

Inclusion over diversity?

The relationship between team diversity and team performance and the role of a collectivist organisational culture

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Abstract

Organisations nowadays make efforts to achieve higher staff diversity without questioning how diversity affects the performance of their employees. Although the diversity-performance relationship has been repeatedly empirically addressed, there has been insufficient research exploring the interaction between (perceived) diversity and organisational culture, especially alongside the collectivism/individualism dimension. Filling this literature gap, the current study assessed the influence of perceived diversity on perceived team performance as well as performance-related outcomes (work engagement and team member satisfaction) and whether such influence was moderated by perceived organisational culture. No evidence for a (perceived) diversity-performance relationship was found based on a multinational sample (N=129). Unexpectedly, a significant positive relationship was found between a collectivist organisational culture and all three performance outcomes. This relationship was mediated by organisational identification for work engagement and team member satisfaction but not for perceived team performance. Thus, inclusion through a collectivist organisational culture seemed to be more important for improvement in all team outcomes than team diversity per se. The findings are discussed in terms of the sample characteristics and future avenues for research are suggested.

Keywords: perceived diversity; collectivist culture; organisational identification; team performance; work engagement; team member satisfaction

Introduction

In today's increasingly globalised world, organisations are encouraged to be diverse to comply with anti-discrimination legislation (Kochan et al., 2003), gain a competitive advantage in terms of higher creativity, innovation and decision-making quality (Kochan et al., 2003, van Knippernberg, De Dreu, & Homan, 2004) and for ideological reasons, to stand against workplace inequality (Kalev et al., 2006). Numerous scholars, however, have argued that the documented effects of diversity on work performance are highly mixed (e.g. Williams & O'Reilly, 1998; Jackson et al., 2003). For instance, the evidence supporting the claim that racio-ethnic diversity improves performance is limited (Jackson et al., 2003). Jehn & Bezrukova (2003) found no significant relationship between demographic (i.e. race and gender) diversity and business performance in four large firms. On the other hand, Talke, Solomo & Rost (2010) found that top management team diversity benefits innovativeness and performance. In contrast, other studies even report negative effects of racio-ethnic diversity on performance (Stronks, 2018).

Theories on Diversity and Team Performance

In the literature, two opposing theoretical arguments have framed the inconsistent findings on the diversity-performance relationship: the informational-diversity cognitive perspective (e.g. Cox & Blake, 1991; Williams & O'Reilly, 1998) and the similarityattraction perspective (Byrne, 1971) along with Social categorisation theory (Tajfel, 1969; Tajfel & Turner, 1979). The former refers to the idea that diverse teams may outperform homogenous teams because they can draw on a greater pool of different perspectives consequent from their demographic differences (Bell et al., 2011). On the other hand, the argument for homogenous groups being more effective (i.e. the similarity-attraction paradigm; Byrne, 1971) suggests that homogeneous teams will be more productive than diverse teams since team members with similar attributes may mutually attract resulting in more efficient team communication (Bell et al., 2011). Similarly, social categorisation theory argues that team members categorise others and themselves into social subgroups based on individual differences (Taifel, 1969; Taifel & Turner, 1979) thereby, forming in-group and out-group identities within one team. The consequence of this could be the development of an intergroup bias which manifests as in-group favouritism and out-group discrimination (Tajfel & Turner, 1979). Thus, members of the same team might favour to cooperate with in-group members more than with out-group members.

