

Chapter Six

Organisation Diversity and Culture



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Organisation Diversity

□ Introduction

- Organisations can achieve nothing without the efforts of their individual members.
- Whatever the nature of an organisation's products or services, relationships at work and interactions among its members are at least equally important.'

Introduction cont

- A characteristic of a group of people where differences exist on one or more relevant dimensions such as gender.
- Diversity is a *group* characteristic, not an *individual* characteristic.

Introduction cont

- Our sense of self is shaped by our inherited characteristics and by *influences in our social environment*. This include:-
 - *The process of growing up* – such as the impact of our early family life
 - *The Country in which we live* – has a significant part to play in our identity.

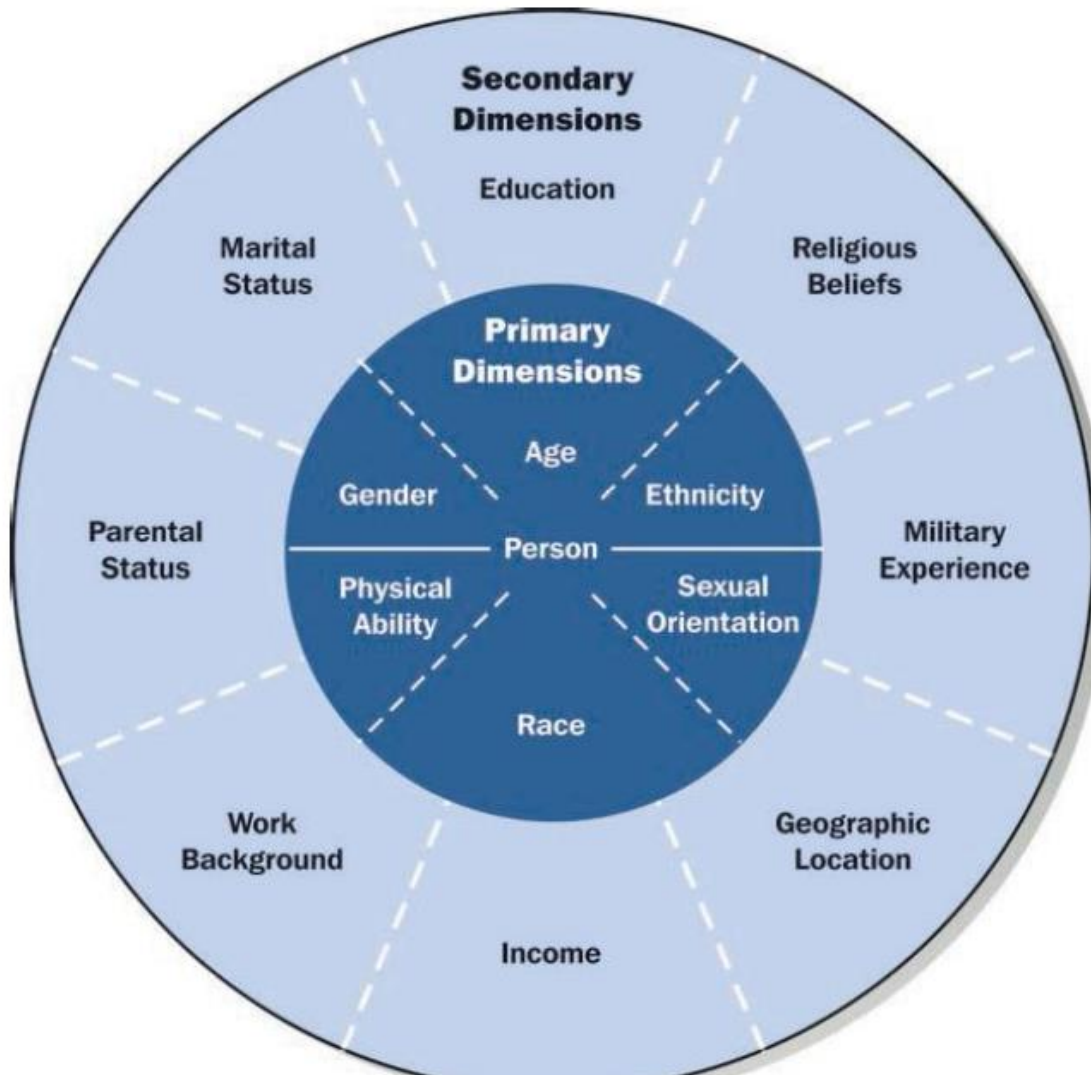
Hofstede Cultural Dimension

Country	Power Distance	Uncertainty Avoidance	Individualism	Masculinity	Long-Term Orientation
Austria	11	70	55	79	31
Belgium total					38
Belgium Flemish	61	97	78	43	
Belgium Walloon	67	93	72	60	
Bulgaria	70	85	30	40	
Croatia	73	80	33	40	
Czech Republic	57	74	58	57	13
Denmark	18	23	74	16	46
Estonia	40	60	60	30	
Finland	33	59	63	26	41
France	68	86	71	43	39
Germany	35	65	67	66	31
Great Britain	35	35	89	66	25
Greece	60	112	35	57	
Hungary	46	82	80	88	50
Ireland	28	35	70	68	43
Italy	50	75	76	70	34
Luxembourg	40	70	60	50	
Malta	56	96	59	47	
Netherlands	38	53	80	14	44
Norway	31	50	69	8	44
Poland	68	93	60	64	32
Portugal	63	104	27	31	30
Romania	90	90	30	42	
Russia	93	95	39	36	
Serbia	86	92	25	43	
Slovakia	104	51	52	110	38
Slovenia	71	88	27	19	

Factors contributing to Diversity

- *Ethnic origin*
- *Physique*
- *Gender*
- *Early family experiences*
- *Social and cultural factors*
- *National culture*
- *Motivation*
- *Attitudes*
- *Personality traits and types*
- *Intelligence and abilities*
- *Perception.*

Major Diversity Dimension



Attitudes towards Diversity (Neg)

- ❑ ***Ethnocentrism*** is the belief that one's own group and subculture are inherently superior to other groups and cultures. Ethnocentrism makes it difficult to value diversity.
- ❑ ***Monoculture*** A culture that accepts only one way of doing things and one set of values and beliefs.

Attitudes (Positive)

- ❑ ***Ethnorelativism*** is the belief that groups and subcultures are inherently equal.
- ❑ ***Pluralism*** means that an organization accommodates several subcultures. This intends to integrate into the organization the employees who would easily feel isolated and ignored.

Benefits

- ❑ *To give the organization access to a broader range of opinions and viewpoints*
- ❑ *To spur greater creativity and innovation*
- ❑ *To reflect an increasingly diverse customer base*
- ❑ *To obtain the best talent in a competitive environment, and*
- ❑ *To compete more effectively in a global marketplace*



How!

- ❑ Trust
- ❑ Customer Satisfaction
- ❑ Employee morale and decreasing Conflicts
- ❑ Facilitates entrance in new Market networks



