THE ROLE OF CULTURAL VALUE DIMENSIONS IN RELATIONAL DEMOGRAPHY

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ABSTRACT

This paper examines how cultural value dimensions affect processes related to social identity theory and relational demography. Gender differentiation, individualism/collectivism, and power distance are each positioned as important variables that have the potential to impact the level of salience for particular social identity characteristics. The value dimensions of uncertainty avoidance and long-term/short-term orientation are each positioned as contextual variables, moderating the relationships between demographic dissimilarity and outcomes related to bias and discrimination. The framework presented should have implications for future research in relational demography and assist managers in their attempt to understand individual differences in organisations.

***Keywords**: Relational demography; diversity; cultural values; social identity; discrimination.*

INTRODUCTION

Trends in the workplace suggest that today, more than ever, individuals will be required to work with others who are diverse along a number of personal characteristics, including age, race, gender, tenure, and education (Prince, 2002; James, 2000; Jehn, Northcraft, & Neale, 1999; Kidder & McLean Parks, 2001). Because of such trends, management scholars have examined diversity from a variety of perspectives in an attempt to understand its influence on both employee and organisational outcomes. Studies have shown that demographic composition in the organisation can have important influences on employees' attitudes and behaviours (Ottaway & Bhatnagar, 1988; Garza & Santos, 1991; Cummings, Zhou, & Oldham, 1993).

Along with the increased heterogeneity in the workforce, the shift toward the utilisation of groups and teams represents another important current trend in business. Greater than 80% of large organisations now have more than half of their employees working in team environments, while almost 70% of smaller manufacturing firms are using teams in production processes (Robbins, 2005; Joinson, 1999; Strozniak, 2000). Organisations have recognised that increased flexibility, responsiveness, and employee involvement, all of which groups and teams provide, can help meet the challenges of today's competitive environment.

The implication of these trends is that employees are now working in social environments, i.e. groups and teams, where they are likely interacting with coworkers who are dissimilar to themselves along a variety of characteristics. From an organisational behaviour and human resource management standpoint, understanding how employees will react to such environments becomes important. For example, while some individuals may feel comfortable with diversity, others may feel uneasy because of the inherent uncertainty it brings. The field of relational demography addresses this issue and specifically examines how individuals assess their own personal characteristics in relation to the characteristics of others in their social unit (work group), and how such assessments lead to perceptions of similarity or dissimilarity (Tsui, Egan, & O'Reilly, 1992; Tsui & O'Reilly, 1989). Researchers have studied many outcomes related to such perceptions, and the results have been varied (see literature review below). Attempts to provide stronger theoretical explanations underpinning relational demography have led to two specific research agendas that need further development. These are 1) the identification of important contextual variables (moderators) in relational demography and 2) an understanding of the factors that contribute to the relative salience of different demographic characteristics as social identity cues for ingroup/outgroup formation. To address both of these issues, this paper examines the important role of cultural value dimensions in social identity processes related to employee perceptions of demographic dissimilarity.

Importantly, this treatment of cultural values is in line with Schaffer and Riordan's (2003b) recommendation that researchers should incorporate culture into their theoretical frameworks. For example, Erez and Somech (1996) used the distinction between individualism and collectivism to tie culture to another theory, which was workplace motivation. In this paper, culture is integrated into social identity and relational demography theories. The following sections include

a review of the relational demography literature, an explanation of social identity theory, and a discussion of the importance of cultural values in today's work environment. Propositions are then developed which clarify the specific roles of cultural value dimensions in relational demography.

Literature Review

Riordan (2000) suggested that processes inherent in relational demography are both context dependent and comparative. In making sense of their social environments, employees will likely use the groups they belong to, e.g. their work groups to identify their own positions within those environments (Hackman, 1992). Hackman maintained that individual group members are subject to ambient and discretionary stimuli which are unique to each work group, and which influence each group member's perceptions about various organisational and work characteristics. Group-supplied stimuli are, for the most part, immediate and highly salient, and can therefore strongly affect members' attitudes (Hackman, 1992). In terms of relational demography, other group members' demographic characteristics are contextual factors that act as ambient stimuli for individual employees (Riordan, 2000).

