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MULTICULTURALISM AND BUSINESS STRATEGY IN UK-BASED MULTINATIONAL CORPORATIONS: LIVED EXPERIENCES OF EUROPEAN AND NON-EUROPEAN BOARD MEMBERS

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Abstract

Multinational corporations (MNCs) continue to experience lack of equality, diversity, and inclusion (EDI) at the Board level, due to misconceptions about multiculturalism and how it interacts with organizational culture to influence Board members' business strategy decisions. Our motivation is the urgent need for critical research on how multiculturalism influences business strategy, with the aim to provide a novel holistic framework linking multiculturalism with resource-based and market-based views of strategy. We adopt a qualitative methodology comprising of 18 semi-structured interviews and four case studies of UK-based MNCs. Thematic content analysis of the interview data reveals four findings: a/EDI are attributes of multiculturalism; b/lack of consensus on how multiculturalism strategically benefits organizations; c/effective alignment between EDI and business strategies is a source of sustainable competitive advantage, d/the paradox of salad-bowl and melting pot perspectives should be managed through parallel processing. We contribute to knowledge by specifying the multiculturalism role of Board members in terms of aligning demographics with sources of MNC's competitive advantage. Because the generalizability of the findings is limited due to our small sample-size, future research would determine the causal relationship between multiculturalism and business strategy in a representative sample of MNCs.

Keywords: Multiculturalism, Boards Members, Business Strategies, Multinational Corporations, Europe, UK

1. Introduction

Multinational corporations (MNCs) have in the last decade significantly increased their organizational activities, in response to increasing turbulence in both the domestic and international markets. From a strategic management perspective, it is very important for Boards of Directors (BoD) of MNCs – in their role as strategists – to critically evaluate the key opportunities and threats emanating from changes in macro-environmental factors e.g., socio-cultural, politico-legal, technological, ecological, economic, and financial, which influence the competitive advantages of MNCs (Whittington *et al.* 2019; De Wit, 2020). In this context, this paper has two main aims: first, to provide a critical understanding of the socio-cultural environment in which MNCs headquartered in the United Kingdom (UK) operate in; second, to better understand how multiculturalism policies and practices influence the behavior of Board members involved in strategic business decision-making processes. These two aims are motivated primarily by the authors' experience working for different MNCs in Sri Lanka, Ghana, Denmark, and the UK, in different managerial and leadership roles covering strategy, research and development, operations, marketing, and global supply chains.

To achieve the above aims we first conduct a critical review of extant literature and prior studies to demonstrate the lack of critical understanding of the concept of multiculturalism and how it influences organizational culture and business strategy (Brannen, 2015). While the concept of culture is basically about the believes, values, and norms of human societies and organizations, the concept of multiculturalism is about the diverse cultures co-existing in the same society or organization (Brannen, 2015; O'Donovan, 2018). There is therefore an urgent need to address the misconceptions and misapplication of multiculturalism, to help create an enabling organizational culture for successful business strategies – this need provides a theoretical background and underpins the rationale for our choice of qualitative research methodology underpinned by an interpretivist philosophy. In this context, our justification for using lived experiences of Board members – as the primary source of qualitative data – is because we believe the subjective experiences of participants would enable us to critically understand participants' perceptions of multiculturalism and how perceptions influence business decisions at the Board level, in terms of achieving and sustaining competitive advantages.

The remaining part of this paper is divided into five sections. First, we provide a critical review of existing literature and prior studies which link multiculturalism and business strategy, followed by a description of the research context, problem situation, and the conceptual framework for the study – highlighting the research aim, key questions, and specific objectives. Second, we provide justification for choice of qualitative research methodology underpinned by an interpretivist philosophy, comprising of multiple case studies and semi-structured interviews of Board members of MNCs. Third, we present the empirical results and findings from the Nvivo thematic content analysis. Fourth, we discuss and interpret the qualitative findings considering the research gaps in the literature and prior studies. Finally, we conclude and offer practical recommendations – highlighting major limitations and areas for further research.

2. Literature review

Etymologically, the term 'multiculturism' simply means the co-existence of multiple or diverse cultures or people from different cultural backgrounds in a country, a community, or an organization (Online Etymology Dictionary, 2024). This suggests that the definition and meaning of culture is central to understanding the nature of multiculturalism. As a concept, culture comprises of 'beliefs', 'values', 'norms', 'customs', 'behavior', 'habits', and 'capabilities' – which codify acceptable conduct – in human societies, countries, or organizations – and can be acquired through the learning processes of socialization (Dickson *et al.* 2014). It is therefore not surprising for Brannen (2015) to define multiculturalism, descriptively in terms of "cultural diversity…with a significant proportion of people with mixed cultural origins...the demographic makeup of an entire state or that of an organization" and prescriptively in terms of "principles and policies that value diversity…cultural variation in language, religion, dress, values, and basic assumptions about

life". In terms of strategic management in an organizational context, issues relating to multiculturalism and organizational culture are discussed as part of the socio-cultural environment which is part of the macroenvironment comprising of other external forces e.g., political, legal, economic, financial, technological, and ecological (Whittington *et al*. 2019; Hofstede, 2003, 2024). In this study we define 'multiculturalism' in terms of its key attributes e.g., diversity, inclusion, equality (EDI) (Brannen, 2015; O'Donovan, 2018), and argue that the successful implementation of EDI policies, can help a MNC achieve and sustain its competitive advantages in both the domestic and international markets.

Business strategy is a critical component of the role and responsibility of Boards of MNCs, and involves decisions on alternative sources of competitive advantage defined in terms of low-cost leadership (designing, producing, and marketing a comparable product more efficiently than competitors); product differentiation (providing unique and superior value to buyers in terms of quality, special features, or after-sale service); and focus (targeting customers in a narrow market segment) (Porter, 1998; 2003; Datta, 2022). UK-based MNCs e.g., Unilever, Tesco, GlaxoSmithKline, and AstraZeneca, operate in at least one country (Hines *et al*. 2021), and engage in foreign direct investments (FDIs), through a package of capital, technology, managerial talent, production, and marketing skills (Jansson, 2020; Hines *et al*. 2021). Many of these MNCs are motivated to practice multiculturalism because they carry out different multicultural activities in more than 100 different countries and over time have built up thousands of workforces outside their home country (Phillips, 2009; Jansson, 2020; Berry and Ward, 2016). As such the business strategies they develop impact on their shareholders and stakeholders in both their home-base and host economies (De Wit, 2020). These MNCs have become deeply involved in developing countries in Asia and Africa as global suppliers of goods and services using their global logistics capacity as a bargaining power and source of competitive advantage (Giuliani and Macchi, 2014; Jansson, 2020). Critics, however, argue that MNCs exert undue political influence over governments, exploit developing countries, create job losses in their own home countries, cause negative economic and/or environmental impacts (Giuliani and Macchi, 2014; Almeida, 2007).

2.1. Boards of directors, multiculturalism, organizational culture and strategy

In general, Boards of MNCs comprise of directors with diverse expertise, within a Board structure and composition which aims to preserve the independence of the Board and to check management and leadership power (Minciullo, 2019; Galia *et al*. 2017). It is clear in the resource-based view (RBV) literature that MNCs need BoDs with core competencies in multiculturalism and dynamic capabilities for creating the enabling organizational culture for achieving superior performance results over their competitors in both domestic and international markets (Barney *et al*. 2001; De Wit, 2020). Developing competencies and capabilities require Board members from diverse cultures to work together (O'Donovan, 2018; Eze *et al*. 2017), with clearly defined roles to achieve long-term or strategic goals (Mehmet and Aşçı, 2016; De Wit, 2020). This will enable BoDs to act as trusted advisors to their MNCs, on a wide range of business strategy issues relating to multiculturalism e.g., equality, diversity, and inclusion in the workplace (O'Donovan, 2018). In this context, Boards are obligated to adhere to standards of equality, diversity, and inclusiveness, when engaged in long-term decision-making processes – to prevent BoDs from acting in ways that could cause harm to the corporation (Whittington *et al*. 2019; Ahmady *et al.* 2016).

Although this paper focuses on strategy it is related to the field of international business and management, in the sense that MNCs knowledge and skills in managing multiculturalism at the level of BoDs is an example of Dunning's (2000) ownership (O) advantage that can be transferred to their subsidiaries in host countries. Indeed, from the perspective of the RBV of competitive advantage, MNCs with a unique organizational culture that effectively addresses issues of multiculturalism represents 'ownership advantage' that is a unique and valuable resource that cannot easily be imitated, thus helping to create a competitive advantage against potential foreign competitors (Barney *et al.* 2001). Ownership advantage however has an intrinsic disadvantage, in terms of the liabilities that come with foreignness because UK MNCs would be

seen as non-native in the host countries they operate in, facing challenges, such as, possible language barriers, lack of knowledge of the demand trends that are common among the local consumer markets (Dunning, 2000). As such, it is important for Board members to seek to critically understand the impact of multiculturalism on value propositions to customers and the fact that the effectiveness of each strategy depends on the opportunities and threats in the external environment and on the MNC's internal strengths and weaknesses (De Wit, 2020). It is therefore critical for MNCs to select multiculturalism policies and practices that effectively align with the opportunities in their external environment. We therefore argue that multiculturalism is associated with effective business strategy development and implementation. The next section brings together all the key findings from the literature to create a conceptual framework for the study.