The (moderating) role of a Collectivist Organisational Culture

Due to the previously mentioned opposing findings and theoretical explanations, organisational scientists have long abandoned the search for a direct relationship between team diversity and team performance. Instead, they have sought to explore a variety of variables mediating or moderating this relationship. Examples include a team's cultural orientation towards learning (Lourenço, Dimas & Rebello, 2014); employee perceptions of inclusion (Findler et al., 2008), transformational leadership (Stronks, 2018), a highly competitive context (Kochan et al., 2003), an environment that promotes learning from diversity (Kochan et al., 2003, Joshi & Roh, 2009), task-interdependence, with goals and rewards also being interdependent (Van der Vegt & Janssen 2003, also see Gundach, Zivnuska & Stoner, 2006). Related to task-interdependence is another condition under which diverse team may flourish, namely, a collectivist organisational culture (Chatman et al., 1998). Organisational culture could be defined as 'the observable norms and values that characterise an organisation.' (Chatman et al., 1998, p.4). The culture of an organisation influences which aspects of its operations become salient and 'how members perceive and interact with one another, approach decisions, and solve problems' (Chatman et al., 1998, p.4). The researchers argue that the individualism-collectivism cultural dimension (originally coined by Hofstede, 1983), has been overwhelmingly studied on the societal level, recognising that the relevance of the same dimension at the organisational level has been overlooked. According to Chatman et al. (1998), individualism causes people to 'focus on their own and unique abilities and characteristics', i.e., on what differentiates them from others. In contrast, 'the focus in collectivistic cultures is on shared objectives, interchangeable interests, and commonalities among members.' Drawing on social categorisation theory, Chatman et al. argue that in collectivistically oriented organisations, 'simply being a member of the organisation may be enough to qualify one as an ingroup member' (p.4), thus reducing intergroup bias within teams and enhancing team performance. In individualist organisational cultures this might not be the case – the salience of organisational membership is reduced and individual differences are more salient than commonalities. Chatman et al. explain this by referring to the concept of functional antagonism (Turner et al., 1994): as one social category becomes salient, another becomes less salient. Therefore, as Chatman et al. put it, 'a collectivistic culture may increase the salience of organisational membership as a social category, causing a corresponding decrease in the salience of demographic categories' (p.5). This brings me to the following research

question: Does organisational culture positively moderate the (negative or positive) effects of team diversity on team performance via the salience of organisational membership/identification?

Research into (perceived) Team Diversity and Team Performance

Objective diversity can be defined as the differences between individuals on any attribute, such as age, nationality, educational and functional background, that may lead to the perception that another person is different from the self (van Knippenberg et al., 2004). Summarising the past 40 years of research on the effects of demographic diversity, Williams & O'Reilly (1998) report that the majority of empirical evidence shows that diversity impedes group functioning, thus, (unless steps are taken) diversity is more likely to influence team performance negatively. This has been supported by more recent meta-analytic evidence from Bell et al. (2011) who found demographic diversity in terms of race and sex to have a small negative relationship with team performance (unlike functional background diversity which had a small positive relationship).

Whilst the effects of objective diversity on performance have been a thoroughly researched area, the effects of perceived diversity on performance represent an emergent line of research (Shemla, Meyer, Greer, & Jehn, 2014). Perceived diversity can be defined as the extent to which team members are aware of each other's differences, reflected by their mental representations of their team's composition (Shemla, et al. 2014). In a recent review of the growing perceived diversity literature, Shemla, et al. (2014) conclude that perceived diversity, regardless of its operationalisation, has been mostly linked to negative effects on group outcomes. Thus, the overall findings on the perceived diversity literature roughly mirror the findings in the objective diversity literature in terms of an overall negative diversity-team performance relationship.

Meanwhile, there are several arguments that have been made for studying the effects of perceived over the effects of actual diversity. First, by solely measuring objective diversity, we fall under the assumption that all team members are perfectly aware of each other's individual differences, however, this might not be the case (Hentschel, Shemla, Wegge, & Kearney, 2013). Support for this argument comes from Shemla et al. 2014 who report that perceived and actual diversity do not always correlate. Furthermore, people tend to respond to the world based on their perceptions of reality and not its actuality (e.g. Hobman, Bordia, & Gallois, 2003). Thus, it would be unfruitful to only measure the effects of objective

diversity if such effects (if any) are manifested outside the perception of team members. Hence, Stronks (2018) argues that perceived diversity is a more adequate/valid measure of diversity than actual diversity. Thus, this study will use a measure of perceived rather than actual diversity.