In addition to being context dependent, relational demography also involves social comparisons. In the work environment, it is likely that employees will use the standards dictated by their own work group to establish criteria for self-other comparisons (Kelley, 1952). Thus, similarity or dissimilarity from the standard demographic composition of one's work group should have an effect on an individual's immediate perceptions about his or her work environments (Riordan, 2000). Studies in relational demography are therefore different from other studies that involve demographic composition but do not assess comparative perceptions of similarity or dissimilarity. While relational demography studies have focused on numerous demographic characteristics, the most common of these have been age, gender, and race. Key findings from this research are presented below.

Age Dissimilarity

Researchers typically hypothesise that age dissimilarity will have a negative impact on work related attitudes and behaviours. Tsui *et al.* (1992) examined work groups from an industrial products manufacturer, an agency operating several mental health hospitals, and

a computer equipment manufacturer, and found that age dissimilarity was negatively associated with individuals' intentions of staying in their respective organisations. Ferris Judge, Chachere, and Liden (1991) examined supervisors' performance rating patterns in work groups of differing age compositions. They found that when younger supervisors were dissimilar to their groups in age, i.e., they were supervising work groups whose members were older, their ratings of performance for employees in these groups was higher. Kirchmeyer (1995) longitudinally studied new employees who recently graduated from business school and found that age dissimilarity to others in their work groups was positively related to lower job challenge and less successful integration with the work group (work group fit). Pelled, Ledford and Mohrman (1999), in surveying employees from 10 different work units of a manufacturing company, failed to find a relationship between age dissimilarity and organisational inclusion. Similarly, Wiersema and Bird (1993) failed to find as association between age dissimilarity in top management teams and turnover. In summary, relational demography studies examining age have yielded mixed results, and seem to depend on both the outcomes being examined and the context in which they are examined.

Gender Dissimilarity

As with age, the findings in relation to gender dissimilarity have been quite varied across studies. Pelled (1996) observed that for blue-collar teams from electronics manufacturing facilities, individual gender dissimilarity from other team members resulted in intragroup conflict, and lower performance ratings. Kirchmeyer (1995) found that gender similarity was negatively related to job challenge, a finding opposite of what was expected. Riordan and Weatherly (1999) found that being similar to work group members in gender was related to the liking of other members, higher job satisfaction, and outlook similarity. In Riordan and Shore's (1997) study of work groups from a life insurance company, gender similarity was not related to individuals' group-related attitudes (commitment, cohesiveness, and ratings of productivity). Finally, while one study has shown gender dissimilarity to be negatively related to organisational inclusion (Pelled *et al.*, 1999), others have found no association between similar constructs, such as gender similarity and social isolation (Fairhurst & Snavely, 1983).

Race Dissimilarity

Overall, results for race dissimilarity seem to be more consistent with general relational demography hypotheses, but studies have

still yielded mixed results. Hinds, Carley, Krackhardt, and Wholey (2000) studied the behaviour patterns of undergraduate students assigned to project groups and discovered that students had the least preference for working with others who were racially dissimilar to themselves. Pelled (1996) found support for the hypothesised effects of race dissimilarity on perceived intragroup conflict. Jackson, Thoits, and Taylor (1995) found that for African Americans, there were disadvantages associated with racial dissimilarity, including a loss of racial identity, a sense of isolation, and a need to show greater competence. Riordan and Weatherly (1999) found that perceived racial dissimilarity was negatively associated with perceptions of group performance and outlook similarity. Kirchmeyer (1995) failed to find a significant association between cultural dissimilarity (based on ethnicity and religion) and an array of job experience variables. Finally, Lichtenstein and Alexander (2000) actually confirmed a positive relationship between race dissimilarity and perceptions of advancement opportunities. In addition, many studies that have examined relational race/ethnicity have revealed non-symmetrical results for minority and majority employees. For example, in the United States, the effects of racial dissimilarity often seem to have a more negative impact on Caucasian employees, relative to African Americans or other minorities.

While there are inconsistencies in the research highlighted above, the underlying principles of relational demography still have the potential to offer valuable insight into the ways individuals form their own identities and make comparisons in their social environments. Researchers have generally agreed that further development of theory is needed to more clearly identify consistent patterns in future research. To understand how cultural value dimensions can be included in this endeavour, it is first useful to examine the key theories in relational demography, which highlight the important processes of social identity and self-categorisation.

