An Analysis of Diversity Management Through Cultural Dimensions

ANA SPERANCIN
PH.D. STUDENT

e-mail: apcm2000@yahoo.com.br

SUMMARY

Dealing with social pressure for equal treatment and opportunities has been one of the most important business issues in modern times. Countries are dealing with this issue in different ways, with different approaches and levels of maturity according to their values and particular characteristics. Of all the possible reasons that can justify this disparity, it is assumed that the differences observed in the level of national culture can denote a plausible explanation for the differences found in the approach to diversity management in distinct countries.

Therefore, this study has the purpose of investigating the differences in cultural dimensions among the Member States of the European Union and their impact on the level of diversity management practiced in these countries. The dimensions of culture analyzed are those described by Geert Hofstede. They are related to power distance, uncertainty avoidance and the role of gender and the individual in the society. The level of diversity management is determined by the evaluation of corresponding national statistics.

Findings from the correlations between cultural dimensions and the main national statistics were used to build up a framework by identifying core values which can foster diversity policies. Moreover, the combination of the four cultural dimensions in typologies identifies countries in the European Union which have a better and worse predisposition, solely with regards to their national culture, to adopt measures toward diversity management.

Key words: cultural dimension, diversity management, values, equality, discrimination

INTRODUCTION

The present article has the aim of discovering correlations between the intrinsic national values of countries in the European Union which can affect their practices toward diversity management. It is believed that broad values in a society are important factors that can push or pull initiatives in, for example, combating discrimination. Hence, these values can be important variables in improving diversity policies or, on the other hand, they can be deep barriers to leveraging equality in the society.

The cultural dimensions developed by Geert Hofstede were considered in this study in order to establish a comparison among countries. These dimensions are known as power distance, masculinity v femininity, individualism v collectivism, and uncertainty avoidance. The countries selected for this study belong to the European Union. However, only 23 of the 27 member countries are being considered because the evaluation of those dimensions was not found for four of them (Cyprus, Latvia, Lithuania and Slovenia). These 23 countries were chosen not only because of the availability of the scores of Hofstede's cultural dimensions, but also because there is a common database of statistics provided by the European Commission for all of the EU Members.

Therefore, the most recent surveys conducted in these countries were analysed in order to obtain statistics which portray their current situation regarding the management of their diverse populations. They are: the EU-MIDIS survey which focuses on the situation of minority groups in each country; the Eurobarometer 296 that investigates the populations' perceptions of discrimination; the Quality of Life and Working Conditions surveys which gather information about various factors that affect Europeans' lives; and the Report on Equality between women and men which states the key indicators of gender differences, as well as the Eurostat numbers. By using statistics selected from these surveys, we are able to rank the countries in accordance with the perspective of diversity management. These statistics are in some ways predictors of the main national results so far achieved by public and private institutions related to the promotion of diversity. Some figures are about: the employment rate of women, youth and older people; the presence of women in high positions; the number of women and men working part time; the perception of discrimination based on the six core dimensions of diversity in Europe (gender, race/ethnicity,

age, sexual orientation, disability and religion/belief); and so on.

After collecting these statistics, the next step was to find out whether there is a positive or negative correlation between any cultural dimension of Hofstede's model and the results of the statistics, or whether there is no correlation at all. Subsequently, this analysis, as a result of the correlations, found advantages and disadvantages were identified for each cultural dimension as an interpretation of their contribution to diversity management.

Based on these findings, sixteen typologies were created by the combination of the four cultural dimensions. All the countries were plotted in a diagram drawn up to clarify and exemplify their situation in promoting equality in their societies. The results of this study show the level of a plausible predisposition a society has in dealing with diversity management based on the scores of the cultural dimensions in which the correlated social statistics are used as evidence. In the diagram we can see that for some typologies, national values can contribute to the promotion of diversity concerns. For others, which are poles apart, they cannot contribute so much.

KEY DEFINITIONS

The definition of the four cultural dimensions should be emphasized in order to clarify their meaning from the diversity management point of view. Table 1 lists the scores available for all the four dimensions for the 23 European countries.