Correlates of (perceived) Team Performance

Previous research has attempted to measure different correlates of team performance to additionally validate main team performance measures. An example of a team performance correlate is team member satisfaction (Lourenço, Dimas & Rebello, 2014). Logically, it could be defined as the extent to which an employee is satisfied with their work team. It could be argued that team member satisfaction taps into an employee's quality of relationship with their colleagues. Thus, it is expected that a higher team member satisfaction will be positively correlated with higher team performance (e.g. r=.47, Pearshall & Ellis, 2006). Meanwhile, counterintuitively, there has been no sufficient evidence for a diversity-team member satisfaction relationship (e.g. Schippers et al., 2003), hence, there are no grounds for expecting that (perceived) diversity will correlate with team member satisfaction in the current study. Besides team member satisfaction, work engagement is another construct that has yielded a positive correlation with team performance (r= .26, Torrente, Salanova, Llorens & Schaufeli, 2012). It could be defined as a can be defined as a 'positive, affectivemotivational state of fulfilment that is characterised by vigour, dedication, absorption (Schaufeli, Bakker, & Salanova, 2006). Thus, it is expected that individual work engagement should be positively correlated with individually perceived team performance. However, similar to team satisfaction, previous literature has failed to establish a diversity-work engagement relationship (e.g. Badal & Harter, 2014) and such will not be expected in this study.

In the context of perceived (rather than objective) diversity, it is especially important to measure correlates of team performance as some scientists point out that subjective (perceived) measures of performance may be more 'contaminated' with 'rater bias and other non-performance- relevant sources of variance' (Mesmer-Magnus & DeChurch, 2009). Therefore, a measurement of employee engagement and team member satisfaction will benefit this study by allowing for additional validation of the subjective measure of team performance.

Hypothesis 1: Perceived team diversity will be negatively correlated with perceived team performance.

Research into the Organisational Culture-Team Performance relationship

In general, little research has studied organisational culture through the collectivismindividualism dimension. One of the very few studies that did so was conducted by Chatman et al. (1998). The researcher's goal was to test whether an organisation's relative focus on individualism or collectivism will lead to changes in performance outcomes by affecting the salience of organisational membership as a social category. It was found that an emphasis on collectivism led to an increase in productivity (memo sending), however, it did not lead to more social interactions in diverse teams. Thus, increased diversity was related to increased productivity but decreased interaction among diverse team members under collectivism. Although a collectivist culture did not exert a clear moderating effect on performance improvement, in terms of social interaction, it was found that the salience of organisational membership was higher in the collectivistic than in individualistic organisational simulation. This finding supports the proposition of Social categorisation theory suggesting that members of collectivistically oriented organisations tend to form more salient ingroup identities on the basis of their organisational membership and less salient ingroup identities based on their demographic social categories. Additional support for the argument that collectivism may improve team performance was documented by Gundach, Zivnuska & Stoner (2006), despite measuring collectivism on individual level.

Possible explanations as to why Chatman et al. (1998) failed to detect any moderating effects of collectivism on performance (in terms of social interactions) may lie in the artificiality of the experiment. It could be argued that the short-lived organisational simulation was insufficient to induce the necessary changes in organisational membership salience to affect performance with social aspects. Therefore, long-term members of collectivist organisations may exhibit the hypothesised benefits of collectivism, in terms of performance in diverse teams, to a more visible extent. From this it follows that it would be of empirical interest to replicate Chatman et al.'s ideas in a real-world study, assessing whether long-term members of existing organisations can reap the benefits of diversity through the experience of a collectivist organisational culture. Diverse team members who do not perceive their organisational culture as collectivist will benefit less from perceived team diversity in terms of performance.

Hypothesis 2: Organisational culture will moderate the relationship between perceived team diversity and perceived team performance in such way that the relationship will be less negative/more positive when individuals perceive their organisational culture as more collectivist. In other words, (perceived) collectivism will weaken the otherwise negative relationship between perceived diversity and (perceived) team performance.

Hypothesis 3: The moderating effect of organisational culture on the relationship between perceived diversity and perceived team performance will be mediated by the level of organisational identification/organisational membership salience (i.e. the level of organisational identification will explain the moderating effect of perceived organisational culture). This is known as mediated moderation.