Social Identity and Self-Categorisation

Social identity and self-categorisation theories are largely based on the assumption that, in order to make social comparisons in their environments, individuals must first define themselves along some social criterion (or criteria) (Tajfel & Turner, 1979). This can be accomplished by using salient characteristics in the immediate context for differentiation purposes. In perception and cognition, salience refers to any feature of a stimulus that is relatively distinct, prominent

or obvious, compared with the rest of the field (Northdurft, 2006). For employees, comparisons stemming form salient cues can result in categorisations that can facilitate the classification and ordering of the workplace, and the social networks among coworkers.

Perceptions of work groups based on these categorisations can provide employees with the means for forming their own social identities. *"These identifications are to a very large extent (inherently) relational and comparative: they define the individual as similar to or different from, as 'better' or 'worse' than, members of other groups"* (Tajfel & Turner, 1979, p. 40).

Principles of social identity and self-categorisation theories suggest that employees will see themselves and similar others as comprising the ingroup, categorising dissimilar others into an outgroup. These individuals, possessing an underlying motivation related to the promotion of their own self-esteem, will naturally be inclined to make ingroup-outgroup comparisons that favour their own ingroups. In this sense, they will differentiate themselves from the qualities or characteristics of other outgroups (Tajfel, 1974; Turner, 1975).

In the work environment, demographic characteristics such as age, gender, race, and even socio-economic status, will likely be used for making ingroup-outgroup differentiations. This is because they are, for the most part, highly visible (salient) and offer employees simple cues for making distinctions among other coworkers (Flynn, Chatman, & Spataro, 2001). "People use demographic differences, particularly those that are visible, to categorize one another" (Chatman & Spataro, 2005; Harrison, Price, & Bell, 1998). Dissimilarity or otherness is seen as a deficiency, and is often the basis for discrimination and exclusionary treatment in the form of derogation, stereotypes, and polarisation directed toward outgroup members (Williams & O'Reilly, 1998; Loden & Rosener, 1991).

An important issue regarding demographic characteristics addresses the relative salience of specific attributes or features. Are there factors that contribute to differences in salience across key demographic characteristics, thereby affecting how social identities are formed? This issue has received little attention in relational demography research, but there is at least some evidence to suggest that relativity of salience is very important in identifying those specific characteristics that will serve as primary cues for ingroup-outgroup formation. For example, in one study that examined race, gender, age, tenure, and education as dissimilarity variables, it was apparent through subsequent qualitative

analysis that race itself carried significantly more weight in terms of social identity formation, relative to the other characteristics (Schaffer & Riordan, 2005). This paper incorporates cultural value dimensions into the framework of relational demography to offer an explanation as to how these dimensions impact the relative salience of certain social identity characteristics.

Cultural Values

For many reasons, cultural diversity is increasingly becoming an important aspect of human resource management. Significant trends indicate that employees now, more than ever, will be exposed to a variety of cultural values and backgrounds. These trends highlight increases in a number of areas, including trade between nations, foreign competition, travel and tourism, and personal contact internationally via the internet (Javidan & House, 2001). There has also been a higher degree of cultural heterogeneity in the labour pool. Therefore, it is important to consider the role of culture as a possible source of individual differences in the workplace. In the context of relational demography, employees from different countries and backgrounds may use such differences to form social identities and develop ingroup-outgroup boundaries.

Cultural value dimensions, as described by Hofstede (1980) and the GLOBE research project (House, Gupta, Dortman, Javidan, & Hanges, 2004), refer to the psychological dimensions, or value constructs, which can typically be associated with a specific culture. It is recognised here that Hofstede's work has received criticism from other researchers in recent years. McSweeny (2002), for example, highlighted the difficulty inherent in ascribing *national culture* or a *cultural value orientation* to a whole society or nation without recognising variability within that nation. Schaffer and Riordan (2003b) similarly identified this as an error that researchers often make in cross-cultural studies. The use of cultural value dimesnions in this paper, however, seems to be approariate even in the midst of these criticisms, for two primary reasons. Firstly, relational demography itself is not a society-level or nation-level theory and recognises quite strongly that individual variability within a social context needs to be accounted for. Therefore, overgeneralising at a societal level would be incongruent with the overall goals of the theory. This is important in the sense that, while it is possible that a work organisation in a certain country might carry with it a predominant cultural value, one must consider the scenario (especially in today's gobal environement) that there exists a certain degree of variability in terms of cultural

values across employees within an organisation. Secondly, House *et al.* (2004) worked on the GLOBE project has, in large part, provided some needed validity for Hofstede's cultural value dimesnions and had provided additional dimensions that seem relevant for today's international business environment. Because of these reasons, the use of cultural value dimensions in this paper as an added component to relational demography frameworks seems warranted.