Table 1. Hofstede's Cultural Dimensions scores: 23 EU Member States

Country	PDI	IDV	MAS	UAI
Austria (AT)	11	55	79	70
Belgium (BE)	65	75	54	94
Bulgaria (BG)	70	30	40	85
Czech Republic (CZ)	57	58	57	74
Denmark (DK)	18	74	16	23
Estonia (EE)	40	60	30	60
Finland (FI)	33	63	26	59
France (FR)	68	71	43	86
Germany (DE)	35	67	66	65
Greece (EL)	60	35	57	112
Hungary (HU)	46	80	88	82
Ireland (IE)	28	70	68	35
Italy (IT)	50	76	70	75
Luxembourg (LU)	40	60	50	70
Malta (MT)	56	59	47	96
Netherlands (NL)	38	80	14	53
Poland (PL)	68	60	64	93
Portugal (PT)	63	27	31	104
Romania (RO)	90	30	42	90
Slovakia (SK)	104	52	110	51
Spain (ES)	57	51	42	86
Sweden (SE)	31	71	5	29
United Kingdom (UK)	35	89	66	35

Reference: Hofstede [2003] For BG, EE, LU, MT, PL, RO and SK: http://www.urbanministry.org/wiki/geert-hofstede-cultural-dimensions

Definition of Power Distance

The power distance dimension (PDI) can be defined as "the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally." [Hofstede, 2003, p. 28] When it is high, it means that people are afraid to disagree with the authorities, who tend to be more autocratic or paternalistic. On the other hand, when the score is low, there is a more cooperative interaction across power levels where "inequality is considered basically undesirable; although unavoidable, it should be minimized by political means". [Hofstede, 2003, p. 39]

Transposing this definition to the concept of diversity management, we could infer that the higher the level of the power distance index, the harder will be the implementation of diversity management. This is because, when inequalities exist and are accepted in a broad way, equal treatment is jeopardized while the probability of generating discrimination in the society increases. With a high hierarchical system and great centralization of power, combating prejudices becomes a more difficult task. As a consequence, it is expected that, for instance, there is a wide salary gap between the top and bottom of organizations. There is also less respect for young leaders since older leaders are seen to have more credibility and to be more dependable.

Definition of Masculinity v Femininity

The second dimension is about the level of masculinity or femininity (MAS) in the society that shows differences in the gender social roles. In masculine societies, the segregation of roles is clearly distinct: men are concerned with assertiveness and competition while women focus on relationships and quality of life. Equality is emphasized much more in feminine societies where men and women take an equal share of responsibilities at home and work. Feminine values give more importance to people and relationships and promote a feeling of solidarity. Therefore, the willingness to integrate is stronger than the desire to exclude. This encourages actions aimed at promoting diversity management.

Definition of Individualism v Collectivism

The third dimension consists of the degree of individualism or collectivism (IDV) in a society. This reveals whether or not the interest of the individual prevails over the interest of the group. Equal rights are also expected in individualist societies; however, collective values stress more the needs and equality within groups (not neglecting the minority ones). Indeed, collective values are required to promote integration in order to become a more cohesive and inclusive society.

Definition of Uncertainty Avoidance

The last dimension, called uncertainty avoidance (UAI), describes the level of tolerance of uncertain and unknown situations in a society. Cultures that are averse to uncertainties try to reduce possibilities and risks by applying laws and strict rules, as well as adopting precautions and safety measures in order to reduce anxiety and stress. Actually, according to Hofstede, as strong uncertainty avoidance leads to intolerance for what is different, it can result in a high degree of nationalism, xenophobia and the repression of minorities. Therefore, having strong uncertainty avoidance can be a barrier to the implementation of diversity policies because these would require more efforts to change systems of management and adaptations to include minorities in the workforce.

ASSUMPTIONS

There are some important suppositions taken for granted in this study. First of all, it is assumed that the core values related to the four cultural dimensions of Hofstede behave as an active force for or against the promotion of diversity management. They are not considered as neutral values in this aspect.

Second, there are other factors, which are more directly correlated, that can better explain the social statistics of each country. However, only the values gathered from the four cultural dimensions are being considered in this study.

