

Microfoundations of Multiculturalism and Their Impact on Board Behaviour in British Multinational Corporations

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Abstract:

The last decade witnessed only a few critical research on the microfoundations of multiculturalism and how they impact Board behaviour in British multinational corporations (MNCs). The purpose of this paper is to critically evaluate the microfoundations of the causal relationship between multiculturalism and board behaviour. We conducted Online Questionnaire Survey involving 318 respondents in 2020 and gathered secondary data from the 2018-2025 Annual Reports of 10 British MNCs. SPSS Multiple regression identifies three relational microfoundations: 'pluralist-relationship' has the greatest impact, followed by 'liberalist-relationship', and 'unitarist-relationship' has the least impact on Board behaviour. Our contribution is three-fold: first, we add to adoption of microfoundations as a theoretical framework for researching multiculturalism. Second, the explicit characterization of the microfoundations of multiculturalism as three predictable relationships demanding deliberate Board behaviour is seminal. Finally, we demonstrate the paradoxical nature of multiculturalism in the context of board behaviour. The implications are three-fold: a/provides a novel framework for bridging theory-practice gaps; b/encourages adoption of multi-theoretic and contextualized approaches for further developing existing theories of multiculturalism; c/operationalizes theoretical and methodological changes required in internationalisation research. Finally, we conclude the paper by highlighting the main summaries, the theoretical implications, areas for future research, and practical recommendations for practitioners.

Keywords:

Microfoundations, Multiculturalism Dimensions, Board Behaviour, British Multinational Corporations

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Introduction

In the absence of an agreed definition of 'multiculturalism' there is the general view that it is about the 'co-existence of cultures' (Online Etymology Dictionary, 2026), the 'diversity of cultures' (Berray, 2019), or the 'variations of cultures' (Brannen, 2015). Central to these views is 'culture', which in the fields of international business (IB) and cross-cultural management, broadly refers to the 'beliefs', 'values', 'norms', 'customs', and 'behaviours', acquired through socialization (Hofstede, 2026). These views raise concerns about the extent to which multiple cultures can co-existence in a manner that enables Board of Directors (BoD) to function efficiently and effectively in pursuit of corporate purpose (De Wit, 2025). To address these concerns requires critical understanding of the paradoxical nature of the salad-bowl and melting-pot theories of multiculturalism positioned at the two extreme ends of the theoretical spectrum (Sealy *et al.*, 2024; Ashcroft & Bevir, 2018). The 'salad bowl' theory posits that people from different cultures ought to coexist while retaining their distinct/unique cultural identities (Butt, 2025; Brannen, 2015). Proponents believe that this theory promotes cultural diversity, because different cultures enrich organisational and national culture, without being assimilated into a dominant culture (Hofstede, 2024; Brannen, 2015). In contrast, the 'melting-pot' theory posits that different cultures should be assimilated to create a 'single cohesive or dominant culture' because the risk of losing distinctive cultural identities is insignificant in large sized corporations (Berray, 2019; Brannen, 2015).

British multinational corporations (MNCs) are typically large size global organisations, centrally controlled, and headquartered in the United Kingdom (UK) (Fortune, 2026; Global Database, 2026). The UK is home to several well-established global MNCs, including, AstraZeneca (2026) (develops innovative medicines and vaccines), Vodafone (2026) (provides 5G and broadband services), and HSBC (2026) (provides innovative financial products), together these MNCs continue to make significant contributions to both the UK and global economies (Hines *et al.*, 2021). The Boards of these MNCs comprise of people from different countries and diverse cultures who must work together (De Wit, 2025; Eze *et al.*, 2017), to achieve explicitly defined corporate profitability and corporate social responsibility (CSR) goals in a simultaneous manner (De Wit, 2025; Mehmet & Aşçı, 2016). In this context, Boards of most MNCs strategically address issues of multiculturalism e.g., equality, diversity, and inclusion (EDI) not only at the organisational level, but crucially at the Board level to enhance their corporate governance and corporate reputation in different host countries (Tricker, 2025; Galia *et al.*, 2017). The overall aim of this research paper is to address the strategic challenges faced by British MNCs when dealing with the limitations of internationalisation by adopting microfoundations as a theoretical framework for understanding how multiculturalism impacts Board behaviour.

This paper has contemporary relevance because the last three decades witnessed only a few critical research, particularly, at the doctoral level on the microfoundations of multiculturalism and how they

interact to influence Board behaviour in British MNCs. The specific purpose of this paper is to explain the cause-and-effect relationship between multiculturalism and board behaviour, by answering the overarching question: RQ - What are the microfoundations of multiculturalism, and how do they impact Board behaviour in British MNCs? To answer this question, we propose three sub-questions: RQ1 – What are the microfoundations of multiculturalism in the context of British MNCs? RQ2 – What are the key component factors of the microfoundations of multiculturalism and how do they interact to influence board behaviour? RQ3 – What are the strengths and directions of the correlations between the key component factors of the microfoundations of multiculturalism? Our motivation to address these questions stems from our cross-cultural experiences working for MNCs in the UK, Denmark, Ghana and Sri Lanka, for over two decades.

The next section provides a critical review of extant literature and gaps in prior studies leading to the development of a conceptual framework for the study.

Literature Review

In the field of economics, microfoundations represent a theoretical framework for researching “micro-macro” relationships by aggregating individual behaviour at the microeconomic level to explain macroeconomic phenomenon (Foss & Linder, 2019; Duarte & Lima, 2012). Although microfoundations research is still heavily debated it has gained popularity in the field of management because it is grounded in etymology of words and systematic literature review processes (Foss & Linder, 2019). We therefore adopt the microfoundations framework in this study by following the three-step process suggested in the literature, namely, Step 1 – definition of concepts, Step 2 – elucidating the key component factors underpinning a concept, and Step 3 – describing the associations between the component factors to provide a critical and holistic understanding of the concept (Hayley, 2024; Foss & Linder, 2019; Duarter & Lima, 2012).

Multiculturalism and Board Behaviour

The salad-bowl theory unlike the melting-pot theory of multiculturalism places more emphasis on cultural diversity policies and practices (Berray, 2019). While salad-bowl theorists argue that cultural diversity enriches organisational culture (Brannen, 2015), melting-pot theorists, however, contend that salad-bowl approaches threaten the identity of the dominant organisational culture (Hitt *et al.*, 2019; Brannen, 2015). Unlike the melting-pot theory, the salad-bowl theory receives support from the rise of identity politics which places emphasis on the importance of acknowledging unique cultural identities within organisational and national contexts (Berry & Ward, 2016). In this context, we argue that despite extensive studies on multiculturalism and board behaviour, there are still misconceptions about the microfoundations of multiculturalism and how they interact to influence Board strategic behaviour,

especially, in the domain of IB policy and practice (De Wit, 2025; Berray, 2019). The next section demonstrates how hypotheses were developed from existing theories.

