Controlling the Space of Equal Opportunity

A framework for management control systems regarding anti-discrimination and diversity

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ABSTRACT

**Purpose:** The purpose of this study was two-fold. First, we aimed to develop a framework concerning how to directly and indirectly control discrimination in the workplace using Management Control Systems (MCS). Second, we wanted to examine whether this framework is practically applicable in multinational enterprises (MNE).

**Methodology:** The first part of the purpose was achieved through conducting a literature study concerning MCS and discrimination. We combined existing knowledge of both MCS and antecedents of discrimination in one developed framework. For the second part of the purpose, we performed a case study. Semi-structured interviews concerning discrimination, MCS and the MCS in place to control discrimination were conducted with higher-level managers of one MNE in southern Sweden.

**Findings:** Based on existing literature, we developed a framework that includes environmental and individual factors that might influence discrimination and diversity in the workplace, the MCS that can be used in order to decrease discrimination and/or increase diversity and the possible consequences of discrimination, diversity and the related MCS. Our empirical study found evidence that MCS are employed with the purpose of directly and indirectly controlling discrimination in MNEs. The developed framework was supported by empirical data. However, the original framework was expanded to fit all data that was important for our research. We believe that the final developed framework is general enough to encompass data relevant to discrimination but still parsimonious enough to avoid the inclusion of irrelevant data.

**Limitations:** Due to the lack of extensive data, generalisations are more difficult to make. The empirical part of this study focused on finding data validating the developed theoretical framework, and thus did not measure the effectiveness of management control systems in place to combat discrimination. Finally, during the study we only interviewed top-level managers, which made it more difficult to draw conclusions concerning the existence and application of MCS throughout the entire organisation.

**Practical Implications:** We believe managers of MNEs could use the framework of the current study as a foundation for the development and/or optimisation of MCS in their organisation.
The framework could contribute to increasing awareness, and transparency about the uncontrollable external and individual factors that could influence the level of discrimination and diversity, and the effectiveness of MCS in an organisation. The framework increases visibility and clarity of the existing MCS in an organisation. This would then serve as a starting point for development and improvement of MCS for controlling discrimination, supplying practitioners with one common language.

**Keywords:** Management control systems, discrimination.
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1 INTRODUCTION

The multinational employment agency Adecco was for some time prior to 2001 running a covert discriminatory operation, as determined by the Court of First Instance in Brussels in 2009, and later confirmed by the Appeal Court of Brussels in 2015 (Bribosia & Rorive, 2016). The code ‘BBB’, short for ‘Blanc Bleu Belge’ (‘White Belgian Blue’), referring to the Belgian cattle breed Belgian Blue, was used to separate white Belgians from non-white Belgians in the computer system and was intended to please clients who desired to hire white Belgians only (Bribosia & Rorive, 2016). In 2011, a very similar verdict fell in Paris, where the Court of Appeal found Garnier and Adecco guilty of racial discrimination in France (Capital, 2011). In this instance, which took place at about the same time as in Belgium, the code ‘BBR’ - ‘Bleu Blanc Rouge’, an obvious reference to the French flag - was used for the same purposes as the ‘BBB’ code (Capital, 2011).

Thanks to courageous whistle-blowers, these secrets turned into open scandals for the entire world to see (Bribosia & Rorive, 2016; Capital, 2011; Flanders Today, 2011). In the midst of it all, several Belgian companies stated that such actions were not in line with policies, claiming they were not involved despite the fact that they were on one of Adecco’s lists of clients requesting ‘BBB’s (Flanders Today, 2011). Similarly, Adecco themselves stated in their annual report from 2000 (Adecco, 2001) that they were committed to encouraging diversity, which implies taking an anti-discrimination stance.

These statements taken together makes this all the more interesting, and one must ask how it is possible for companies with these policies to perform such blatant acts of systematic discrimination, which obviously were illegal actions for which they were found guilty (Bribosia & Rorive, 2016). This clearly gives us legal reasons to combat discrimination. In addition to these legal reasons, there are others as well, such as ethical and rational as well as financial and reputational reasons, which are interesting to discuss.

Moving the limelight from the international stage to Sweden where discrimination is also illegal (Swedish Government, 2008), it still happens in this day and age, which could help us highlight the ethical dimension which exists beside the legal. On their website, the Swedish discrimina-
tion ombudsman offer a transparent but anonymised view of the cases in which they are involved\(^1\). This not only means that discrimination is still occurring in Sweden, and probably other places as well, but it furthermore shows the ethical dimension to discrimination. For instance, based on a belief in the UN Human Rights - which clearly state that all human beings are equal in terms of dignity and rights (United Nations, 1948) - discrimination must be morally wrong as it means denying certain groups those exact equal rights. This could be a potential argument of an ethical *absolutist*, drawing on Frederick’s (1999) writings, and an argument that the authors of this study agree with. At the same time, Frederick (1999) argues that from an ethical *relativist’s* point of view, the ethical and moral dilemma surrounding discrimination is more complex as no one can say that any given moral code is better than any other is. He claims that the codes simply *are*; they exist side-by-side as equals. Depending on one’s audience, these different schools of ethics might increase the difficulty to irrefutably argue that discrimination is wrong, since the counter-argument from someone with a different ethical framework and approach might simply be that discrimination is permissible (Frederick, 1999). However, Kant’s three formulations of his categorical imperative puts this discussion on its head. They tell us that (i) we should only take actions that we wish would become universal law, (ii) we should never use people merely as a means to an end but always respect the humanity in the person as an end itself, and that (iii) we should act as if we are legislating subjects and sovereigns of an ideal kingdom (Bowie, 1999). This makes discrimination clearly unethical since full and complete discrimination of everyone is self-defeating, much like lying. As such, there are clear ethical reasons to control discrimination.

Continuing, there are rational reasons to combat discrimination. Looking at Sweden as an example, with new residence permits being granted to about 150,000 immigrating men and women in 2016 (Swedish Migration Board, 2017), the available workforce is not only expanding, but also becoming more diverse. This expansion and diversification via migration as well as movement of labour is expected to continue, as we are entering the age of globalisation (Milanovic, 2016). Further, migration leading to diversification of the workforce in a country leads to the increased importance of social integration, and tests the social cohesion (Bezin & Moizeau, 2017). This could make the diverse workforce more susceptible to discrimination, if the immigrating minorities are discriminated against. It is conceivable that should this kind of

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\(^1\) See the DO webpage at http://www.do.se/lag-och-ratt/diskrimineringsarenden/ for the overview (Swedish)
discrimination occur, it would negatively affect this growing part of the workforce, consisting of both men and women from different countries. This conceivable thought is supported by Williams’ (1999) research, which found that for similar socioeconomic statuses, racism is an additional burden for minorities leading to adverse effects on individual health in a direct and indirect way. This will logically have further negative effects on the welfare of everyone, with potential decreases in productivity and increased segregation, the latter of which according to Bezin and Moizeau (2017) could have consequences such as the creation of poverty cultures. In addition to this, research by Hewlett, Marshall and Sherbin (2013) shows that organisations that are diverse in both inherent and acquired aspects are more likely to be successful in terms of growth of market share and market presence, as well as innovation. This is definitely something that an organisation cannot benefit from if it is not in control of its members’ behaviour in relevance to discrimination, as members of minority groups can be discriminated against. As such, in this globalising world (Milanovic, 2016), to see to the best interests of a company as well as a nation, it is rational to combat and control discrimination in order to reduce and eliminate it.

The necessity of going above and beyond what is required by law, implies the importance for corporate social responsibility (CSR) taking control of discrimination issues in a company, even though reducing discrimination might be in the interests of the firm. As such, this half and half follows and goes against McWilliams and Siegel’s (2001) seemingly classic definition of CSR, which states that corporate social responsibility is related to those actions that are seen as good by society, but not forced by law or the firm’s own interests. Corporate social responsibility has become a well-researched topic over the past decades with researchers having opposing views of the meaning, outcomes and potential of being socially responsible as a company (Vosselman & van der Meer-Kooistra, 2009). For instance, whilst Friedman (1962) says a socially responsible company focuses on achieving profit maximisation without committing fraud or deception, Carroll (1979) says being socially responsible is about fulfilling the expectations the society has of the organisation. The latter distinguishes between four dimensions of CSR: economic, legal, ethical and philanthropic (Okpara & Iduwo, 2013). Although many disagreements exist between researchers concerning the content of CSR, some aspects return in the majority of definitions. Especially important here is that most researchers agree CSR is about the relation between business and society (Mawer, 2015), and that CSR consists of an economic, social and environmental aspect, all related to each other (Okpara & Iduwo, 2013). Another important
point is that corporations exert a significant influence on discrimination (Abreu & Batmanghlich, 2014), and thus the social aspect can and should be geared towards reducing discrimination. Since studies have found evidence for the positive influence of CSR on organisational outcomes such as reputation, shareholder value, customer loyalty and competitive advantage (Carroll & Shabana, 2010; Stephenson, 2009), this is yet another reason for companies to reduce discrimination.

To add to this, research has shown that using management control systems (MCS) to steer CSR activities improves CSR performance, making this an interesting approach to reduce discrimination in practice, and thus valuable to study, since discrimination is part of the social CSR aspects. More specifically, Arjaliès and Mundy (2013) explored from a levers of control perspective how MCS can be deployed towards the purpose of guiding CSR strategy. Similarly, Fauzi and Rahman (2008) found a positive influence of using MCS to guide CSR activities, thereby increasing performance. This does not mean that arguments against the usage of MCS for CSR efforts do not exist, though. For instance, it is imaginable that too many rules might have a demotivating effect (Malmi & Brown, 2008), naturally harmful to CSR performance.

However, it should be noted that research focusing on what MCS can do for discrimination specifically seems scarce, leaving a very interesting research gap to explore. At the time of writing, a search for “discrimination” in Elsevier’s Management Accounting Research resulted in no more than seven hits - articles that are spread out in time from 1990 to 2016, in some of which the use of “discrimination” is not intended towards people, but rather decisions or prices. Controlling discrimination and influencing people within an organisation in order to stop discrimination from happening is thus very important. Additionally, judging from Adecco’s aforementioned ‘Blanc Bleu Belge’ and ‘Bleu Blanc Rouge’ cases, it is too complex a problem for a simple policy to be enough. Other mechanisms of control may be needed to follow up on the policies, to anchor them in the organisation, and to make sure the policy is not just a piece of paper produced for appearing pulchritudinous to the public.

Furthermore, considering the potential consequences of discrimination that exist for both organisations and individuals (Gelfand, Nishii, Raver & Schneider, 2007), reducing and eliminating discrimination seems very important. For organisations, the researchers claim there are risks of financial as well as reputational losses from discrimination related court cases and scandals - for instance, Coca-Cola settled a racial discrimination case for 192.5 MUSD in 2000. An
example of a reputational loss due to discrimination and harassment is that of the Swedish police force, who were subject to a row of racism accusations (Rennstam, 2013). Gelfand et al. (2007) further claim that individuals might suffer from increased levels of stress; unhappy and unhealthy employees can be assumed not to be able to perform at their best, which naturally will affect their workplace’s performance as well. Beyond this, Gelfand et al. (2007) emphasise that increased stress due to discrimination can in turn lead to increased costs for a company (e.g. health insurance, compensation claims).

Considering these consequences, it is essential that managers control and influence their employees to minimise discrimination in the organisation. Both higher-level managers as well as direct supervisors can affect employees’ behaviour concerning discrimination. The former does so by creating policies and procedures the employees must adhere to, whilst the latter by stating which behaviours they accept and what could be possible consequences when employees do or do not demonstrate these behaviours (Gelfand et al., 2007). Research proposes several ways to prevent and react to discrimination in the workplace, such as anti-discrimination policies, list of prohibited discriminatory behaviours and measures to punish these behaviours, complaint procedures and protection for the victim, training and awareness programmes and management by walking around (Becton, Gilstrap & Forsyth, 2017; Bland & Stalcup, 2001). It is essential that companies invest in ways to prevent and react to discrimination towards stakeholders. Seeing as how Malmi and Brown (2008) define management control systems as all systems within a company intended to influence the behaviours of pertinent parties, this could be a possible approach to controlling discrimination in this way.

Taking the success of MCS in guiding CSR strategy into account (Arjaliès & Mundy, 2013), one way to approach this problem for an organisation committed towards decreasing discrimination, could be to implement MCS intended specifically to reduce discrimination. This is further interesting through a combination of two factors. Firstly, MCS are generally and specifically aimed towards influencing the way individuals within (or cooperating with) an organisation behave (Malmi & Brown, 2008). Secondly, discrimination logically must occur in interactions between people - individuals or groups - and thus is dependent on people’s behaviour. It thus stands to reason that a dedicated organisation could use MCS for the purpose of controlling and thereby reducing discrimination, hopefully eliminating it. Taking the research gap on the relationship between management control systems and discrimination into consideration, it makes the combination an especially interesting area of study.
Finally, in bringing management control systems and discrimination together in order to bridge the aforementioned research gap, the purpose of this study is divided into two parts. *Firstly, we aim to develop a framework based on existing literature on MCS and discrimination that can be used to analyse the MCS in place to control discrimination.* This will be done via a literature review to find best available knowledge regarding both discrimination and MCS, and special focus is spent on finding linkages between the two subject areas in order to develop the framework. *Secondly, we will examine the framework’s practical applicability in describing and analysing the MCS employed to control discrimination in multinational enterprises (MNEs).* This will be done by performing a case study of an MNE based in Sweden. Since they wish to remain anonymous, we will call the company Solo Manufacturing throughout this study. Interviews will be carried out with managers at Solo in order to collect data regarding MCS in place to prevent and react to discrimination in the workplace. This study will begin with introducing the reader to the methodology, which includes how both the literature study and the empirical data collection through interviews were carried out. The literature review is then presented, which leads to the framework that addresses the first part of our purpose. This is followed by a presentation of the gathered data, and the analysis of the data using the framework, which addresses the second part of our purpose. Finally, a discussion and conclusions from the study are presented, including main findings, contributions of the study, limitations, and future research.
2  METHOD

This chapter provides an overview of the methodology used to achieve the twofold research purpose. It describes the research approach, data collection, data analysis, quality of the data gathered and research challenges due to the used method.

2.1  RESEARCH APPROACH

2.1.1  LITERATURE RESEARCH

This study was conducted in two steps in order to achieve the established research purpose. First, a literature study was performed in order to collect data concerning control systems managers could use to control discrimination (both concerning internal and external stakeholders of the organisation). The previously described research gap concerning management control systems used to control discrimination in the workplace. We therefore combined the best available knowledge of both MCS and discrimination in one developed framework.

Regarding MCS, we chose Malmi and Brown’s (2008) typology on MCS since we support their view on management control systems being packages rather than isolated systems. These control systems can be used by managers in order to align stakeholders’ actions with the organisation’s objectives (Malmi & Brown, 2008). The typology consists of three levels. Cultural controls (i.e. clans, values and symbols) are located on the top and represent the conditions in which other controls exist and are developed. In the middle, the researchers distinguish planning controls, cybernetic controls, and reward and compensation controls. They are ordered chronologically going from left to right. The bottom-level administrative controls (i.e. governance structure, organisation structure, and policies and procedures) concern the coordination of organisational members and their behaviour, and thereby provide structure for the mid-level controls (Malmi & Brown, 2008).

Regarding discrimination, we aim to discuss control systems managers could use to control discrimination on all levels of the organisation and between internal and external stakeholders. Literature suggests several antecedents influencing the level of discrimination in organisations (Bergman, Palmieri, Drasgow & Ormerod, 2012; Gelfand et al., 2007; Tajfel & Turner, 1979). These antecedents can be divided into three levels: individual, organisational and environmental. The individual antecedents concern thoughts, feelings and beliefs of individual members of
the organisation. Antecedents on the organisational level include leadership, culture, climate, structure, strategy, HR systems and demographics. On the environmental level, a distinction can be made between the legal, economic and cultural environment, and stakeholders.