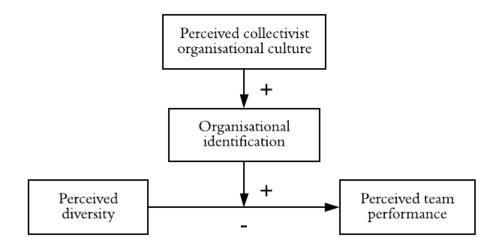


Figure 1. Proposed process model

Method

Participants

Excluding 16 participants who completed less than 40% of the survey, a total of 129 respondents (59.2% female, n=125) voluntarily participated via an anonymous Qualtrics link. Their age ranged from 20 to 65 years old (M=29.12, SD=10.12 years, n=121) with the majority (70%) being aged up to 29 and 55.4% aged between 22 and 26. The most frequent nationalities were Bulgarian (20%), Dutch (20%), American (10.8%) and British (9.2%). Other nationalities were German (5%), Italian (5%) and Spanish (3.3%), (n=120). Most participants had achieved a Bachelor (32%) or a Master (24%) degree from a British

university as their highest level of education. Fewer had achieved the Dutch equivalent of those (12.8% and 5.6%, respectively). Other qualifications were pre-university (8%), PhD (7.2%) and Other (9.6%), (n=125). The countries of the participants' organisations varied less than their nationalities, with the majority working in the Netherlands (40%) or the UK (20%). Fewer of the participants worked in Bulgaria (9%) and the USA (10.7%), (n=122). Most participants had worked in their current organisation for less than a year (43.5%). The rest had worked for 1-2 years (21%), 3-5 (16.1%), 5-10 (8.9%) and over 10 (10.5%), (n=124).

Procedure

The current survey was constructed and distributed using Qualtrics. An anonymous link to the survey was shared on online platforms, such as Facebook, LinkedIn and Survey Circle. The eligibility criteria for participating in the study were the following: the respondent had to be currently employed by a private/public sector organisation; to achieve work objectives, the respondent had to collaborate with a minimum of 2 other people. Before beginning the survey, the respondents were asked to confirm their informed consent (see Appendix 1) and throughout the survey they were instructed to answer all questions based on their individual perceptions.

Measures

The survey consisted of the following scales/questionnaires: perceived team diversity (Hentschel et al., 2013; see below); perceived organisational culture (a scale constructed for this study, see Appendix 2); perceived team performance (a scale constructed for this study, see Appendix 3); organisational identification (Van der Vegt & Bunderson, 2005, see below); The Utrecht Work engagement scale (Schaufeli, Bakker, & Salanova, 2006, see Appendix 4); Team member satisfaction scale (constructed for this study); demographics.

Perceived Diversity scale

To measure the extent to which participants perceive themselves as different from their team members in general, the following three items were used based on Hentschel et al.'s (2013) perceived diversity scale: 'When I am supposed to describe my work team, I automatically think about the differences among my colleagues'; 'I am very aware of the differences among my colleagues'; 'I think about the differences among the colleagues in our team', (α =.77; in the original

paper $\alpha = .72$). Responses were given on a 5-point Likert-type scales, with response options ranging from 1 = 'Never at all' to 5 = 'Always.'

Perceived Organisational Culture

In the organisation simulation study by Chatman et al., a collectivist culture was simulated using the following three elements: a company description explicitly stating that the organisation's culture is collectivist; the bonus provided contingent on team (rather than individual) performance; award winners listed by their team names (instead of individual names). Using these literature insights, an initial 8-item scale was constructed to assess perceived organisational culture along the individualism-collectivism continuum. Answers were given on a 5-point Likert-type scale, ranging from 1 = 'Never' to 5 = 'Always.'

Following a preliminary analysis, however, after reversely coding the individualist items, the original scale yielded negative reliability. To resolve this, the scale was divided into two smaller scales corresponding to individualism and collectivism separately and consisting of three items each (see Appendix 2). Meanwhile, two scale items were excluded. This significantly improved the reliability of both scales (α = .69 for individualism; α = .62 for collectivism). An example of an item for individualism is 'My organisation awards separate individuals for their (successful) performance'; for collectivism – 'At my organisation, credits are given for (successful) team performance.' Exploratory factor analysis through Principle Axis Factoring (PAF) revealed that each item loaded well onto its corresponding factor - for individualism, the minimal factor loading was .45, for collectivism it was .51 (only loadings higher than .3 were accepted for all scales constructed in this study, Field, 2013).

