaction.
5. Transformational leadership affects positively business performance.
6. Transformational leadership affects positively employee satisfaction.
7. Democratic leadership affects positively business performance.
8. Democratic leadership affects positively employee satisfaction.
9. Entrepreneurial leadership can cause positive effects on business performance.
10. Entrepreneurial leadership can cause positive effects on employee satisfaction,
11. Job satisfaction has positive correlation on business performance.

# LITERATURE REVIEW I

- **Diversity:** Explicit diversity is considered whatever has to do with visible elements, usually demographic, that cannot be neglected or detected. These characteristics include age, sex, ethnicity, and physical disability. On the other hand, implicit diversity includes everything that is implied and encompasses education, religion, sexual orientation, and social background (Kyklenski, 2021).
- **Diversity Management:** a process that promotes equity, multiculturalism and, diversification and originates from the USA in the late 1980s (Vassilopoulou & Brabet, 2019). Women in significant positions, young or elder workers, colored and disabled people, or people with different ethnicity, religion, and sexual orientation are the factors suggested by this “new” HR policy.

# LITERATURE REVIEW II

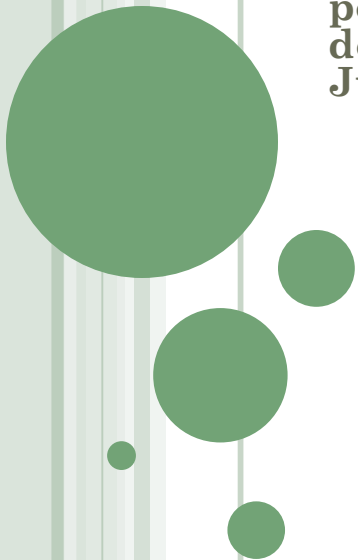
- **Racial Discrimination:** It is based on incidents of inequality due to ethnicity, religious beliefs, and race.
- **Sexual Orientation:** Sexual orientation is still the most neglected aspect of diversity in the workplace. Regarding the workplace, homosexuals can face discrimination not only by heterosexuals but also by the rest of homosexuals (Banks, Fischer, Gooty, & Stock, 2020).
- **Disabilities:** Organizations usually lack accommodation and, sometimes, willingness to engage with this issue so they do not provide their buildings and services with special supplies in order to include people with disabilities, visible or invisible.
- **Age discrimination:** Age discrimination is the main factor for people's retirement even when they do not feel that they want to "rest". On the other hand, the ageing of an organization does not give much space to the entrance of new stuff in the company.
- **Gender:** Women in the business face many difficulties from the entrance to retirement. While they are active members of the organization they tend to accept gender discrimination that means that they face hurdles due to their gender.

# LITERATURE REVIEW III

- **Ethical Leadership:** it is defined as the leadership style that pursues the ethical beliefs and values of an organization and it is closely connected with principles like moral, authenticity, and integrity.
- **Paternalistic/Patriarchal Leadership:** Organizations that apply a patriarchal style in the way they manage leadership look like a traditional nuclear or extended family. On the top of the pyramid is a patriarch or a matriarch who actually is an authoritative person standing in the middle of the company.
- **Transformational Leadership:** it is a synonym for motivation and inspiration. As Lan et al. (2019) suggest “motivation [...] influences people to have the same vision to achieve” and this is something that transforms an organization into a united entity.
- **Democratic Leadership:** it is one of the most difficult and challenging leadership styles one can apply. This style expresses member engagement, freedom, and enterprise (Bhatti, Maitlo, Shaikh, Hashmi, & Shaikh, 2012).
- **Entrepreneurial Leadership:** it is a synonym for taking risks and acting innovatively. Leaders who follow this particular leadership style tend to set economic, environmental, and social goals and they attend to achieve them by taking innovative decisions (Nor-Aishah, Ahmad, & Thurasamy, 2020).

# LITERATURE REVIEW IV

- **Business Performance:** By the term “Business Performance” scientists and managers do not only take into consideration the financial factors that lead to the conclusion of profitability or not but also they consider any other non-financial factor that affects the organization.
- **Employee Satisfaction:** Job satisfaction is a term related to the positive or negative feeling regarding one’s job. This feeling derives from the evaluation of its characteristics (Robbins & Judge, 2011).



# METHODOLOGY

- ✓ Research tool:

  - Questionnaire (2 parts)

  - Part 1: 12 open-ended questions, addressed to the HR department

  - Part 2: main part, 48 questions, 7-Likert scale, addressed to the employees of the firm

The questions are divided into 7 groups according to 5 leadership styles that were discussed above (ethical, paternalistic, transformational, democratic, and entrepreneurial) and business performance and employee satisfaction.

- ✓ Research sample:

  - 17 Greek companies

  - 136 employees

- ✓ Two methods: the convincing and the avalanche

- ✓ This research followed all the suggested ethics that must be taken into account.



# THE RESEARCH TOOL

Τμήμα Οργάνωσης και Ανθρώπινου Πόρου  
Πανεπιστήμιο Μακεδονίας - Θεσσαλονίκη

## To the Company Manager:

Name of the company: .....

Number of employees: .....

Number of women employees: .....

Women in Top Management: .....

Name some of the top management positions women possess:  
.....

Number of employees over the age of 50: .....

Number of employees under the age of 25: .....

Number of immigrant employees:  
.....

Number of employees with disabilities:  
.....

Does your company take part in several events that defense human rights (e.g. Pride, events against racial discrimination)? If yes, name some of them.  
.....  
.....

What makes your company multicultural?  
.....  
.....  
.....

Why is diversity important?  
.....  
.....  
.....

Department of Business Administration  
University of Macedonia - Thessaloniki

## QUESTIONNAIRE

### PART 1: Demographic Information

Name of the company: .....