2.2. Research gaps, key research questions and objectives

Table 1 below represents the synthesis of the key findings from extant literature and prior studies on the association between 'multiculturalism' and 'business strategy', in terms of 'what has been done', 'what has not been done' and the related research questions. For example, although the literature reveals that multiculturalism is linked to cultural diversity, there is however less research on how multiculturalism interacts with national and organizational cultures to influence business strategies (e.g., Hofstede, 2003, 2024; O'Donovan, 2018; Dickson *et al.* 2014).

Table 1. Links between key findings and research gaps

Research areas and gaps: What has been done? What has not been done?	Key research issues/questions/ Key references
Multiculturalism has been linked to cultural diversity. There is less emphasis on multiculturalism as a phenomenon and how it interacts with national and organizational cultures to influence business strategies.	We link multiculturalism to national, organizational cultures and business strategies. Hofstede (2003, 2024); O'Donovan (2018).
Increasing demand for globalization or internationalization has been identified as a key driver of the demand for multiculturalism in the political and social cultural environment. There are few critical discussions on how BoDs) in the UK should address the paradox of mono- and multiculturalism -	Lack of criticality on how specific examples of multiculturism policies and practices influence the attitudes/orientations of members of BoDs. De Wit (2020); Dunning (2000).
How multiculturalism impacts organizational culture which in turn impacts the three sources of competitive advantages is not critically explained. The attitudes of members of BoDs to these strategic options are not critically explained.	How do the attitudes of members of BoDs influence their approach to competitive advantage? Porter (1998); Whittington *et al.* (2019); Barney *et al.* (2001).

Source: Various

In addition, MNCs continue to experience increasing demand for globalization or internationalization, driving largely by increasing demand for multiculturalism in the political and social cultural environment. Despite these developments there are few critical discussions on how Boards of Directors (BoDs) in the UK should address the paradox of mono- and multiculturalism (see De Wit, 2020; Dunning, 2000; Brannen, 2015; Bachrach, 2014). Furthermore, although the literature and prior research demonstrate a clear link between business strategy and competitive advantage, there is less critical research on how multiculturalism impacts organizational culture, attitudes of BoDs which in turn impact the sources of competitive advantage (see Porter, 1998; Datta, 2022; Hofstede, 2003, 2024; Whittington *et al.* 2019; Barney *et al.* 2001). These findings from the literature and prior studies underpin the conceptual framework for the study discussed in the next section.

2.3. Conceptual framework for the study

Table 2 below presents the conceptual framework for the study, which is based on three key findings from the literature review. First, that the notion of multiculturalism is linked to the issues of equality, diversity, and inclusion (EDI) in an organizational context. Second, it is well established that increasing demands for localization and globalization is a key driver of multiculturalism in the political, socio-cultural, and industry environments. Finally, the link between business level strategy and competitive advantage is well established.

Table 2. Conceptual framework for the study

Cost: foreignness; distance; ownership. What has not been done.
a/less emphasis on multiculturalism creates uncertainty/risks. b/few critical discussions on how Boards of Directors (BoDs) in the UK should address the paradox of mono- and multiculturalism. c/how multiculturalism impacts organizational culture which in turn impacts the three sources of competitive advantages is not critically explained.
Differentiation: cost of R&D; differences in consumer behavior. What has not been done.
a/the nature of multiculturism in MNCs in the UK is misunderstood. b/few critical discussions on how BoDs should address the paradox of mono- and multiculturalism - sources of competitive advantages is not critically explained. c/eclectic mix of approaches to competitive advantage: RBV, MBV, 'blue ocean', 'non-competitive views.
Narrow market segment: size of MNC, structure, composition of BoDs - what has not been done
a/IBoDs placing less emphasis on multiculturalism and how it influences business strategies. b/little critique of multiculturism, and less critical discussions on why multiculturalism matters to MNCs. c/CEOs muddling through with different approaches to competitive advantage.
Broad market segment: size of MNC, structure of BoDs - what has not been done.
a/there is less emphasis on how multiculturalism interacts with national and organizational cultures to influence business strategies. b/nature of multiculturism especially in MNCs in the UK is misunderstood and under researched. c/how MNCs are benefiting for pursuing multiculturalism agenda in a multinational context.

Source: Authors

These findings help explain the two key research gaps: a/there remain misconceptions about the nature of multiculturalism, and about how multiculturalism interacts with national and organizational cultures to influence the behavior of Board members involved in business strategy development and implementation; b/there is lack of critical discussion and empirical research – especially at the doctoral level - on how UK-based MNCs should address the paradox of mono- and multiculturalism, vis-à-vis low-cost leadership, product or service differentiation, and market focus business strategies. We believe that the findings in this study contribute to bridging these research gaps by answering the overarching research question: How is multiculturalism associated with the business strategies of UK-based MNCs? This question is operationalized through four specific research objectives relating to: a/multiculturalism, national culture, organizational cultures, and business level strategies; b/demographic characteristics of BoDs; c/multiculturism policies and practices; and d/approaches to competitive advantage.

The next section first maps the research question, research objectives and research design and methods, and provides strong justification for choice of mixed research methodology to help achieve the research objectives.

3. Research methodology: rationale, design, and questions

This section provides the structured pathway for answering our overarching research question, by adopting a qualitative research methodology underpinned by an interpretivist philosophy and comprising of multiple case studies (Easterby-Smith *et al.* 2021; Yin, 2018). The multiple case study method focuses on understanding the point of view, lived experienced, and interpretation of Board members of MNCs. As shown in Table 3 below, our overarching research question (RQ)

is mapped to four (4) specific research objectives to enable us to learn more about how UK-based MNCs adopt multicultural policies and practices to enhance the effectiveness of their international business strategies.

Table 3. Mapping research question, objectives, design, and methods

Research Question [RQ]	Four (4) Specific Research Objectives [ROs]	Qualitative Research Design and Methods underpinned by Interpretivism
	RO1/what is the nature of the linkage between multiculturalism, national culture, organizational cultures, and business level strategies?	Secondary research: Critical literature review/secondary data analysis
How is Multiculturalism associated with Board members' attitudes toward international business strategies of UK-based MNCs	RO2/how do demographic factors of members of BoDs interact with cross-cultural attitudes to influence the three sources of competitive advantage?	Semi-structured interviews/NVivo thematic content analysis. Interpretivism/Inductive/Qualitative data, involving CEOs of six UK-based MNCs.
	RO3/how do multiculturism policies and practices relating to equality, cultural diversity, inclusion, influence the attitudes/orientations of members of BoDs engaged in business strategy development?	
	RO4/how does multiculturalism influence the attitudes of member of BoDs when decision which approach to competitive advantage they should adopt?	

Source: Authors

From Table 3 we can see that the study involved collection of both primary and secondary data. The responses to the questions asked during the semi-structured interviews were transcribed verbatim and subjected to NVivo thematic content analysis (Sutopo, 2023), which engages researchers in 'analytical' (Yin, 2018) or 'naturalistic' (Stake, 1995) 'generalization', with the objective of new theory development or better understanding of the phenomenon under study.

In our case, our main objective is to better understand the reasons behind the reasons offered by participants when confronted with issues of equality, diversity, and inclusion in Board level business decisions to leverage the strengths of alternative interpretations of reality in a work environment (Creswell and Creswell, 2018; Tashakkori and Teddlie, 2013). In our view it is not unusual to adopt such a qualitative research design and method - indeed it is highly recommended when, as here, the boundaries between the phenomenon under study (e.g., business strategy development in MNCs) and the context of the study (e.g., multiculturalism policies and practices adopted by MNCs) are somewhat misunderstood and in urgent need of explorative clarification (Yin, 2018; Creswell and Creswell, 2018).

Table 4 shows the multiple case study methodology adapted from Yin (2018), involving four MNCs headquartered in the UK: MNC#1, MNC#2, MNC#3, and MNC#4. The first step involves the development of a conceptual framework on the association between multiculturalism and business strategy. The second step was followed by case selection, design of the data collection protocol, conduct of a pilot case study followed by conduct of the four main case studies (MNC#1, 2, 3, and 4). Finally, we undertake a cross-case analysis, comparisons, and conclusions, which form the basis for discussion and interpretation of findings. In-depth semi-structured interviews and document analysis were the data collection instruments used in this study.