Perceived team performance

After a thorough review of the literature, no suitable existing team performance scale was found for the current study. This warranted the development of a universal team performance scale to fit the different work environments of the participants in this study. Participants rated 9 items on a 5-point scale ranging from 1 = 'Never' to 5 = 'Always.' Higher mean scores on the scale were indicative of higher team performance.

Following a preliminary analysis three items were excluded; one item was excluded to improve the overall reliability of the scale; two more items were excluded due to multiple low correlations (<0.3) with the other scale items possibly because they represented relevant but different dimensions of team performance. The resulting scale consisted of 6 items, an example of one being 'The work my team produces is high quality,' ($\alpha = .76$, see the full scale in Appendix 3). Exploratory factor analysis through PAF revealed that each item loaded well onto the same factor, with a minimal factor loading of .46.

Organisational Identification

Organisational identification was assessed based on a short scale formulated by Van der Vegt & Bunderson (2005). Participants were asked to assess the extent to which they feel: (1) emotionally attached to their organisation; (2) a strong sense of belonging to their organisation; (3) as if the organisation's problems are their own; (4) like part of a family in their organisation, ($\alpha = .86$). Items were assessed on a 5-point Likert scale ranging from 1 = 'Not at all' to 5 = 'A great deal.'

Work engagement

Work engagement was assessed through the short (9-item) version of the Utrecht Work Engagement Scale (Schaufeli, Bakker, & Salanova, 2006). Work engagement (α =.88) as well as its subscales vigour (α =.79), dedication (α =.83), absorption (α =.68) overall yielded optimal levels of reliability. Examples of scale items include: 'At our work, I feel bursting with energy' (vigour); 'I am enthusiastic about my job' (dedication);'I am immersed in my work' (absorption). Simple correlations between the Work engagement scale and its subscales did not exceed r=.89 (p<.01) confirming their distinctiveness from the Work engagement scale despite being distinctive components of it (see full scale can be in Appendix 4). For better clarity, the items were later analysed as one work engagement scale. Items were evaluated on a scale ranging from 1 = 'Never' to 5 = 'Always.' Higher scores on the scale indicated higher work engagement.

Team member Satisfaction

A short team member satisfaction scale, consisting of 3 items ('I like being part of my team'; 'I am proud of the work my team produces'; 'I am committed to my

team,' $\alpha = .82$) was constructed. Exploratory factor analysis through PAF revealed that each item loaded well onto the same factor, with a minimal factor loading of .74. Items were evaluated on a scale ranging from 1 = `Never' to 5 = `Always'.

Demographics

The demographic data recorded were gender, age, nationality, country of residence, organisational tenure and highest education level.

Results

Preliminary analysis

Table 1

Means, standard deviations and correlations among all variables.

Variable	M	1	2	3	4	5	6	7
	(SD)							
1. Perceived	2.60	-						
team diversity	(.93)							
2. Individualism	2.92	.01	_					
	(.93)							
3. Collectivism	3.58	.02	57**	-				
	(.81)							
4. Organisational	2.92	.02	33**	.42**	-			
identification	(.89)							
5. Perceived team	3.90	.01	26**	.31**	.20*	_		
performance	(.50)							
6. Work engagement	3.34	.11	19*	.26**	.45**	.19*	_	
	(.70)							
7. Team member	3.95	.04	27**	.34**	.48**	.52**	.66**	_
satisfaction	(.79)							

Note. N=129 (for 7, N=128). *p < .05. **p < .01; The scaling is on a 5-point scale.

On the basis of the simple correlations analysis carried out for all variables (see Table 1), a few important trends can be noted. Contrary to expectations, perceived diversity did not correlate with perceived team performance. This is evidence against *Hypothesis 1* which stated that the relationship between perceived diversity and (perceived) team performance would be negative. Thus, it is already evident that *Hypothesis 1* cannot be confirmed. *Hypothesis 2* and *3* cannot be confirmed, thereafter.