The third assumption is that the four cultural dimensions possess the same weight, and are predictors in an equal way to determine whether the culture has a predisposition to fight against discrimination and implement equal treatment in the society or not. None of these values is more important or more sovereign than the others in dealing with diverse population aspects.

The next assumption is about the interpretation and, consequently, classification of the countries' scores in each cultural dimensional between high (strong) or low (weak). For this study, it was determined that above the level of 40 the score is considered strong or high while below this position, the score is low or weak. The score itself is not relevant, just the classification as high and low.

Finally, the inference is that the typologies created here represent and characterize the level of predisposition of the countries to adopt diversity policies in a more efficient manner.

HYPOTHESIS

Analysis shows that some social statistics can have a positive relation, some a negative relation, and some no relation, with the cultural dimensions. There were some statistics where no clear correlation was found. They are: the proportion of female employees who work part time, the pay gap between women and men, harassment/bullying at work, and discrimination against each of the six core dimensions.

For seven other social statistics, correlations were established. The following investigation reveals some interesting results, summarized in table 2. The column "index" shows which cultural dimensions have some direct relationship with the statistics listed in the second column. For each set of statistics, the best and worst scores of the EU23 are reported, and, in brackets, the score of the respective cultural dimension being analyzed. The last column shows the type of correlation that was discovered.

The Correlation between Social Statistics and Cultural Dimensions

Youth employment is an important priority in the EU according to the European Youth Pact, whose aim is to improve the education, training, mobility, employment and social inclusion of young people. The most recent statistics on the youth unemployment rate in the EU showed that Spain (24.6%), Greece (22.1%) and Italy (21.3%) have the highest rates, while the Netherlands (5.3%), Denmark (7.6%) and Austria (8%) reported the lowest rates of unemployment among young people. [Giaccone and Colleoni, 2009] The three best countries have approximately the weakest rates in the power distance index among the EU23. It is believed that strong power distance societies have more discrimination against the young population because credibility and power are more concentrated in older generations. That is why high levels of youth unemployment are likely to be associated with strong scores in PDI. People with more experience and a high level of education have better opportunities. The Eurobarometer 296 survey attempted to establish the percentage of respondents who think that in their country discrimination on the basis of age is widespread. The average for countries rating lower than 40 in the PDI was 37% while the countries rated as strong in PDI had an average of about 42%.

The second variable is the proportion of children up to 3 years old cared for by formal arrangements in the society such as nurseries, kindergartens and other childcare systems. As the European society is ageing and changing, more women will be available and needed in the labour market. Therefore, creating an effective system of delivering social care is essential because better childcare provision can enable women to enter the workforce, while also enabling families to have more children as nowadays the fertility rate is decreasing. [European Foundation for working conditions, 2009] The countries ranked with the lowest MAS rate have more women using childcare systems: 73% in Denmark, 45% in the Netherlands and 44% in Sweden. On the other hand, countries with high MAS rate show less usage of this

social care. Consequently, we can suppose that there is a strong negative correlation between the masculinity index and the availability of good childcare systems in the countries analyzed. Feminine societies are more sensitive with regards to concern for others and so provide social welfare that allows parents to participate in the labour market while caring for their children.

The next element studied is the employment rate of women. In 2000, the Lisbon Strategy agreed to the aim of increasing the proportion of women in employment to 60% by 2010 in all EU Member States. According to the results obtained, the countries with a better rate are those which have a combination of lower scores in the PDI and MAS indexes. Denmark, Sweden, the Netherlands and Finland are above the target of 60% while the worst scores belong to countries with a high rank in both mentioned dimensions. Societies with a high level of power distance and masculine values more often concentrate power in male hands. Environments characterized by competition and domination create a barrier to the advancement of women in the labour market and to their desire to get more opportunities and thus increase their employment rate.