A key issue for relational demography is that cultural value dimesnions themselves might serve as important variables from which employees can form social identities. This is in line with relational demography studies that have employed many other characteristics, aside from demographics, to assess similarity or dissimilarity. For example, Iverson and Buttigieg (1997) proposed a positive relationship between union membership similarity and union commitment. Studies of top management teams have used a variety of characteristics to assess the relationship between similarity and turnover, including demographics, team tenure, college curriculum, university prestige, military experience, and college alma mater (Jackson, Breet, Sessa, Cooper, Julin, & Peyronnin, 1991; Wiersema & Bird, 1993). Chattopadhyay and George (2001) found that work status dissimilarity, i.e temporary versus internal had unfavourable outcomes for internal employees who were in groups comprised mostly temporary workers. Other similarity measures used by researchers have been based on citizenship, socio-economic status (SES), date of entry into the work group, functional background, board members' insider/outsider status, and sexual orientation (Flynn *et al.*, 2001; Chatman & Flynn, 2001; Wagner, Pfeffer, & O'Reilly, 1984; Westphal & Zajac, 1995; Ragins & Cornwell, 2001).

Certainly, the use of cultural value orientations or dimensions seems appropriate and in line with this stream of research. However, the specific examination of cultural values in the context of social identity processes adds value to the field of relational demography in two important ways. Firstly, certain value dimensions may directly affect the *relative salience* of surface level demographic characteristics as employees form their identities. Again, little research has examined the specific factors that contribute to the salience of social identity characteristics. Secondly, researchers have recognised the need to identify contextual factors in relational demography research. In other words, while demographic dissimilarity may be expected to lead to certain unfavourable outcomes such as perceptions of discrimination and exclusionary treatment, it is important to understand the circumstances that might cause this relationship to be weaker or

stronger, or even nonexistent. The use of cultural value dimensions as moderators can contribute to this understanding.

Hofstede's (1980) work on national culture was based on data gathered from numerous IBM international subsidiaries. The research revealed five central dimensions of national culture, which were used to assign scores across 40 countries. These five dimensions are power distance, uncertainty avoidance, individualism/collectivism, long-term orientation, and masculinity/femininity. GLOBE was a research programme that extends Hofstede's work, involving more than 900 organisations and 60 countries (House *et al.*, 2004). Similar to Hofstede's research, the GLOBE project identified cultural attributes (or dimensions). Many of these are similar to Hofstede's, uncertainty avoidance, power distance, individualism-collectivism, future orientation, gender differentiation, and assertiveness, while some represent newly defined dimensions like in-group collectivism, performance orientation, and humane orientation. As described below, the following cultural value dimensions have been suggested to have a direct impact on demographic characteristic salience: power distance, individualism/collectivism, masculinity-femininity, uncertainty avoidance, and future orientation.

Power Distance

Power distance refers to the extent to which the less powerful members of organisations and institutions (like the family) expect and accept that power is distributed unequally (Hofstede, 1980). This dimension ranges from relatively equal (low power distance) to extremely unequal (high power distance). In high power distance societies, inequalities of power and status are prevalent and individuals are not typically allowed significant upward mobility. In low power distance cultures, the society deemphasises differences between individual power and status, and equality for everyone is stressed.

In terms of relational demography, power distance is expected to affect the salience of socio-economic status (SES) as a social identity characteristic. Because low power distance cultures deemphasise differences in SES, individuals' perceptions of dissimilarity along this characteristic should be relatively less salient than individuals' perceptions of SES dissimilarity in high power distance societies. In prior research, SES has received little theoretical attention as a key demographic characteristic in relational demography studies. Incorporating the value dimension of power distance may help determine when individuals will identify this characteristic as a salient cue for comparison purposes.