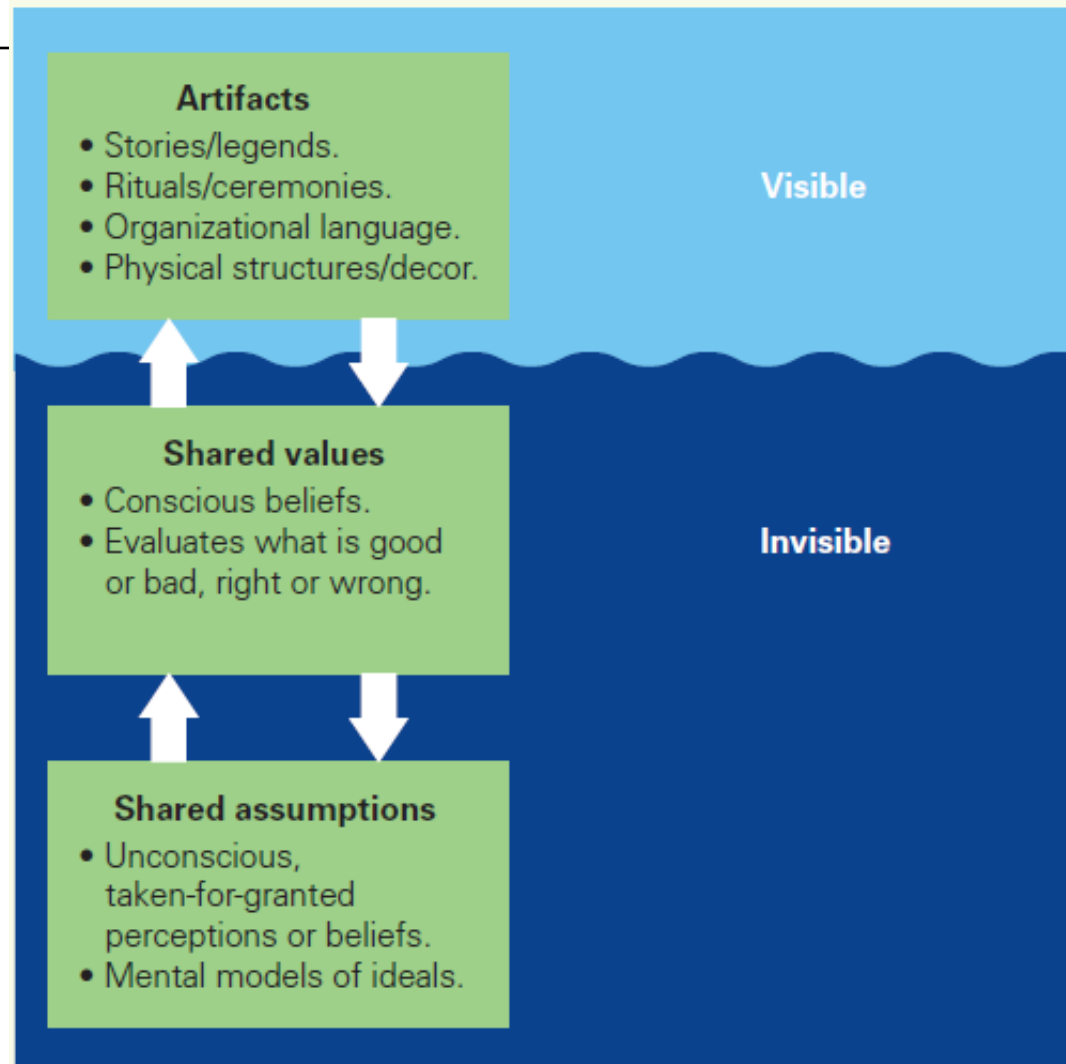
Organizational Culture

Culture is arrangement of different attributes that express an organization and differentiate the firm from other one.

Org Culture is the values and assumptions shared within an organization

Org Culture directs everyone in the organization toward the “right way” of doing things. It frames and shapes the decisions that managers and other employees should make and the actions they should take

Shared Values and Assumptions



Managing Organizations in a Global environment

- ***The Legal-Political Environment***

Licenses, Contracts, Piece, Taxes

- ***Cultural Environment***

National Culture, Cultural Dimension

- ***Economic Environment***

Exchange rates, Taxes, Inflation

The Cultural Environment (cont.)

Geert Hofstede - four dimensions of national culture

Individualism versus collectivism

- *Individualism* - loosely knit social framework
 - People are supposed to look after their own interests and those of their immediate family
 - Wealthier countries tend to be individualistic

- *Collectivism* - tightly knit social framework
 - People expect others in groups in which they are a part to look after them
 - Owe absolute loyalty to the group
 - Poorer countries tend to be collectivistic

The Cultural Environment

National culture - effects and Challenges

- The values and attitudes shared by individuals from a specific country shapes behavior and beliefs.
- Has greater effect on employees than organizational culture.
- Getting information about a country's cultural differences is difficult.

The Cultural Environment (cont.)

Geert Hofstede (cont.)

- ***Power distance*** - degree of acceptance of unequal distributions of power in institutions and organizations
 - large power distance society accepts wide differences in power
 - low power distance society plays down inequalities