Development of Hypotheses

Prior studies reveal that the correlation between multiculturalism and board behaviour is mediated by organisational culture (Berray, 2019; Ashcroft & Bevir, 2018). For example, the degree of relatedness of British and Foreign cultures influences Boards' motives for foreign direct investment (FDI) and market-entry strategies (Dunning, 2016). This receives support from the works of Sealy *et al.* (2024), Inegbedion *et al.* (2020), Richard *et al.* (2004) and House *et al.* (2002), which confirm the association between multiculturalism and performance. Similarly, rising sociopolitical demands for sustainability across countries are known to influence Boards' decision to actively engage with the UN's Sustainable Development Goals (SDGs) (UN, 2026). Furthermore, shifts in demographic characteristics coupled with increasing emphasis on configuration of diverse cultures, continue to force MNCs to ensure diversity in the workplace, by strategically and deliberately engaging in collaborative efforts at sustaining inter-cultural relationships across host countries (Butt, 2025). In this context it is imperative for British MNCs to critically understand the microfoundations of multiculturalism and how they impact Board behaviour, in terms of equality, diversity, and inclusivity in strategic decision-making processes (Dunning & Pitelis, 2008). We argue that the costs associated with successful implementation of multiculturalism policies potentially can be included in the costs of foreignness and minimized through socially responsible investment (SRI) and other forms of FDIs, because these investments create jobs, and create sustainable societies (Adamczyk, 2017; Dunning, 2016). This raises questions relating to the nature of the microfoundations of multiculturalism impacting board behaviour (RQ, RQ1-RQ3). We argue that, despite the well-established correlation between multiculturalism and board behaviour, the nature of the microfoundations of multiculturalism and how they interact to influence Board behaviour remain unclear (UNDESA, 2025; UN, 2025; Ashcroft & Bevir, 2018; Adamczyk, 2017; Atikiya *et al.*, 2015). We therefore propose the general null hypothesis (H0) that:

Hypothesis H0: *Microfoundations of Multiculturalism do not positively and significantly impact Board Behaviour in British MNCs.*

Where multiculturalism is the independent variables, defined in terms of the dimensions of multiculturalism, and board behaviour is the dependent variables, defined in terms of measures of board behaviour identified in this study. Using microfoundations as a theoretical framework, we conducted a systematic literature review, which helped to identify the dimensions of multiculturalism and measures of Board behaviour used in the design of the questionnaire survey. In addition to the general hypothesis (H0) we also developed a sub-hypothesis (H1) to demonstrate how the dimensions of multiculturalism specifically relate to the measures of board behaviour.

A critical review of extant literature and prior studies reveal that a high degree of assimilation of foreign cultures into the British culture positively and significantly influences the effectiveness of Boards (Vodafone, 2026; Sealy *et al.*, 2024; Hardymont, 2024). This evidence lends credence to the process of assimilation of cultures as proposed by the melting-pot theory of multiculturalism (Sherwood & Pollard, 2023). In contrast, MNCs with low degree of assimilation of cultures, are characterized by Board members originating from diverse cultures - this aligns with the salad-bowl theory of multiculturalism with its emphasis on retention of diverse cultures, because it ultimately increases the chances of success of firms' market-entry strategies (Hardymont, 2024; Adamczyk, 2017). By supporting the process of assimilation of different cultures into British culture, most British MNCs help create a dominant British culture – intended or unintended (AstraZeneca, 2026; Ashcroft & Bevir, 2018; Sparkes, 2003). In contrast, some MNCs help to create a heterogeneous culture at the Board level, which accepts racial and ethnic diversity (UN, 2026; Sherwood & Pollard, 2023). The extent to which MNCs engage with the process of assimilation of cultures has been linked to firms seeking cultural or location advantages, as suggested by IB theorists including Dunning (2016), Porter (2004a/b), and Barney *et al.* (2011). This evidence is supported by prior empirical studies which examined various ways in which high degree of assimilation of host country culture into British culture influence MNCs' activities and FDI inflows resulting in a mutually beneficial relationship between Britain and host countries – in some host countries e.g., China, the converse, however, is beneficial depending on how the paradox between salad-bowl and melting-pot theories of multiculturalism is managed (Sparkes, 2003; De Wit, 2025). In this context, the challenge for British MNCs is how to achieve and sustain competitive advantages across different countries through effective implementation of multiculturalism policies and practices (Porter, 2004a/b; Atikiya *et al.*, 2015; Datta, 2022). Consequently, British MNCs place emphasis on two key areas. First, Boards at the corporate headquarters represent the highest strategic decision-making body (Caliskan & Subai, 2025). Second, Boards at the host-country level represent the decision-making body of each subsidiary, but their decisions must be subordinated to the Board at the corporate headquarters (Mazol, 2026; Tricker, 2025). Therefore, our hypothesized logic is that British MNCs who advocate for retention of the unique characteristics of different cultures rather than assimilation of cultures into a dominant culture, gain transferable specialist knowledge and skills, thus lowering their liabilities of transaction costs of foreignness (Hardymont, 2024; Jackson, 2004). We predict that, Boards composed of members from diverse cultures, are effective in organizing the roles and responsibilities of their members in both home- and host countries. Therefore, we proposed hypothesis (H1), that:

Hypothesis H1: *Increase in assimilation of foreign cultures into British culture does not positively and significantly impact Boards' effectiveness in organizing directors' roles, responsibilities, and relationships. Where: 1/Assimilation of foreign cultures is the independent variable and a specific*

dimension of multiculturalism. 2/ Boards' effectiveness is the dependent variable and a specific measure of Board behaviour.

The next section describes the conceptual framework, empirical model and analytical strategy for the study.

Conceptual Framework, Empirical Model and Analytical Strategy for the Study

Figure 1 below presents the conceptual framework for the study based on the general null hypothesis (H0) and the related sub-hypothesis (H1).