On the other hand, both measures of perceived organisational culture (individualism and collectivism) and organisational identification showed significant correlations with all team performance measures (5-7). Individualism yielded significant negative correlations with perceived team performance (r=-.26, p<.01), work engagement (r=-.19, p<.05) and team member satisfaction (r=-.27, p<.01). In contrast, collectivism revealed the opposite pattern being highly significantly correlated with perceived team performance (r=.31, p<<.01), work engagement (r=.26, p<.01) and team member satisfaction (r=.34, p<.01). It was further shown that organisational identification significantly (positively) correlated with perceived team performance (r=.20, p<.05), work engagement (r=.45, p<.01) and team member satisfaction (r=.48, p<.01).

In addition, individualism and collectivism were highly negatively correlated, as expected (r=-.57, p <.01). Individualism was also negatively correlated with organisational identification (r=-.33, p <.01) whereas collectivism was correlated positively (r=.42, p <.01).

Lastly, all three outcome variables (perceived team performance, work engagement and team member satisfaction) were significantly positively correlated with each other: perceived team performance with work engagement (r=.19, p <.05); perceived team performance with team member satisfaction (r=.52, p <.01); work engagement and team member satisfaction (r=.66, r <.01). This is in line with expectations based on previous literature findings that have identified work engagement (Torrente et al., 2012, r=.26) and team member satisfaction (Pearshall & Ellis, 2006, r=.47) as correlates of team performance. This adds more support to the validity of all three outcome scales.

Further analyses, testing all hypotheses, were carried out in light of these preliminary results.

Main analysis



Figure 2: New model to be tested

The relationship between perceived collectivism (and individualism) and outcome variables

Several simple regression analyses were conducted to assess the association strength between individualism and collectivism with each outcome variable separately. Following this, individualism and collectivism were entered together (using multiple linear regression) to explore the relative strength of association of both predictors with all outcome variables. The findings are presented in Table 2.

Simple and multiple linear regression analysis of (perceived) collectivist & individualist organisational cultures on perceived team performance, work engagement and team member satisfaction.

Variable	Perceived team performance		Work en	gagement	Team member satisfaction				
	Simple linear regression analysis of each predictor								
	β	R^2	β	R^2	β	R^2			
Collectivism	.32**	.10**	.26**	.07**	.34**	.12**			
Individualism	26**	.07**	19*	.03*	27**	.07**			
	Multiple linear regression analysis of both predictors								
Collectivism	.25*		.22*		.28**				
Individualism	12		06		11				
		.11**		.07*		.12**			

Note. N=129. *p < .05. **p < .01.

Table 2

With reference to the simple regression analyses (see Table 2), after collectivism was entered into a simple regression equation on its own, it significantly accounted for 10% of the variance in perceived team performance (F(1, 127)=14.27, p<.01), 7% of the variance in work engagement (F(1, 127)=8.81, p<.01) and 12% of the variance in team member satisfaction (F(1, 126)=16.57, p<.01). In comparison, individualism on its own showed a lower but still significant explanatory power, accounting for 7% of the variance in perceived team performance (F(1, 127)=9.38, p<.01), 3% (F(1, 127)=4.53, p<.05) of the variance in work engagement and 7% of the variance in team member satisfaction (F(1,126)=10.1, p<<.01).

On the other hand, after both collectivism and individualism were entered in a multiple regression equation, it became evident that individualism added very little to the explanatory power of collectivism alone for perceived team performance (only 1%, F(2,126) = 7.486, p < .01) and added no explanatory power to collectivism alone for work engagement (F(2,126) = 4.543, p < .01) and team member satisfaction (F(2,125)= 8.862, p < .01). This meant that collectivism alone was a better model for the data, in terms of perceived team performance (B=0.19, β =.32, p < .01), work engagement (B=0.22, β =.26, p < .01) and team member satisfaction (B=0.33, β =.34, p < .01). Thereafter, individualism was excluded from further analysis.

Mediation effects of organisational identification on the relationship between collectivism and outcome variables

Following the failure to confirm *Hypotheses 1 & 2*, mediation analysis could not be conducted to check whether organisational identification mediates the moderating effect of perceived collectivist organisational culture on the perceived diversity-performance relationship (in line with *Hypothesis 3*). However, since the relationship between (perceived) collectivism and performance outcomes was established in the previous section, it would be of empirical interest to test whether organisational identification mediates this relationship. If such a mediating effect is found it would indicate that organisational identification still explains the influence of perceived collectivism (as expected) but directly on the outcome (performance) variables (instead of the diversity-performance relationship). Therefore, a mediation analysis was performed to assess whether organisational identification mediated the relationship between (perceived) collectivism and the outcome variables (perceived team performance, work engagement and team member satisfaction).