Our conceptual framework for the study (as per Table 2) suggests that there is an association between 'multiculturalism' and 'attitude of board members' – this association however is not explicitly understood because of the misconceptions of the concept of multiculturalism coupled with differences in the approaches to business strategy development e.g., market-based

view (MBV) and resource-based view (RBV). This understanding underpins the rationale for designing an exploratory study rather than a quantitative study to investigate how European and Non-European Board members of UK-based corporations associate multiculturalism with international business strategies. To this end we selected well-established MNCs headquartered in the UK – with documented evidence of multicultural policies and practices - for the study.

Table 4. The case study methodology

Step 1	Conceptual framework for the study: Multiculturalism & Business Strategy
Step 2	Case selection - see Table B1: UK-based Consumer goods; Pharmaceutical and Biotechnology MNCs
Step 3	Develop data collection protocol: In-depth semi-structured interviews + document analysis
Step 4	Conduct pilot case study using the Semi-structured interview schedule e.g., MNC#1
Step 5	Conduct multiple case studies: MNC#1, MNC#2, MNC#3, MNC#4
Step 6	Cross-case analysis, comparisons, and conclusions
Step 7	Discussion and interpretation of findings

Source: Adapted from Yin (2018)

Case studies were compiled based on 18 semi-structured interviews, involving CEOs of six (6) MNCs headquartered in the UK, and three (3) other Board members with responsibility for multiculturalism. As interpretivist researchers we believe that what is important in answering our predetermined research question(s) is to adopt appropriate research designs and methods which allows the voices of participants to be heard based on their lived experiences in real-world situations (Tashakkori and Teddlie, 2013; Saunders *et al.* 2018; Creswell and Creswell, 2018). We deem a case study approach as particularly appropriate, because our analytic goal is to relate a narrow range of phenomena (business strategy) to a broader context (multiculturalism) (Yin, 2018). In this case the motivation for research was to investigate the nature of multiculturalism and its association with Board members' attitudes toward business strategy. Our research objectives are therefore based on the assumption that there is a gap between the theory and practice (Ragin, 1987) of multiculturalism in European/UK-based MNCs.

3.1. Sampling and sample techniques

As shown in Table 5 below, we applied the logic of non-probability sampling techniques (purposive, convenience, and snowballing) (Saunders *et al.* 2018), in the selection of MNCs and interviewees in two stages. First, we identified a list of 50 MNCs headquartered in the UK, followed by the use a purposive sampling technique to identify/recruit/select ten (10) MNCs, operating in different sectors of the UK economy e.g., Consumer goods, Pharmaceutical and biotechnology, Oil and gas, Tobacco, Alcoholic beverage, Retail, Food processing and Retail, and Automobile manufacturing. Second, the process of identifying, recruiting, and selecting participants for the semi-structured interviews involved the use of convenience and snowballing sampling techniques (Easterby-Smith *et al.* 2021). In addition, we used snowball sampling as a follow up on convenience sampling, because some of the participants selected were willing to recommend other senior executives and experts to participate in the study (Saunders *et al.* 2018). More specifically, we used convenience and snowballing techniques to select six (6) CEOs for the semi-structured interviews, and three (3) other Board members with responsibility for multiculturalism defined in terms of equality, diversity, and inclusion at the Board level. In total we managed to conduct 18 interviews with 9 Board members – two interview sessions per participant, each lasting for 45-60mts.

Table 5. Sampling techniques: MNCs and interviewees

Code = MNC#	Purposive sample of 10 MNCs Headquartered in the UK by Key Industry Category/Sector to anonymize company name	European Board members [EBM]	Non-European Board members [NEBM]	Convenience & Snowball sample of Semi-structured Interview participants – CEOs. Note: Period of study: April-June 2020
MNC#1	Consumer Goods	11	6	1 (1) = 2
MNC#2	Consumer Goods	10	3	3
MNC#3	Pharmaceutical & Biotechnology	10	3	1 (2) = 3
MNC#4	Pharmaceutical & Biotechnology	14	8	1
Total		45	20	6 (3) = 9 Participants; 6 CEOs, (3) other Board members with responsibility for multiculturalism.

Source: Authors

We codified the names of the MNCs (MNC#1-MNC#4), for anonymity while retaining some ideas of the industry sector they operate in. In addition, we restricted the study to MNCs in which multicultural policies and practices could be presumed operational. Furthermore, we interviewed only MNCs headquartered in the UK and have well-established multinational business functions in both the domestic and international markets. From Table 5 we can see that, majority (45) of Board members have European origins e.g., UK, France, Germany, and some (20) have non-European origins e.g., America, Asia, Africa.

3.2. Ethical considerations

We applied for and obtained Research Ethics Approval from our affiliated institution's Research Ethics Committee, before commencement of the data collection process (Adams *et al.* 2014). Following the Ethics Approval, we ensured that each interviewee received a Participant information sheet (PIS) and completed a Participant consent form (PCF) (Saunders *et al.* 2018). In addition, we addressed issues of confidentiality and ensured that participants were not exposed to any harm and were free to withdraw from the study without any reason at any point in the process (Creswell and Creswell, 2018). We also avoided the use of leading questions, inserting imaginary and fake data, changing results to match with the research conclusions, deliberately excluding data that do not match with the research aims. Furthermore, anonymity was maintained by deleting or using pseudo-names when publishing the findings (Saunders *et al.* 2018).

3.3. Semi-structured interview plan: main- and sub-themes and questions

The Semi-structured interviews schedule comprises of three main themes emerging from the literature on multiculturalism and business strategy: demographic characteristics, cross-cultural dimensions, and sources of competitive advantage (see Table 6 below).

Before commencing the main study, we piloted the semi-structured interview plan using participants from MNC#1, which confirmed the validity of the interview questions. The main objective of the semi-structured interview plan was to allow each participant to respond to the specific set of open-ended questions in addition to any in-depth questions arising from their response(s). The interviews were transcribed verbatim, and the transcripts were subjected to NVivo thematic content analysis (Sutopo, 2023). The next section presents the results and findings from the semi-structured interviews in an orderly manner.

Table 6. Semi-structured interview plan: main themes and examples of specific questions

Main- and sub- themes from the literature	Examples of specific interview questions
Demographic characteristics behavior of BoDs.	1/Can you please describe the specific aspects of your role as a member of the BoD which relate to issues of Multiculturalism e.g., Equality, Diversity, and Inclusion? 2/Do you think that employing people from different cultures, has significantly helped your MNC to achieve superior performance results or it was simply aimed at political correctness?
Cross-cultural dimensions linked to national and organizational cultures.	3/To what extent has your own/national cultural beliefs and values influenced your MNC's strategic decision-making processes and contributed to high return on investment - Salad Bowl Theory. 4/To what extent has the merging of minority and majority/dominant culture into a new organizational culture, forced you to reluctantly accept the host/dominant British/English culture, and loss of own national culture – Melting Pot Theory?
Sources of competitive advantage: costs, differentiation, focus; information, roles, resources.	12/Do you agree that perceptions influence business decisions/choices/style? If yes, to what extent does the degree of ethnic homogeneity correlate with your MNCs profitability, GDP, wealth of employees/citizens - multi-ethnic societies are less charitable and less able to cooperate? 18/To what extent are allowed access to sensitive information, knowledge, intelligence, and allowed to acquire, allocate, and utilize 19/CEO, Executive; Non-executive; 20/acquisition, allocation of strategic resources e.g., costs – scarce/sensitive.

Source: Authors

4. Data analysis and findings

The semi-structured interviews involving nine (9) Board members generated a rich source of in-depth primary data. Due to the Covid-19 pandemic all the interviews were conducted using Microsoft Teams and transcribed verbatim i.e., word-for-word, and analyzed by following NVivo thematic content analysis procedures, comprising, assigning thematic labels, uploading interview transcripts, assigning thematic labels or nodes, to themes relating to 'multiculturalism' and 'business strategy', identification of patterns, deriving semantic meanings, and creating mind maps (Sutopo, 2023). For each interviewee, we compiled the responses to specific interview questions into different topic or thematic categories, beginning with the three main research themes: (1) organization of the MNC to make it more multicultural; (2) the process of value co-creation with shareholders and stakeholder; and (3) the strategic development of the MNC's core competences and dynamic capabilities. In addition, where applicable, we categorized specific aspects of the participants' responses into finer sub-themes related to the main research themes base on our theoretical constructs – the aim was to make sense of the association(s) between the main- and sub-themes. The next step of analysis was to make sense/inferences about how Board members theories or conceptualize multiculturalism and the implications for applying multiculturalism theories (salad-bowl, melting-pot), in the MNC they work for. Consistent with the recommendations of Eisenhardt (1989), Yin (2018), and Sutopo (2023), the authors spent considerable time making sense of the NVivo outputs e.g., Data Clouds and Trees (see Table A1), to achieve a consensual view of how Board members conceptualize and apply multiculturalism in their work environment. Furthermore, to facilitate understanding of the similarities and differences among the Board members interviewed, we wrote up four standardized case studies on MNCs operating in consumer goods and pharmaceutical industry sectors using a common format which anonymizes the names of the MNCs (see Appendix B) based on country of origin, diversity of Board, competitiveness, core competences and dynamic capabilities.