We noticed various similarities between the MCS typology of Malmi and Brown (2008) on the one hand and the organisational antecedents on the other. We believe the individual and environmental antecedents cannot be related to the MCS typology since these are difficult (if not impossible) to control as a manager. However, since literature suggests all antecedents could significantly influence discrimination (Bergman et al., 2012; Gelfand et al., 2007; Tajfel & Turner, 1979), we believe they should still be taken into account. We stress the importance of considering all antecedents of discrimination by using possible positive and negative consequences in our framework.

2.1.2 EMPIRICAL RESEARCH

Once we developed our framework based on the MCS typology of Malmi and Brown (2008) and the three-level antecedents and consequences of discrimination, we conducted a case study. The purpose of this case study was to examine whether the framework can be used in practice to discover and analyse MCS regarding discrimination in multinational enterprises (MNEs).

Our choice to focus on MNEs is partially because of the already mentioned environmental antecedents of discrimination. We believe that the influence of the environment would become clearer when examining an organisation that has offices located in various countries worldwide. Moreover, we assume organisations that are already in business for several years (which distinguishes MNEs from start-ups) have more control systems in place. Solo was chosen because it meets the two aforementioned arguments and because of already established contacts in the organisation.

The employment of a case study was chosen because we aim to gain deeper insights of the MCS regarding discrimination in one MNE (Yin, 2003). More specifically, the study intends to find out if all MCS used in this MNE can be brought back to the various categories of Malmi and Brown’s (2008) MCS typology. Since we believe in the value of “descriptions of the life-world of the interviewee with respect to interpretation of the meaning of the described phenomena” (Kvale, 1983, p. 174) and therefore taking a constructivist approach, this study employed qualitative interviews to gather the empirical data. Moreover, interviewing several participants, al-
allowed us to examine different perspectives and a broader view of the MCS concerning discrimination in the researched organisation (Baxter & Jack, 2008). We studied Solo’s website and several documents in order to support our findings and/or find additional information regarding diversity and discrimination in the workplace. However, the main focus of the empirical part of our study are the conducted qualitative interviews.

A cross-sectional approach was taken due to time limitations, as well as because the empirical purpose of this study is to find practical support for our developed framework rather than examining changes in the established MCS over time. In other words, whilst a longitudinal study aims to examine a certain phenomenon over time, we are more focused on the already existing MCS of an organisation.

2.2 EMPIRICAL DATA COLLECTION METHODOLOGY

2.2.1 BACKGROUND OF THE STUDIED MNE

The empirical subject of our study is a multinational enterprise located in southern Sweden, that we chose to call Solo Manufacturing. As already mentioned, we chose (this) MNE because the influence of the environment would become more visible and because a long-existing organisation presumably has more management control systems in place. Solo is a market leader in the manufacturing industry and is present in nearly 100 countries worldwide. Its core values that highlight the need to act quickly, think differently, collaborate and increase profit - partially demonstrate the importance of focusing on aspects similar to those important to CSR when working in the organisation.

Being socially responsible as a company means having a tripartite focus: environment, social and economic (Okpara & Iduwo, 2013). By establishing profit as one of its core values, this MNE communicates a focus on the economic aspect of CSR. The corporate website demonstrates that their products are developed with the aim to decrease the energy use and protect the environment, holding an environmental focus. Finally, Solo communicates the relevance of respecting the human rights of its employees and of the people living in the communities that meet the company. Thus, one could conclude that Solo considers CSR as an important aspect of conducting their business, creating an additional reason why they are an interesting research object for our study.
2.2.2 SAMPLING

The sample consisted of seven people, all managers at different departments at Solo. The participants were chosen using snowball sampling. A previously established contact, a manager at Solo, was asked to recommend other top-level managers based on the topic guide - see appendix A. This manager provided us with the contact details of eight top-level managers. After sending an email to these contacts explaining the purpose of our study and the desired interviews, seven managers responded that they were willing to participate; the eighth did not respond at all. This final sample consisted of six Swedes and one Belgian, all located in the two highest age categories (i.e. 41 - 50 and 51+, presumably because of their level in the organisation; see topic guide in appendix A for all categories). Four of the participants were women and three were men (see table 2.2.1 for further details about the interviewees). We acknowledge the homogeneity of our sample regarding age and nationality, but its implications are considered small for our research purpose since we aim to discover the existing management control systems used to control discrimination in the entire MNE. The sole use of participants belonging to the top-level of the organisation (but also from different departments) was decided on because we believe they have the best knowledge of the existence of MCS. However, we do recognise that the choice of participants was dependent on which managers were suggested through snowballing. We limited the risk of a suboptimal sample by clearly explaining the purpose of our study and the content of the interviews to the previously established contact.

Table 2.2.1: Interviewee details

<table>
<thead>
<tr>
<th>ID</th>
<th>Gender</th>
<th>Nationality</th>
<th>Age group</th>
<th>Educational degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Male</td>
<td>Belgian</td>
<td>51+</td>
<td>MSc</td>
</tr>
<tr>
<td>P2</td>
<td>Male</td>
<td>Swedish</td>
<td>51+</td>
<td>MSc</td>
</tr>
<tr>
<td>P3</td>
<td>Female</td>
<td>Swedish</td>
<td>41-50</td>
<td>MSc</td>
</tr>
<tr>
<td>P4</td>
<td>Female</td>
<td>Swedish</td>
<td>51+</td>
<td>MSc</td>
</tr>
<tr>
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<td>Female</td>
<td>Swedish</td>
<td>41-50</td>
<td>MSc</td>
</tr>
<tr>
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<td>Male</td>
<td>Swedish</td>
<td>41-50</td>
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</tr>
<tr>
<td>P7</td>
<td>Female</td>
<td>Swedish</td>
<td>41-50</td>
<td>MSc</td>
</tr>
</tbody>
</table>

2.2.3 PROCEDURE

For this study, semi-structured interviews were performed to gain insights into the experiences regarding anti-discrimination control systems of the seven interviewees (Easterby-Smith, Thorpe & Jackson, 2015). Since semi-structured interviews follow a general structure but also allow for both the interviewee and interviewer to touch upon and go deeper into other topics (Drever, 1995), we considered this to be the most optimal method for our data collection. More
specifically, it allows us to examine the MCS in Solo that fit with our developed framework, without limiting us to these control systems. In line with research concerning semi-structured interviews, a topic guide was developed. It was divided into an introductory part and a concluding part (both examining general topics as discrimination, MCS and their combination), and a deeper part there between (examining the existence of the specific control systems) (see appendix A; Easterby-Smith et al., 2015). This guide provides the general structure of the interviews and allows comparisons between participants (Cohen & Crabtree, 2006).

The interviews were conducted in English, and they took place at the managers’ workplace in April 2017. Each interview consisted of one interviewee and two interviewers with the shortest and longest interview lasting 50 minutes, and 1 hour and 39 minutes, respectively. Based on its importance communicated by Easterby-Smith et al. (2015), participants signed informed consent forms, thereby agreeing that the data would only be used for scientific research and that the participants would remain anonymous. The interviews were recorded (using the built-in audio recording software of an iPhone 6S) to allow the interviewers to maintain better focus compared to when taking extensive notes (Cohen & Crabtree, 2006). However, occasional notes were taken to get an immediate overview of which topics have been handled and on which the interviewers wanted to elaborate. Recording interviews additionally allows for a more extensive and possibly repeated examination of what has been said (Bryman & Bell, 2015). The recordings were later used for extended summaries, which were sent to the participants in order to provide them with the opportunity to confirm, adjust and/or reject elements of the interview. The participants all approved of their respective summaries, with only clerical adjustments.

We chose face-to-face interviews because of various advantages compared to other interview techniques (e.g. telephone interviews, Skype). First, face-to-face interviews are the best interview method to observe nonverbal communication (Opdenakker, 2006). Since discrimination is a sensitive subject, nonverbal communication helped us perceive possible hesitations in interviewee’s answers. Second, it allows a spontaneous dialogue between the interviewee and interviewers (Opdenakker, 2006).

2.2.4 DATA COLLECTION CHALLENGES AND LIMITATIONS

Although we believe conducting qualitative semi-structured interviews was the best method to achieve the second step of our purpose (i.e. examine the practical applicability of our developed
framework in MNEs), several challenges regarding this research approach remain. First, interviewers might ask questions leading interviewees towards a certain answer or topic direction (Bryman & Bell, 2015). However, the use of multiple interviewers increased the critical evaluation of the other interviewers’ behaviour, questions and responses, in accordance with Brink (1993). Second, conducting semi-structured interviews entails the challenge for interviewers to listen carefully and at the same time consider possible follow-up questions. Third, since discrimination can be perceived as a sensitive topic, interviewees might answer in a socially desirable manner, which in turn could decrease reliability of the data (Brink, 1993). However, we believe to have minimised this risk by stating the confidentiality of the data, asking for honesty answers during the interviews, and by conducting these interviews individually rather than collectively. Fourth, during face-to-face interviews, interviewers need to be aware of their nonverbal communication and the message it could send to the interviewee (e.g. looking at watch could make the interviewee feel pressured).

2.3 EMPIRICAL DATA ANALYSIS

Before a qualitative analysis can be performed, the data needs to be organised (Easterby-Smith et al., 2015). As such, the digital interview recordings were gathered in a secure folder system that was labelled with the dates of the interviews and information to separate the different interviewees, along with an overview.

As already mentioned, extended summaries of all interviews were developed in order to give the participants the opportunity to adjust the content if necessary. In addition, we used these summaries to analyse the gathered data. Easterby-Smith et al. (2015) suggest that full transcripts are not always needed, and depending on the overall approach of the study in terms of design and analysis, summaries can be used instead. Since we used semi-structured interviews that provide a comparable general structure between the different interviews, we believe basing the data analysis on the established summaries provided us with similar outcomes than when it would be based on the full recordings.

Since the second part of our purpose is to examine whether the developed framework could be applicable in practice in MNEs, data was analysed using this framework. More specifically, we used the developed framework, as seen in figure 3.3.1, as a thematic scheme. The position of the different MCS in the framework was based on the knowledge both researchers developed
regarding the content of Malmi and Brown’s (2008) typology, and on the discussion regarding the fit between the antecedents of discrimination and this typology. Both researchers executed the data analysis individually and afterwards combined the results after a critical discussion of similarities and differences in the first-step outcomes.

2.3.1 Data Analysis Challenges and Limitations

The interpretative nature of semi-structured interviews makes them susceptible to the so-called confirmation bias. Researchers can interpret the data in a way that is consistent with their own existing beliefs and expectations (Brink, 1993). However, we attempted to reduce this bias by asking interviewees’ verification of the summaries and by an independent data analysis performed by both researchers.

2.4 Empirical Data Quality

To secure the quality of our empirical data, it is possible to use the classic quantitative data quality categories of validity and reliability, which are transferable to a constructivist perspective (Easterby-Smith et al., 2015). However, Bryman (2008) claims that the fit is not perfect and therefore presents an alternative view. This view entails two main criteria: authenticity, and trustworthiness. Bryman (2008) further provides different suggestions to ensure quality in these terms.

First, authenticity is according to Bryman (2008) divided into several sub-criteria: tactical, catalytic, pedagogical, ontological, and fair authenticity. The first four criteria are in different aspects focusing on the effects the study has upon the participants. For instance, tactical is about whether the study has contributed to the participants gaining improved opportunities to take necessary action, whilst catalytic is about how the study made it so that the participants can change their situation (Bryman, 2008). Similarly, pedagogical authenticity is about if the study has improved the way the participants consider other people’s perspective, and ontological authenticity is whether the study helps the participants to improve their understanding of their social context (Bryman, 2008). Thus, it is very difficult to determine whether the study fulfils these criteria due to the time limitation of 10 weeks imposed on this study. Therefore, focus is spent on fair authenticity, which is described by Bryman (2008) as ascertaining that a fair representation has been made of the different opinions and perceptions of the participants. This
was done through member checks, i.e. by giving the participants the opportunity to examine and give feedback on their own individual interview summaries.

Second, trustworthiness also has sub-criteria, namely credibility, transferability, dependability, and confirmability (Bryman, 2008). The concept of credibility is deeply nested in the worldview that the reality can be described in many ways rather than there being only one truth (Bryman, 2008). Further, Bryman (2008) claims that this practically refers to making one’s description of the studied reality actually credible. This is suggested to be done via triangulation (i.e. the usage of several sources of information to increase the reliability of the data; Jack & Raturi, 2006) as well as member checks. In this study, investigator triangulation was performed to secure credibility through having more than one researcher participating in the interviews at all times (Jack & Raturi, 2006). In addition, documents (e.g. presentations of policies) were examined, which should increase credibility through data triangulation (Shenton, 2004). The member checks for authenticity were purposefully used here as well. Furthermore, credibility could be increased by familiarisation with the organisation at hand (Shenton, 2004). Both authors of this study were familiar with Solo before the first data collection occurred, as both authors had during fall 2016 to early spring 2017 been present at the organisation’s head office to perform a shadowing of one manager each. One of these managers acted as the relay for finding interviewees, as previously mentioned. Finally, peer review helps increase credibility (Shenton, 2004). During this study, a peer review was conducted both in the middle and at the end of the process. During these discussions (which included reading the study and preparing comments), two other master students assessed the different chapters of our study, the overall structure and writing style. The goal of this review was to improve the overall study and its credibility by providing an outside perspective.

Transferability, i.e. the possibility to inferences in other settings than the studied one, can be made achieved by providing enough substance to make it possible for the reader to determine whether or not there is a good fit between another setting and the research at hand (Bryman, 2008; Easterby et al., 2015). Support for this can be traced in Shenton’s (2004) writings, who claims that researchers are limited by their own contexts, and are unable to establish transferability to all other possible cases. Shenton (2004) further claims that this approach to transferability, which practically entails providing clear yet detailed descriptions of the different circumstances throughout to indicate the transferability, is becoming more common in recent years.
Whilst always aiming to provide quality descriptions, we wish to highlight the difficulty in finding a good balance between richness and conciseness.

Continuing, Bryman (2008) states that dependability is related to providing others the opportunity to see and understand what was done. This would include producing a detailed view of the full working process, which could be audited by research colleagues (Bryman, 2008). A detailed view could also allow for future researchers to attempt to repeat the performed work (Shenton, 2004). During the ongoing of this study, the descriptions of the working process were reviewed by both peers and the supervisor, which contributed towards securing dependability.

Finally, the confirmability criterion is about the researcher's ability to remain objective during the performance of the study, without letting e.g. personal values affect the performance, results or conclusions (Bryman, 2008). In other words, here it is key to make sure that the findings follow the data gathered from the participants instead of prejudice of the researchers (Shenton, 2004). Confirmability should be seen in a constructivist light, Bryman (2008) argues further, which means that there is no such thing as complete and full objectivity in social studies. From a practical perspective, Shenton (2004) proposes that researchers acknowledging their biases and predispositions increases confirmability. For instance, our agreement with Malmi and Brown (2008) of MCS being interconnected as packages has naturally had an effect in the analysis of the data, as well as in the preparation for interviews. However, deliberate steps were taken as to not discard data that did not fit in the typology. For instance, the data that did not fit the framework because of its irrelevance to discrimination (e.g. health and safety measures) was put into a separate category by the individual researchers and afterwards discussed collectively.
3 LITERATURE REVIEW

This chapter contains the extensive literature review we conducted in order to develop a framework for managers on how to control discrimination in the workplace. First, the concept of discrimination is explained and several definitions provided in order to establish the foundation for our framework. Next, three levels of antecedents of discrimination are described. Then, we will go more in depth in the topic of management control systems and more specifically into the typology of Malmi and Brown (2008). Finally, a framework combining this is suggested.

As already mentioned, the practical applicability of the framework was later on examined through the conduction of qualitative interviews in Solo Manufacturing, which is presented in chapter 4.