Gender: Female  Male

Time working in the company: .....

Employee's position: .....

### Part 2: Questions

No.	Ethical leadership	Completely disagree							Completely agree								
		1	2	3	4	5	6	7	1	2	3	4	5	6	7		
1	Would the leader do things which violate organizational policy and then expect his/her subordinates to cover for his/her?																
2	My leader defines success not just by results but also the way it is obtained.																
3	My leader develops a collective ethical vision that inspires people and gives them a sense of purpose, is customer-focused and advances diversity of people.																
4	My leader ensures that employees follow codes and integrity.																
5	My leader does as it may in a given situation.																
6	My leader keeps his/her promises.																
7	When I have to resolve an ethical dilemma, I check the unwritten rules of the company.																

No.	Paternalistic Leadership	Completely disagree							Completely agree								
		1	2	3	4	5	6	7	1	2	3	4	5	6	7		
8	I think that the company's supervisor is a good example for teachers to behave.																
9	I feel pressure while having a meeting with the company managers.																
10	Company managers always greet the staff.																
11	Company managers do not use their position to enjoy privileges.																
12	When an employee has a hard time, company managers will help him/her.																
13	When an employee is unable to complete a task, company managers will express their displeasure.																
14	Company managers believe that the employees who follow the rules are the role models for the subordinates.																

No.	Transformational leadership	Completely disagree							Completely agree								
		1	2	3	4	5	6	7	1	2	3	4	5	6	7		
15	Company managers always establish a close relationship with the employees.																
16	Company managers always participate in training and inspire employees to improve more.																
17	Company managers are not close minded and are able to create a better environment for employees to show one's creativity.																



# PROCEDURE OF RESEARCH DATA COLLECTION

1. The identification of the research purpose that is the determination of the leadership style that is used by companies with multicultural workforce, as it was mentioned above.
2. The identification of the research objectives (11) which represent the research hypotheses.
3. Formation of the questionnaire in a comprehensible way and easily understandable by the employees. The researcher attempted to construct a brief questionnaire that would cover all the scientific aspects needed to be taken under consideration.
4. Approval of the questionnaire by the supervising professor.
5. Selection of companies that promote diversity through online research, mostly via LinkedIn. The researcher found almost 35 organizations that were given the “Charter of Diversity” by “Diversity Charter Greece.
6. Online distribution of the questionnaire: the researcher contacted to these companies, first, via telephone and then by sending them an email with all the information needed in order to complete the questionnaire.
7. Selection of the research results: companies started responding via emails and the researcher organized the answers by firms.
8. Coding procedure of research data: transformation of the answers into data in an Excel document by the researcher. At this point, the research data is transformed into quantitative results.
9. Statistical analysis and interpretation of results through SPSS.
10. Demonstration of results and tracing of conclusions and proposals.

# RESULTS: ETHICAL LEADERSHIP ON BUSINESS PERFORMANCE AND EMPLOYEE SATISFACTION







There is a positive correlation between Ethical Leadership and Business Performance and Employee Satisfaction (complies with literature).

# PATERNALISTIC LEADERSHIP ON BUSINESS PERFORMANCE AND EMPLOYEE SATISFACTION



Variable	Mean	SD	Min	Max
Business Performance	4.5	1.2	2.0	6.0
Employee Satisfaction	3.8	1.0	2.0	5.0
Patriarchal Leadership	4.2	1.1	2.0	5.5

**Patriarchal Leadership affects positively Business Performance and Employee Satisfaction (contrasts literature).**

# TRANSFORMATIONAL LEADERSHIP ON BUSINESS PERFORMANCE AND EMPLOYEE SATISFACTION



Variable	Mean	SD	Alpha
Transformational Leadership	4.52	0.85	0.92
Business Performance	3.21	0.72	0.88
Employee Satisfaction	4.18	0.91	0.90

**Transformational Leadership affects positively Business Performance and Employee Satisfaction (complies with literature).**

# DEMOCRATIC LEADERSHIP ON BUSINESS PERFORMANCE AND EMPLOYEE SATISFACTION



Variable	Mean	SD	Alpha
Democratic Leadership	3.25	0.85	0.92
Business Performance	4.10	0.90	0.88
Employee Satisfaction	3.80	0.75	0.90

**Democratic Leadership affects positively Business Performance and Employee Satisfaction (complies with literature).**

# ENTREPRENEURIAL LEADERSHIP ON BUSINESS PERFORMANCE AND EMPLOYEE SATISFACTION



Variable	Mean	SD	Alpha
Entrepreneurial Leadership	3.85	0.95	0.85
Business Performance	4.20	1.10	0.78
Employee Satisfaction	4.10	1.05	0.82

Entrepreneurial Leadership has a positive effect on Business Performance and Employee Satisfaction (complies with literature).

# EMPLOYEE SATISFACTION ON BUSINESS PERFORMANCE







Employee Satisfaction affects positively Business Performance (complies with literature).



# CONCLUSIONS

- ✓ All 5 Leadership Styles have a positive effect on Business Performance and Employee Satisfaction.
- ✓ Disagreement with Literature: Paternalistic Leadership has a positive correlation with these two variables.
- ✓ Democratic Leadership demonstrates a weak positive correlation with Business Performance.
- ✓ The ideal leadership style for this organization: a combination of all 5 leadership styles, especially ethical, transformational and entrepreneurial.



# RESTRICTIONS AND PROPOSALS

## Difficulties in:

- Detection of Greek organizations with a multicultural workforce
- Gathering of research data
- Analysis of research results

## Proposals:

- Conduction of larger-scale research
- Analysis of both quantitative and qualitative results



thank  
you