- ***Uncertainty avoidance*** - degree to which people tolerate risk and unconventional behavior
 - low - tolerate risks and opinion differences
 - high - political and social mechanisms created to provide security and reduce risk

The Cultural Environment (cont.)

- Geert Hofstede (cont.)
- Quantity versus quality of life
 - *Quantity of life* - culture values assertiveness and the acquisition of money and material goods
 - *Quality of life* - value relationships show sensitivity and concern for the welfare of others

Examples of Hofstede's Cultural Dimensions

Country	Individualism/ Collectivism	Power Distance	Uncertainty Avoidance	Quantity of Life ^a
Australia	Individual	Small	Moderate	Strong
Canada	Individual	Moderate	Low	Moderate
England	Individual	Small	Moderate	Strong
France	Individual	Large	High	Weak
Greece	Collective	Large	High	Moderate
Italy	Individual	Moderate	High	Strong
Japan	Collective	Moderate	High	Strong
Mexico	Collective	Large	High	Strong
Singapore	Collective	Large	Low	Moderate
Sweden	Individual	Small	Low	Weak
United States	Individual	Small	Low	Strong
Venezuela	Collective	Large	High	Strong

Source: Based on G. Hofstede, "Motivation, Leadership, and Organization: Do American Theories Apply Abroad?" *Organizational Dynamics*, Summer 1980, pp. 42–63.

^aA weak quantity score is equivalent to high quality of life.

Economic Environment

Global manager must be attentive to:

- Strength of home currency versus foreign currency
- Differences in inflation rates around the world
- Tax rules differ from country to country



Responses to Diversity

- Affirmative action refers to government- mandated programs that focus on providing opportunities to women and members of minority groups who previously faced discrimination.
- Building a corporate culture that values diversity.
- Changing structures, policies, and systems to support diversity
- Providing diversity awareness training.