Consistent with NVivo thematic content analysis procedures we used the frequency of words/nodes generated by the NVivo software to create Mind maps representing the three main themes of the study. We therefore present the key results and findings under three key themes and related sub-themes: influence of demographic characteristics on the attitudes of Board

members towards multiculturalism at the Board level (Mind Map#1); association between multiculturalism, national culture, organizational culture, and business strategy (Mind Map#2); and association between corporate behavior, competitive advantage, competencies, and capabilities at the Board level (Mind Map#3). To contribute to a more meaningful discussion of the topic under study, we find it very beneficial to discuss the key results and findings in the light of the key research gaps in existing theories and past theories on multiculturalism and business strategies, and to consider whether these findings can be generalized.

4.1. Mind map#1 - influence of demographic characteristics on board members' attitudes

While a full description of how demographic characteristics of Board members influence their attitudes would exceed the scope of the present paper, Table 7 below presents two basic findings in the light of the key gap in the literature and previous studies, which demonstrates that although demographics matter the challenge for organization is how to develop the right mix of demographic characteristics which would enable Board members to have a critical discussion on the benefits and limitations of associating multiculturalism with business strategy.

Table 7. Mind map on how demographic characteristics influence behavior of BoDs

Demographic characteristics of BoDs: influence on roles, tasks relating to multiculturalism e.g., equality, diversity, inclusion in business strategy	1/EDI Roles: benefits and limitations of employing people from different cultures vis-a-vis achieving superior performance results e.g., political correctness? Q1, Q7.
	2/Role/Age: impacts role and performance of MNC - vulnerability of youth and old age impacts attitudes, physique, psychology, individualism, professionalism/Q2
	3/Sex/gender matters at BoD level, in terms of EDI, Masculinity vs Femininity, including LGBT+ issues/Q3.
	4/Religion & Role: multiculturalism is socialization between people from different ethnic groups; a new form of spiritual perfection and long-term thinking about business strategy/Q4
	5/Role & educational achievements: determine success – ability to apply theoretical frameworks to solve business problems/Q5,Q6.

Source: Based on Authors' initial NVivo Data Clouds for all the 18 interview transcripts, presented in Table A1

Our first finding confirms there are two extreme theories on multiculturalism: the melting-pot theory versus the salad-bowl theory (Berray, 2019; Berry and Ward, 2016). For example, in this study, male and highly educated Board members of European origins with little experience of non-European cultures support the arguments put forward by proponents of the melting-pot theory, including Berray (2019) who argued that a heterogeneous organization should evolve into a more homogeneous organization with the differences in cultures 'melting together through assimilation' to create a harmonious common culture. This view has been challenged by the female non-European Board members in this study with many years' experiences working in multicultural environments, who support the opposite arguments put forward by the proponents of salad-bowl or mosaic theory, including Ashcroft and Bevir (2016), Berry and Ward (2016), who assert that cultural differences within an organization should be preserved because they are valuable. It is important however to point out that although the male European Board members who prefer the melting-pot theory of multiculturalism, they conceded that understanding the historical evolution of multiculturalism in their organization however have shaped their attitudes towards equality, diversity, and inclusion (EDI) policies and practices e.g., to such Board member, opined that "historically, his MNCs began with a narrow view of multiculturalism (based on the melting-pot theory) but is now adopting a broad view of multiculturalism (based on the salad-bowl theory)…from the beginning we promoted mono-culturalism with emphasis on the host- or dominant culture (British or European cultures) over minority non-European cultures, however, we came to the realization that the politically correct thing to do in today's 21st global business environment is to adopt the salad-bowl theory in recognition of the contributions of other cultures e.g., non-European cultures, and in acknowledgement of the fact that the breadth of influence of

mono-culturalism/European cultures, over time has steadily declined following the end of the British Empire" (Participant, MNC#3). This view receives support from another Board member in our study who eloquently said:

"…historically, we began by placing more emphasis on the superiority of European or British education in enabling us to achieve superior performance results – although in some divisions we still do 'tacitly' - there is a deliberate shift in emphasis to multiculturalism as a more sustainable approach to achieving sustainable competitive and comparable advantage of both firms and nations…we discovered that as a MNC – operating in multiple countries or cultures e.g., non-European countries – Asia, Africa, South America, Oceania, etc. - a multicultural approach which actively encourages employment of Board members from different cultures with emphasize on 'equality, diversity, and inclusion' (EDI)…best serves the needs and expectations of our non-European Board members, and enables us achieve superior performance results...we continue to develop our knowledge of other cultures…and to build long-term competences in how to appeal to Board members from different cultures in our business strategies/campaigns" (Participant, MNC#3).

The key message from the above results is that UK-based MNCs need to strategically develop a set of long-term core competences and dynamic capabilities for addressing issues relating to multiculturalism (equality, diversity, and inclusion) in order to best serve the needs and expectations of shareholders and stakeholders in other cultures; as one interviewee puts it, the "…the demand for equality, diversity, and inclusion in both European and non-European countries is rapidly increasing due to rise in globalization, migration and immigration…we began as a traditional British corporation, but the request by large-size non-British clients in Asia and Africa to demonstrate corporate social responsibilities policies and practices in terms of equal opportunity to diverse group of employees led to expansion of our international business activities to include socially responsible investments to reduce poverty and create jobs in low-income countries" (Participant, MNC#7). In summary, despite the cultural differences between European and Non-European Board members in this study, both groups appreciate the importance of successfully integrating the melting-pot and salad-bowl theories of multiculturalism in the development of business strategies.

The second finding derives from Board dynamics in terms of how the demographic characteristics of Board members e.g., age, sex, religion, and education, influence the effectiveness of team-work and inter-personal relationship. As one interviewee opined "once we discovered that we could better serve a wide range of international or non-European markets by adopting a more diverse and inclusive Board…we were naturally obliged to create distinct Board structures, composition, and roles, that were differentiated in their age, sex, religion, and education (e.g., maturity, gender balance, religious traditions, educational qualifications). These MNCs shared four common demographic features in our case-study: 1/age: maturity of Board members was characterized by many years of experience in business decision-making and working in multicultural environments. 2/gender balance: size and composition of the Board is deliberately designed to reflect equality, diversity, and inclusiveness in business strategy processes. This enabled the MNC to position itself uniquely within the UN Sustainable Development Goals. 3/religious tolerance: there is evidence of active cultivation and management of interdependency among Board members from other religions e.g., Islam, Buddhism, etc., as one interviewee puts it "our Board carries out a dual role…on the one hand, it encourages the melting-pot approach to multiculturalism, and yet, at the same time, it encourages the salad-bowl approach in order to attract specialist knowledge and skills from non-European cultures/markets" (Participant, MNC#1). 4/educational achievements: is perhaps the most critical, because as one interview puts it "educational achievements determine success, by helping Board members to develop or build on their ability to apply theoretical frameworks to solve business problems…however, there are differences in the quality of education across cultures…I personally prefer British/European education to non-European education" (Participant, MNC#2). This preference for British education receives support from another interviewee who argued that

"…although majority of our Board members are British/European educated, and have cross-cultural exposure, they have a substantially higher preference for maintaining their own British/European culture, than non-European cultures e.g., Asian, African, native American" (Participant, MNC#4). Prior studies support these results, by associating the preference for one's own culture to the multiculturalism theory of 'melting-pot' which promotes assimilation of minority cultures into the dominant or host culture (Ashcroft and Bevir, 2018; Berray, 2019). However, despite the high preference for the European culture, all the Board members interviewed said they had positive experiences working with non-European Board members – they attributed their positive lived experiences to four factors: a/feeling comfortable with different languages, b/allowed to freely contribute to strategic decisions; c/no significant disparities in reward systems, and d/granted access to strategic resources. Our results however contrast with the negative lived experiences of some Board members reported in other studies e.g., Noon *et al.* (2013), and King *et al.* (2012).

In brief, the above two basic findings from our study confirm the belief that "increased in multicultural experience, is now a long-term or strategic source of sustainable competitive advantage for UK-based or European MNCs" (MNC#2). This receives support in other studies e.g., Bleidorn *et al.* (2016) and Bhaduri (2019), in terms of Board level multiculturalism roles (e.g., responsibility for equality, diversity, and inclusion), attitudes towards discrimination on the basis of sex (e.g., majority of Board members are male), race (e.g., majority of Board members are White Caucasians and Europeans), religion (e.g., Christians), and education (e.g., a few had postgraduate degrees). Because of the small sample size of Board members, there is a limited extent to which these two basic findings can be generalized across UK-based MNCs. The next section explores the association between multiculturism and non-demographic characteristics e.g., national culture, organizational culture, and business strategy.