The share of male employees working part time is another interesting statistic. In all of the EU23 countries, the participation of women in flexible working schedules is more common. However, this opportunity is available for men as well, but they are only using it in a few countries. Actually, the countries with high scores in the PDI and MAS dimensions such as Slovakia, Bulgaria and the Czech Republic have the lowest participation. Therefore, flexible working schedules can lead to the creation of another type of discrimination against women. This is because, if such schedules are only popular for one gender, then probably the advancement and promotion of these women can be jeopardized due to competition with full time dedicated male employees. In these societies, as gender segregation is strong, men do not accept the idea of sharing the responsibilities at home. Indeed, in countries with low PDI and MAS, part-time work is more gender-balanced.

The following figure is about the sex distribution of the members of the highest decision making bodies of the largest publicly quoted companies. In this case, the uncertainty avoidance dimension seems to contribute more to the results. In countries with strong UAI such as Luxembourg, Portugal, Malta and Italy, there are fewer women occupying high positions. As men have assumed such responsibilities for millenniums, change can seem very risky and uncertain for societies which are afraid of unknown situations. It is the same with the employment rate of old people. Countries with a high level of UAI, such as Malta, Poland, Luxembourg and Hungary, show lower employment rates of old people. The Stockholm European Council of 2001 set a target of increasing the average EU employment rate among old women and men (55–64 years) to 50% by 2010. The countries with the lowest levels of uncertainty avoidance have already reached this target.

The last assessment is regarding the level of discrimination. Despite the existence of European laws, a Eurobarometer survey showed that many people believe that discrimination is still widespread on the grounds of racial or ethnic origin (62%), sexual orientation (51%), disability (45%), age (42%) and religion (42%). Respondents from individualist societies, where people are more self-oriented and do not care for others, are more likely to claim they have experienced discrimination in the last twelve months. The only four countries considered more collectivist in this group (with a score of less than 40) – Greece, Romania, Bulgaria and Portugal – have lower complaints than individualist countries.

Table 2. The Correlation among social statistics and cultural dimensions

Index	Examples/Figures	Best Scores	Worst Scores	Possible correlation
PDI	Youth unemployment rate [1]	NL (38) = 5.3% DK(18) = 7.6% AT (11) = 8%	ES (57) = 24.6% EL (60) = 22.1% IT (50) = 21.3%	Positive correlation between PDI and youth unemployment rate
MAS	Proportion of children up to 3 years cared for by formal arrangements [2]	DK (16) = 73% NL (14) = 45% SE (5) = 44%	CZ (57) = 2% PL (64) = 2% AT (79) = 4% SK (110) = 5% HU (88) = 8%	Negative correlation between MAS and usage of childcare systems up to 3 years
PDI & MAS	Employment rate for women [3]	DK (18,16) = 73% SE (31,5) = 72% NL (38,14) = 69% FI (33,26) = 68%	MT (56,47) = 36% IT (50,70) = 46% EL (60,57) = 48% PL (68,64) = 51% HU (46,88) = 51%	Negative correlation between PDI and MAS scores with female employment rate
PDI & MAS	Share of part time workers in total employment (men) [4]	NL (38,14) = 23.6% DK (18,16) = 13.5% SE (31,5) = 11.8% UK (35,66) = 10.8%* DE (35,66) = 9.4%*	SK (104,110) = 1.1% BG (70,40) = 1.3% CZ (57,57) = 2.3% LU (40,50) = 2.6% EL (60,57) = 2.7%	Negative correlation between PDI and MAS scores with the rate of men working part time

Index	Examples/Figures	Best Scores	Worst Scores	Possible correlation
UAI	Sex distribution of members of the highest decision making bodies of the largest publicly quoted companies [5]	SE (29) = 26% FI (59) = 20%* SK (51) = 18%* DK (23) = 17%	LU (70) = 3% PT (104) = 3% MT (96) = 4% IT (75) = 4%	Negative correlation between UAI and participation of women in high management teams
UAI	Employment rate for old workers [6]	SE (29) = 70% EE (60) = 60%* DK (23) = 59% UK (35) = 58%	MT (96) = 29% PL (93) = 30% LU (70) = 32% HU (82) = 33%	Negative correlation between UAI and employment rate of old people
IDV	Feeling discriminated against in the last 12 months [7]	EL (35) = 7% PL (60) = 10%* RO (30) = 10% IE (70) = 10%* BG (30) = 11% PT (27) = 11%	AT (55) = 25% IT (76) = 19% HU (80) = 19% CZ (58) = 19%	Positive correlation between IDV and the rate of people feeling discriminated against