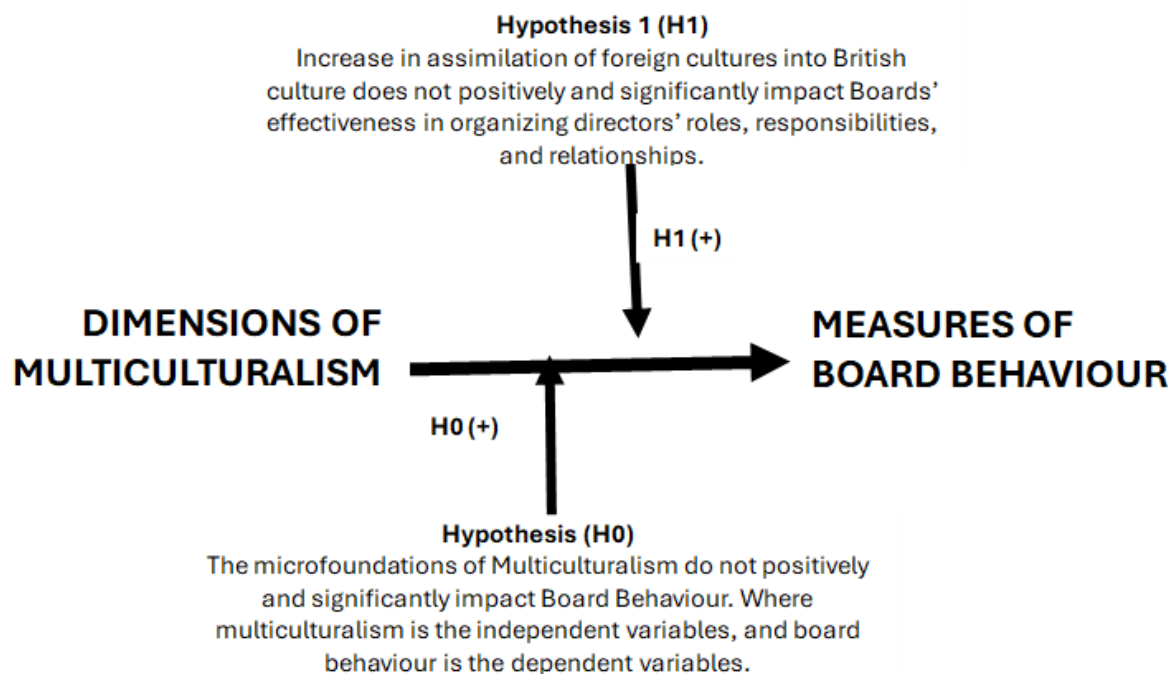


Figure 1: Conceptual framework of the study

For example, overall, hypotheses, H0 and H1, are expected to have statistically significant positive outcomes, indicating that the dimensions of multiculturalism have a significant positive effect on the measures of Board behaviour used in this study (Hofstede, 2026; Butt, 2025; Pathirathne & Osseo-Asare, 2025; Brannen, 2015; Brannen & Thomas, 2010). The conceptual framework is premised on three key findings in the literature: first, that dimensions of multiculturalism impact on measures of board behaviour (Sealy *et al.*, 2024; Brannen, 2015); second, that, the board behaviour impacts stakeholder value and corporate performance (Datta, 2022; Porter, 2004a/b); finally, that the links between multiculturalism, national culture, organisational culture, and board behaviour are well established (Hofstede, 2026; HSBC, 2026; De Wit, 2025). More specifically, we define the 'dimensions of multiculturalism' as independent variables, measured using the key component factors linked to the

theories of multiculturalism (Butt, 2025; Brannen, 2015; Brannen & Thomas, 2010). In contrast, we define the 'measures of board behaviour' as dependent variables, measured in terms of the roles, responsibilities, and relationships of Board members in an organisational setting e.g., directors, committee functions, providing diverse perspectives, ensuring good corporate governance (Porter, 2004a/b; Datta, 2022). Based on the conceptual framework, the overarching purpose of our chosen research methodology is to determine which of these variables are statistically reliable for further statistical analysis e.g., factor analysis, multiple linear regression analysis and structural equation modelling. In summary, for Hypothesis H0, the literature indicates that a positive and significant impact is expected between multiculturalism and board behaviour. This expectation is, however, doubtful, because of the difficulty predicting board behaviour in terms of stakeholder value and corporate performance (Hofstede, 2026; Butt, 2025; Brannen, 2015; Sealy et al., 2024). Similarly, for Hypothesis H1, the expectation is that an increase in assimilation of foreign cultures into British culture would have a positive and statistically significant impact on the effectiveness of Boards' in organizing directors' roles, responsibilities, and relationships. We argue that this expectation is equally not realistic because of the 'human factor' in board decision-making processes, therefore there is the possibility of mixed results (Brannen & Thomas, 2010; Sealy *et al.*, 2024; Brannen, 2015; UN, 2026; De Wit, 2025). The next section provides justification for the choice of quantitative research design and use of longitudinal secondary data in response to our three key research questions (RQ, RQ1-RQ3) and hypotheses (H0, H1).

Methods and Data

This section demonstrates how the four research questions (RQ, RQ1-RQ3) are to be answered, and the two hypotheses (H0, H1) are to be tested. We conducted Online exploratory questionnaire survey via Qualtrics^{XM} Online, involving a random sample of respondents between April and June 2020. The random sampling was based on respondents' knowledge and experience as board members of British MNCs. In addition, we collected secondary data from 2018-2025 Annual Reports of ten (10) purposively sampled British MNCs, as part of a successful PhD and Post-doctoral research project (Easterby-Smith *et al.*, 2023; Creswell & Creswell, 2023). The responses to the questionnaire were subjected to SPSS Principal Component Analysis to first determine the factor solutions, followed by tests of reliability of the data set, using Cronbach alpha (α) values (Field, 2024). We then subjected the selected factor loadings to multiple linear regression and test of the null Hypotheses H0 and H1.

Description of Sample Size and Sample Composition

To define our research context, we first used non-probability sampling to select ten British MNCs operating across different industry categories e.g., consumer goods, pharmaceuticals, oil and gas, and food retail. This was followed by probability sampling of a defined population of board members via

Qualtrics^{XM} Online (Easterby-Smith *et al.*, 2023; Saunders *et al.*, 2023). From the targeted Population size (N) of 665,981 employees from the ten British MNCs; we used Raosoft's (2026) Online Sample Size Calculator, which gave us a calculated sample size (n^c) of 3,723 employees, where E = margin of error of 5%, and c = Confidence level of 95%. Our actual sample size (n^a) based on completed questionnaire is 318 employees, representing an acceptable Response rate of 8.54% ($318/3723 \times 100$) compared with similar studies.

Exploratory Questionnaire Design

Table 1 below presents the exploratory questionnaire design, comprising of a total of 20 closed-ended questions, categorized into two. The first 7 questions deal with respondents' demographics (different scales), and the remaining 13 questions combines the 13 dimensions of multiculturalism and 13 measures of board behaviour into statements requiring respondents to respond to via a 5-point Likert scale: 1/strongly disagree, 2/disagree, 3/neither disagree nor agree, 4/agree, 5/strongly agree. The 13 dimensions of multiculturalism are: 1/assimilation of cultures; 2/EDI initiatives; 3/social responsibility; 4/sustainability; 5/cultural configuration; 6/cultural superiority; 7/deliberate agenda; 8/gender balance; 9/exploitative agenda; 10/industry compliance; 11/sociopolitical demands; 12/Britishness; and 13/relatedness cultures (Hofstede, 2026; Butt, 2025; Sealy *et al.*, 2024; Berray, 2019). Similarly, the 13 measures of Board behaviour are: 1/directors' roles; 2/Boards' competencies; 3/CSR goals; 4/independence and strategic alignment; 5/responsiveness; 6/competitiveness; 7/executive compensation; 8/strategic change; 9/strategic renewal (Adamczyk, 2017); 10/corporate governance (Al-Najjar *et al.*, 2025); 11/corporate leadership and management (Caliskan & Subai, 2025; Useem *et al.*, 2025); 12/innovation (AstraZeneca, 2026; HSBC, 2003); and 13/corporate image or reputation (AstraZeneca, 2026; Useem *et al.*, 2025). We used these dimensions and measures to explore the correlations between multiculturalism (independent variable) and board behaviour (dependent variable).