First, it was tested whether organisational identification mediates the relationship between (perceived) collectivism and perceived team performance. Although the regression model including both collectivism and organisational identification significantly explained the variance in perceived team performance (R^2 =.11, F(2, 126)=7.40, p <.01), the direct relationship between collectivism and perceived team performance remained significant (B=17.52, β =.29, SE = .06, p <.01) whereas the relationship between organisational identification and perceived team performance became non-significant (B=.04, β =.07, SE= .05, n.s.). Therefore, organisational identification did not explain/mediate the relationship between collectivism and perceived team performance.

Next, the same was tested for the collectivism-work engagement relationship. The regression model including both collectivism and work engagement explained a significant proportion of the variance in work engagement (R^2 =.21; F(2; 126)=16.28, p < .01). The direct relationship between collectivism and work engagement became non-significant (B=.07, β =.08, SE= .08, n.s.) when organisational identification was entered in the model. Therefore, organisational identification fully mediated the relationship between collectivism and work engagement (see Figure 3).

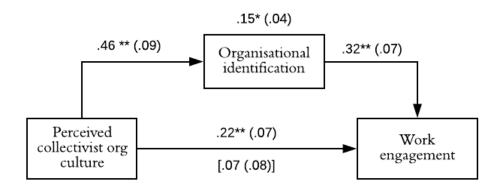


Figure 3. Mediation effect of organisational identification on the relationship between perceived diversity and the work engagement. Note: *p < .05. **p < .01, N = 129

Lastly, the same was tested for the (perceived) collectivism-team member satisfaction relationship. The regression model including both collectivism and organisational identification explained a significant proportion of the variance in team member satisfaction (R^2 =.25; F(2; 125)=21.34, p < .01). The direct relationship between collectivism and team satisfaction was reduced but remained significant (B=.17, β =.17, SE= .08, p < .05) after the addition of organisational identification in the model. Thus, organisational identification partly but significantly explained the relationship between collectivism and team member satisfaction (see Figure 4).

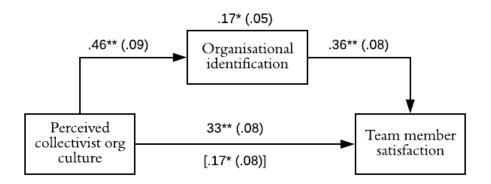


Figure 4. Mediation effect of organisational identification on the relationship between perceived diversity and team member satisfaction. Note: *p < .05. **p < .01, N = 128

Discussion

The aim of the present study was to investigate whether a perceived collectivist organisational culture moderates the relationship between perceived team diversity and perceived team performance as via organisational identification.

Overall, the present results were not in line with expectations. The preliminary findings indicated that perceived team diversity had no relationship with perceived team performance. This was evidence against *Hypothesis 1* which stated that perceived diversity would be negatively correlated with perceived team performance. Following this, it was evident that perceived organisational culture (collectivist or individualist) could not moderate this non-existing diversity-performance relationship, hence *Hypothesis 2* could not be confirmed. Using a similar logic, organisational identification could not mediate the non-existing moderating effect of perceived organisational culture on the diversity-performance relationship, hence *Hypothesis 3* also could not be confirmed. In the meantime, in line with previous findings (Schippers et al., 2003, Badal & Harter, 2014), no relationship between (perceived) diversity and performance correlates (team member satisfaction and work engagement) was identified.