Proposition 1: SES will be a more salient social identity characteristic for individuals with a high power distance orientation than for individuals with a low power distance orientation.

Individualism/Collectivism

Individualism/collectivism as a cultural value refers to the degree to which people prefer to act as individuals rather than as members of groups (Hofstede, 1980; Robbins, 2005). The GLOBE framework also included individualism/collectivism, and specifies another dimension called in-group collectivism. This dimension refers to the extent to which members of a society take pride in membership in small groups, such as their family and circle of close friends, and the organisations in which they are employed. Social identity processes seem to be related to the orientations that people have regarding the self versus the collective. For example, in highly individualistic societies, people may be more inclined to place emphasis on characteristics that highlight their own individuality – characteristics such as race, age, and gender. In highly collectivistic societies, the salience of group identities and affiliations may be more salient, relative to personal demographic characteristics. Schaffer and Riordan (2003a) discussed the idea of perceived status associated with group affiliations (PSGA) and how such perceptions may, in certain cases, supersede the salience of demographic characteristics. PSGA represents the composite set of personal status, image, respect, and self-esteem, all of which are gained from group membership. Collectivistic value orientations would coincide with individuals placing greater emphasis on this aspect of identity, relative to traditional identities based on demographics.

Proposition 2a: Social identity characteristics that highlight individuality (such as personal demographics) will be more salient for individuals with high individualistic orientations than for individuals with high collectivistic orientations.

Proposition 2b: Social identity characteristics that highlight the group or collective, such as PSGA, will be more salient for individuals with high collectivistic orientations than for individuals with high individualistic orientations.

Masculinity/Femininity

Masculinity/femininity has been described in terms of assertiveness and competitiveness versus modesty and caring. The GLOBE framework refers to this dimension as gender differentiation, the

extent to which a society maximises gender role differences (House et al., 2004). Societies that are high in masculinity tend to reinforce traditional work roles related to male achievement and power. In such societies, there is a relatively high degree of gender differentiation, meaning that visible gender differences among individuals imply an inherent imbalance in terms of power structure. Male gender roles carry more weight than female roles in terms of control, opportunity, authority, autonomy, and success. In societies characterised by femininity, these differences do not exist, and there is a more equitable power/role structure across males and females.

In the context of relational demography, it seems plausible that the salience of gender as a social identity characteristic (which would directly affect the relative impact of gender similarity or dissimilarity) would become stronger when there is higher gender differentiation within the culture.

Proposition 3: Gender will be a more salient social identity characteristic for individuals with a high masculinity orientation than for individuals with a high femininity orientation.

Along with the direct impact that the aforementioned cultural value dimensions can have on the salience of specific demographic characteristics, it is proposed here that other value dimensions may act in different ways within the relational demography framework. Specifically, these dimensions might help examine more closely the nature of the direct relationships found between dissimilarity and work-related outcomes. This is in line with other researchers who have stressed the importance of contextual variables in studies of demographic dissimilarity.

For example, Kirchmeyer (1995) used gender and minority status as moderator variables to test whether or not the anticipated favourable effects of demographic similarity would be stronger for men and non-minorities. Pelled, Xin, and Weiss (2001) observed a significant interaction between tenure dissimilarity and supervisor facilitation (moderation). Finally, Flynn *et al.* (2001) found that dissimilarity in citizenship, race, and gender is related to individuals forming more negative impressions of others. However, this relationship is mitigated, or buffered, when dissimilar individuals are more extraverted, or when they are higher self-monitors. In this case, extraversion and self-monitoring are contextual variables (moderators) in the design.

Collectively, studies such as these suggest that many proposed relationships in relational demography are more accurately framed

when key contingencies are taken into account. The use of theoretically relevant moderators appears to strengthen the interpretation of observed results, and future studies in relational demography should therefore continue to incorporate such variables as part of their overall research designs (Riordan, 2000).

It seems plausible then to position certain cultural value dimensions as theoretically relevant moderators. Two dimensions discussed here are uncertainty avoidance and future orientation.