Questions	Alternative Responses and Scales
1/Job title	4-scale; 1/CEOs, 2/Directors, 3/Senior executives, 4/others.
2/Age	5-scale; 1/20-29, 2/30-39, 3/40-49, 4/above 50, 5/others.
3/Sex	3-scale; 1/Male, 2/Female, 3/others.
4/Ethnicity	4-scale; 1/CEOs, 2/Directors, 3/Senior executives, 4/others.
5/Religion	4-scale; 1/Christian, 2/Muslim, 3/Buddhist, 4/others.
6/Education	4-scale; 1/Bachelors, 2/Masters, 3/Doctorate, 4/others.
7/Origins	5-scale; 1/UK, 2/Europe, 3/Africa, 4/Asia, 5/others.

8/Assimilation vs. Directors' Role	Assimilation Processes on Directors' Functions
9/Diversity vs Boards' Capability	Diversity on Boards' Organising Capabilities
10/Society vs Responsibilities	Societal Wellbeing on Board's Social Responsibilities
11/Sustainability vs Inclusion	Sustainability on Boards' Inclusiveness and Equality
12/Configuration vs Synergy	Cultural Configuration on Boards' Responsiveness
13/Superiority vs Competitiveness	Cultural Superiority on Boards' Competitiveness
14/Deliberate vs Boards' Strategy	Deliberate Multiculturalism vs Boards' Deliberate Strategies
15/Equality vs Strategic Change	Demand for Equality on Boards' Change Processes
16/Exploitive vs Boards' Renewal	Exploitive Multiculturalism on Boards' Strategic Renewal
17/Compliance vs Boards' Control	Compliant British Culture on Boards' Corporate Governance
18/Socio-politics vs Boards' Goals	Socio-political influences on Boards' Leadership
19/Britishness vs Global Boards	Britishness on Boards' Global Competitiveness
20/Relatedness vs Globalisation	Cultural Relatedness on Boards' Global Reputation

Table 1: Questionnaire design: questions and response scales.

We successfully used a pilot study to confirm the validity of the 20 questions in the questionnaire design. The next section discusses the data collection and analysis procedures used.

Data Collection and Analysis

The responses from the Questionnaire Survey were uploaded to IBM SPSS Statistics Version 26. In addition, the secondary data from the Annual Reports were entered into NVivo for thematic content analysis. The SPSS Factor analysis using Principal component analytic procedures, reliability and validity tests, help to establish which factor solutions and factor loadings better explain the causal relationship between multiculturalism and board behaviour. This is followed by Multiple linear regression analysis, based on the most reliable factor loadings with Cronbach alpha >.900, and the empirical model or Equation (1) below.

$$\text{Board Behaviour} = \beta_0 + \beta_1 M_1 + \beta_2 M_2 + \dots + \beta_n M_n + \epsilon \quad \text{Equation (1)}$$

Where, Board Behaviour is the dependent variable. β_0 = the value of 'Board Behaviour' when all other parameters are set at Zero = 0. β_1 = the regression coefficient of the first independent variable (multiculturalism dimension, 1). β_2 = the regression coefficient of the second independent variable

(multiculturalism dimension, 2). β_n = the regression coefficient of the n^{th} independent variable (multiculturalism dimension, n), and ϵ = the model error term (Pallant, 2026; Field, 2024).

Results

The SPSS descriptive statistics reveal 8.54% Response rate from the sample size ($N = 318$). Although this may be considered low, we deemed it fit-for-purpose because of the relatively short period for data collection (3-months), coupled with the fact that between April-June 2020 Covid-19 pandemic was still prevalent in the UK.

Descriptive Statistics: Correlations Matrix

The descriptive statistics in Table 2 below reveal five key results. First, there is a perfect symmetry in the Correlation matrix for all the 20 questions in the questionnaire e.g., for job titleq1 and relatednessq20, the top right cell and the bottom left cell show the same value (- .00). Second, the demographic characteristics (items 1-7) show that, majority of respondents are in the following category: job titles (60%, directors), age (63%, 30-39 years), sex (80%, male), ethnicity (77%, White Caucasians), religion (52%, Christians), education (71%, postgraduate degrees), and country of origin (80%, Europe). Third, we observed that majority of the control variables show the predicted signs e.g., age, sex, ethnicity, and religion, are all positively associated with multiculturalism and board behaviour, suggesting their consistency and validity as measures of the independent and dependent variables. Fourth, there are several very strong positive correlations ($r \geq .70$) which indicate that the measures of multiculturalism e.g., deliberate approachq14, and revolutionary approachq15 impact measures of board behaviour e.g., exploitationq16, and competitivenessq13. Finally, some results show very weak near-zero positive or negative correlations, which indicate that some measures of multiculturalism e.g., relatedness of British and Foreign culturesq20 and rising sociopolitical demand for configuration of cultures, may not have a significant impact on measures of board behaviour e.g., exploitationq16, and pursuit of social responsibilityq10. These results suggest that although multiculturalism and board behaviour are correlated, respondents in this study may be capturing different aspects of the causality between the two variables, which further suggests the possibility of different explanations for the causality, potentially due to underlying impacts from other measures of multiculturalism and board behaviour. This may indicate that the observed correlations reported in this study, are statistically more complicated to explain as simple bivariate correlations and might require multivariate analysis to reveal the combined and integrated effects of the measures of multiculturalism on the measures of Board behaviour. This justifies the use of exploratory factor analysis e.g., principal component analysis (PCA) and multiple linear regression procedures in this study.