3.1 DISCRIMINATION IN THE WORKPLACE

3.1.1 DEFINING DISCRIMINATION

DIRECT AND INDIRECT DISCRIMINATION

Today’s diverse workforce caused by the ever-increasing globalisation stresses the importance of research regarding discrimination in the workplace. According to the Discrimination Act of the Swedish Government (2008), one could define discrimination as the absence of “equal rights and opportunities regardless of sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age”. One should distinguish between direct and indirect discrimination in the workplace. Direct discrimination is the less favourable treatment of someone compared to someone else in a similar situation based on any of the grounds of discrimination (Swedish Government, 2008). Indirect discrimination, on the other hand, is the use of a policy or procedure that treats a person less favourably than someone else without a legitimate purpose for this differentiation (Swedish Government, 2008).

SOFT AND HARD DISCRIMINATION

Stypinska & Turek (2017) make a distinction between a hard and soft type of discrimination. Whereas the hard type is based on which discriminatory behaviours are prohibited by law, the soft type is visible in workplace interactions and although unrelated to law can still have a negative influence on the company and victim. Organisations could take several measures to prevent soft discrimination from occurring. For instance, instead of merely trying to prevent
and take measures against illegal discrimination, an organisation could also encourage diversity (Stypinska & Turek, 2017). Diversity management is focused on creating an organisational culture where differences between employees are valued instead of feared and discouraged (Enoksen, 2016). Related, one needs to recognise that decreasing discrimination and increasing diversity are two different, however related, concepts. Since both are considered important for the control of discrimination (Gelfand et al., 2007), this study incorporates diversity and discrimination in the developed framework.

While the hard type of discrimination could not be considered as part of CSR since it is prohibited by law, the soft type (e.g. diversity management) is voluntary and therefore belongs to the social aspect of CSR (McWilliams & Siegel, 2001; Triana, Jayasinghe & Pieper, 2015).

**PERCEIVED DISCRIMINATION**

Regardless of the type of discrimination, whether one would file a complaint depends on whether they perceive their or another person’s treatment as being discriminatory or not, amongst other things. Research suggests that one’s perception of discrimination is influenced by whether this person considers other people of the organisation to be discriminated (Goldman, Gutek, Stein & Lewis, 2006). Enoksen (2016) suggests that the level of perceived discrimination is inversely related to the level of organisational justice. Hence, if the person sees the organisation as having a high level of justice regarding outcome (i.e. distributive justice), process (i.e. procedural justice), management behaviour (i.e. interactional justice) and provided information (i.e. informational justice), less chance exists that they would perceive an action as being discriminatory (Enoksen, 2016). Completing the cycle, organisational justice is also related to the chance one will file a discrimination complaint (Goldman, 2001). Speculating, this might be because the number of actual discriminatory actions is reduced in such an environment.

### 3.1.2 ANTECEDENTS AND CONSEQUENCES

Discrimination in the workplace applies to external stakeholders (e.g. suppliers and customers), as well as employees (temporary, permanent, and those with managerial positions alike) and people applying for a position in the company (e.g. job, internship or traineeship) (Swedish Government, 2008). Further, it could happen during the different stages of employment (e.g. application, promotion, training, dismissal) (Swedish Government, 2008). Since we aim to design our developed framework to account for control of discrimination on and between all levels
of the organisation as well as concerning both internal and external stakeholders, these possibilities are included in our study.

Gelfand et al. (2007) makes a distinction between three levels of antecedents of discrimination: environment, organisation and individual. The researchers suggest that organisations function in an interactive environment that could influence the organisational antecedents of discrimination, and discrimination itself. The effect of the organisational antecedents on discrimination is in its turn mediated by the individual factors (Gelfand et al., 2007). Hence, they propose a trickle-down effect of the environment, organisation and finally individuals on discrimination in the workplace.

**ENVIRONMENTAL ANTECEDENTS**

Regarding environmental antecedents or external factors, the level of discrimination could depend on the legal, economic and cultural environment and on the company’s stakeholders (Gelfand et al., 2007). These are presented in figure 3.1.1 below. The influence of these environmental antecedents stresses the importance of sufficient investment in corporate social responsibility since it is both about the relation between the organisation and wider society (Mawer, 2015). Due to our research focus is on multinational enterprises, we will demonstrate the challenges these organisations might experience regarding the external antecedents of discrimination.

![Environmental Antecedents](image)

*Figure 3.1.1: An overview of the environmental antecedents, as presented by Gelfand et al. (2007).*

First, the **legal environment** especially has an influence on the hard type of discrimination, as proposed by Stypinska & Turek (2017). To prevent or react to this type of discrimination, organisational measures should be taken, such as the use of policies and procedures (Stypinska & Turek, 2017). However, since multinational enterprises have offices in various countries, they will logically need to comply with different national legislations. We believe a challenge here is to follow these legislations on the one hand but still to be true to you corporate values and strategy on the other hand. When a multinational company values diversity and is focused on decreasing discrimination, it is possible the company could choose the legislation that conforms
the most to its values and make sure offices in countries with less strict legislations comply to it as well.

Second, changes in the economic environment of an organisation might lead to different organisational priorities. For instance, Staw, Sandelands and Dutton (1981) suggest that organisations in a negative economic situation will focus on those problems that are of critical importance to their survival and will use fewer resources in order to be as efficient as possible. Related to discrimination, one might be forced to invest less in channels that encourage minorities to apply and/or less in trainings that create awareness about discrimination or that develop minority employees’ competences. Since multinational enterprises conduct business in multiple countries, we believe high possibility exists they are confronted with various national economic situations (e.g. developed countries as Sweden versus developing countries as Nigeria).

Third, the cultural environment of an organisation might also influence the level of discrimination in the workplace. According to Schein (2010), culture can be seen as a collective adaptation to the external environment as well as integration within the internal environment. The researcher suggests that culture can be divided into four categories: macroculture (national culture), organisational culture, subculture and microculture. According to Gupta and Hanges (2004), all countries can be divided into ten clusters based on their national culture. If an organisation wants to perform well in a certain country, it is essential to adjust itself to the national culture (Kalkschmidt, 2013). However, given there are differences regarding the acceptance of diversity and discrimination between cultures, one might ask to what extent an organisation prioritising diversity should adapt to a culture where diversity is less valued and certain types of discrimination may be accepted.

Finally, organisational stakeholders significantly influence the existence of discrimination and/or diversity in an organisation (Gelfand et al., 2007). According to Donaldson and Preston (1995), stakeholders of an organisation include suppliers, customers, labour unions, employees, communities, investors, government, and political groups. Delaney and Lundy (1996), for instance, found that the pressure of trade unions could affect the fairness of and equal treatment in recruitment and selection processes. Furthermore, the examples of Adecco’s ‘Blanc Bleu Belge’ and ‘Bleu Blanc Rouge’ codes demonstrate the influence customers could have on an organisation’s way of working, regardless of policies and procedures in place. Since stakehold-
ers will vary depending on country (e.g. labour unions), multinational enterprises have the challenge to adhere to their corporate culture and policies whilst maintaining constructive relations with their stakeholders.

**ORGANISATIONAL ANTECEDENTS**

Seven antecedents of discrimination can be distinguished on an organisational level: leadership, structure, culture, climate, strategy, HR systems and demographics (Bergman et al., 2012; Gelfand et al., 2007; Tajfel & Turner, 1979). We agree with Gelfand et al. (2007) that the environmental antecedents feed into the organisational antecedents, meaning that the organisation needs to consider the environmental antecedents. Our view on this relationship is depicted in figure 3.1.2.

\[ \text{Environmental Antecedents} \]

<table>
<thead>
<tr>
<th>Cultural</th>
<th>Economic</th>
<th>Legal</th>
<th>Stakeholders</th>
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\[ \text{Organisational Antecedents} \]

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<th>Leadership</th>
<th>Culture</th>
<th>Climate</th>
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<tr>
<td>Structure</td>
<td>Strategy</td>
<td>HR Systems</td>
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*Figure 3.1.2: Our view of the relationship between the environmental and the organisational antecedents to discrimination.*

First, when considering **leadership** as an antecedent of discrimination, a distinction must be made between higher-level managers on the one hand, and mid-level managers and direct supervisors on the other hand (Gelfand et al., 2007). Although both can have an influence on the level of discrimination in the workplace, the way they do differs. Higher-level managers have the ability to adjust or influence the organisational culture, strategy, budget, policies and procedures and thereby show their commitment to reducing discrimination (Gelfand et al., 2007). Although mid-level managers and direct supervisors do not have that power, employees more
regularly come in contact with them than with the higher-level managers. Therefore, it is essential that they communicate the correct interpretation of the measures set by the top level. Moreover, they can show which behaviours they find acceptable - or not - through the consistent use of rewards and punishments (Yukl & Van Fleet, 1992).

The second organisational antecedent of discrimination is structure. Gelfand et al. (2007) suggest a distinction can be made between the formal and informal organisational structure. Whereas the former describes the organisational chart, the latter contains the social networks in the organisation (Gelfand et al., 2007). An example of discrimination in the workplace demonstrated by organisational structure is the so-called glass ceiling, a metaphor for the challenges women face in climbing the managerial hierarchy (Gelfand et al., 2007). For instance, Albrecht, Thoursie and Vroman (2015) found that in 2008 there is still a difference in Sweden between the wage level of men and women with men earning more on average. According to the similarity-attraction hypothesis, people have a more positive attitude towards others that are similar to them (Berscheid & Reis, 1998). Hence, when a certain job level mainly consists of one group (e.g. white men), they will be more prone to recruit similar people and consequently maintaining the glass ceiling. Since multinational companies have a more stable structure than do for instance start-ups, it is more difficult to change the majority-minority ratio in the organisation, especially in the higher-level job positions (Arvey, Azevedo, Ostgaard & Raghurem, 1996).

Finally, the existence of departments or job positions in the organisation focused on discrimination will influence the amount of attention that is paid to and actions taken against discrimination, e.g. CSR department/manager, HR department with a section specialised in discrimination issues or an Equal Employment Opportunity officer (Arvey et al., 1996). Similar to the formal structure, the similarity-attraction hypothesis can also explain the increase of discrimination caused by the organisational social networks and interactions (Gelfand et al., 2007). In an organisation that mainly consists of one group, minorities will not be part of the dominant social network and therefore risk missing important information related to for instance promotion opportunities (Gelfand et al., 2007).

The third organisational antecedent of discrimination - culture - consists according to Schein (2010) of three main levels: artefacts, values and underlying assumptions. Artefacts are the most superficial and visible part of culture, such as the office design (Schein, 2010). The underlying assumptions are beliefs and values that exist on an unconscious level (Schein, 2010). The culture is established during the developing years of the organisation, highly influenced by
the values and beliefs of the higher-level managers and difficult to change once formed (Kalkschmidt, 2013; Schein, 2010). For instance, since an organisation hires people with similar values as the ones of the organisation (Malmi & Brown, 2008), a culture with a lack of focus on diversity and discrimination will easily be maintained. It is not the strength of the entire organisational culture that would lead to an increase of discrimination, since both a strong or weak culture could have a negative effect (Gelfand et al., 2007). Rather it is the level to which people value the equal treatment and inclusion of everyone that will influence the presence of discrimination in the workplace (Gelfand et al., 2007). For instance, Sawyerr, Strauss and Yan (2005) found that universalism, i.e. "understanding, appreciation, tolerance, and protection for the welfare of all people and for nature" (Schwartz, 2007, p. 239) is related to a more positive attitude towards dissimilar people.

Fourth, climate can be seen as one manifestation of culture and includes employees’ perceptions of organisational policies, procedures and practices and of manager’s behavioural expectations (Gelfand et al., 2007; Reichers & Schneider, 1990; Schneider, 2000). While culture applies to the entire organisation, climate is more specific to different organisational domains (e.g. service; Bergman et al., 2012). According to Cox (1994), one climate is especially important when it comes to decreasing discrimination in the workplace, namely the diversity climate. The diversity climate includes employees’ perceptions on whether/how the organisation values and prioritises diversity (Nishii & Raver, 2003, cited in Gelfand et al., 2007). According to Gelfand et al. (2007), a strong diversity climate is inclusive and encourages employees to use their full (diverse) potential. When this climate is negative, the level of (perceived) discrimination is likely to be higher (Cox, 1994; Triana et al., 2015). However, since perceptions can differ between employees, it is a challenge to be able to speak about one diversity climate throughout the organisation (Gelfand et al., 2007).

Fifth, including the topics diversity and non-discrimination in the organisational strategy ensures them as a focus point of the entire organisation (Gelfand et al., 2007). Moreover, it communicates that the top level perceives diversity as an opportunity rather than a threat (Cox & Blake, 1991). One might say that the inclusion of diversity and non-discrimination in the organisational strategy could positively influence the diversity climate of that organisation.

Sixth, the HR systems of an organisation that can influence the level of discrimination include recruitment and selection, training, performance management, benefits and complaint proce-
dures (Arthur & Doverspike, 2005; Gelfand et al., 2007). The recruitment and selection procedure can highly influence the level of discrimination since it establishes the level of diversity and majority-minority ratio in the organisation. For instance, one could invest in channels that attract a diverse set of applicants and could use various measures to touch upon different job characteristics to prevent discrimination from occurring during this process (Gelfand et al., 2007). It is preferred to invest resources in multiple recruitment channels and selection methods rather than to invest in Affirmative Action Programmes, i.e. programmes focused on the accurate representation of minorities and women in the workplace (Heilman, Block & Lucas, 1992). The latter could evoke negative attitudes and consequently create stigmas toward the targeted groups (Heilman et al., 1992).

Continuing with HR systems, according to Gelfand et al. (2007) two types of training can decrease the level of discrimination and increase the level of diversity in an organisation: diversity training and competency training. The former includes increasing awareness, decreasing stereotypes and teaching how to effectively communicate to diverse groups of people (Hanover & Cellar, 1998). The latter, on the other hand, is focused on increasing the competence of disadvantaged employees to make them more attractive for job selection and promotion (Gelfand et al., 2007).

Furthermore, performance management can affect the level of discrimination in an organisation in two ways: raters can be discriminatory in the evaluation itself, and performance management systems can be used to focus partially on decreasing discrimination in the workplace (Cox, 1994). Raters being discriminatory during performance management evaluation can occur during the evaluation but also during the feedback meeting with the employee. For instance, it might be that female employees will receive less negative feedback than male employees if the manager holds the stereotype that women are more sensitive and emotional than men (Gelfand et al., 2007). To prevent this type of discrimination, the performance evaluation/feedback process should be formalised (Gelfand et al., 2007). As mentioned, discrimination can occur during the performance evaluation of a disadvantaged employee because of pre-existing stereotypes and prejudice. A risk is that these negative evaluations lead to actual bad performance due to self-fulfilling prophecies (Davidson & Eden, 2000). The offer of certain benefits can (in)directly result in discrimination. For instance, accepting only certain holidays as official days off could lead to discrimination against other religions (Gelfand et al., 2007). Finally, the
presence and effectiveness of complaint procedures show the amount of attention paid to discrimination in the organisation. Consequently, merely having a grievance procedure could already decrease the perceived unfairness and discrimination (Gordon & Bowlby, 1988). However, effective complaint procedures should take different perspectives and possible complaints into account, and provide protection for both the people filing the complaint and the whistleblowers (Gelfand et al., 2007).

Finally, and adding to Gelfand et al.’s (2007) model, the level of discrimination in an organisation or team depends on the **demographical mixture** of people in a specific context (Bergman et al., 2012). For instance, within the care professions, men could be more likely to be discriminated against than women based on stereotypes (Bergman et al., 2012). Moreover, according to the social identity theory, people develop their personal identity based on group membership (i.e. social identity; Tajfel & Turner, 1979). Consequently, one could have the intention to increase their self-esteem by having positive attitudes towards their in-group whilst having negative attitudes towards outgroups (Tajfel & Turner, 1979). Thus, having a less diverse workforce could lead to an increase in (perceived) discrimination because both the majority and minority groups are likely to negatively evaluate one another (Bergman et al., 2012; Tajfel & Turner, 1979).