4.2. Mind map#2 – association between multiculturalism, national culture, organizational culture, and business strategy

Although interviewees were asked many direct and indirect questions about the value-creation derived from linking multiculturalism, national culture, organizational culture, and business strategy, virtually all the 9 Board members in this study appreciated the value in co-creating an enabling organizational culture comprising of a desirable mix of means-goal orientation, internal-external drivers, shareholder-stakeholder value orientation, easy-going-strict approaches, improvisation-discipline and control, local-professional, identify with immediate colleagues vs associate with a wider group of people, open-closed system, employee-work-orientation, which promotes equality, diversity, and inclusion of all cultures in Board level decision-making processes (see Table A1). For example, the interview questions elicited responses like the following: "for multiculturalism, we are more competitive than our rivals when it comes to meeting local and international demands for equality, cultural diversity, and inclusiveness at all levels" (Participant, MNC#4). Thus, while interview questions relating to the conceptualization and application of multiculturalism at the Board level of MNCs invariably did touch upon the need to address racial discrimination, the rights of immigrants and migrants, gender balance and equality, and cross-cultural dimensions, the notion that multiculturalism on its own does not help develop effective business strategies for achieving superior performance results is consistent with the findings of this study.

More typically were statements like: "multiculturalism is linked to national culture which in turn influences organizational culture and business strategy…Board members from non-European cultures, like their counterparts from European cultures equally possess the desirable mix of means-goal orientation, internal-external drive, discipline, and control, which can influence their attitudes…towards risks, low-cost leadership, product differentiation, or market focus…attitudes when accessing and analyzing sensitive strategic information and internal resources for achieving and sustaining competitive advantages in both the domestic and international markets" (Participant, MNC#2). In addition, some statements referred to the backgrounds of Board members in terms of race (e.g., Native Americans, Blacks, White

Caucasians, Asians), whether they were immigrants or migrants, sex/gender (women, men), preferred national cultural dimensions (e.g., individualistic or collectivist, power distance, masculinity, uncertainty avoidance, restrain, long-term orientation) (Participant, MN#3). The next section explores the association between corporate behavior of Board members and the competitive advantage of MNCs.

4.3. Mind map#3 – association between corporate behavior, competitive advantage, competencies, and capabilities at the Board level

Although interviewees were asked many specific questions about corporate behavior towards different sources of competitive advantage and how they are influenced by multiculturalism, virtually all the 9 Board members in this study appreciated the fact that MNCs need to build on their core competences and dynamic capabilities for identifying and implementing the best source(s) of competitive advantage based on the inside-out perspective (internal resources aligned with the resource-based view (RBV)) and/or the outside-in perspective (external opportunities aligned with the market-based view (MBV)) to enable the MNC achieve and sustain low-cost leadership, or product differentiation, or focus in both domestic and international markets. For example, the interview questions elicited responses like the following: "for corporate behavior, we are more competitive than corporative than our rivals when it comes to pursuing a low-cost leadership business strategy in both local and international markets…we do this while addressing issues relating to equality, cultural diversity, and inclusiveness in the countries or markets we operate in" (Participant, MNC#7). Table 8 presents Mind Map#3 which demonstrates the links between corporate behavior (competitive or cooperative), Michael Porter's three generic sources of competitive advantage (low-cost leadership, product differentiation, market focus), and MNCs' core competencies and dynamic capabilities at the Board level.

Table 8. Mind Map#3 on different perspectives on sources of competitive advantage

Competitive vs Cooperative Behaviors (Corporate Behavior)	Generic Sources of Competitive Advantage: Cost, Differentiation, Focus	MNCs' Core Competences & Dynamic Capabilities
Different Perspectives & Different Sources of Competitive Advantage	Resource-based view (RBV) focus on Internal resources or strengths	Tangible internal resources: structure, strategy, systems Intangible internal resources: people, knowledge, skills, shared values, culture
	Market-based view (MBV) for on External or Market opportunities	Value in multiculturalism & multinationalism; entry modes e.g., alliances, mergers, acquisitions.

Source: Authors' NVivo Data Clouds and Trees

Thus, while the interview questions invariably did touch upon the need to address EDI issues while implementing our business strategy across different cultural settings, there are differences in how EDI issues are addressed because there are country-specific requirements for MNCs to consider at the Board level. For example, a Board member said: "the demand for EDI is stronger in European countries than in non-European countries…in fact in some Asia and Africa countries the demand is low or non-existent…but we ensure we meet EDI demands as part of our CSR objectives and the need to uphold our international or global reputation" (Participant, MNC#8). In addition, some statements referred to the backgrounds of Board members in terms of their own cross-cultural lived experience: "…I have many years' experience working with Board members from different cultures e.g., Native Americans, Blacks, White Caucasians, Asians…I am an immigrant and a non-European, and I value the contributions of all Board members from different cultures to the success of my MNC" (Participant, MN#9).

In brief, from the three Mind Maps, we can see that the interviewees prefer adopting different perspectives to business strategy because it provides MNCs with opportunity to engage in competitive behavior and/or corporative behavior when developing business strategies which

align with the growing demands for equality, diversity, inclusion in both domestic and international markets. In addition, the levels of equality, diversity, and inclusion experienced by Board members (from non-European cultures e.g., Black and Asian communities), can influence their attitudes towards risks relating to whether they should adopt resource-based view (RBV) or market-based view (MBV) to achieve low-cost leadership, product differentiation, or market focus.

5. Discussion and interpretation of findings

In discussing and interpreting our findings we employ the theoretical lens/arguments of both the salad bowl and melting-pot theories of multiculturalism, in addition to the resource-base (RBV) and market-base (MBV) views of competitive advantage (Porter, 2003; Barney *et al.* 2001; Abdulwase *et al.* 2020). The structure and content of the discussion of findings is based on our holistic strategic framework for researching the association between multiculturalism and business strategy (see Table 9 below), based on our five (5) thematic findings: (1) cultural diversity, principles and policies that value diversity, (2) demographic characteristics and the new multicultural orientations of top executives of MNCs, (3) proactive top management and leadership needed to drive through multiculturalism policy initiatives, (4) UK government's actions and policies on multiculturalism - focusing on equality, diversity, and inclusion, and (5) implications for sustainability of shareholders and stakeholders values vis-à-vis the paradox of profitability and social responsibility.

Table 9. Holistic strategic framework for multiculturalism and business strategy

Multiculturalism and Business Strategy Inputs	(1) cultural diversity and principles and policies that value diversity - antecedents of multiculturalism, national and organizational cultures. (2) UK government's actions and policies on multiculturalism - focusing on equality, diversity, and inclusion.
Multiculturalism and Business Strategy Processes	(3) demographic characteristics and the new multicultural orientations of top executives of MNCs. (4) proactive top management and leadership needed to drive through multiculturalism policy initiatives
Multiculturalism and Business Strategy Outputs	(5) implications for sustainability of shareholders' and stakeholders' values vis-à-vis the paradox of profitability and social responsibility. Sources of sustainable competitive advantage - low-cost leadership, product differentiation, market focus in both domestic and international markets.

Source: Authors

In brief, our holistic strategic framework demonstrates we have achieved the study's main aim of exploring if and how multiculturalism is associated with business strategy. We believe this is a useful conceptual contribution to knowledge, which adds to extant international business (IB) and strategy literature and highlights an emerging area for future research. The next sections discuss the implications of our thematic findings to maximize the knowledge gained, starting with the findings relating to cultural diversity, principles, and policies that value diversity for enhancing business strategies.

5.1. Cultural diversity, principles, and policies that value diversity to enhance business strategy

From the summary of our thematic findings presented in Table 10 below, we define multiculturalism as multifaceted and multidimensional in nature, comprising of two extreme philosophical positions along a continuum. To one extreme we argue that, prescriptively, multiculturalism comprises of principles and policies which value diversity in nature, variation in language, religion, and lifestyle – which are fundamental to equality, diversity, and inclusion. To the other extreme we have the descriptive perspectives, which places emphasis on cultural diversity as evident in some UK-based MNCs with a significant proportion of Board members with mixed cultural origins and cross-cultural demographic characteristics.

Table 10. Summary of emerging themes and contributions

Main themes	Relates sub-themes	Emerging themes	Contributions
Demographic characteristics of members of the BoDs. BoD's role and tasks of addressing multiculturalism. BoD's role and task of formulating and forming Business strategy.	Demographic characteristics and BoDs' competitive vs cooperative behavior and MNC performance. Nature and measures of Multiculturalism: Equality, Diversity, and Inclusion (EDI); including, other national cultural dimensions e.g., long-term orientation, restraint. EDI and Business strategy formulation/formation processes. Melting-pot Theory of Multiculturalism as a Cross-cultural barriers[q10] in UK MNCs.	Cross-cultural demographic characteristics of members of the BoDs, EDI in employment – mixed results: helped to achieve superior performance results vs simply aimed at political correctness. Cooperative vs competitive interactions: healthy competition needed; but cooperation significantly reduced prejudice and cross-cultural hostility. UK Government Multiculturalism Policy/Agenda aimed at merging/integrating/ assimilating minority cultures into majority/dominant culture to create a new culture.	Evidence confirms BoDs' have different attitudes towards addressing Multiculturalism in 3 specific areas - Equality, Diversity, and Inclusion. An appropriate mix of demographic characteristics helps BoDs to become more corporative than competitive in addressing EDI issues. Examples: 1/cooperative interactions at Boards reduced prejudice and inter-cultural hostility. 2/melting-pot national and organizational culture is a cross-cultural barrier linked to poor communication, rights-abuse, lack of rewards, and loss of individual culture.