Principal Component Analysis: SPSS Statistics

Before performing the principal component analysis (PCA), we assessed the suitability of the data set for PCA, first by inspecting the Correlation matrix presented in Table 2 below. The analysis of robustness includes test of sampling adequacy and reliability (Pallant, 2026; Field, 2024). From Table 2, we can see that although there are not many coefficients of .30 and above, we obtained a Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy value of 0.86, which exceeded the recommended value of .60 (values closer to 1.0 are ideal, values less than 0.50 are unacceptable), indicating that the data set is suitable for Factor analysis (Field, 2024). In addition, the Bartlett's Test of Sphericity (4595.965, 325, Sig. .000) reached statistical significance supporting the factorability of our data set (Field, 2024). The PCA revealed the presence of eight components with eigenvalues exceeding 1, explaining 25.0%, 11.1%, 9.5%, 6.3%, 5.4%, 4.6%, 4.3%, and 3.9% of the variance respectively. Based on the Pattern Matrix, the reliability tests using Cronbach alpha(α)-values, reveal only three (3) components selected for further statistical analysis: Component 1 ($\alpha = 0.967$, 6 items), Component 2 ($\alpha = 0.905$, 4 items) and Component 3 ($\alpha = 0.857$, 10 items, $\alpha > 0.7$). The remaining five components were excluded from further statistical analysis, because their Cronbach alphas were below the threshold of $\alpha > 0.700$, e.g., Component 4 ($\alpha = 0.606$), Component 5 ($\alpha = 0.396$), there were no results for Components 6, 7 and 8 because only one item/factor loaded on each component. Our decision to retain the first three components for further investigation, was also supported by the fact that the Screeplot revealed a clear break after the third component (Pallant, 2026; Field, 2024). This was further supported by the results of parallel analysis for a randomly generated data matrix of the same size (20 variables x 318 respondents) (Pallant, 2026).

Variables ¹	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
q1job	2.39	.93	1.00																			
q2age	3.26	.82	-.03	1.00																		
q3sex	1.20	.40	-.00	-.26	1.00																	
q4ethnic	1.71	1.37	-.01	-.27	.07	1.00																
q5religi	2.63	1.83	-.03	-.17	.07	.12	1.00															
q6educ	3.88	1.46	.05	.00	.10	.09	.05	1.00														
q7origin	2.19	.58	.05	-.13	.125	.34	.06	.07	1.00													
q8roles	2.38	.87	.01	-.00	.01	.12	.03	-.01	.03	1.00												
q9organi	2.27	.86	.00	.03	-.05	.07	.03	.00	-.01	.44	1.00											
q10csr	2.31	.88	.03	-.05	.01	-.13	.10	-.08	-.08	.15	.22	1.00										
q11susta	2.24	.85	.02	-.00	.05	-.01	.09	.01	.01	.17	.20	.30	1.00									
q12confi	2.28	.89	.07	-.02	.03	-.09	.07	-.05	-.03	.15	.16	.34	.27	1.00								
q13comp	2.16	.88	-.03	.09	-.01	-.02	.01	-.08	-.11	.06	.24	-.06	.02	-.00	1.00							
q14delib	2.32	.86	.02	.02	.02	.11	.01	-.00	-.07	.08	.27	-.09	.05	.03	.76	1.00						
q15revol	2.38	.87	-.04	.05	.09	.06	.10	-.02	-.05	.09	.20	-.11	.07	.03	.73	.79	1.00					
q16explo	2.27	.86	.02	.07	.02	.06	.04	-.03	-.08	.11	.27	-.06	.08	.05	.77	.88	.84	1.00				
q17compl	2.31	.90	-.03	.07	.04	.05	.02	-.05	-.09	.08	.20	-.08	.06	.02	.80	.83	.80	.86	1.00			
q18contr	2.24	.85	.03	.08	-.02	.07	.04	-.01	-.06	.09	.28	-.02	.08	.06	.70	.86	.78	.87	.80	1.00		
q19globa	2.28	.91	-.02	.07	.10	.05	.09	-.04	-.06	.06	.19	-.04	.07	.05	.75	.78	.87	.85	.81	.80	1.00	
q20relat	2.16	.90	-.00	-.18	.14	.15	.03	-.09	.03	.14	.18	-.03	-.03	-.00	.11	.12	.12	.09	.09	.06	.091	1.00

Table 2: Correlation Matrix - Pairwise correlations and descriptive statistics

Note: (1) See Table 5 for definition of variables 1- 35; 1-7 (Demographics); 8-20 (Multiculturalism-Board relationships)

The three-component solutions explained a total of 45.6% of the variance, with Component 1, contributing 25.0%, Component 2, contributing 11.1%, and Component 3, contributing 9.5%. Oblimin rotation revealed a simple structure underlying the three components each showing several strong factor loadings (Pallant, 2026). We categorised the relationship between 'multiculturalism and board behaviour' in three ways. First, as a 'unitarist relationship' characterised by deliberateness, exploitative, competitiveness, revolutionary, compliance, and control. Second, as a 'pluralist relationship' characterised by relatedness, organising, responsibility, and globalisation. Third, as a 'liberalist relationship' characterised by sustainability, configuration, and origin. From the Correlation and Pattern Matrices, we observed that for 'unitarist relationship' the demand for increased 'competitiveness' has a strong positive correlation ($r \geq .70$) with the other factors loading on Component 1. In contrast, for 'pluralist relationship' we observed that the boards' 'organising ability' has a weak positive correlation ($r \leq .22$) with the other factors loading on Component 2. Finally, for 'liberalist relationship', 'country of origin' has both a weak positive correlation ($r = .01$) on 'sustainability' and a weak negative correlation on 'configuration' of diverse cultures ($r = -.03$), potentially mediated by all the demographic factors loading strongly on Component 3. These results support the use of unitarist, pluralist, and liberalist relationships, as separate scales for multiple regression below.

Multiple Linear Regression Analysis

A two-step hierarchical multiple linear regression procedure was used to assess the ability of three independent variables (unitarist-, pluralist-, and liberalist relationships) to predict levels of measures of Board behaviour, after controlling for the influence of country of origin (Pallant, 2026; Field, 2024). Preliminary analyses ensured there were no violation of the assumptions of normality, linearity, multicollinearity and homoscedasticity (Field, 2024). In addition, ANOVA indicates that the final Model 2, which includes the three independent variables is significant, $F(14, 304) = 2.862, p < .001$. In Step 1 we entered the independent variable 'country of origin', which explains 2.3% of the variance in Board behaviour. In Step 2 we entered the three main independent variables which explains 11.6% of the variance in Board behaviour i.e., the three main independent variables explained an additional 9.3% of the variance in Board behaviour. After controlling for 'country of origin', R^2 change = .094, F change (7, 304) = 4.605, $p < .001$. Figure 2 below, presents the Coefficients results which help evaluate how well each of the three main independent variables contribute to the final Model 2 in the multiple linear regression analysis.