**INDIVIDUAL ANTECEDENTS**

Concerning individual-level antecedents, employee-held beliefs, feelings and characteristics could have a significant influence on the level of discrimination in the workplace. A distinction can be made between stereotypes, prejudice and discrimination. As already mentioned, discrimination is the differential treatment of people based on any of the grounds of discrimination (Swedish Government, 2008).

**Stereotypes and prejudice** can be respectively defined as beliefs and negative feelings about a specific group (Fiske, 1998; Goldman et al., 2006). Burgess and Borgida (1999) distinguish between descriptive (i.e. how a certain group behaves) and prescriptive (i.e. how a certain group should behave) stereotypes. For instance, Eagly (1987) found that women are perceived to be warmer but less competent than men are. Moreover, Schein (1975) found that the role of being a manager is mainly related to male traits such as dominance. Holding both descriptive and prescriptive stereotypes and prejudice toward a specific group (e.g. women) can thus lead to discrimination towards that group.
Furthermore, having a strong social identity might contribute to the development of these negative beliefs and feelings toward outgroups (Tajfel & Turner, 1979). It will be more challenging for a manager to decrease discriminatory behaviour of his employees by the use of MCS when the employees hold a strong group membership toward their majority in-group. Similarly could the lack of presence of minority in-group members lead to dissatisfied minority employees. Moreover, the negative beliefs and feelings could create certain (low) expectations of the targeted group which might result into negative self-fulfilling prophecies and consequently in actual lower performance (Davidson & Eden, 2000).

Finally, certain characteristics are more likely to be discriminated against, such as gender and nationality. However, other characteristics might actually decrease the chance for discriminatory behaviour, stereotypes or prejudice. For instance, research found that employees with high tenure and job position give the impression of having expertise, power and an extensive social network and are therefore less likely to be victim of discrimination or prejudice (Bergman et al., 2012; French & Raven, 1959).

We believe that the individual antecedents need to be considered on a collective level in order to control discrimination, which is something that we further believe Gelfand et al. (2007) leave room for since their model is cyclical. Our view on how the individual and organisational antecedents relate to each other, together with the environmental antecedents, is presented in figure 3.1.3.

Figure 3.1.3: Our view of the relationship between the environmental, individual, and organisational antecedents of discrimination.
According to Gelfand et al. (2007), discrimination in the workplace can have negative consequences on an individual, group and organisational level. The researchers suggest a feedback loop from these outcomes to the external environment that, as a cyclical process, in turn might influence the organisation-level and consequently individual-level antecedents of discrimination.

First, concerning individual-level consequences, several researchers found that (perceived) discrimination can be a cause of decreased psychological well-being and physical health of the victim (Jackson, Brown, Williams, Sellers & Brown, 1996; James, Lovato & Cropanzano, 1994; Pavalko, Mossakowski & Hamilton, 2003). Moreover, discrimination might lead to a lowered self-esteem, to social rejection and interpersonal problems (Crocker & Major, 1989; Miller & Major, 2000). Second, according to Gutek (2001), groups that are discriminated against can experience lower pay and job opportunities (e.g. job status or type) compared to groups that are not confronted with discriminatory behaviour. Being confronted with discrimination complaints may have several negative consequences on an organisational level. For instance, the investigations done regarding these complaints could turn out to be expensive (Hauck, 1997).

Moreover, the organisation might experience a decrease in reputation (Rindova, Williamson, Perkova & Sever, 2005), which in turn could lead to short-term and/or long-term financial consequences such as spending on lawsuits, decreased customer base or less motivated employees (Goldman, 2001; Wright, Ferris, Hiller & Kroll, 1995). The negative effects on the targeted individuals (e.g. decreased job performance, lower morale, increased absenteeism and decreased job satisfaction) might also have a significant influence up to the organisational level (Pryor, 1995). Finally, discrimination might lead to the suboptimal use of the diverse resources of one’s workforce (Goldman et al., 2006). Our view of how the antecedents relate to the consequences of discrimination is presented in figure 3.1.4.
3.2 MANAGEMENT CONTROL SYSTEMS

Throughout the years, there have been many different proposed definitions of MCS, but most seem to circle around wielding a certain amount of power to secure resources and goals alike (Alvesson & Kärreman, 2004). A seemingly classic definition by Anthony (1965, cited in Otley, 1994, p. 289), states that MCS is “the process by which managers ensure that resources are obtained and used effectively and efficiently in the accomplishment of the organisation’s objectives”. In a similar vein, Ferreira and Otley (2009) write that MCS has been defined as the ways that seniors can exert control through using control tools (e.g. personal control tools) combined with management accounting to achieve their goals. However, the classic way to define MCS has been criticised for being too narrow and directing researchers into an area limited to management accounting (Langfield-Smith, 1997). At the same time, Chenhall (2003) claims that the definition has evolved over time, and that the meaning of MCS now also should include a wider range of information, such as external information as well as informal personal controls.

This variation of definitions - however similar they might be - and therewith following research approaches, has previously led to issues with research quality and result interpretation (Malmi & Brown, 2008). However, different ways to approach management control systems research
have been suggested, e.g. as archetypes (Caglio & Ditillo, 2008) or as a package (Malmi & Brown, 2008). The latter argue that researchers will be able to arrive at improved theories about real-life consequences of MCS innovations, by taking a step back and regarding MCS as something interconnected and not isolated. They also present a clear framework for researching MCS as a package, as presented in figure 3.2.1 below. Whilst criticised for not being able to explain how its elements work together (O’Grady, Morlidge & Rouse, 2016), Malmi and Brown’s (2008) package concept is interesting to explore further due to the aforementioned reasons.

<table>
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<th>Cultural Controls</th>
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<td>Values</td>
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<td>Symbols</td>
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<td><strong>Planning</strong></td>
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<td>Long range planning</td>
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<td>Action planning</td>
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<td><strong>Cybernetic Controls</strong></td>
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<td>Budgets</td>
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<td>Financial Measurement Systems</td>
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<td>Non Financial Measurement Systems</td>
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<tr>
<td>Hybrid Measurement Systems</td>
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<td><strong>Reward &amp; Compensation</strong></td>
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<td>Governance Structure</td>
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<td>Organisation Structure</td>
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<td>Policies and Procedures</td>
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Figure 3.2.1: A representation of the MCS package as conceived by Malmi and Brown (2008).

3.2.1 MCS AS A PACKAGE

With their conceptual framework, Malmi and Brown (2008) attempted to find a new and improved structure to management control research, which was intended to be broad enough to incorporate key MCS, whilst being restrained enough to be practically useful. The typology, as Malmi and Brown (2008) refer to it, is based on the assumption that managers aim to control that a pertinent party’s (e.g. employees or collaboration partners) actions are true to the organisation’s objectives and strategy. Malmi and Brown (2008) designed it with cultural controls at the top since these are assumed to change slowly, and thereby provide context for the rest of the controls. In the middle, the planning controls, cybernetic controls, and reward and compensation controls are found, which Malmi and Brown (2008) believe are deeply interconnected in many real-life organisations. The middle controls need a structure, though, and Malmi and
Brown (2008) state this is provided by the bottom controls, i.e. the administrative controls. Furthermore, it is worth to note that Malmi and Brown (2008) make a clear distinction between a decision-support system and a management control system. A system that is not designed or used to influence the behaviours of the individuals in an organisation by linking behaviours to goals, or not designed to establish accountability, is not an MCS and is therefore excluded, they argue.

As seen in figure 3.2.1, the cultural controls contain clans, values, and symbols controls. Malmi and Brown (2008), whilst arguing that sub-groups with microcultures could be labelled as clans, base their clan related controls on Ouchi’s (1979) clan concept. This refers to a socialisation process within groups, which not only spreads but also internalises and establishes both skills and values to individuals in that group, through the rituals and stories of the clan (Ouchi, 1979). This makes it a seemingly informal control system, which is reinforced by Ouchi’s (1979) claim that “it is just there” (p. 840), and that the system as such does not need an abundance of formal/technical roles to make sure it is functioning properly, such as accountants.

Continuing, Simons’ (1995, cited in Malmi & Brown, 2008) belief systems serve as the foundation for the aforementioned values controls. A belief system is used to propagate the organisation’s explicit core values, which are meant to encourage employees to take appropriate actions towards finding or creating new opportunities (Malmi & Brown, 2008; Widener, 2007). Furthermore, these belief systems are designed to impact on several levels of employee behaviour, according to Malmi and Brown (2008). Firstly, during recruitment, when recruiters search for homogeneity and employ applicants with similar values as those of the organisation’s. This can be related back to Gelfand et al. (2007) who state that the recruitment and selection procedure influences the level of discrimination in an organisation by increasing diversity. Secondly, during socialisation, when individuals change values towards the existing beliefs in the system. Lastly, when individuals behave as expected by the organisation but not according to their own personal beliefs. On all three levels, there has been some intended impact on the behaviour of the individual, exerted through the beliefs of the organisation (Malmi & Brown, 2008).

Last of the cultural controls in the typology are the symbol-based ones. Malmi and Brown (2008) intend these symbols as any kind of visual, exemplified by an official uniform or an office landscape, both of which can be used to establish a culture to shape behaviour.
PLANNING CONTROLS

The planning controls are the first of the chronologically ordered mid controls in the typology; this means that planning controls are used to establish goals, cybernetic controls are used to link behaviours or measures to those goals, and rewards are given upon fulfillment (Malmi & Brown, 2008). The planning controls work just as we would argue planning in general works: according to Malmi and Brown (2008), common goals are set, which drive the direction and level of effort in the organisation, potentially finding synergies there within. The leftmost aspect of planning is the long-range planning, which has a strategic, medium-to-long term focus (Malmi & Brown, 2008). According to the authors, this comes before action planning, which is tactical with a time horizon of less than twelve months. Here Malmi and Brown’s (2008) distinction between decision-support systems and MCS come into play. They suggest that it is important to separate planning solely for deciding future actions (serving as a decision-support system), and planning for also involving employees, thereby increasing their commitment and ultimately changing their behaviour (serving as a management control system).

CYBERNETIC CONTROLS

Cybernetic controls are systems that contain some kind of feedback loop, making it possible to analyse performance and adapt the organisation’s methods in order to improve (Green & Welsh, 1988). To make sure a system is a cybernetic MCS and not a decision-support system, it is important to connect desired behaviour to required targets, and to make sure that there is accountability for individuals’ actions (Malmi & Brown, 2008).

Malmi and Brown (2008) further highlight four different types of cybernetics in their typology, namely budgeting, financial, and non-financial measures, as well has hybrids of the two latter. Claiming that budgeting is close and similar but not identical to planning, they further the idea that it is almost omnipresent and a key piece to general MCS in many organisations. Whilst budgeting might sound like a financial measurement system, the authors make a clear distinction between these two in that the budget is sweepingly broad and financial measures are supposed to be narrow, used for simple goals. A non-financial measurement system, on the other hand, can be used to work around the constraints of financial measurement systems, and to help pinpoint what drives performance, according to Malmi and Brown (2008). Finally then, they exemplify the hybrid system using the Balanced Scorecard, which was first introduced by Kaplan and Norton (1992), and could contain both financial measures such as profitability as well as non-financial measures such as cycle times.
REWARD AND COMPENSATION CONTROLS

The description of these controls ring true to their name, as they are all about increasing performance and synergy of both individuals and groups by using a reward, or a promise of one (Malmi & Brown, 2008). This concept resembles the carrot in front of the donkey to make it drag the cart faster, and is as such seemingly simple to understand - do well, get the reward. Thus, rewards have an obvious effect on individuals’ behaviour. There are multiple ways for this to work, though, according to Malmi and Brown (2008). One, through effort direction, referring to the tasks on which individuals spend effort. Two, through effort duration, referring to the amount of time spent on a task. Thirdly, and finally, through effort intensity, which refers to the quantity of effort spent.

Malmi and Brown (2008) argue that whilst rewards could be linked to cybernetic controls - presumably because there needs to be some kind of feedback or follow-up to see if effort was spent successfully - rewards could be given for various reasons and not only as a follow-up tool. As such, rewards and compensation is its own part of the typology to consider when researching MCS.

ADMINISTRATIVE CONTROLS

How to organise and monitor individuals in the organisation as well as the processes for specifying which behaviours are desired and not, is the foundation of the administrative controls according to Malmi and Brown (2008). Their typology contains three bottom controls groups. First, the governance structure controls include not only who reports to whom, but also the systems that are in place to make sure that different departments meet to coordinate and find synergy in their activities (Malmi & Brown, 2008). An example of this could be regular/cyclical interdepartmentally joint deadlines for project updates. Second, the authors claim that the organisational structure is something that managers can change, which in turn can influence the contacts and relationships at the workplace. This is corroborated by research such as Felin and Powell’s (2016), who found that it is possible to design organisations for dynamism. The third, and final, part of the typology’s bottom section is regarding how specifying processes and imposing limitations or opportunities on behaviour can be done using policies and procedures (Malmi & Brown, 2008). This might be where anti-discrimination controls are the most easily identified, e.g. (indirect) policies regarding diversity, whilst perhaps not single-handedly effective or strong enough, as seen in the Adecco example.
3.3 MANAGEMENT CONTROL FOR DISCRIMINATION

As already mentioned, various antecedents will influence the existence of discrimination in the organisation (Bergman et al., 2012; Gelfand et al., 2007; Tajfel & Turner, 1979). Thus, controlling for these factors will also control the level of discrimination. We believe similarities exist between the MCS package of Malmi and Brown (2008) and the antecedents of discrimination (Gelfand et al., 2007), especially on the organisational level, making the fusion there between a valuable framework for our study. Furthermore, Gelfand et al. (2007) claim that the alignment of organisational processes and structures is critical to the levels of discrimination in an organisation, since “an intervention into a single process or structure is unlikely to effectively reduce organisational discrimination” (p. 25). This further convinces us that taking a holistic, package-like perspective is the right thing to do.

3.3.1 THE TYPOLOGY AND THE ANTECEDENTS - A COMBINED FRAMEWORK

We prefer a fusion of Malmi and Brown’s (2008) typology and the antecedents as suggested in literature (Bergman et al., 2012; Gelfand et al., 2007; Tajfel & Turner, 1979) as a framework for our study. This is because it emphasises the relation between various MCS, and provides similarities to bridge the research gap that exists between these two fields of study.

Malmi and Brown (2008) suggest that the administrative controls provide structure for the control systems in the centre of their typology (i.e. planning, cybernetic and reward and compensation controls). Specifically for discrimination, existing policies, procedures and accountability structure (i.e. governance structure) could for instance serve as a guideline for managers’ distributed rewards and punishments. The cultural controls, on the other hand, serve as a frame for the remaining controls. For instance, Adecco’s BBB scandal could hint at merely having anti-discrimination policies and procedures is not sufficient to prevent discrimination in the workplace. Finally, the three control systems in the middle of the framework (i.e. planning, cybernetic, and reward and compensation) are considered to be related in a chronological order from left to right (Malmi & Brown, 2008). Performance management regarding discrimination and diversity (cybernetic controls) will be based on short-term or long-term goals the organisation and/or manager has set (planning controls). Rewards could then be used to encourage the development of the desired behaviour (rewards and compensation controls).