Sources:
1. Working conditions report 2008-2009 (Eurostat 2009)
2. Equality between women and men 2009 (Eurostat, EU-SILC 2006)
3. Working conditions report 2008-2009 (Eurostat 2009)
4. Equality between women and men 2009 (Eurostat, Labor Force Survey 2007)
5. Equality between women and men 2009 (Database on women and men in decision-making 2008)
6. Working conditions report 2008-2009 (Eurostat 2009)
7. Special Eurobarometer 296 – 2008
* Exceptional cases which are a little different from the trend analyzed

CONSEQUENCES

Advantages and Disadvantages of Cultural Dimensions

Based on the correlations explained above and the analysis per se of the intrinsic values generated by the cultural dimensions, we are able to create a framework concerning the advantages and disadvantages of these dimensions in order to promote diversity management. Considering all the assumptions made and the hypothesis explained, table 3 lists the values that are important to leverage diversity policies in each cultural dimension using the social statistics as an illustration of it. All in all, advantages are mostly related to low scores in the dimensions whereas disadvantages are related to high scores.

Table 3. Advantages and disadvantages of cultural dimensions in promoting diversity

Index	Advantages (Low Scores)	Disadvantages (High Scores)	Statistics*
PDI	- Less inequalities - Less dependence - More freedom - Expanded range of lifestyles - More cooperation	- Inequalities accepted - Equal treatment jeopardized - No recognition of discrimination - High hierarchical system - Great centralization of power	- Youth unemployment rate (+) - Employment rate for women (-) - Share of part time male workers in total employment (-) - Salary gap between top and bottom of organizations (+) - Respect for young leaders (-)
MAS	- Sensitivity - Welfare - Relationships - Quality of life - Solidarity - Equal share at home and work - Fairness - Flexibility	- Domination - Competition - Gender gaps	- Proportion of children up to 3 years cared for by formal arrangements (-) - Employment rate for women (-) - Share of part time male workers in total employment (-)
IDV	- Cooperation - Equality - Integration - Inclusion	- Selfish and self-reliant - Lack of care for others	- Feeling discriminated against (-)
UAI	- More tolerance of differences - Changes in management easier	- Less tolerance for uncertainties - Nationalism - Xenophobia - Repression of minorities	- Sex distribution of members of the highest decision making bodies(-) - Employment rate of old people (-)

* (+) positive correlation, (-) negative correlation

Diagram of Diversity Management

Sixteen different typologies were created based on the scores in the 4 cultural dimensions. The typologies acknowledge whether or not these countries have the inclination for, and fewer barriers to, the promotion of more equality and the combating of discrimination in their societies.

Table 4 shows the symbols considered to create the typologies. According to the supposition described above, the dimension was classified as high (strong) or low (weak) if the score is higher/equal to 40 or lower than it respectively. The symbols shown in this table are the titles of rows and columns in the following diagram (Figure 1).

Table 4. Classification of the results of cultural dimensions and their respective symbols

Index Score	Symbol	Calculation
Strong Power Distance	P	PDI>=40
Weak Power Distance	D	PDI<40
Individualism	I	IDV>=40
Collectivism	C	IDV<40
Masculinity	M	MAS>=40
Femininity	F	MAS<40
Strong Uncertainty Avoidance	U	UAI>=40
Weak Uncertainty Avoidance	A	UAI<40

The 23 countries were plotted in the diagram according to their typologies. The typology PIMU means, for instance, strong power distance, high individualism, high masculinity and strong uncertainty avoidance. This quadrant, which shows high scores in all dimensions, is the worst environment to implement diversity management. (This conclusion is based solely on the values gathered from the four cultural dimensions) On the other hand, the typology DCFA (weak power distance, collectivism, femininity and weak uncertainty avoidance) creates the best environment to conduct such practices because the culture promotes values such as tolerance, solidarity, cooperation and freedom which are very important factors in creating more equality and inclusion in the society. Unfortunately, no country among the EU23 is located in this quadrant. However, it is believed that the typologies DIFA, PCFA, DCFU and DCMA (striped cells) are the second best environments if they possess at least 3 lower scores out of the 4 dimensions. And in the quadrant called DIFA, we have Denmark and Sweden as examples: with the best scores in some of the social statistics studied.