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.889	.373		5.060	<.001	1.154	2.623
	Country of Origin	-.082	.086	-.057	-.951	.342	-.250	.087
2	(Constant)	1.328	.384		3.456	<.001	.572	2.084
	Country of Origin	-.037	.084	-.026	-.442	.659	-.202	.128
	Pluralist relationship	-.030	.060	-.030	-.505	.614	-.148	.088
	Liberalist relationship	.046	.037	.075	1.235	.218	-.027	.119
	Unitarist relationship	-.032	.031	-.056	-1.016	.311	-.094	.030

a. Dependent Variable: Board Behaviour Note: Liberalist relationship/sustainability/q11; Pluralist relationship/organising capabilities/q9; Unitarist relationship/competitiveness/q13

Figure 2: Coefficient values

The Sig. column in Figure 2 shows that none of the three independent variables (liberalist, .218; unitarist, .311; pluralist, .614; country of origin, .659) make a unique statistically significant contribution to Model 2, because the Sig. values are greater than the acceptable value of less than .05. However, the Beta values column, shows that, in absolute terms, each independent variable made some contribution to Model 2 in the following declining order: liberalist relationship (.075), unitarist relationship (.056), pluralist relationship (.030), and country of origin (.026). Even though these contributions are not statistically significant, they are unique in themselves, because they represent each variable's contribution to Model 2 when the overlapping effects of all other variables are statistically removed. Using the results from Figure 2, our empirical Equation 1, becomes Equation 2, below, where 'Board Behaviour' is the dependent variable. $\beta_0 = 1.328$ i.e., the value of 'Board Behaviour' when all other parameters are set at Zero = 0. $\beta_1 = -.032$ i.e., the regression coefficient of the first independent variable (unitarist relationship). $\beta_2 = -.030$ i.e., the regression coefficient of the second independent variable (pluralist relationship). $\beta_3 = .046$ i.e., the regression coefficient of the third independent variable (liberalist relationship), and $\epsilon = .384$ i.e., the model error term.

$$\text{Board Behaviour} = 1.328 - 0.032\text{Unitarist} - 0.030\text{Pluralist} + 0.046\text{Liberalist} + 0.384 \text{ Equation (2)}$$

The Unstandardized Coefficients (B) measure the expected change in the dependent variable (Board behaviour) for every one-unit change in the predictor or independent variable (e.g., unitarist- or pluralist-, or liberalist relationship), holding other predictors constant. This means for every one-unit shift in unitarist relationship e.g., towards pluralist or liberalist relationships, Board behaviour will shift fractionally away from unitarist characteristics, by 0.032 or 3.2%, with negative or unfavourable effects on Board behaviour, because the B-value is negative. Similarly, for every one-unit shift in Pluralist relationship e.g., towards unitarist- or liberalist relationships, Board behaviour will shift fractionally away

from pluralist characteristics, by 0.030 or 3.0%, with negative or unfavourable effects on Board behaviour, because the B-value is also negative. In contrast, for every one-unit shift in Liberalist relationship e.g., towards unitarist- or pluralist relationships, Board behaviour will shift fractionally away from liberalist characteristics, by 0.046 or 4.6%, with positive or favourable effects on Board behaviour. It is important to note that the sign (+/-) on the B-values, indicates the direction of the relationship between Board behaviour and unitarist-, pluralist-, and liberalist relationships. This means, in this study, we observed that unitarist- and pluralist- relationships have unfavourable impact on Board behaviour, while liberalist relationship impacts Board behaviour favourably. Because, the magnitude of the B-value indicates size of effect, we observed that liberalist relationship has the greatest effect (4.6%) on Board behaviour, followed by unitarist relationship (3.2%), and pluralist relationship has the least effect (3.0%). This is confirmed by the absolute Beta values which show that in declining order of the strength of the effect each independent variable has on Board behaviour, liberalist relationship makes the greatest effect (Beta = .075) on Board behaviour, followed by unitarist relationship (Beta = .056), and pluralist relationship with the least contribution (Beta = .030).

The next section discusses the above results and findings considering the research gaps found in the critical review of extant literature and prior studies.

Discussion

The empirical data analysis identified three microfoundations of multiculturalism, namely, unitarist-, pluralist-, and liberalist relationships, underpinned by critical component factors which impact board behaviour of British MNCs. First, we observed that, the unitarist-relationship is characterised by six component factors, namely, 'competitiveness', 'deliberateness', 'revolutionary', 'exploitative', 'compliance', and 'organisational control'. Second, the pluralist-relationship is characterised by four component factors, namely, 'organising', 'responsibility', 'globalisation', and 'relatedness'. Finally, the liberalist-relationship is characterised by three component factors, namely, 'country of origin', 'sustainability', and 'cultural configuration'. These three categories of microfoundations align with the melting-pot and salad-bowl theories of multiculturalism (Halse, 2021; Berray, 2019; Berry & Ward, 2016; Brannen, 2015). For example, 'deliberateness' as a characteristic of unitarist-relationship is consistent with the melting-pot theory of multiculturalism which according to Berray (2019) places emphasis on deliberate assimilation of diverse cultures to create a dominate culture. In contrast, 'relatedness' as a characteristic pluralist-relationship is consistent with the salad-bowl theory of multiculturalism which places emphasis on the co-existence of different cultures (Halse, 2021; Berray, 2019). However, 'cultural configuration' as a characteristic of the liberalist-relationship, appears to position it between unitarist- and pluralist-relationships – this receives support from the works of Halse (2021) on multiculturalism in turbulent times. She argues that multiculturalism:

“...evolved in liberal democracies as a policy response to a new politics of recognition arising from increasing migration, and racial, ethnic, linguistic and religious diversity within nation states...State-led multiculturalism accepts the social reality and value of ethno-cultural diversity in contemporary societies but engages with multiculturalism through the lens of state-led policies, laws, structures and practices developed by political leaders” (Halse, 2021, p. 1).

In this study the descriptive statistics reveal a high preference for unitarist-relationships, followed by pluralist relationship, and liberalist relationship is the least preferred among respondents. The prevalence of these three relational microfoundations of multiculturalism in this study, supports the suggestion that British MNCs adopt a mixed or pragmatic approach to implementing UK government's multiculturalism policies (Halse, 2021; Brannen, 2015). These findings are discussed in detail below in the context of the gaps in existing literature and prior research.

Unitarist Relationship: Multiculturalism and Boards

In this study we observed that unitarist-relationship as one of the microfoundations of multiculturalism can be attributed to Boards' 'competitive' culture, posture or strategic positioning in the marketplace (Hooley *et al.*, 2024; Czerniawski & Maloney, 2023), because our results show a strong positive correlations with Boards' 'deliberate' approach to strategy ($r = .76$) (Mazol, 2026; Sternad, 2025; De Wit, 2025), Boards' preference for 'revolutionary' over evolutionary approach to addressing multiculturalism issues e.g., equality, diversity, and inclusion ($r = .73$) (Sternad, 2025; Kotter *et al.*, 2021), Boards' propensity to use multiculturalism issues e.g., EDI as an 'exploitative' tool ($r = .77$) (UN, 2025; (Caliskan & Subai, 2025), Boards' propensity to 'comply' with industry regulations ($r = .80$) (Mazol, 2026; De Wit, 2025), and Boards' propensity to control activities of members/directors ($r = .70$) (Tricker, 2025; Pfeffer & Salancik, 2003). These results confirm Al-Najjar *et al.*'s (2025) works on 'gender and cultural diversity' which show positive impact on boards' internationalisation decisions. Similarly, Caliskan and Subai (2025), and Abed *et al.* (2025) established a positive relationship between sustainability and board composition.