Source: Authors

Our empirical evidence confirms Board members have different attitudes towards addressing multiculturalism in terms of EDI. As such identifying and developing an appropriate mix of demographic characteristics helps BoDs to become more corporative than competitive in addressing EDI issues, e.g., one Board member opined that "…cooperative interactions at Boards reduced prejudice and inter-cultural hostility" (Participant, MNC#1). These findings support prior study by Brannen (2015) which concludes that descriptively multiculturalism, is concerned about "cultural diversity", and is prescriptively about "cultural variation". In addition, it confirms O'Donovan's (2018) view that in direct response to increasing demand for equality, cultural diversity, and inclusion in the workplace – especially at the Board level of MNCs – most MNCs and the UK government over time have shifted from monoculturalism to multiculturalism (O'Donovan, 2018). The next section discusses the implications of our thematic findings relating to the UK government's actions and policies on multiculturalism which enhance business strategies.

5.2. UK government's actions and policies on multiculturalism enhance MNCs' business strategies

The thematic findings also provide in-depth reasons why there is an association between multiculturalism and business strategy, although we did not set out to test if there is a statistically significant correlation or not. We hope to investigate the causal relationship between multiculturalism and business strategy in a future study by conducting a questionnaire survey. There are divergent views amongst both the European and non-European Board members interviewed. Some argue that "UK government's actions and policies are sometimes ambiguous and rhetorical and do not really address issues of equality, diversity, and inclusion, comprehensively…leaving most MNCs to do what they think is in the best interests of shareholders and stakeholders" (Participant, MNC#1, European). This argument receives support from another participant who opined that "UK government's actions and policies on multiculturalism – in the past two decades – seems contradictory, one aspect focuses on integration and the other aspect focuses on assimilation of people from diverse culture into British/English society" (Participant, MNC#4, non-European). These findings support, the two

extreme theories of multiculturalism, where 'integration of diverse cultures' allows both European and non-European Board members to maintain their own unique cultural identities, which Brannen (2015) refers to as 'salad bowl' or 'cultural mosaic' theory of multiculturalism. In contrast, 'assimilation of diverse cultures' requires people of minority cultures to adopt the dominant British culture" – this underpins the 'melting pot' theory of multiculturalism. A non-European Board member who prefers the salad bowl view was critical of the melting pot theory, by arguing that:

"…acceptance of British believes, values and norms other than the ones you are used to, is evidence of colonialism and postcolonialism or acculturation, which often results in the loss or erosion of your own cultural identity, and only helps to institutionalize racism, superiority of the British culture over foreign cultures, inequality, lack of diversity, and exclusion from business strategy decisions…in my view multiculturalism should be like salad bowl representing cultural pluralism mosaic and not cultural unitarist akin to monoculturalism or the superior culture of the colonialist." (Participant, MNC#5, non-European).

Our findings seem to suggest that although the salad bowl and melting-pot theories seem contradictory, there is a cyclical relationship between them. For example, a non-European Board member relates to his experience on arrival to work with his MNC "…I initial could let go of my cultural identity easily (a salad bowl view) …but after some years, I adopted some aspects of the British culture…I'm not yet ready to loss all my cultural identities to accept 100% English culture (melting pot view) (Participant, MC#6, non-European). From these different perspectives on multiculturalism, we can see that UK government's approach to multiculturalism continues to evolve around the two key processes of integration and assimilation; making it imperative for today's top management and leadership of MNCs to place more emphasis on maintaining of original cultural believes, values, and attitudes in a workplace, by developing multicultural competencies and capabilities for achieving and sustaining competitive advantage.

5.3. Demographic characteristics and the new multicultural orientations of top executives for enhancing business strategy

In terms of how multiculturalism specifically influences business strategy, our findings confirm Gillespie *et al.* (2010) and Brannen's (2015), findings which associates senior executives' multicultural experience or mindset with the success of their organizations. Our findings, however, go further by revealing that the causal relationship between the business strategy and multiculturalism variables is not statistically significant. Our evidence is mixed, with some Board members saying "…that employees from diverse cultures e.g., Asians, were more likely to become Board members than those with from less diverse cultures e.g., English…that having multicultural or global perspective or mindset is critical to MNC superior performance at the global stage" (Participant, MNC#1, European). In contrast, another Board member argued that "…Boards of directors do not need non-Europeans (e.g., Asians, Black African or Native American or Oceanic)…because experienced Europeans (e.g., British executives) with a global mindset can do the job excellently and professionally…it depends on her/his competencies or attitude towards people from non-British communities that matters to successful business strategy development and implementation" (Participant, MNC#4, European). Despite these mix findings there is acknowledgement of the fact that MNCs now must move towards adopting new multicultural orientations to deal with the increasing global challenges due to rise in demand for equality, diversity, and inclusion across the world (Brannen, 2015; CIPD, 2022).

5.4. Proactive top management and leadership needed to drive through multiculturalism policy initiatives, to enhance business strategy

Our findings give good reasons why BoDs need to adopt a proactive approach to dealing with multicultural issues e.g., we found that MNCs as multicultural and multinational organizations, are more likely to achieve superior performance results in both their domestic and international

markets, than MNCs that are multinational but less multicultural in terms of how the address equality, diversity, and inclusions in the different countries they operate in. The demographics of our participants indicate they have management and leadership competencies for addressing multicultural issues – they personally identify with cultural diversity and the need for cultural variations across countries. Our findings support prior studies of MNCs e.g., Kunze *et al.* (2013) work on demographic diversity and organizational performance, and O'Donovan's (2018) on diversity, inclusion, and performance, show that top executives with more culturally diverse experience in successfully driving through multiculturalism policy initiatives, play a central role in developing successful multinational business strategies, compared to those with less multicultural exposures.

In addition, we found that culturally diverse Board members generally tend to be more proactive, empathic, and demonstrate greater flexibility, when deciding on whether to pursue low-cost leadership or product differentiation, or focus or a hybrid strategy in the countries their MNCs operate in. This finding supports the findings by Brannen *et al.* (2009) on how biculturalism impacts organizational performance, showed that, top executives as multi-culturists compared to those who are mono-culturalists have better cultural metacognition, or awareness that cultural diversity and variations matter and a capability to adapt their attitudes or orientation in multicultural settings in their home-base and host countries.

5.5. Implications for sustainability of shareholders and stakeholders' values vis-à-vis the paradox of profitability and social responsibility

Our findings confirm that the paradox between the shareholders' demand for corporate profitability for stakeholders' demand for corporate social responsibility (CSR) remains unresolved. In order to effectively manage this paradox in a sustainable way, one CEO, suggests "an urgent need for MNCs to strategically implement compensatory mechanisms for addressing inequality, the lack of cultural diversity and inclusion, with a view to creating more opportunities for senior executives from Asia, Africa, Oceanic regions, etc. to mix with the majority British/English culture dominated by White Caucasians…with the aim of enhancing equality, diversity, and inclusion for executive from minority cultures" (Participant, MNC#3, European). Our findings receive support from prior studies by CIPD (2022), which places emphasis on the urgent need for UK organizations to address issues of equality, diversity, and inclusion. This according to another CEO:

"would require MNCs to educate and properly train/induct new members of BoDs on what multiculturalism means, and the extent to which it is integrated in the organizational culture at the headquarters and across the world…this would encourage Board members of different cultures to get along with each other professionally, respecting each other's cultural believes, values, and norms, in order to avoid Board room conflicts when formulating and forming business strategies" (Participant, MNC#5, non-European).

Our findings also confirm that UK-based MNCs with 'democratic' BoDs comprise of shareholders and internal stakeholders, with diverse cultural viewpoints, practices, and contributions; their subsidiaries however in Africa, Asia, and South America are known to be more culturally diverse, than in the UK. Historically, according to an interviewee "…many UK-based MNCs are different, in the approach to multiculturalism – they may wish to implement monoculturalism based on the melting pot theory than multiculturalism based on the salad bowl theory" (Participant, MNC#1, European). Our findings confirm the suggestions by prior researchers including Brannen *et al.* (2010) and Kunze *et al.* (2013), that multiculturalism has some limitations and therefore may not always be beneficial to UK MNCs in their homesets receives support from another interviewee who opined:

"that ironically some UK-based MNC claim they practice equality, diversity, and inclusion in the UK, but when you visit their subsidiaries in Asia, Africa, and South America, you see less

multiculturalism…but increase in demand for corporate social responsibility and immigration/migration has forced them to rethink their strategies/attitudes approach to multiculturalism…evident by the change in the demographic characteristics of Board members scarcely imaginable two decades ago" (Participant, MNC#4, non-European).