Uncertainty Avoidance

Uncertainty avoidance is the degree to which people in a society prefer unstructured versus structured situations. Unstructured situations are characterised by uncertainty and ambiguity. In cultures that score high on uncertainty avoidance, individuals tend to have increased levels of anxiety, nervousness, stress, and aggressiveness (Hofstede, 1980; Robbins, 2005). The direct result of this is often a society that institutes rules and regulations to reduce the amount of uncertainty. On the other hand, a low uncertainty orientation indicates that a culture has less of a concern about ambiguity and uncertainty, and has more tolerance for a variety of opinions. This often results in societies that more readily accept change and reduce the need for rules and strict laws.

This cultural value dimension can have a strong impact on relational demography processes in the sense that self categorisation and social identity processes are themselves uncertainty reduction mechanisms (Hinds *et al.* 2000). Dissimilarity along visible demographic characteristics engenders feelings and perceptions of discomfort and uncertainty, and so people find it self-assuring to align with similar others who share their own personal social identity characteristics. These processes lead to ingroup–outgroup formation and often outcomes related to bias and discrimination (Riordan, Schaffer, & Stewart, 2005). If people have high uncertainty avoidance orientations, it is more likely that they will follow the processes outlined above when they are faced with demographic dissimilarity. However, people with low uncertainty avoidance orientations might feel less threatened in such situations, and may not feel the same impact from being demographically dissimilar.

Proposition 4: The relationship between demographic dissimilarity and outcomes related to bias and discrimination will be stronger for individuals with high uncertainty avoidance orientations than for individuals with low uncertainty avoidance orientations.

Long-Term / Short-Term Orientation

Societies with orientations toward the long-term value thrift and persistence, looking toward the future. Short-term orientation focuses more on the past and present, with tradition as a central theme (Hofstede, 1980). Individuals in a long-term oriented society may focus on values related to long-term commitments and a strong work ethic. In such societies, long-term rewards may be expected as an outcome of the hard work done today. However, projects and progress may take longer to develop in this type of society, especially for someone who is considered different (an outsider). In contrast, a short-term orientation indicates that the culture is more adaptable and flexible, and that change can occur more rapidly. In this type of society, entrenched values and commitments are less likely to become impediments to change.

These differences in orientation suggest that relational dissimilarity may be viewed as an impediment to change in long term oriented societies, being inconsistent with the homogeneity that might have been present in earlier times. In short-term societies, it is more likely that cultural flexibility will allow for the assimilation of individual demographic differences, reducing the formation of ingroups and outgroups.

Proposition 5: The relationship between demographic dissimilarity and outcomes related to bias and discrimination will be stronger for individuals with long term orientations than for individuals with short term orientations.

Figure 1 illustrates propositions 1 to 5, showing how each of the cultural value dimensions presented in this paper affect processes related to relational demography.