The innovation in this study, compared with the above prior studies, is that we set out specifically to explicitly explore the microfoundations of multiculturalism and to explain how they impact board behaviour. In this context, the strength of unitarist-relationship lies on the premise that Boards can leverage their competitive approach to EDI across different countries to sustain their firms' competitive advantages (Al-Najjar *et al.*, 2025; Brannen, 2015; Gillespie *et al.*, 2010). This premise is grounded in the fact that in this study, the key component factors of unitarist-relationship (compliance, $r = .80$; exploitative, $r = .77$; deliberateness, $r = .76$; revolutionary, $r = .73$; and organisational control, $r = .70$) have positive effects on Board competitive behaviour. The implication for British MNCs is three-fold, first, Boards need to critically understand the theories underpinning the component factors of the

unitarist relationship. Second, Boards need to critically understand how the component factors individually and collectively impact board behaviour. Finally, Boards need to use the component factors to develop a holistic framework appropriate for the countries they operate in, in terms of value propositions, value adding activities, and stock of assets in each country. This means Boards' choice of unitarist-relationship, potentially enhances firms' competitiveness and dynamic capabilities in different areas e.g., revolutionary change processes, exploiting differences in cultures, compliance with regulatory requirements, and managing organisational control over chaos, with the view to sustaining competitive advantages and corporate profitability across different countries. In the next section we discuss the results for the pluralist relationship between multiculturalism and board behaviour.

Pluralist Relationship: Multiculturalism and Boards

Pluralist-relationship as the paradoxical opposite of unitarist-relationship can be attributed to Boards' core competencies and dynamic capabilities e.g., organising capability, corporate social responsibilities, globalisation strategies, and relatedness of British and foreign cultures. We observed that the degree of 'relatedness of British and Foreign cultures' (Butt, 2025; Ashcroft & Bevir, 2016; Brannen, 2015; Atikiya *et al.*, 2015) has a weak positive correlation with a Board's 'organising capabilities' in terms of the strategic roles of directors and sub-committees ($r = .18$) (Mazol, 2026; Tricker, 2025), Boards' 'globalisation' or market-entry strategies ($r = .19$) (Sternad, 2025; De Wit, 2025; Hitt *et al.*, 2019), and Boards' 'corporate social responsibility' initiatives ($r = .22$) (UN, 2025, 2026; De Wit, 2025). The novelty in these results is that they elucidate the component factors of 'pluralist relationship', while the prior studies reviewed here did not (e.g., Sealy *et al.*, 2024; Al-Najjar *et al.*, 2025; Pathirathne & Osseo-Asare, 2025; Ashcroft & Bevir, 2016; Brannen, 2015; Gillespie *et al.*, 2010). In addition, our results reveal that rising demands for corporate social responsibility, globalisation, and relatedness between British and host-country cultures, indicate that pluralist-relationship unlike unitarist-relationship has weak positive effect on Board behaviour. The implication for British MNCs is two-fold: a/to critically understand the theories relating to pluralist-relationship and how they impact board behaviour; and b/developing a holistic framework for pluralist relationship for different countries - focusing on country-specific value propositions, value adding activities, and stock of assets. In the next section we discuss the results for the liberalist relationship between multiculturalism and board behaviour.

Liberalist Relationship: Multiculturalism and Boards

Liberalist-relationship is our third category of microfoundations of multiculturalism positioned between the two opposites: unitarist-relationship which focuses on achieving corporate profitability and pluralist-relationship which focuses on achieving social responsibility. More specifically, while unitarist- and pluralist-relationships, comprise of six and four component factors respectively, liberalist-relationship comprises of three component factors, namely, 'country of origin', 'sustainability', and 'cultural

configuration'. We observed that Board members' 'country of origin' (Samiee *et al.*, 2024) has both weak positive and weak negative correlations with Boards' orientation towards issues of 'sustainability' ($r = .01$) (UN, 2026), and the need to proactively engage in the process of 'cultural configuration' ($r = -.03$) (Tricker, 2025). In addition, unlike unitarist- and pluralist-relationships, which focus on profitability and responsibility respectively, liberalist-relationship focuses on 'country of origin' – this raises a fundamental question: should the cultural orientation of an English Board member be significantly different from that of non-English member? In response to this question, we argue that a liberalist approach to addressing issues of multiculturalism is appropriate only if it permits cultural differences, while ensuring that the differences do not disrupt effective decision-making at the Board level. In this sense liberalists and pluralists are the same in promoting liberal multiculturalism based on the salad-bowl theory rather than the melting-pot theory of multiculturalism (Brannen, 2015). This suggests that Boards who choose liberalist-relationship over unitarist- and pluralist relationship would comprise of members from diverse country of origins, who would be better placed to push for sustainability and cultural configuration. In contrast, Boards comprising of only British members – as suggested especially under unitarist-relationship - might be less inclined to promote cultural configuration and sustainable development especially in host-countries.

These results partially confirm the findings from prior studies on country of origin (COO) which reveal that consumer perception of a product can be based on the product's COO (Yadav *et al.*, 2025; Oduro *et al.*, 2015), because product-COO has a statistically significant impact on consumers' purchasing behaviour (Yadav *et al.*, 2025; Oduro *et al.*, 2023). The novelty in our study is that we equate the concept of product-COO to the concept of people- or Board members'-COO, mindful of the fact that people are not exactly products by any stretch of imagination. This alignment however enabled us to explore the differences in the perceptions of British and non-British Board members when making decisions relating to sustainability and cultural configuration. Many well established British MNCs operate across more than 100 host countries, e.g., GlaxoSmithKline, AstraZeneca, Unilever, and Tesco, as such they have Boards composed of British and non-British members who originate from diverse cultures, all working together in the pursuit of both sustainability and corporate profitability simultaneously (Berry & Ward, 2016; Giuliani & Macchi, 2014). Empirical evidence from prior studies on COO (Samiee *et al.*, 2024; Oduro *et al.*, 2023) and 'liability or cost of foreignness' (Edman, 2023; Lu *et al.*, 2022; Denk *et al.*, 2012), reveal that MNCs continue to find it very challenging and costly when addressing issues of 'sustainability' and 'cultural configuration' across different host countries, while simultaneously pursuing their related long-term purpose of achieving corporate profitability (De Wit, 2025; Hitt *et al.*, 2019). In this context, the implications of the weak near-zero correlations between 'country of origin' and Boards' decisions on sustainability and configuration of diverse cultures are two-fold. First, it means Boards of British MNCs can continue to function as normal i.e., without seriously dealing with issues of sustainability and cultural

configuration. Second, it means Boards can place more emphasis on achieving profitability while achieving baseline sustainability and configuration goals, without damaging their corporate reputation. These results potentially support a liberalist relationship over unitarist and pluralist relationships.