Whilst there are many similarities between the typology suggested by Malmi and Brown (2008) and the previously described antecedents, not all antecedents can be controlled by managers.
Someone’s beliefs, thoughts and characteristics are inherent to that person and the environmental antecedents occur outside of the organisation and are therefore not controllable by the organisation in general or by managers in specific. In alignment with Gelfand et al. (2007), we believe managers still need to consider these antecedents during the development and application of MCS. However, in contrast to Gelfand et al. (2007) the developed framework does not present a trickledown effect of the antecedents of discrimination (i.e. external environment - organisation - individual). Holding an MCS perspective, our framework is focused on the ability of managers to influence behaviour of employees. In order to effectively do this when it comes to discrimination, managers should consider the environment and individual factors when developing and applying MCS. Therefore, these two remaining levels of antecedents are put before the level of the organisation. Hence, this study takes a more active approach than Gelfand et al. (2007) do. As already mentioned, the organisational antecedents demonstrate the best fit with the MCS typology of Malmi and Brown (2008) since they both concern organisational level measures to influence behaviour. As such, we use the MCS typology as an overlay of the organisational antecedents (as can be seen in our framework presented in figure 3.3.1). Moreover, a manager should always be aware of the effects of his actions. One could, for instance, measure MCS effectiveness using employee surveys that touch upon the scientifically proven consequences of (perceived) discrimination, such as wellbeing, differences in pay or job opportunities, absenteeism and job satisfaction (Gutek, 2001; Jackson et al., 1996; James et al., 1994; Pavalko et al., 2003; Pryor, 1995).

In sum, we therefore combined the MCS typology with the external environment (i.e. stakeholders and legal, economic and cultural environment), the individual antecedents of discrimination (i.e. prejudice, stereotypes, social identity and characteristics) and consequences of discrimination. We believe that managers need to gather data concerning these topics in order to increase the effectiveness of their anti-discrimination control systems. Below, we describe the similarities in greater detail, and present the developed framework of this study.

**Leadership**

Leadership as an antecedent of discrimination is relevant throughout the MCS typology, since it includes the actions taken by managers to decrease discrimination in an organisation. However, a distinction must be made between upper-level managers on the one hand, and mid-level managers and direct supervisors on the other (Gelfand et al., 2007). Whereas the former are mainly responsible for the development of the MCS at an organisational level, the latter are
responsible for the correct interpretation and communication of these control systems. For instance, direct supervisors can control their employees’ behaviour by rewarding diversity increasing behaviour and punishing unacceptable discriminatory behaviour (Yukl & Van Fleet, 1992). This could potentially initiate or propagate the development of certain clan characteristics, based on what the leader rewards or punishes. Managers could further attempt to use MCS to decrease perceived discrimination in the organisation. As previously mentioned, increasing organisational justice will decrease the chance that one perceives an action as being discriminatory and the chance one files a complaint (Enoksen, 2016; Goldman, 2001).

**Structure**

The organisational structure (which is already part of Malmi and Brown’s (2008) typology) can have a significant influence on the level of discrimination in the workplace. When an organisation has a rather homogeneous structure (e.g. mainly consists of white men), it is not likely that it will become more diverse without conscious efforts e.g. similarity-attraction hypothesis; Berscheid & Reis, 1998. Since highly diverse organisations tend to be more successful and innovative (Hewlett et al., 2013), it is essential that managers recruit and/or promote employees with different characteristics to increase diversity throughout the organisational structure. Managers should prevent minorities to feel or actually be excluded from the dominant social network, i.e. informal structure (Gelfand et al., 2007) by creating one social network e.g. by having joint lunch or coffee breaks. Pettigrew and Martin (1987) suggest that managerial efforts to integrate minority group members are vital to increase perceived inclusion. We believe the informal structure as an antecedent of discrimination could fit for instance the clan aspect of the MCS typology e.g. by creating a subculture.

**Culture**

Cultural controls, as suggested by Malmi and Brown (2008), can highly contribute to the decrease of discrimination in the workplace. Since an organisation’s culture is strongly influenced by the values of top-level managers, communicating their belief in diversity and equal treatment will make discrimination less likely to occur (Gelfand et al., 2007; Kalkschmidt, 2013). Although mid-level managers and direct supervisors could have a similar effect, one must keep in mind that culture is difficult to change (Kalkschmidt, 2013) and their influence might only be limited to their direct team members. Moreover, symbols could affect people’s behaviour.
Speculating, having an open office space, which encourages communication and collaboration between people (Malmi & Brown, 2008), and/or using diverse imagery on posters, paintings, or job adverts could potentially decrease the risk of discrimination.

**CLIMATE**

Managers can attempt to increase the strength of the diversity climate by the application of control systems on all three levels of Malmi and Brown’s (2008) typology. Examples could be the development of effective discrimination-related policies and procedures, the rewards and punishments taken for (not) following these policies and procedures and the overall cultural values concerning discrimination and diversity. These values could contain including everyone and encouraging employees to realise their full potential (Gelfand et al., 2007). However, one must keep in mind that employees can differ in their perceptions and the climate therefore may not be reflecting the perceptions throughout the entire organisation (Gelfand et al., 2007). This fits with Malmi and Brown’s (2008) description of the mechanisms behind the clan controls.

**STRATEGY**

Increasing diversity and decreasing discrimination could be part of the organisational strategy. This change in strategy can be done by a long range planning control system (Malmi & Brown, 2008). It will lead employees to understand that diversity is one of the organisation’s priorities and to perceive diversity as an opportunity instead of as a threat (Cox & Blake, 1991).

**HR SYSTEMS**

Managers can control discrimination through the use and adjustment of various HR systems, such as recruitment and selection, training, performance management benefits, and grievance procedures. We believe that these HR systems fit in the full Malmi and Brown (2008) typology. First, policies and procedures need to be established concerning recruitment and selection, training and grievance procedures. For instance, an organisation could use multiple recruitment channels, and selection measures (e.g. different job fairs and assessment centres) to increase the level of diversity and decrease the level of discrimination during this process (Gelfand et al., 2007).

Moreover, as Malmi and Brown (2008) state, selection can be a cultural control as it may be about finding the person with the best fit in terms of corporate values. At the same time, placement of personnel in an organisation is also an administrative control, either governance or
organisational as it is about the hierarchy or structure of the organisation (Malmi & Brown, 2008).

Second, performance management can serve as a cybernetic control. Performance management is focused on employee development, and uses feedback processes during which performance is compared to standards (Green & Welsh, 1988). Managing performance by setting short-term and long-term goals corresponds to Malmi and Brown’s (2008) planning control systems. Further, budgets as control systems are necessary to offer benefits to employees. Benefits can be used to communicate the manager’s and organisation’s focus on diversity by offering benefits such as flex time to facilitate the work-life balance or different holidays to support different religions (Gelfand et al., 2007).

Third, we believe that reward and compensation controls could not only be used to increase motivation and performance in employees but also to control discrimination. For instance, this could be stemming from a desire to reward certain kinds of inclusive, non-discriminatory behaviour.

Further, as Malmi and Brown (2008) themselves state, training could be either a cultural or an administrative control, depending on the context and desired outcome, e.g. to train someone in the company values or to follow policies. The organisational culture will have a significant overall influence on the existence and effectiveness of these HR systems, since Malmi and Brown (2008) argue that the cultural controls provide a context for the remaining parts of the MCS typology.

**DEMOGRAPHICS**

A rather homogeneous workforce will make it more difficult for managers to decrease discriminatory behaviour towards the few minority group members because of the aforementioned similarity-attraction hypothesis and social identity of both majority and minority group members (Bergman et al., 2012; Berscheid & Reis, 1998; Tajfel & Turner, 1979). Therefore, it is essential that managers increase diversity through recruitment and selection, and promotion procedures. However, minority group members will only feel part of the organisation if they are included (Pettigrew & Martin, 1987). This could be established by managers through cultural controls and long range planning controls, e.g. by having open values and having a diversity strategy.
**PROPOSED ADJUSTMENTS TO MALMI AND BROWN’S TYPOLOGY**

Our framework is based on the definition of direct and indirect discrimination as described by the Swedish Government (2008). Although we consider the presented fusion as a useful framework for managers to use to control discrimination in the workplace, we propose one adjustment. Malmi and Brown (2008) merely focus on using rewards to encourage employees’ performance and behaviour. However, Yukl and Van Fleet (1992) propose managers should also have the possibility to punish their employees when conducting discriminatory behaviour. We therefore expanded the reward and compensation control system to a reward and punishment control system. A visualisation of the full framework is presented in figure 3.3.1 below.

![Theoretical Framework](image)

**Figure 3.3.1:** *The theoretical framework developed during this study.*
4  **EMPIRICAL FINDINGS AND ANALYSIS**

This chapter concerns the second part of our purpose, namely the practical applicability of our developed theoretical framework. We describe and analyse the empirical findings collected through a case study, using the developed framework as a structure. First, we explain the participants’ understanding of some relevant concepts to our study. This allows us to examine whether their understanding is similar to the one we established through research. Next, we describe the environmental and individual antecedents that were found relevant for controlling discrimination and increasing diversity, and discuss their similarities to the antecedents found in literature. Third, existing MCS in the studied company - Solo Manufacturing - are analysed through the utilisation of the adjusted typology of Malmi and Brown (2008). As mentioned in chapter 3, the MCS typology is used as an overlay for the organisational antecedents of discrimination and concerns the middle part of our developed framework. Then, we describe the (positive and negative) consequences of discrimination, diversity and MCS used to respectively decrease and increase these phenomena. Finally, we present the MCS that are currently not in place in Solo but are suggested by our participants to control discrimination and increase diversity in an organisation. Throughout this chapter, findings of chapter 3 are used to support empirical data. A full overview of the analysed empirical findings as put into the framework can be found in appendix B.

4.1 **CONCEPT UNDERSTANDING**

4.1.1 **MANAGEMENT CONTROL SYSTEMS**

P2 suggested that MCS is about how both employees and managers should act and interact. Similar to our understanding of MCS, the participants made a distinction between different levels. On a lower level, policies and procedures were mentioned several times. However, it was stated that without a culture and clear values supporting these policies and procedures, the latter would not be effective. Values communicate how people are expected to behave in the workplace (P6). P4 suggested that control systems could, amongst other things, relate to finance, health and safety, HR and quality. P7 mentioned the relevance of training as an MCS since it created an understanding of concepts as discrimination and diversity.
Summarising, we can conclude that the main characteristics of MCS as found in literature, i.e. being present on different levels of the organisation, focus on influencing behaviour, and being related to each other, are shared by our interviewees.

4.1.2 DISCRIMINATION

Based on our empirical findings, discrimination is the differential treatment of people (P1, P4, P5, P6). This treatment can be intentional or unintentional, overt or implicit and legal or illegal (P1, P2, P4, P6). Moreover, the characteristics on which this differential treatment is based (e.g. gender, age, nationality, disability), is irrelevant to the work (P2, P5). P7 stated that a way of discriminating people in the workplace is the lack of information sharing, since “information is power in an organisation”. Hence, the most important aspects of discrimination, including legal or illegal unfavourable or different treatment based on irrelevant traits of an individual, were mentioned by our participants.

4.1.3 CONNECTION BETWEEN VARIOUS MANAGEMENT CONTROL SYSTEMS

As mentioned previously, we support Malmi and Brown’s (2008) assumption that MCS cannot be seen in isolation but they are instead interrelated. During the second part of our study, we examined whether this connection can also be seen in practice. P5 suggested that all MCS related to discrimination and diversity are connected through the employee lifecycle, i.e. from recruitment to dismissal. For instance, if Solo does not present itself as being open for diversity (e.g. using symbols on the website or in the office), it might attract the “wrong people”. With ‘chain’ referring to the employee life cycle, P5 stated that, “you are not stronger than your weakest chain [sic]. It is important to always check your chain”.

Moreover, all MCS are consistent with the company values. P7, for instance, mentioned that policies will not be effective as long as the values of a company do not provide support. P4 mentioned they clearly communicate to suppliers the importance of their employees’ safety and have control systems in place to make sure to improve and influence their health and safety work. This can be related to Malmi and Brown (2008), who state that managers should ensure the actions of stakeholders are aligned to the organisational objectives. The empirical findings also demonstrate several specific connections between categories of the typology, e.g. connections between clans, and reward and punishment through the manager taking charge of a discrimination case to make sure it is solved (P2). Thus, one can conclude that we found empirical
evidence for the perception of MCS as a package, and also specifically pertaining to discrimination.

4.2 ENVIRONMENTAL ANTECEDENTS

Based on Gelfand et al. (2007), we distinguished four types of the outside environment that could influence the level of discrimination in an organisation: cultural, economic and legal environment and stakeholders. However, based on the empirical findings we extended the cultural environment to also include politics and religion. We chose to extend the cultural environment instead of creating a new category for political and religious issues because we believe they all, whilst different, are strongly intertwined in a culture. Moreover, we added two categories, namely the demographical and technological environment. The demographical environment is not to be confused with the organisational-level demographics. Whereas the former is on societal level (i.e. labour force), the latter is concerning the workforce of the organisation.

4.2.1 CULTURAL, POLITICAL AND RELIGIOUS ENVIRONMENT

The participants stated several cultural differences between countries that could influence the control of discrimination and level of diversity in an organisation, mainly between Sweden on the one hand and USA, Middle East and India on the other hand. In Sweden, for instance, gender equality is a focus area. In the Middle East, in contrast, one could argue the existence of institutionalised discrimination (P1). P1 provided a supporting example of a woman being rejected for a job in the Middle-Eastern office because of her gender. P2 mentioned that cultural differences could lead to additional grounds of discrimination, e.g. castes in India. It is a challenge for organisations to control for the less visible characteristics as caste in addition to visible traits as gender and age (P2). In some cultures, it is also less common for women to work or keep working once married or having children, which might create an extra difficulty to get gender diversity in the local office (P2). In sum, although the participants mentioned that Solo Manufacturing desires to be diverse and eliminate discrimination in all offices, cultural differences might create difficulties to achieve this. In line with Kalkschmidt (2013), P7 mentioned that in order to conduct successful business in different countries, understanding the local culture is vital.

Concerning political issues, the current divide between left-winged and right-winged supporters and possible conflicts were mentioned. P1, for instance, said, “25 % of the Swedish population
votes for the right-winged party”. This means that a similar proportion of the Swedish employees of Solo will have right-winged beliefs, possibly leading to discriminatory behaviour towards different ethnicities (P1). P2 stated the importance of leaving such political issues outside of the organisation. P1, for instance, provided an example concerning the collaboration between the Russian and Ukrainian office during the Russian invasion in Ukraine. Solo Manufacturing was obliged to fire a Russian manager because of his political activities and his discriminatory behaviour towards Ukrainian employees. In addition, P1 also expressed concern that discrimination based on religion could become more prominent in the future, stating that this would need focused work to combat through increased awareness and attentiveness.

4.2.2 ECONOMIC ENVIRONMENT

Based on Staw et al. (1981), being in an economic crisis might lead companies to solely focus on those practices that are vital for their survival and might decrease the amount of resources in order to cut costs and be as efficient as possible. P5 mentioned that since expats are expensive, they tend to be the victim when the organisation downsizes. She suggested it is important that, during such downsizes, it is carefully monitored who is fired to prevent discriminatory patterns from occurring (e.g. mainly women or certain nationalities).