What remains a strategic challenge and opportunity for most UK-based MNCs, according to our findings, "…is the growing demand for organizations, especially large-size MNCs to address issues of equality, diversity, and inclusion in respond to members of BoDs belonging to disadvantaged or minority groups e.g., LGBT+s, disabilities, etc. who clearly display differences in culture, religion, physical abilities, and sexual orientation…they question is do these category of Board members qualify to engage effectively in business strategy decisions? In my organization we adopt a pragmatic approach to dealing with these challenges and opportunities and a lot depends on the prevailing attitudes or politics of multiculturalism in the countries we operate in, relating to shareholders versus stakeholders' interests" (Participant, MNC#4, non-European). The reference to the 'politics of multiculturalism' is supported by another interviewee, who argued "that for political reasons, many MNCs e.g., Unilever, since 2000 have moved from emphasis on a single national identity (monoculturalism), to emphasis on multicultural identity (multiculturalism), by adopting UK Government official policy on multiculturalism as an official company policy, with emphasizes on immigration, bilingualism and biculturalism…there is however, evidence that some companies are beginning or have begun to question the impact of multiculturalism, due to growing anxieties over home-grown terrorism" (Participant, MNC#1, European). The anxieties about multiculturalism remain the concerns of all our interviewees who have all questioned the effectiveness of their company's multicultural policies for directors from different cultural backgrounds.

6. Conclusion and recommendations

Building on prior work on multiculturalism in organizations, this paper consisted of a case study of six UK-based MNCs with the aim of exploring the association between multiculturalism, organizational culture, and business strategy. The thematic content analysis of the semi-structured interview data showed that these MNCs managed multiculturalism by deriving competitive advantage from a unique ability to adopt both the salad-bowl and melting-pot approaches to multiculturalism simultaneously to enable effective implementation of business strategies. The core competences and dynamic capabilities of these MNCs include parallel processing of the demands for salad-bowl and melting-pot approaches to multiculturalism within the MNC, able both to engage in inter-subsidiary coordination and resource sharing, yet also to exploit market opportunities with innovative business models emanating from differences in capabilities among subsidiaries; the development of multicultural knowledge and skills as part of new market entry strategies, thus paving the way for replicating best practices in multiculturalism from one subsidiary to another; cross-cultural strategic insight BoDs; and establishment of new subsidiaries or acquisition of businesses with a view toward developing new technological competences and capabilities for different markets. These competences and capabilities form the foundations for our holistic strategic framework which provides valuable insights into how multiculturalism can be linked to business strategy, through inputs, processes, and outputs. This extends knowledge by combining different theories of multiculturalism with resource-based and market-based strategic views in a novel way.

This paper's two key findings are firstly, that there is an association between 'multiculturalism', 'national culture', 'organizational culture' and 'business strategy', although our interviewees are uncertain about the exact nature of the association. Second, that a 'culturally diverse' BoDs, is characterized by peaceful coexistence of Board members from different cultures, although most interviewees found the term multiculturalism misleading, value-laden and politically driven. These findings confirm the mixed findings from previous empirical studies (e.g., Brannen, 2015; O'Donovan, 2018) which show that the term multiculturalism may be conceptualized and applied by organizations, descriptively and/or prescriptively. This led to our

main conclusion, that further education and training of Board members about what multiculturalism means, and about its benefits and limitations to their organizations are a precondition for high levels of equality, diversity, and inclusion (EDI) to be achieved. This requires Boards to agree on a working definition of multiculturalism which addresses demographics and EDI issues. More specifically, we arrived at five (5) key conclusions: a/some MNCs' business strategies are not effectively aligned with the UK Government's multiculturalism policies; b/some MNCs are not simultaneously managing the opposite demands of 'salad bowl' and 'melting pot' theories of multiculturalism; c/some MNCs do have an appropriate mix of demographic characteristics for identifying, recruiting, and selecting Board members; d/some MNCs are not able to sustain their competitive advantages because of misalignment between their multiculturalism policies and practices with different sources of competitive advantage: costs, differentiation, of focus; and e/although there is an association between multiculturalism and sources of competitive advantage, we did not text its statistical significance using quantitative methodology - this will be explored in further studies. Our general recommendation is therefore, that UK-based MNCs need to plan and implement policies to address issues of EDI, which in turn will enable them to develop an enabling organizational culture for achieving and sustaining competitive advantage in their domestic and international markets.

6.1. Practical recommendations based on best multicultural policies and practices

More specifically, as shown in Table 11 below, we offer four (4) practical recommendations to influence Board or corporate policy. First, MNCs' business strategies should align with the UK Government's multiculturalism policies to avoid the cost of misalignment of business strategies. This requires Boards to agree on a working definition of multiculturalism which addresses demographics and EDI issues.

Table 11. Practical recommendations and imperatives for boards

Thematic findings/ Key messages from the case study	Practical recommendations/ Imperatives for BoDs
1/The strategic framework in Table 4, provides MNCs with opportunity to better understand the antecedents, processes, and outputs of multiculturalism in terms of EDI.	MNCs' business strategies should align with the UK Government's multiculturalism policies to avoid the cost of misalignment of business strategies.
2/Two extreme positions on multiculturalism: salad bowl and melting pot perspectives can be found simultaneously in the same organization.	Further studies to determine whether or not there is a statistically significant relationship between multiculturalism and the success of MNCs' business strategy.
3/Influence of Cross-cultural demographic characteristics on business strategy. An appropriate mix of demographic characteristics helps members of BoDs to become more corporative than competitive in addressing EDI issues which in turn influences organizational culture or behavior.	MNCs need a mix of young men and women – at least with a university degree and some years of experience and matured/experienced members of BoDs. Women are underrepresented and not well rewarded, despite their significant contribution to superior performance results.
4/Association between multiculturalism and sources of competitive advantage: strategic information, roles, and resources.	The different perspectives on multiculturalism should align with MNCs' choice of sources of competitive advantage e.g., low-cost leadership, product differentiation, market focus or a hybrid of all three business strategies. The choice of a source of competitive advantage is dependent on the quality of strategic information, availability to internal resources, and ethnic homogeneity at the Board level.
There is an association between multiculturalism, business strategy, and organizational culture – however, cause-and-effect relationships were not tested in this study.	

Source: Authors

Second, MNCs should manage the paradox of 'salad bowl' and 'melting pot' theories of multiculturalism, through parallel processing, which involves simultaneously meeting the demand for *'salad bowl theory'* in some subsidiaries and meeting the demand for *'melting pot' theory',* in other subsidiaries. According to an interviewee "subsidiaries pursuing a 'cultural mosaic' benefit from cross-cultural integration…in contrast subsidiaries adopting a melting pot approach, benefit from a common organizational culture" (Participant, MNC#7). Third, MNCs need to appreciate the influence of demographic characteristics on the decision-making behaviors of Board members, irrespective of their cultural backgrounds and cross-cultural experiences. This means ensuring that an appropriate mix of demographic characteristics is agreed upon when identifying,

recruiting, and selecting Board members to encourage more corporative than competitive behavior when addressing EDI issues. For example, one interviewee said that MNCs "…need a mix of young men and women – at least with a university degree and some years of experience and matured/experienced members of BoDs with a set of believes, values, attitudes, for effective management of the Board – who know the value of individual and collective decision making" (Participant, MNC#9). Finally, MNCs should sustain their competitive advantages by aligning their multiculturalism policies and practices with different sources of competitive advantage: costs, differentiation, of focus. Although this study established that there is an association between multiculturalism and sources of competitive advantage, it did not text whether the relationship is statistically significant and possibly mediated by organizational culture – this will be explored in further studies.

6.2. Major contribution to knowledge

The major contributions of the study can be linked to the evolving nature of multiculturalism and the challenges BoDs face in their efforts to maximize the benefits from adopting multiculturalism policies and practices when developing and implementing business strategies. The thematic findings contribute valuable insights into how multiculturalism impacts business strategy in UK-based MNCs, by enabling the researchers to develop a useful holistic framework linking multiculturalism to strategy through inputs, processes, and outputs. By so doing we extend knowledge by combining different theories of multiculturalism with resource-based and market-based strategic views in a novel way. In this context, we believe our thematic findings contribute to unrevealing the misconceptions and misapplication of multiculturalism in UK-based MNCs, by drawing links between multiculturalism and business strategy which can be important additions to extant IB and strategy literature. In addition, our practical recommendations are based on concrete examples of MNCs implementing the suggested policies and practices. Furthermore, we consider our strategic framework (see Table 4) as a useful conceptual contribution, with practical implications for understanding Board dynamics and business decision-making processes.