Conclusion

The overarching question in this study relates to the nature of the microfoundations of multiculturalism and how they interact to impact board behaviour in British MNCs (RQ). The empirical data analysis, reveal three relational microfoundations of multiculturalism, namely, unitarist-, pluralist- and liberalist-relationships underpinning the correlation between multiculturalism and board behaviour – potentially mediated by demographic characteristics. In addition, the study reveals, the key component factors for each of the three relational microfoundations, namely, deliberateness, exploitative, competitiveness, revolutionary, compliance, and control for unitarist-relationship; organising, relatedness, globalisation, responsibility for pluralist-relationship; and country of origin, orientation towards sustainability, and cultural configuration for liberalist-relationship.

Main Summaries

We summarise our findings in five (5) ways. First, we conceptualise the microfoundations of multiculturalism in terms of three relational impacts on board behaviour, namely, unitarist-, pluralist- and liberalist relationships. Second, the novelty in this study relates to the fact that, although prior studies have examined the notion of multiculturalism and how it influences organisational culture, very few if any have specifically and critically researched the microfoundations of multiculturalism and their key component factors (Butt, 2025; Ashcroft & Bevir, 2016, 2018; Brannen, 2015; Gillespie *et al.*, 2010). Third, the identification of three relational microfoundations of multiculturalism in this study is seminal in nature because they add to existing theories of multiculturalism and our understanding of how multiculturalism impact board behaviour. Fourth, we argue that the melting-pot theory represents unitarist-relationship, because it promotes homogeneity of cultures, while the salad-bowl theory represents pluralist-relationship because it promotes heterogeneity of cultures. However, the liberalist-relationship lies between melting-pot and salad-bowl theories because it represents cultural liberalism. Finally, the hypotheses test results, lead us to ACCEPT Hypotheses H0 and H1, because, overall, the three relational microfoundations of multiculturalism do not positively and significantly impact board behaviour (Hypothesis H0); and increase in assimilation of foreign cultures into British culture does not positively and significantly impact boards' effectiveness in organizing directors' roles, responsibilities, and relationships (Hypothesis H1).

Theoretical Implications: Future Research Agenda

The findings in this study have two theoretical implications for IB researchers. First, the three relational constructs, namely, unitarist-, pluralist- and liberalist relationships, provide deeper insights into the nature of multiculturalism in British MNCs. IB theorists can use these three relational concepts to define and apply multiculturalism in a way that addresses issues of sustainability and cultural configuration, vis-à-vis the UN's Sustainable Development Goals (SDGs) (UN, 2026). Second, the evidence that unitarist- and pluralist- relationships are two opposites, demonstrates the paradoxical nature of the melting-pot and salad-bowl theories of multiculturalism, with liberalist-relationship positioned between the two opposites. In this context, future research can adopt the theoretical framework shown in Figure 3 below, which shows the causal relationships between 'microfoundations of multiculturalism' and 'multiculturalism constructs' (e.g., salad-bowl, melting-pot), mediated by unitarist-, liberalist-, and pluralist-relationships between multiculturalism and board behaviour.

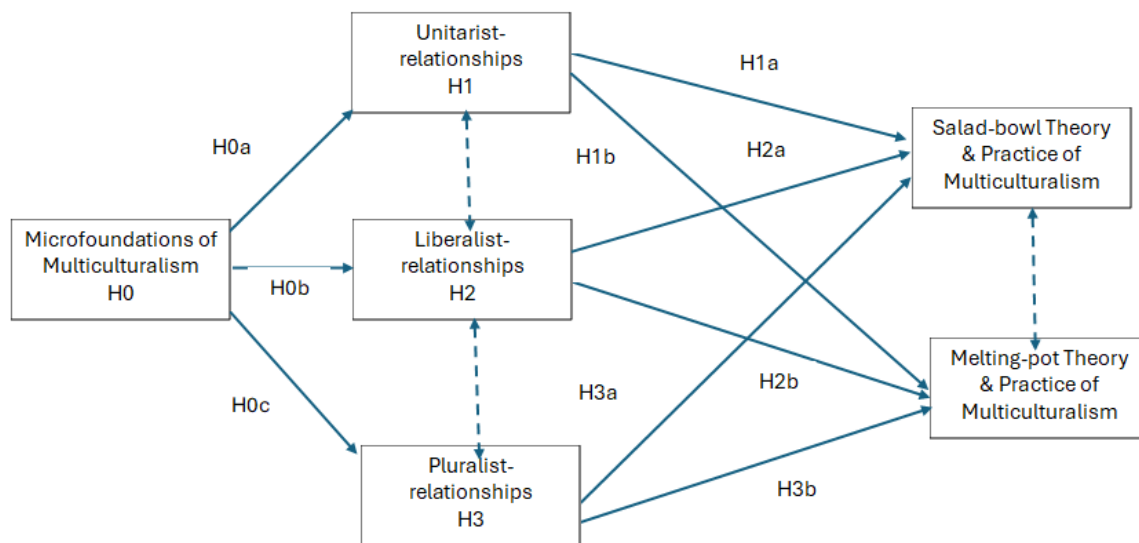


Figure 3: A Theoretical Framework for Future Research Agenda

Based on Figure 3, we proposed two sets of hypotheses. First, H0 (comprising of H0a, H0b, H0c) which seeks to explain the causal relationships between the 'microfoundations of multiculturalism' and 'unitarist-relationship' (H0a), 'liberalist-relationship' (H0b), and 'pluralist-relationship' (H0c). Second, H1a/b, H2a/b, and H3a/b seek to explain the causal relationships between 'board behaviour' (e.g., unitarist, liberalist-, and pluralist) and the 'salad-bowl and melting-pot theories of multiculturalism'. This would involve the application of structural equation modelling (SEM) techniques, and adoption of mixed research methodologies to provide in-depth and holistic understanding of how issues of multiculturalism

influence Board behaviour. Finally, a major limitation of this study, is the lack of any primary qualitative evidence to support the three relational constructs of multiculturalism and board behaviour.

Practical Recommendations for Action: What Can Practitioners Take Away From This Paper?

Given the growing importance of multiculturalism, cross-culturalism, and sustainability vis-a-vis the UN's sustainable development goals (SDGs) for countries (UN, 2026), we offer three actionable recommendations to practitioners. First, practitioners need to demonstrate ambidexterity in parallel processing the two opposite demands of unitarist- and pluralist-relationships with a view to deriving benefits from the two opposite positions. Second, the three relational positions can result in significant differences in how practitioners perceive the impact of multiculturalism policies on Board behaviour e.g., orientation towards achieving EDI goals across countries. Finally, practitioners need to reimagine and rethink how their firm's current approach to EDI, CSR, and Sustainability goals, align with the microfoundations of multiculturalism and board behaviour.

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