4.2.3 LEGAL ENVIRONMENT

As already mentioned, a distinction can be made between the hard and soft type of discrimination (Stypinska & Turek, 2017). The hard type includes discriminatory behaviours prohibited by law and demonstrates the relevance of the legal environment of an organisation (Stypinska & Turek, 2017). Since MNEs conduct business in several countries, they are confronted with a variety of legal systems. The stricter legislation concerning discrimination in the USA compared to Sweden demands an extensive training for US employees (P1). For instance, during a job interview in the US it can be considered discrimination when one asks about the applicant’s age or nationality. P7 discussed that there could be different policies depending on the national legislation. For instance, Solo has a 50 pages long health and safety policy in the US compared to a group policy of only two pages (P7). Earlier in this study, we proposed that companies should develop policies consistent with their values and make offices in countries without strict legislations adhere to these as well. Support for this was traced in the data from the interview with P7, who stated that all policies should be consistent with (or stricter than) the group policy.
4.2.4 **STAKEHOLDERS**

First, several participants mention that it is not beneficial for an MNE to have a homogeneous workforce (P5, P6). P5 suggested having a diverse customer base leads to the need for a workforce that is equally diverse. Second, P5 discussed the importance of having a good collaboration with unions since they examine and thus can control the discriminatory character of a company’s actions and procedures. This is in line with Delaney and Lundy’s (1996) finding that pressure of unions can in fact influence fairness of recruitment and selection processes of companies. Third, chance exists that suppliers and/or customers have different standards concerning social issues than Solo. P4 and P7 mentioned that Solo is very strict when it comes to their employees’ safety; they even refused a client’s demand for Solo’s employees to work during dangerous weather conditions, and Solo explained to the clients how a safe environment is also to their business advantage (P4). Moreover, according to P7, customers are increasingly interested in the CSR approach (and related anti-discrimination and diversity) of Solo. However, the case of Adecco’s ‘Blanc Bleu Belge’ and Bleu Blanc Rouge files shows that clients’ demands could in contrast also lead to illegal (possibly discriminatory) actions. In sum, various stakeholders (e.g. suppliers, customers, unions) could significantly influence Solo’s actions towards anti-discrimination and diversity.

4.2.5 **DEMOGRAPHICAL ENVIRONMENT**

The demographical composition of a society could influence the level of diversity in an organisation. Participants called Solo a male-dominated company. One reason could be that Solo mainly consists of engineers and less women went to technical university than men (P2). Similarly, P3 mentioned it is harder to find men with in-house legal experience. This divide in academic and professional background limits gender diversity in the organisation and/or in specific departments. According to P3, age discrimination might become increasingly important since a large generation (i.e. baby boomers) will retire soon, a generation that might not want to stop working and therefore raise their voice. Finally, when working in a local context, diversity might be more difficult to achieve compared to in a global higher-level management team (P5).

4.2.6 **TECHNOLOGICAL ENVIRONMENT**

Automation has in one sense increased the risk for discrimination since companies are no longer “hunting for the workforce” as they did before (P2). The reduced amount of new employments
in factories due to automation could lead to unintentional discrimination, according to P2. Without open-mindedness, these fewer job opportunities could be distributed to applicants that are similar to the existing workforce (i.e. similarity-attraction hypothesis; Berscheid & Reis, 1998).

4.3 INDIVIDUAL FACTORS

4.3.1 BELIEFS AND STEREOTYPES

As already mentioned, it is essential that employees leave political, religious and idealistic beliefs outside of the working environment. When they are not able to do this, it might affect the collaboration with the other (diverse) team members and might go against the company’s values (P1). Therefore, managers should be aware of the existence of these beliefs and should examine whether they influence employees’ work. The managers’ belief concerning the benefits or risks of diversity might also highly influence the level of diversity in their team (P5).

Some stakeholders might believe that products developed in low-cost countries are of lower quality, and as a company, it is therefore essential to use objective data to disprove this idea (P6). However, stereotypes are difficult to change and merely showing data might not be sufficient. P5 assumed that although she has not experienced any yet, there could be discriminatory gender-related cases, especially when having a male manager and female employee. This could be brought back to the findings of Eagly (1987) and Schein (1975) that women are seen as less competent than men and that the manager role is mainly related to male traits respectively.

4.3.2 FEELINGS AND PREJUDICE

It is possible that an employee is not feeling well because of something that occurred inside/outside of the organisation. This could lead to being more vulnerable for certain events or behaviours and they might consequently (wrongly) interpret these events as discrimination (P5). Although it might not be (meant as) discrimination, P5 stated that this feeling should still be addressed by the manager. This points towards the importance of perceived discrimination, and being aware of it.

The studied company proactively uses different recruitment channels, including schools and universities. According to P2, this is important to overrule prejudice on what working in the industry is like and demonstrate the difference with the past.
4.3.3 SOCIAL IDENTITY AND CHARACTERISTICS

“People have the intention to recruit copies of themselves” according to P1, who further stated that even with the best intentions not to discriminate, managers will still face the risk to discriminate unintentionally and consequently have a homogeneous workforce. Moreover, managers (and their team members) might prefer the recruitment of someone that is similar to the people already in the well-functioning team (P2). “It is so easy to feel confident with somebody, and then you want to hire the same type of persons, and I think that does not bring us forward - we need some different views on different things” (P2). P2 also mentioned that in some countries it is more common for women to stop working after getting married or having children. Based on Tajfel and Turner (1979), we assume that this decision partially depends on how strong the woman identifies herself with her culture.

4.4 MANAGEMENT CONTROL SYSTEMS

Figure 4.4.1 presents an overview of our empirical findings concerning MCS used to influence Solo’s employees in order to directly or indirectly control discrimination. The middle part of the theoretical framework established in chapter 3 (i.e. the overlay of the organisational antecedents by the MCS typology of Malmi and Brown (2008)) provides a structure for this overview. The practical applicability of the middle part is demonstrated as most categories of the typology are needed to describe the reality of the situation in the analysis of the data, which can be seen in figure 4.4.1. In this section, we will describe empirical findings concerning MCS to control discrimination.

4.4.1 CULTURAL CONTROLS

The cultural controls are very important to combat discrimination in the workplace, according to some of the participants of our study. P2 and P6, for instance, both made statements regarding the importance of the leader/the manager to set an example or by other means establish what is (un)acceptable behaviour. This intensely relates the value controls with the clan controls, in the sense that a manager of a group is able to set standards for that group, standards which might differ from the rest of the organisation. It also relates to leadership and its role in interpreting and communicating expectations, values etc. as an antecedent of discrimination, as provided by Gelfand et al. (2007). However, Solo’s values might very well affect the managers, leaders, and any other employee as well, especially since the recruitment and selection process is focused
<table>
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<tr>
<th>CULTURE</th>
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<td><strong>Values:</strong></td>
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<td>- Trust</td>
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<td>- Training</td>
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<td><strong>Symbols:</strong></td>
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<td>- Removal of:</td>
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<td>- Pictures (e.g. degrading towards women)</td>
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<td><strong>Existence/utilisation of:</strong></td>
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<td>- Pictures (e.g. high diversity, value communication)</td>
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<th>PLANNING</th>
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<tr>
<td><strong>Long Range Planning</strong></td>
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<tr>
<td>- Develop and manage</td>
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<td>- (local) talents</td>
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<td>- Diversity part of vision and strategy to promote growth</td>
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<td>- EEO</td>
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<tr>
<td>- Succession planning</td>
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<tr>
<td>- High diverse teams (e.g. nationality, gender, age, background)</td>
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<td><strong>Action Planning</strong></td>
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<td>- Targets to achieve</td>
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<td>- (proactive)</td>
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<td>- Prepare opportunities for</td>
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<td>- Employees</td>
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<td>- Personal development, e.g. PD talk</td>
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<td><strong>Budgets</strong></td>
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<tr>
<td>- Benefits to improve workforce balance as well as potential leave</td>
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<td>- Budget for groups, e.g. to improve leadership</td>
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<td>- Budgets to invest in major training programmes</td>
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<th>CYBERNETIC CONTROLS</th>
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<tr>
<td><strong>Financial</strong></td>
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<tr>
<td>- No specific financial measures to decrease discrimination</td>
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<tr>
<td><strong>Non-financial</strong></td>
</tr>
<tr>
<td>- Training success ratio (e.g. effect FLTP on proportion female leaders)</td>
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<tr>
<td>- Targets and qualification of gender, age, nationality</td>
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<td>- Standard and benchmark HR processes</td>
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<td>- Employee survey (e.g. working climate)</td>
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<td><strong>PD talk</strong></td>
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<tr>
<td>- Hybrid</td>
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<td><strong>Rewards &amp; Punishment</strong></td>
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<td>- Punishments:</td>
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<td>- Dismissal</td>
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<td>- Warning</td>
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<td>- Salary decrease</td>
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<td>- National authorities</td>
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<td>- Rewards:</td>
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<td>- Financial (e.g. salary)</td>
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<tr>
<td>- Consequences from PD</td>
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<th>ADMINISTRATIVE CONTROLS</th>
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**Figure 4.4.1:** An overview of empirical findings concerning MCS applied in Solo to control discrimination.

on finding people with a good fit in terms of values, attitudes, and behaviour (P1). It is still important how the leaders carry themselves, though, since “people follow the hips, not the lips” (P1). Other clan controls that we have found examples of include those based on job functions (e.g. department), which is suggested by P2 to influence the perception of discrimination for instance through diversity. Another example is social aspects such as using one common language as to include everyone in that group or clan (P6).

Whilst there might be differences between the participants in the perceptions of what the corporate values are there are common strokes, even with P3 who questioned the existence of any explicit corporate values. For instance, all of the participants talk to some degree about trust-based openness, open-mindedness, and the importance thereof. P4 and P6 further spoke about the organisation as caring, safe, and genuine. P4, P5, P6, and P7 all stated that Solo’s diversity-appreciating values and global presence make it impossible to be an institutionally discriminating company. P7 said, “If you do not understand the culture of the customer you are selling to, you are not going to succeed”, and in a similar fashion P6 stated that, “I would say, per definition, a global sourcing organisation needs to be diverse, otherwise we are missing the point”. P2 also highlighted the importance of common values and expectations on behaviour. The importance of Solo’s values and their interconnectedness with other MCS are described by P1.
who stated that performance development talks, policies and processes as well as the management structure and labour unions are used to make sure that employees adhere to these values. P2 further showed us anti-discrimination policies that were seemingly based upon the values presented in figure 4.4.1. Together with the aforementioned Adecco example, this goes to show the importance of anti-discrimination values in the organisation, and that MCS are dependent on each other to function well. Especially, it shows that whilst policies might be rulebooks, they do not matter if the culture is not there (P7).

Another value control tool that is used is the training for new employees. As Malmi and Brown (2008) state, training can be used to either make someone aware of and follow policies (which would make it an administrative control) or it can be used to infuse a person with a certain set of values (i.e. a cultural control, more specifically values control). In the case of Solo, P2 and P4 stated that the training for new employees has a section about the company values, in order to make sure that everyone is aware of them. Similarly, the values are broadcasted by the CEO in the speeches he makes, according to P6, which contributes to spreading them through the organisation. This is part of the values control according to Malmi and Brown (2008), and is thus important to reduce and control discrimination (Gelfand et al., 2007; Kalkschmidt, 2013).

The values are further manifested in the symbols Solo uses, as well as those it chooses to actively remove. For instance, P1 brought up an example of how imagery that was degrading towards women had been prominent on the walls of an acquired company - these were demanded to be taken down under the threat of managerial dismissal. Another experience of P1’s was in another newly acquired American company, where they removed a manager who was openly carrying a gun on the factory floor, a very threatening symbol in and of itself. Other examples of how symbols can be used to foster an anti-discriminatory culture could be the open office landscapes that send signals regarding collaboration, and choosing different meeting places to show that all corners of the world are appreciated (P6).

Pictures used on Solo’s website and job advertisements are further symbols to promote diversity and control discrimination; these always include people of different ethnicities and genders. Similarly, there are testimonials from employees available on the website, which are about diversity and anti-discrimination. This could serve as a symbol towards not only current but also future employees as well as other stakeholders who are interested in finding information about these subjects.
P6 also spoke about the importance of using one common language, which we think could fit into clan controls, as it is about the group, or symbol controls, since it signals to everyone to be inclusive. The diversity of the organisation, and especially the board, could in a comparable way be said to fit into the administrative controls, or symbol controls. The former would be due to the placement, which is an administrative control (Malmi & Brown, 2008), with the goal of increasing diversity throughout the organisation such as P5 stated she is actively trying to do. The latter would be due to the signal a diverse management team sends, which basically could be the opposite from having some kind of organisational separation or glass roof for people of e.g. different ethnicities or genders.

4.4.2 PLANNING CONTROLS
The planning controls, according to Malmi and Brown (2008), are strategic and tactical in nature. As such, we believe that the diversity strategy to promote growth (P1) for Solo, along with the equal employment opportunities approach within the company (P2, P6) fit right in the long-range planning category. The presence of the strategy is further reinforced by P6 and P7, as quoted three paragraphs above. In addition, having a succession planning (P5) and managing local talents all around the world (P1) are two important aspects that fit into the strategical MCS.

During the personal development (PD) talks - a tool for formalised performance management, which is an important part of combating discrimination (Gelfand et al., 2007) - that employees have with their managers, goals and targets are set, and actions to reach these are specified (P1, P2, P4, P5, P6). As such, the PD talks can be considered as action planning on an individual level. Depending on whether and how these are coordinated, these can speculatively become action-planning controls on a group or organisational level as well. Part of reaching the goals is getting people to look for opportunities, and sometimes as well for the manager to help prepare the opportunities for the employees, e.g. running project to prepare trainings in different languages (P6).

4.4.3 CYBERNETIC CONTROLS
The empirical data collection could find no evidence of specific financial measures that are currently being used in Solo Manufacturing in order to control discrimination through some kind of feedback process, as Malmi and Brown (2008) describe the cybernetics. However, Solo offers different kinds of benefits in order to improve work-life balance (P5, P6), which Gelfand
et al. (2007) argue helps eliminate institutional biases, potentially reducing discrimination. Benefits like these need to have some kind of budget post to make sure there are funds available for this purpose; this makes benefits a cybernetic control in our analysis. Furthermore, it should be mentioned that groups have budgets for e.g. improving team dynamics, which could potentially be used in the wake of a discrimination case, should one arise (P6). On a similar note, P5 stated that one investment/budget post that has been made related to anti-discrimination or diversity is the female leadership-training programme (FLTP).

Connected to the FLTP is the non-financial measure of the participants’ success ratio within Solo. Whether the participants stay with the company, and if they advance within the organisation, are two measures to indicate the success of the FLTP (P5). Similarly, there are quantified diversity targets on gender and nationality (as well as age on top management level) in the organisation (P1). However, this is not necessarily present throughout the organisation, as P6 stated that “I do not think that is the right way of achieving, kind of, equal opportunity”. Quantitative employee surveys are issued on a yearly basis as a “temperature gauge”, and whilst it does not explicitly measures discrimination, potential trends in the results may indicate such (P2). Further, there are mandatory standard processes (e.g. for recruitment) and optional benchmarking processes guided by HR to find out how different parts of the organisation are doing in different aspects, of which anti-discrimination and diversity are part (P5).

The PD talks, previously also present in the action planning, fit into the hybrid controls as well. This is because they contain targets and measures that employees need to fulfil (which conceivably could be financial measures, such as profitability targets), whilst also containing measures on how these are fulfilled (e.g. teamwork) (P1, P2, P4, P5, P6).

4.4.4 REWARD AND PUNISHMENT

There are seemingly more kinds of punishments than rewards related to discrimination and diversity. The only reward that has come up during the data collection is related to salary increases from the PD talks (P2). Being true to the organisational values was important in this aspect, according to P6, who also states that it is important to use the values as a guide when reacting to or handling a discrimination case. On the other hand, P2 and P6 both stated that written warnings and dismissal could be potential punishments for discriminatory behaviour;
the latter is backed up by P1 who had been involved in such cases, where he had fired a manager. P2 further added that another punishment could be reflections on the salary. P6 went as far to suggest that, if things were serious enough, the authorities would probably be involved.

4.4.5 ADMINISTRATIVE CONTROLS

Regarding the administrative controls - that provide a structure in the cultural context for the middle controls (Malmi & Brown, 2008) - data was found on all three areas of governance structure, organisational structure, and policies and procedures. All of the participants shared information regarding different policies. These policies could be about discrimination directly, or diversity, about how complaint, or recruitment procedures are designed, as well as how to handle issues that might arise. Training procedures to teach employees about the policies are also in place (P1). However, whilst the policies were not known by heart in all cases, the knowledge about their existence was there and the policies were easily found on Solo’s intranet, as proved by P2 and P6.