6.3. Major limitations and areas for future research

The major limitations of the study can be linked to the evolving nature of multiculturalism and the difficulties BoDs face in their efforts to manage the paradox of mono- and multiculturalism. In this context, we do not believe our study has completely unrevealed the misconceptions and misapplication of multiculturalism in UK-based MNCs. In addition, the debate about the extent to which all three sources of competitive advantage can be combined into a hybrid strategy, remains ongoing - which means more critical studies are needed to further explain how multiculturalism specifically influences business strategy in terms of strategic information, role, and resources and vis versa. A future quantitative research study would aim to conduct a questionnaire survey to test the proposed broad hypothesis (H0): Multiculturalism does not significantly enhance business strategy development and implementation in UK-based MNCs, where 'multiculturalism' and 'business strategy' are the independent and dependent variables respectively. We propose to define 'multiculturalism' in terms of equality, diversity, and inclusion (EDI) and 'business strategy' in terms of strategic management processes required for superior performance results.

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Appendix A.

Table A1. Mind maps: multiculturalism, national culture, organizational culture, and business strategy

Multiculturalism, National culture, Organisational culture, Business strategy	Multiculturalism - a source of competitive advantage	Other sources of competitive advantage	Low-cost leadership, Differentiation, Market-focus	Board members attitudes: risks, uncertainty, costs, differentiation, or focus. MNC#2, MNC#4	Internal/resource-based view versus External/market-based view or drivers.
	Non-European Board members equally possess the desirable mix of demographic characteristics, core competencies, and dynamic capabilities for the Board role	National cultural dimensions: individualism, masculinity, uncertainty avoidance, restrain, power distance, long-term orientation.	Easy-going approach/attitude versus Discipline and control management and leadership approach		
Local and international demands for equality, cultural diversity, and inclusiveness	Professional identity - immediate colleague vs wider group of people; open vs closed systems	Demographic characteristics: sex/ gender, race/European vs non-European.	European cultures versus non-European cultures	Democratic versus Authoritarian or Easy-going-strict approaches, improvisation vs discipline and control	
Value-creation from multiculturalism, national culture, organizational culture, and business strategy	Co-creating an enabling Organizational culture for performance excellence.	Shareholder and stakeholder value co-creation - means-goal orientation, internal-external drivers.			
Increasing demand for EDI across cultures	Impact of cross-cultural dimensions	Conceptualization vs Application of Multiculturalism - EDI	Achieving superior performance results	Multiculturalism not a panacea	

Source: Authors' NVivo Data Clouds and Trees.

Appendix B. Four mini-cases

The mini-cases summarizes the key multiculturalism policies and practices in the 4 selected UK-based MNCs: Retailer and Consumer goods (MNC#1, Case 1; MNC#2, Case 2), and Pharmaceuticals and Biotechnology (MNC#3, Case 3; MNC#4, Case 4). The multiple case studies use a common format which anonymizes the names of the MNCs based on: (1) Country of origin and genesis of the MNC; (2) diversity or heterogeneity of Board members; (3) competitiveness or ranking of the MNC – ranking and building or developing core competences and dynamic capabilities for growth of multiculturalism in both domestic and international markets. It illustrates how the MNCs have enacted the best multiculturalism policies and practices advocated in this study by reconciling 'salad bowl' and 'melting pot', 'resource-based' and 'market-based' perspectives.

Table B1. Policy objectives and progress overview

Policy objectives	Examples of key policies being implemented	Current progress against policy objectives	Key messages

Commitment to achieve female representation on the Board	To achieve a minimum of 30-50% female representation by end of 2030 (MNC#1,2,3,4)	The 4 MNCs in this study are currently at 38%, 40%, 42%, and 47% female representation on the Board	Gender balance is a critical success factor for representation on the Board
Commitment to have at least one woman in the role of a senior member of the Board	To have at least one woman as a senior Board member, e.g., Chair, CEO, CFO or Senior Independent Director, by the end of 2030 (MNC#1,2,3,4)	Not all the MNCs in this study undertake regular succession planning sessions to consider appointing a female Chair, CEO or Senior Independent Director (MNC#3,4)	Executive development is a critical success factor requiring reconciling roles of men and women at the Board as part of Corporate Governance
Evaluating, monitoring, and enhancing equality, diversity, and inclusion at the Board	To support and monitor EDI strategies and efforts to ensure that EDI is continuously enhanced (MNC#1,2,3,4)	Not all the MNCs in this study undertake regular updates to discuss EDI to assist the development of high-performing Board members from different cultural countries (MNC#2, 3,4)	Commitment to continuous enhancement of EDI is a critical success factor and a source of sustainable competitive advantage which needs to be aligned with low-cost, product differentiation and focus
Maintaining Board members from diverse cultural backgrounds	To retain at least one Board member from ethnic minority background (MNC#1,2,3,4)	10-20% of the Boards in this study are ethnically diverse representation (MNC#1,2,3,4)	High retention rate is a critical success factor in reconciling salad-bowl and melting-pot perspectives on multiculturalism/EDI

Source: Authors

Case 1: groceries and general merchandise retailer

MNC#1[t] was founded in 1919 and is at present a leading retailer headquartered in the UK. It began as a market stall in London, but today it has a diversified portfolio of food and non-food businesses, with operations in over 11 countries and in 2011 was the 9th largest retailer by gross revenues with about 28% market share in the UK. It is listed on the London Stock Exchange. The Boards priorities include, reviewing Board composition, structure, size, diversity of expertise, skills, gender, ethnicity, and experience of Board members as part of talent management and succession planning, monitoring progress on multiculturalism in terms of equality, diversity, and inclusion, making timely changes to Corporate Governance Framework in compliance with UK Corporate Governance Code. More specifically, the Board uses competence or skills matrix to ensure the Board, and its committees have and maintain the competencies and capabilities required to develop and implement competitive business strategies based on low-cost leadership, product or service differentiation, or market focus in both the domestic and international markets. In addition, appointments to the Board are always made on merit, while taking into consideration the broadest definitions of equality, cultural diversity, and inclusion. These priorities ensure a structured and systematic process is in place to refresh the Board going forward.

Case 2: consumer goods

MNC#2[u] is a British fast-moving consumer goods company founded in 1929 with its headquarters in London. It operates in over 190 countries with R&D facilities in the UK, USA, Netherlands, China, India, and Pakistan. It is listed on the London Stock Exchange and is a constituent of the FTSE100 Index. It has a legacy of and continued commitment to strong corporate governance which addresses issues relating to multiculturalism e.g., equality, diversity, and inclusion. The Board's priorities for 2023-24 include commitment to multiculturalism in terms of equality, diversity, and inclusion (EDI), establishing effective succession planning, conducting business strategy reviews and approvals e.g., Code of Business Principles, Strategic Growth Action Plan,

Sustainability goals, Climate Transition Action Plan, Remuneration Policy, achieving high standards of corporate governance in both the domestic and international markets.

Case 3: pharmaceutical and biotechnology

MNC#3 is a world leading pharmaceutical and biotechnology corporation founded in 1999, but its earliest corporate history can be traced to 1913. Its primary listing is on the London Stock Exchange and is a constituent of the FTSE100 Index. The Board's priorities for 2024 include, cultivating inclusion and belonging, building and sustaining a diverse Board membership, maintain a sustainable Board by ensuring the corporation continues to attract, develop, and retain top talent from different cross-cultural backgrounds and experiences, creating a working relationship where Board members have a sense of belonging and feel valued for the contribution they make, regardless of age, sex, nationality, race, religion, country of origin, disability, ethnicity, ethics and transparency, gender identity or re-assignment, or other forms of diversity e.g., Global Power of Diversity initiative, Global I&D Ambassador Group, equitable reward, opportunities for development and advancement. In addition, the corporation's EDI activities extend to its value chain through supplier diversity efforts enhance the company's socio-economic impact in both domestic and international markets. Furthermore, the Board believes that strategic business innovation requires breakthrough ideas that only come from a diverse Board empowered to challenge conventional thinking by thinking outside-the-box.

Case 4: pharmaceutical and biotechnology

MNC#4 is a world leading pharmaceutical and biotechnology company headquartered in London. It was established in 2000 and has a primary listing on the London Stock Exchange and is a constituent of the FTSE100 Index. As of February 2024, it had a market capitalization of £69billion, the 8th largest on the London Stock Exchange. The corporation has several legacy products listed on the WHO's List of Essential Medicines. The Board's priorities since 2023 include embracing and celebrating equality, diversity, and inclusion (EDI), holding each Board member accountable for ensuring respect and inclusivity are at the heart of organizational and Board culture, developing core competences and dynamic capabilities of Board members e.g., some Board members have extensive expertise as pharmaceutical and biotechnology executives, understanding of global industry dynamics, public health, infection prevention and regulations, delivering superior business performance results – reflected in the company's strategic outlook announced at the beginning of 2024, building confidence on the growth outlooks to 2031. The corporation's corporate governance framework was designed to improve the Board's effectiveness as it delivers its business strategies based on low-cost leadership, product differentiation, market-focus, or a hybrid of the three sources of competitive advantage. To ensure the optimal effectiveness of the corporate governance framework, the company has a clear division of individual and collective roles and responsibilities for the Board, and appropriate workload for Board members and committee members for the long-term success of the company.