To summarise, key value dimensions will influence the salience of specific social identity characteristics: high gender differentiation should increase the salience of gender; individualism should increase the salience of gender, age, and race; collectivism should increase the salience of group affiliations; and, high power distance should increase the salience of socio-economic status. In addition, two value dimensions have been specified as moderators of the relationship between demographic dissimilarity and perceptions of discrimination. High uncertainty avoidance and long-term (versus short-term) orientation should each strengthen this relationship.
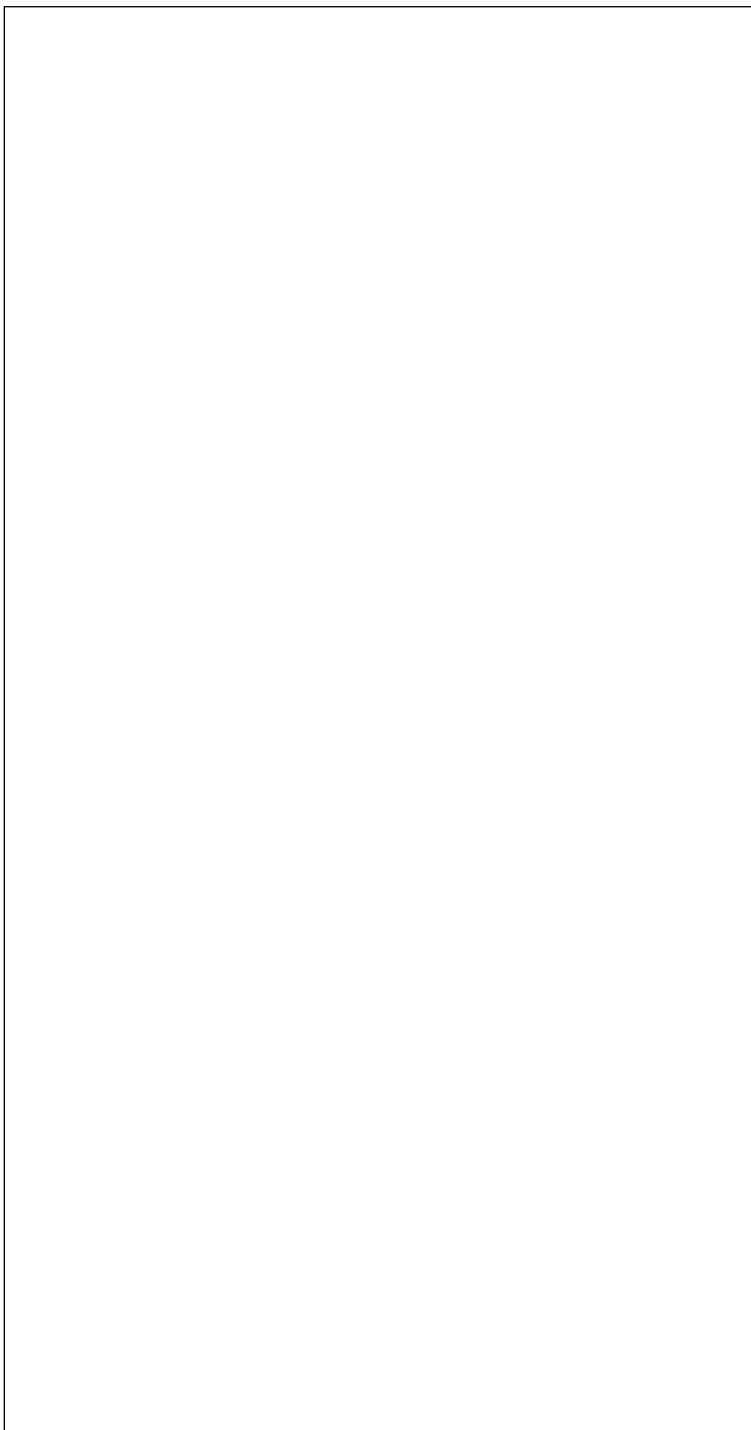
Figure 1
A framework for cultural value dimensions and relational demography (Propositions 1 – 3)
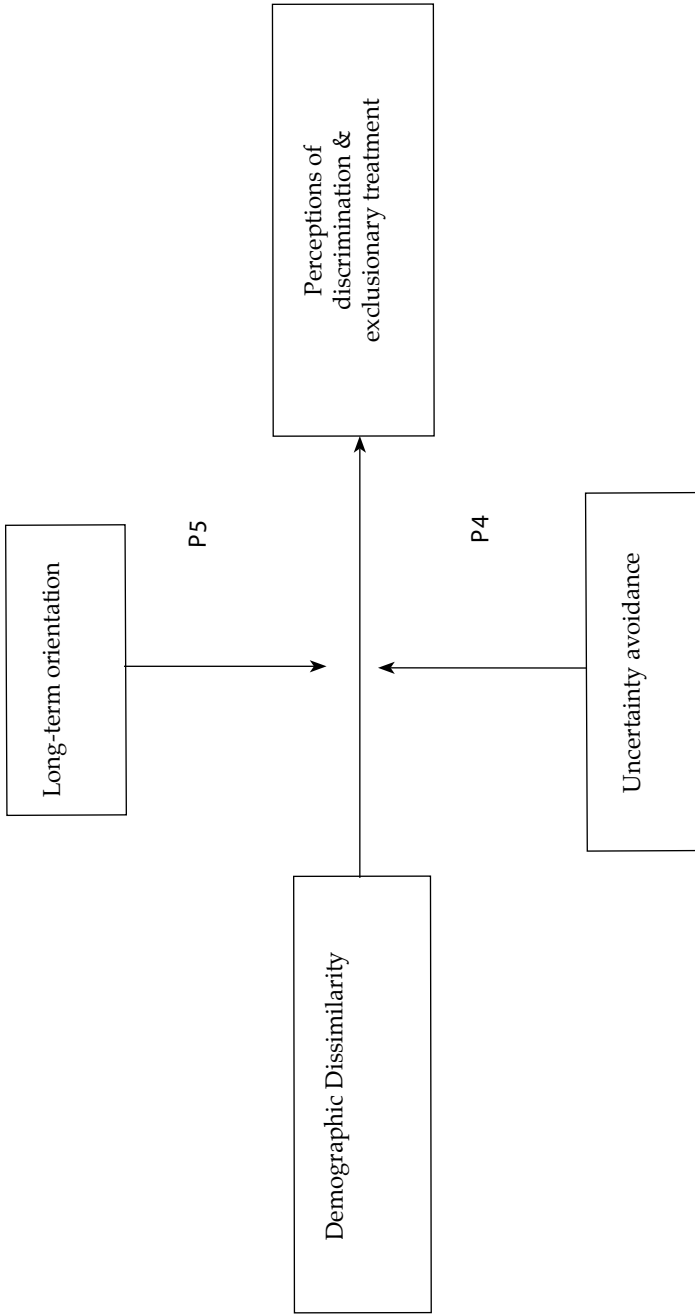
Figure 2