When it comes to the organisational structure, all of the participants talk to some extent about the diversity throughout the organisation. This falls under placement, which Malmi and Brown (2008) argue is part of the organisational structure, whilst the recruitment of people may fall under the cultural controls. Thus, making sure to place people of different backgrounds together throughout the organisation is highlighted as an important tool, not only to improve business, but also to improve the environment to minimise discrimination. For instance, both P3 and P5 spoke about the importance of diversity in top management, especially in terms of ethnicity on P3’s part. Continuing with organisational structure, HR’s responsibility for discrimination issues was highlighted by P2, P3, and P7. For instance, P2 said that it is important to trust in the HR professionals’ ability to enable managers to work with these subjects. This structural division of labour and responsibility thus seems to make it easier for managers to handle discrimination issues, and gives them support. Similarly, P3 and P6 reported that there are grievance procedures, which are important according to Gelfand et al. (2007), that involve HR and therefore make HR an important source of support for a potential victim of discrimination as well.

Furthermore, the HR department’s responsibility for discrimination creates a need for cooperation between them and the different departments through the organisation, and further clarifies whom to contact, which also makes this a governance structural control (Malmi & Brown, 2008). P6 spoke about how employees are nominated by their managers to HR, in order to
attend certain training programmes by their manager, and P5 reported that HR gets involved in the dialogue together with the parties involved in a discrimination case as soon as possible. A structural change in the organisation lead to clearer responsibility and more accountability in general, according to P6, and we expect this goes for discrimination as well. If it is clearer to whom one should talk (vertically in the hierarchy), or to whom you are accountable (strictly in terms of management) in a discrimination case, this is a control that facilitates the handling of such cases. The so-called “Grandfather Principle” means that the manager’s manager needs to approve of e.g. new recruitments (P1, P5). This is clearly a control based on official reporting hierarchy and can help increase the quality of decision-making. This is done through increasing transparency, and hopefully eliminating e.g. any bias and discrimination through the simple means of having another mind involved in the decision.

4.5 **CONSEQUENCES**

Based on our empirical findings, positive and negative consequences can be distinguished concerning MCS, diversity and discrimination. Keep in mind that these are consequences merely proposed by the participants. The causal relation between the existing MCS, the levels of diversity and discrimination in Solo on the one hand and the discussed consequences on the other hand is not examined.

4.5.1 **POSITIVE CONSEQUENCES**

The established MCS have several positive consequences for the organisation, employees, level of discrimination and diversity. First, Solo mainly focuses on establishing a diverse workforce when it comes to gender and nationality, since it believes these two factors will create more bottom line profitability for the company (P1). Next, trainings, such as FLTP, not only lead to a more diverse organisational structure on a higher level but also increases attention towards female employees and their potential, and leads (male) managers to support gender diversity “with their hearts” (P5). Third, the structural changes of Solo’s organisation increase the level of responsibility of lower-level employees and the overall level of accountability. Making people more accountable for their actions could contribute to decreasing discrimination (Gelfand et al., 2007). Fourth, several participants mentioned transparency and openness as important values of Solo Manufacturing (P1, P5, P7). The existence of an open internal recruitment can be seen as a way of achieving this openness since it creates the possibility for everyone in the
organisation to communicate their ambitions and therefore decreases the chance of discrimination.

P5 mentioned the importance of transparency to not only discover who is performing well but also to provide support to the ones that need it, which in turn is assumed to lead to improved performance. Furthermore, increasing openness by having dialogues between the parties involved in a possible discrimination case, gives everyone the opportunity to communicate their expectations and intentions. This can contribute to an optimal solution and presumably increasing what Enoksen (2016) calls organisational justice (more specifically procedural justice). Relatedly, P1 fired a senior manager because of his discriminatory behaviour. This could lead to increased organisational justice (more specifically distributive justice) and consequently decrease perceived discrimination. Finally, established MCS are developed with the intention to control discrimination and increase diversity in the organisation.

Through additional documents, Solo’s HR department communicates diversity as part of their strategy (“Diversity for growth”). They mentioned several benefits of diversity such as improved business, growth, talent management, innovation, creativity and compliance to business principles and the law. As P5 suggested, it is more effective to communicate goals as achieving diversity than as decreasing discrimination. Diversity is a goal in itself whilst discrimination “should just not be there” (P5). “When you do not achieve zero discrimination, it is a failure but when the focus is on increasing diversity, you can always win” (P5).

4.5.2 NEGATIVE CONSEQUENCES

Although these MCS are implemented to create equal opportunities for everyone, they might contain a few risks as well. First, people might have a negative perception of trainings that target a specific group (e.g. women), calling it positive discrimination. For instance, the board of the studied company reacted doubtfully towards the female leadership training programme when first proposed since it discriminates men (P1). Moreover, people tend to have a negative attitude towards quota, according to P1. Both target groups as other groups feel that individuals would be accepted because of their minority characteristic instead of their competence (P1). Having open recruitment might indirectly discriminate women since they are less likely to apply for a job if they do not completely fit the requirements (P1). Finally, P7 discussed that having an open culture might also entail risks. More specifically, when managers believe they give the impression of being open, and assume employees will approach them when facing difficulties,
they could become passive and be unaware of employees that might not feel comfortable with going to their manager to discuss issues. Moreover, it could be that employees perceive their issue as being “non-existent” since these issues would not occur in an open culture. All these negative consequences should be handled by clearly communicating the reason for the MCS. However, this brings us to the last risk of implemented MCS. Achieving the desired results should be communicated in the “right” way. Having more women on higher levels, for instance, should not be seen as it being good to have women but instead as good to have competent knowledge (P7). Based on our empirical findings, Solo can improve on this and should emphasise the advantages of diversity even more.

In our theoretical framework, we already mentioned the negative influence discrimination could have on an individual, group and organisational level. Some of the individual level consequences namely reduced psychological well-being (Jackson et al., 1996; Pavalko et al., 2003) and job performance (Pryor, 1995) were supported by our empirical findings. P7 suggested that when one feels discriminated, they will become more closed and feel unwelcome to the group. The group will react by also becoming more closed and consequently, and the person will detach themselves even further, initiating a negative spiral. “Even if it is not the group’s intention, the spiral makes the person feel even more discriminated because he closes off and the group thinks the person wants to be left alone. I am not sure that managers always see all those aspects” (P7). Discrimination complaints could be very expensive for the organisations in terms of, for instance, investigation costs (Hauck, 1997). P3 mentions that, when a discrimination issue would occur, the organisation would be obliged to seek advice of an external investigator since it is not the in-house legal department’s area of expertise.

### 4.6 ADDITIONAL CONTROL SYSTEM SUGGESTIONS

Beyond our expectations, some participants suggested additional systems relevant for the managerial control of discrimination, which Solo Manufacturing could introduce. P5, for instance, proposed to have posters in every office of the company worldwide communicating the corporate values. “We have so much to be proud of, why do we not have our values on the wall?” Making these values more visible for the employees could increase the chance they behave accordingly. P7 took some time towards the end of the interview to also suggest some MCS that are not in place (yet) in Solo but that she believes could contribute positively to diversity
and anti-discrimination. First, a diversity network was proposed where one person is responsible for each department or business unit. They meet a few times a year to discuss diversity and discrimination related issues. Moreover, these people could address and/or examine benefits of diversity in the company (e.g. increased innovation and creativity).

To ensure the absence of unintentional discrimination, Solo could elaborate on discrimination in the introductory training programme (P7). Besides clearly defining discrimination (both overt and implicit, intentional and unintentional), special attention should be given to increasing awareness of the risk that specific behaviour or treatment might (unintentionally) come over as discriminatory. Additional trainings could be given to employees/managers in order to increase cultural awareness (e.g. to conduct more effective international business) and listening skills (e.g. to better react to discrimination complaints) (P7). Finally, if a discrimination issue does emerge the victim should be well guided through the next steps (P7). Therefore, the company could develop a channel that clearly explains who to go to and what the different possibilities are. Moreover, it could contain testimonials of others that experienced something similar, how they reacted and what their current situation is. To encourage people to open up, Solo could organise workshops on non-business related issues (hence including discrimination) that give people the opportunity to address their problem (P7).

Worth mentioning is that uncertainty was expressed concerning the existence of the MCS. For instance, P7 mentioned that she did not have complete knowledge about all MCS in place in Solo and therefore did not know whether the suggestions she made already existed or not. P4 talked about internal and external grievance procedures but mentioned she was unsure whether these were already in place in the company or are planned to be introduced. These uncertainties provide additional evidence for the advantages of using a framework within the organisation, such as the one developed in chapter 3.
5 Discussion

In this chapter, we first discuss the main findings of our study, related to both theory and practice. This corresponds to the first and second part of our purpose, being developing a theoretical framework for management control systems for discrimination and then evaluating this framework practically. Continuing, we highlight the contribution of this study from two perspectives: managerial research, as well as from the perspective of managerial practice in organisations.

5.1 Main Findings

5.1.1 Theoretical Findings

Our main theoretical finding is the possibility to combine literature regarding discrimination and management control systems, bridging the research gap that existed between these two areas, thereby fulfilling the first part of the purpose of this study. We established a framework that demonstrates the high compatibility between the MCS typology of Malmi and Brown (2008) and the antecedents of discrimination as proposed in literature. These antecedents mainly originated from Gelfand et al. (2007). However, adjustments were made in accordance with Bergman et al. (2012) and Tajfel and Turner (1979), in that we added demographics of the organisational members as an organisational level antecedent, and social identity and individual characteristics as individual level antecedents. The compatibility between the two research areas - MCS and discrimination - was shown through high similarity between the organisational antecedents of discrimination and the MCS typology: both concern organisation-level measures taken to decrease discrimination or control behaviour in general. However, the models differ in that Gelfand et al. (2007) take a big picture perspective on discrimination specifically, where the organisational level is only one of three parts needed to describe the antecedents to discrimination. Malmi and Brown (2008), on the other hand, take a more general approach on controlling and influencing behaviours in organisations. As such, combining the two models into one presents us with a framework that facilitates a more detailed study of MCS in place to control discrimination, whilst also considering environmental antecedents, individual antecedents, and consequences that could affect these MCS.

We discovered that a proper fit between the different parts of the framework is very important. More specifically, Gelfand et al. (2007) propose that all antecedents of discrimination are highly
related by suggesting that the environment influences the organisational antecedents of discrimination, which in turn lead to outputs through the effects of individual level antecedents. Using a feedback loop, the outputs affect the environment, creating a cyclical process. We take a more active MCS approach and therefore suggest that the individual antecedents influence the development and effectiveness of MCS concerning discrimination, hence individual antecedents come before instead of after the organisational antecedents in our framework. However, the tight connection between all levels of antecedents remain. The aforementioned high compatibility between the two research areas increases the importance of a good fit between the different parts of our framework.

The consequences of discrimination and diversity found through theoretical research show the necessity of taking measures inside the organisation. Discrimination can have negative consequences on individual (e.g. reduced well-being; Jackson et al., 1996), group (e.g. lower pay and job opportunities; Gutek, 2001) and organisational level (e.g. decreased reputation; Rindova et al., 2005). Based on theoretical data, control systems focused on the decrease of discrimination both in a direct and indirect manner (e.g. anti-discrimination and pro-diversity, respectively), could help prevent the negative effects of discrimination and increase the positive ones of diversity (Arthur & Doverspike, 2005; Bland & Stalcup, 2001; Gelfand et al., 2007; Malmi & Brown, 2008). Although these findings were supported by empirical data, the latter were solely suggestions of interviewees; hence, no causal conclusions can be drawn. However, it does imply that also in practice positive effects of diversity (e.g. innovation and creativity) and negative effects of discrimination (e.g. reduced psychological well-being and performance) are found.

5.1.2 Practical findings

We examined the practical applicability of our theoretical framework through the examination of existing MCS in one company, Solo Manufacturing. Our main practical finding is that this empirical research demonstrates that MCS are in fact used in organisations with the purpose to combat discrimination, and that our framework can be used to discover and analyse them. This fulfils the second part of the purpose of this study. Solo’s control systems regarding discrimination and diversity were present on all MCS typology levels (i.e. cultural, administrative, and midrange controls). Interviewees suggested all levels of MCS are needed to interact in order to be effective, and that individual and environmental factors need to be considered, providing support for the already mentioned theoretical importance of a fit between the different parts of the framework. For instance, empirical data suggested that the desire or opportunity to create a
diverse workforce could become challenged when the labour force for specific positions is rather homogeneous (e.g. more male engineers), or when there is institutionalised discrimination in a country. This is important to consider when designing anti-discrimination MCS. Further, the importance to also deal with the feeling or perception of discrimination was highlighted as just as important as dealing with actual discrimination. This ties into the individual antecedents, whilst we regard Solo's preference to work with diversity (due to diversity being seen as more positive and constructive to work with) as a consequence of the MCS in place.

Although the interviewees stressed the importance of a fit between all MCS regarding discrimination, the corporate values were suggested being the most essential. This empirical finding can be supported by theoretical findings such as Malmi and Brown (2008), who dub cultural controls the context for everything else, and Gelfand et al. (2007), who state the importance of the values of organisational leaders in order to control discrimination.

Empirical data supported the existence of individual and environmental antecedents of discrimination as we proposed in our theoretical framework. For instance, the influence of environmental antecedents such as legal environment was made clear when it was stated that policies might differ between countries due to different legal requirements. This suggests that factors outside of the manager's control can influence the effectiveness of MCS, which in turn supports our proposed connection of these antecedents with the heavily manager-focused Malmi and Brown typology (2008).

The original framework was expanded to fit all data that was important for our empirical research, i.e. demographical and technological external environment, and inclusion of political and religious factors in cultural environment. This necessary expansion of the theoretical framework raises the importance of the connection between theory and practice: theory should be based on relevant problems in practice and should be examined in practice to see if it is actually applicable. Practice on the other hand should use theoretical knowledge while conducting business. We believe that one important strength of our study is the incorporation of both theory and practice: we started from a significant problem in practice, then developed a framework based on scientifically proven data and finally examined the applicability of this framework in practice. Empirical data was used to not only support the theoretical framework, but also to expand the framework in order to improve the analysis of the real life situations the data was about. Therefore, we believe the final developed framework is general enough to encompass
all data related to discrimination but still parsimonious enough to avoid the inclusion of irrelevant data.

5.2 CONTRIBUTION

5.2.1 CONTRIBUTION TO RESEARCH

When it comes to research implications, our most important contribution is bridging the research gap between managerial control systems and discrimination research, and creating a framework that hopefully can act as a starting point for future research in two senses. Firstly, it is our belief that a holistic framework combining management control throughout the organisation with the antecedents of discrimination can encourage research in this subject area, and increase the quantity thereof. Secondly, we believe that such a framework also can facilitate an increase of the coherency as well as the quality of research in this area. More and better research will further hopefully lead to improvements of the framework and its application, leading to improvements in managerial practice regarding discrimination. Additionally, since discrimination may be considered a part of corporate social responsibility (Abreu & Batmanghlich, 2014), developed analogues of this framework could be applied to other parts of CSR as well, such as the environmental, economic, and (other) social aspects.

By fusing together the theories and models of Gelfand et al. (2007) - with some adjustments based on Bergman et al., (2012) and Tajfel and Turner (1979) - and Malmi and Brown (2008) into a framework for analysing MCS for controlling discrimination, this study is taking a position in between these two papers. This means that where Malmi and Brown (2008) look at MCS, and Gelfand et al. (2007) look at discrimination, we look at the cross-section between MCS and discrimination, and try to give a more detailed look at MCS for discrimination specifically.

One study that clearly relates to the current one is Arthur and Doverspike’s (2005), who look at what HR departments can do to combat discrimination and increase diversity. Whilst having the HR department and its activities as their centre of study, they do examine ways of how to influence the behaviours of members of an organisation, which is similar to the current study. The authors further discuss specific methods to do this, e.g. via training or selection, which are tools that the current study’s findings prove are used to combat discrimination (at least in Solo), and Gelfand et al. (2007) and Malmi and Brown (2008) highlight as well. Bland and Stalcup
(2001) studied and provided recommendation on how to manage harassment, which could be considered part of discrimination (Swedish Government, 2008). Their findings are focused on the utilisation of policies, and procedures to make sure the policies are followed, as well as the personal management of people caught in discrimination or harassment cases.