Nonetheless, the majority of the countries are concentrated in the quadrant PIMU. Considering their statistics, they are the ones with the worst figures and ranks and they appeared more times in the worst scores column in the second table. The quadrants PIMA, PIFU, PCMU and DIMU (in gray cells) are the second worst environments because they consist of 3 high scores out of the 4 dimensions: thus, concentrating more disadvantages. Some countries are plotted in these quadrants too.

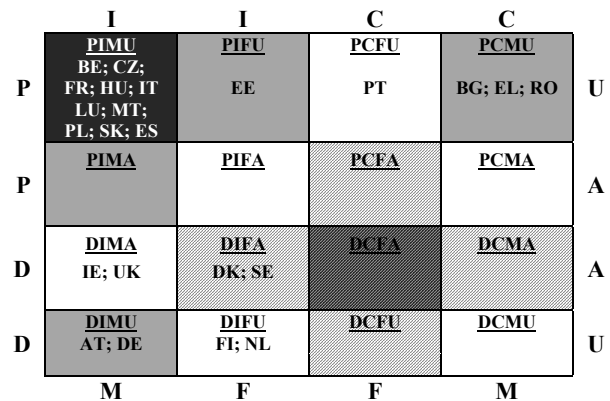|	I	I	C	C	
P	PIMU BE; CZ; FR; HU; IT LU; MT; PL; SK; ES	PIFU EE	PCFU PT	PCMU BG; EL; RO	U
P	PIMA	PIFA	PCFA	PCMA	A
D	DIMA IE; UK	DIFA DK; SE	DCFA	DCMA	A
D	DIMU AT; DE	DIFU FI; NL	DCFU	DCMU	U
	M	F	F	M	

Figure 1. Diagram of typologies based on cultural dimensions. Plotting the EU23 countries

Finally, the remaining quadrants such as DIMA, PIFA, PCFU, PCMA, DIFU and DCMU (in white background on the diagram) are considered more neutral and balanced with 2 high scores and 2 low scores in the cultural dimensions. As it was assumed that none of dimensions are more important than the others, in this case the 2 high scores nullify the 2 low ones by balancing the advantages and disadvantages found.

CONCLUSION

The population of the European countries is changing. Families are having fewer children and the older population is increasing. Consequently, the traditional age structure is being transformed very fast. Fewer young people will be available in the labor market, while older people as well as minority groups that have been facing exclusion and depravation will be more and more available, accessible and needed. Moreover, reconciling family and professional life will be necessary together with the idea of the integration of men and women by reducing gender gaps and supporting job desegregation. Managing diversity is a precondition to guarantee equal opportunities in this way. The statistics studied here report how countries in the European Union are dealing with these wholesale changes which demand more inclusion.

Generally speaking, the advantages and disadvantages of the cultural dimensions that can influence the implementation of diversity practices, either as an impulsive force or limited one, are determined by the score of the dimensions in each country. Lower levels are more attractive for diversity policies because the values correlated create a better environment in the society by stimulating more respect, the acceptance of differences and the inclusion of minority groups. In the diagram

shown above, the countries that are located in the stripped quadrants probably have a culture more prepared to sustain non-discriminating behaviours. Denmark and Sweden are the best examples in this group with better scores in the social statistics presented.

This does not mean that countries with other typologies cannot implement successful practices toward diversity management. There is just an assumption that, in terms of culture, they have less disposition to accept the differences of those groups that are excluded from the mainstream of the society, and to treat those groups well. The diagram above is just one illustration of the kind of possible combinations of cultural dimensions which can result in a better climate and determine the best conditions, in the national culture, to value and foster diversity.

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