A framework for cultural value dimensions and relational demography (Propositions 4 – 5)

DISCUSSION

The framework presented in this paper will be useful to the extent that there is an understanding of how to determine or operationalise specific cultural value orientations in different work contexts. For example, if a researcher is examining firms across the United States, is it appropriate to assume that individualistic value orientations will be predominant among the employees studied (i.e., in accordance with Hofstede's research)? Similarly, if the research is conducted in the Far East, are collectivistic perspectives assumed? McSweeny (2002) appropriately identified this as a problem with Hofstede's work, suggesting that researchers commonly make these types of assumptions, often using *country* or *nation* as the sole operationalisation of culture. This precludes the ability of studies to identify cultural value dimension variability within a sample. Because of the trends related to the increased internationalisation of the workforce, it seems more likely that such variability does in fact exist. If this is true, then the relationships between employees' cultural value dimensions and ingroup-outgroup formation become quite complex. Before testing the propositions outlined above, researchers would need to assess the target research context to determine whether or not there is a culturally mixed bag of employees. Numerous instruments are available that would allow researchers to measure Hofstede's (or GLOBE's) specific cultural value dimensions at the individual level of analysis (Schaffer & Riordan, 2003b). Such analyses can help determine if the work environment is characterised predominantly by one culture, in terms of value dimensions, or if it is characterised by cultural value dimensions across employees that are very fragmented.

If the work context has very strong and consistent value dimensions across all employees in one place, it is more likely that those employees will key in on the same social identity characteristics (as indicated in the propositions above), developing a very strong ingroup. However, if the workplace is fragmented with people from different cultures who have different value dimensions, then the processes associated with ingroup formation will be quite complicated, with people keying in on different demographic characteristics according to their own cultural value perspectives. This latter situation makes for a weaker or diffuse ingroup formation, which certainly has implications for the whole unit or team. Cultural value dimension fragmentation represents an area for future research, and the development of propositions that take into account this added complexity is certainly a worthy goal.

In addition, while this paper treats cultural value dimensions as prompts or cues that might influence the salience of certain visible

demographic characteristics, there may be some benefit in trying to understand how these values themselves act as key social identity characteristics, from which individuals can form identities. Certainly, prior research has investigated the role of deeper level characteristics, such as personality, attitudes, beliefs, and knowledge (Harrison *et al.*, 1998). In many cases, these types of characteristics become more salient in groups over time, as the salience of visible characteristics becomes more diffuse. Including cultural value dimensions as deep level characteristics presents yet another possible avenue for exploring their role in relational dissimilarity frameworks.

Finally, future research should continue to examine other variables that might impact the relative salience of demographic characteristics as components of social identity. This aspect of social identity theory has received little empirical investigation and while this paper is a step in the right direction, there may very well be other classes of variables (aside from cultural value dimensions) that can influence the salience of identity characteristics.

In conclusion, the framework presented here has direct implications for management. Specifically, the management of diversity and individual differences can be facilitated by understanding how cultural value dimensions impact social identity formation and the effects of dissimilarity. With continuing increases in the internationalisation of business, an understanding of cultural values in the workplace will provide managers with an important human resource related competitive advantage.

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