Our empirical findings are thus to a certain extent similar as those in other studies in the field of reducing discrimination. It should be noted though, that the current study is taking a wider approach by considering the issue from an MCS perspective. As such, we do not put theoretical limits on the responsibility to control discrimination to HR, nor do we anchor the control mechanisms strongly to the use of policies, but instead we attempt to look at a broader scope when it comes to the organisation, its managers, and potential control mechanisms. Thus, we believe this becomes another important contribution; a first approach to a previously unexplored field, with a framework that is general yet parsimonious and practically applicable in finding and analysing management control systems used to combat discrimination in organisations.

We are furthermore convinced that the framework developed during this study can be used in other contexts than it was applied to here, since it is mainly based on the MCS typology of Malmi and Brown (2008), and the antecedents of discrimination (Bergman et al., 2012; Gelfand et al, 2007; Tajfel & Turner, 1979). Malmi and Brown (2008) designed their typology for general contexts in terms of industries (not specific to e.g. MNEs), and the research regarding discrimination used to build the framework is not specific to e.g. any one group or industry either. Because both these parts are general, we believe our framework is generally applicable as well.

Building on this, it would be very interesting for future research to apply our framework to examine what is done to control discrimination in other contexts, such as cultural, national, or industrial. For instance, one case to examine could be to compare different offices in one MNE to see how the company culture is affected and impacted (globally and locally) by e.g. different national cultures. The current study examined the practical applicability of the developed framework in MNEs through the use of a case study. Although this provided us with valuable knowledge concerning MCS to directly and indirectly decrease discrimination, more research needs to be conducted in order to find out whether these results can be replicated cross-contextually in other MNEs. Future research could examine whether the developed framework is applicable in other types of organisations and concerning other topics. This study only focused on MNEs, but as already mentioned we believe this framework could probably also be used as a foundation to control discrimination in small and medium sized enterprises, perhaps via minor
adjustments. In addition, since discrimination can be considered part of corporate social responsibility, the framework might also be useful for the control of topics included in the economic (e.g. profit), environmental (e.g. energy usage) or social aspect (e.g. health and safety) of CSR. We assume that the external environment and individual factors do not solely influence discrimination, and should therefore be examined when developing MCS for other aspects of CSR.

Furthermore, it could be interesting to investigate B2C scenarios using our framework, where stakeholders such as customers not necessarily are part of any particular organisation or business, but are rather just random individuals. Additionally, consequences need to be examined properly, and some focus could be spent on investigating how the consequences can be “fed back” into the MCS in order to improve them. Furthermore, the consequences we found through empirical research are only assumptions by our participants, and as such taking proper measurements of consequences could be of interest to see if the framework is effective for practice and research. Using our framework to examine which MCS are used to control discrimination, and then finding out if they actually are effective is as such a valuable future research direction. Finally, this is presumably only the first iteration of this framework. If it going to be successfully used for future research, attention should be given to improving it according to the potential research developments concerning MCS and discrimination.

5.2.2 CONTRIBUTION TO MANAGERIAL PRACTICE

Our main contribution towards managerial practice is a framework that we, through a case study, have shown is applicable to the analysis of management control systems for discrimination within organisations. Although we only gathered data from one MNE, we believe managers of MNEs could use this framework as a foundation for the development and improvement of MCS in their organisation. The framework could contribute to increasing awareness and transparency about the uncontrollable individual and environmental factors that could influence the level of discrimination and diversity, and the effectiveness of MCS in an organisation. The development of discrimination control might prove important to have since an increased diversity of the workforce stresses the importance of social integration (Bezin & Moizeau, 2017), and efforts on different levels should be made to encourage this integration. In this study, we have focused on the organisational level, since companies have the power to provide equal job opportunities to the majority as well as minority groups (e.g. based on ethnicity, sexual orientation, disability). Organisations thus have the potential to serve an important role in combating discrimination, as also stated by Abreu and Batmanghlich (2014). By using this framework and
approaching the subject from a management control systems perspective, we believe that managers in different organisations can analyse and thereby find a starting point for developing their ways of handling discrimination. The end goal thereof should naturally be to eliminate all systematic discrimination, and minimise the number of potential rogue discrimination cases. We believe the framework has the potential to facilitate this since it is all about putting systems in place to prevent and react to discrimination.

Several participants were uncertain about the existence of some MCS concerning discrimination. Since different control systems are presumably developed by different people, we believe our framework could increase clarity and transparency throughout the entire organisation. Hence, the framework is useful for organisations because its application makes existing methods and MCS for discrimination control visible, and shows what the organisation already has and what it does not have. Such information can be used to serve as a basis for dialogue, discussion, goal setting, and development of anti-discrimination methods. For instance, our empirical study found that whilst Solo Manufacturing has not used our framework, many factors of the framework are already in place. However, the area of financial measures remained empty, since we did not find support for this kind of control during the interviews we conducted. This could potentially serve as one starting point in discussions, should they choose to apply our framework in the future. Our framework could also be used for benchmarking purposes, intended as comparison with other companies to figure out best practice. If the framework can find its way to become widely used, it would supply practitioners with “one common language” that can help them figure out what does work and what does not work (keeping the differences between organisations in mind) - similar to what Malmi and Brown (2008) suggest that their typology would do for MCS research.

5.3 LIMITATIONS

In this section, we discuss the limitations of the method and both theoretical and practical findings of our study.

Although the use of a case study allowed for deeper insights into MCS regarding discrimination of the studied MNE, various limitations occur. First, it is difficult to make generalisations based on the findings due to the selected research method (Yin, 1984). We only gathered data of the headquarters of Solo, located in southern Sweden. Second, the quality of the research partially
depends on the researchers’ capabilities. It is possible that the researchers were biased towards own expectations and guided the interviewees toward topics that fit into the developed framework.

Regarding theoretical findings, a limitation of our study is the possibility of other existing explanations of empirical data, that are unrelated to the framework. For instance, it could be that the developed framework is too general in the sense that any kind of (even irrelevant) data could have fit into the framework. However, we use of Malmi and Brown’s (2008) typology that is proposed with the aim of being general but parsimonious. Along with the fact that we actually did find data that did not fit into the framework (e.g. health and safety measures), and the similarity to findings in other studies (e.g. the importance of adjusting to a country’s local culture when conducting business, as proposed by Kalkschmidt (2013)), this makes us assume that our framework is parsimonious enough. It still stands to reason, though, that there will be an effect on the results from the chosen parts of the framework. For instance, if another MCS model such as control archetypes (Caglio & Ditillo, 2008) had been chosen as a fusion moiety instead of Malmi and Brown’s (2008) typology, the MCS that would protrude in the analysis of the data would certainly be different. However, we believe that such a different framework would still facilitate the data collection and analysis of practical MCS, which our framework has done as well.

Concerning our practical findings, although we found that several MCS were in place to control discrimination at Solo Manufacturing, a limitation of our study is that we did not examine whether these systems were effective. The consequences we found were solely based on what the interviewees suggested and causal links can therefore not be established. Moreover, we interviewed top-level managers only, because we believe they have the ability and opportunity to adjust and influence the organisational culture, strategy, budget, policies and procedures (Gelfand et al., 2007). However, by only gathering data at higher levels of the organisation, it becomes more difficult to draw conclusions concerning the existence and application of MCS throughout the entire organisation.
6 CONCLUSIONS

Due to the increasingly globalised society, the labour force in Sweden and many other parts of the world is becoming more diverse. This creates a necessity to control discrimination and encourage diversity in the workplace. Adecco’s involvement in the Blanc Bleu Belge and Bleu Blanc Rouge cases in Belgium and France hints at policies alone are not sufficient to do this. This study has shown that systems meant to control discrimination in MNEs may be more multifaceted. MNEs may employ systems that can be classified as MCS whilst still taking antecedents of discrimination into account, according to the theoretical framework and empirical research of this study.

We believe this study contributes to practice as well as research. This study demonstrates the theoretical as well as practical connection between management control systems and discrimination in the workplace. The theoretical connection was proven through the established compatibility between the MCS typology of Malmi and Brown (2008) and the organisational level antecedents of discrimination (Bergman et al., 2012; Gelfand et al., 2007). The applicability of this framework in practice - examined through conducting a case study of Solo Manufacturing, a multinational enterprise in southern Sweden - suggests that the framework can be used to combat discrimination in MNEs and analyse the MCS that are in place. We believe the value of the framework does not only exist in the ability to discover and analyse MCS used to control discrimination. Particularly, it also lies in the recognition that uncontrollable factors as individuals’ beliefs and thoughts as well as the environment can have an important influence on the presence of discrimination and the effectiveness of related MCS.

We provide a framework that organisations can use to analyse MCS in place to control discrimination, in order to work on developing and improving them. It is our belief that a more holistic framework that combines management control throughout the organisation with the antecedents of discrimination can encourage research in this subject area, as well as increase the quality and coherency thereof. Moreover, research can be done on how MCS can be used for other aspects of CSR, using the developed framework as a foundation. Our hope is that the framework developed in this study may serve as a useful tool or stepping-stone towards greater things for researchers across the globe who aim to research how discrimination can be controlled, reduced, and ultimately - hopefully - eliminated.
References


[Accessed 13 April 2017]


Appendix A

Topic Guide

These questions are intended as a base, or inspiration to go deeper during the interview; they are not intended as a schedule.

Demographics

- age (31-40 / 41-50 / 51+)
- nationality
- education

General Questions

- What are Management Control Systems to you?
- What is discrimination to you?
- What is Corporate Social Responsibility to you?
- Have you experienced discrimination anyhow in the workplace? Think of both situations where you were directly and indirectly involved.
- How are the methods applied to the organisation? (e.g. are these methods general for the entire organisation or dependent on department/organisational level?)
- What/who is the focal point of these methods (e.g. employee, manager, team, department)?

The topic division below is intended to be only indicative of which area the question is most likely to investigate. However, one question might open up interesting discussions regarding several different areas, or another area altogether.

Cultural Controls

Values:

- What are values of the organisation (i.e. belief systems)? What are your values? Are these communicated? How? Are these shared throughout the whole organisation?
- What is the R&S procedure? Is there a focus on discrimination - awareness and avoidance/reduction?
- Is there any training regarding discrimination?
- What do you think about Corporate Social Responsibility for your organisation?
Symbols:

- Maybe we could ask something not-leading about how they use symbols, photographs etc? E.g. for job adverts, do they have people with inherent diversity to promote this? Open office and open door policy (can employees complain to their managers about issues as discrimination?)

Clans:

- Are there subcultures in the organisation? Different values related to discrimination?

Planning Controls

Long-range/Action:

- What is the organisational strategy? Does it involve diversity?

Cybernetic Controls

Budget:

- Is there a budget dedicated to decreasing discrimination (e.g. investing in different recruitment channels)

Financial measures:

- Are there any specific financial targets regarding discrimination?

Non-financial measures:

- Does your company quantify discrimination? If so, how?
- How do you, personally as a manager, make sure that your employees adhere to the anti-discrimination methods?
- How does the organisation make sure that its employees adhere to the anti-discrimination methods? (Policies etc.)
- Are there complaint procedures in place regarding discrimination?
- Do you have performance evaluations individually/group? Are people encouraged to talk about discrimination, diversity….? How are evaluation forms used?

Hybrid:

- Do you have any hybrid MCS, e.g. the BSC? What does it entail?
Reward and punishment controls:

- What are existing measures that are taken when employees do not adhere to these methods?

Administrative Controls

Organizational structure:

- Could you describe the organisational structure? How about specifically concerning Corporate Social Responsibility?
- What are the possibilities for movement of individuals within the organisation?
- How diverse is your team?

Governance structure:

- Do you make your team members accountable for their behaviour (any specific discrimination-related examples?).

Policies and procedures:

- Do you have any policies related to discrimination in place?

General - Concluding questions

- Is there anything that we have not talked about, but strikes you now?
- Are these MCS highly related to each other? Are they dependent on each other (e.g. are policies very dependent on structure)?
- How do all these MCS relate to each other in different organisational levels? Are different MCS important on different organisational levels?
Appendix B

Environmental Antecedents

Cultural Controls
- Values
- Symbols
- Clans

Planning
- Long range planning
- Action planning

Cybernetic Controls
- Reward & Punishment
- Financial Measurement Systems
- Non Financial Measurement Systems
- Hybrid Measurement Systems

Administrative Controls
- Governance Structure
- Policies and Procedures

Individual Antecedents

Consequences
## EXTERNAL FACTORS

<table>
<thead>
<tr>
<th>Cultural, Political, Religious</th>
<th>Economical</th>
<th>Legal</th>
<th>Stakeholders</th>
<th>Demographical</th>
<th>Technological</th>
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<tbody>
<tr>
<td>- Cultural differences</td>
<td>- Economic crisis leading to less investment, dismissals</td>
<td>- Differences in legislation (content and strictness)</td>
<td>- Consumers (e.g. level of diversity, attention towards discrimination)</td>
<td>- Gender related differences (e.g. education)</td>
<td>- Automation</td>
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<tr>
<td>- Cultural awareness</td>
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<td>- Political issues (e.g. war, nationalism)</td>
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<td>- Religious differences</td>
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<td>- Economic crisis leading to less investment, dismissals</td>
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<td>- Differences in legislation (content and strictness)</td>
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<td>- Law-based local/national policies</td>
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<td>- Consumers (e.g. level of diversity, attention towards discrimination)</td>
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<td>- Unions</td>
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<td>- Suppliers &amp; Customers</td>
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<td>- Gender related differences (e.g. education)</td>
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<tr>
<td>- Age (retirement baby boomers)</td>
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<tr>
<td>- Automation</td>
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INDIVIDUAL FACTORS

- Political and religious beliefs
- Stereotypes and prejudice
- Individuals’ perception of discrimination
- External prejudice regarding the industry
- Social identity: recruit people that are similar to the ones you already have and/or identity to cultural group (e.g. being a mother)

CULTURE

Clans
- Department
- Manager (e.g. connecting with people)
- Language

Values:
- Trust
- Transparency
- Teamwork and collaboration
- Freedom
- Open and Diverse
- Equal opportunities
- Caring and safe
- Global
- Proactive
- Action-oriented
- Customer-oriented

Tools:
- Training
- Recruitment
- Value propagation through CEO speeches

Symbols
- Removal of:
  - Pictures (e.g. degrading towards women)
  - Removing threatening imagery (e.g. gun-carrying factory chief)
- Existence/utilization of:
  - Pictures (e.g. high diversity, value communication)
  - Testimonials (e.g. high diversity)
  - Open landscape
  - Common language
  - Different meeting places
  - Diverse Board

PLANNING

- Develop and manage (local) talents
- Diversity part of vision and strategy to promote growth
- EEO
- Succession planning
- High diverse teams (e.g. nationality, gender, age, background)

Bene...
Positive consequences:
- Discrimination-related MCS:
  - Higher bottom line profitability
  - Increased engagement and attention (e.g., FLTP)
  - More accountability and responsibility
  - Prevention of and handling existing discrimination
  - Clarity and openness (e.g., people's ambitions through open recruitment, parties' expectations through discrimination-related dialogue, performance)
  - Improved business and growth
  - Compliance to business principles & law

Negative consequences:
- Discrimination-related reactions (e.g., "positive discrimination", quota)
- Risk of indirect discrimination (e.g., via open recruitment)
- Risk of complacency:
  - Expectations of open (minded) culture could lead to fewer proactive managerial efforts as well as apprehension in bringing up the subject of discrimination
- Communication focuses on "wrong" aspects:
  - Communicated as "good to have women" instead of "good to have good knowledge"