The failure to find a (perceived) diversity-performance relationship is inconsistent with previous literatures on objective (e.g. Williams & O'Reilly, 1998) as well as perceived diversity (Shemla et al., 2014). For example, a very recent study by Stronks (2018) also found perceived diversity (based on Hentschel et al.'s scale) to be significantly negatively correlated with a performance related outcome (information-elaboration, see van

Knippernberg et al., 2004). A reason why the current study failed to replicate this finding using the same measure of perceived diversity may be the age differences between the two participant samples. Approximately 61% of Stronk's (2018) participants were aged between 30 and 60 (with roughly equal distribution across three 10-year ranges). In sharp contrast, 70% of the participants in the current study were aged under 29 with the majority falling in the 22-26 range (M=29.12, SD=10.12), meaning that the majority of the sample consisted of millennials. It is reasonable to assume that millennials were raised in a much more globalised world compared to older generations. Consequently, it is likely that they have grown up in diverse schools, diverse communities and a diverse society. From this perspective, it is possible that millennials are naturally more comfortable with diversity and it makes no difference to their performance or related outcomes. In addition, Stronk's participant sample was more homogenous, consisting of mainly Dutch participants working for two Dutch organisations unlike the current sample which consisted of a mixture of nationalities, often working abroad visible by the fact that their nationality did not always match the country of the organisation. From this perspective, it could be argued that people working abroad may perceive diversity differently from people who work in their country of origin. Within the framework of Social categorisation theory, this means that people working abroad may be less likely to categorise their colleagues into ingroup and outgroup members (in terms of nationality) as a result of forming multiple ingroup identities (e.g. based on their country of origin as well as their host country). Thus, the potential generational and internationalisation effects on the diversity-performance relationship are worth exploring by future research.

Another reason for not replicating the finding by Stronk's (2018) may be differences in scale reliability. For instance, in Stronk's study, Hentschel et al.'s scale of perceived diversity yielded an alarming reliability level of .58, in contrast, in the current study it produced a good level of .77. Thus, it is possible that the perceived diversity-performance correlation found by Stronks (2018) was not reflective of the actual correlation.

A refined process model

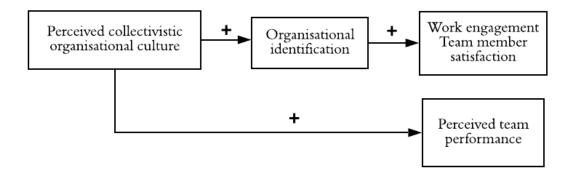


Figure 5. Process model supported by the current findings

Despite the unexpected results, this study gathered findings consistent with a process model which excluded perceived diversity. Perceived collectivism showed a significant positive relationship with perceived team performance and related outcomes, on the other hand, perceived individualism showed the opposite pattern. Upon further inspection, however, perceived individualism was excluded from further analysis because: 1) it added little value in explaining the variance in perceived team performance, work engagement and team member satisfaction relative to perceived collectivism alone, 2) it was not part of the original process model. Hence, the only finding to be considered was that high levels of perceived collectivism were related to perceptions of better team performance, increased work engagement and team member satisfaction.

Interpreting why collectivism had an overruling explanatory power over perceived diversity (and individualism), there are several potential reasons. First, in the current study, perceived collectivism showed a lower than optimal reliability level relative to the other scales ($\alpha=.62$, $\alpha=.77$ for perceived team diversity; $\alpha=.69$ for perceived individualism). It is possible that, due to low scale reliability, the 'true' collectivism-performance correlation might be lower than the one measured in this study. This explanation is consistent with the fact that the higher scale reliability for perceived team diversity and individualism resulted in lower or no correlations with performance and related outcomes. Therefore, future research should invest efforts in improving the reliability of perceived organisational culture scales along the individualism/collectivism dimensions. Some suggestions are made in the *Limitations and avenues for future research* section. Another reason for perceived collectivism showing an overwhelming influence over other constructs may be the nature of collectivism itself. A collectivist culture places value on the sharing of work objectives which is itself a key aspect of modern work. As Chatman et al., (1998) comment, the real work of an

organisation gets done through (informal) interactions and such interactions may involve collaboration on work projects which is conceptually more closely related to the values of collectivism (than the values of individualism, e.g. self-expression).

Another finding was that organisational identification showed a mediation effect on the collectivism-performance relationship, however, this was only the case for the performance-related outcomes (work engagement and team member satisfaction) and not for perceived team performance itself. In other words, organisational identification fully and partially explained the relationship between perceived collectivism and work engagement/team member satisfaction (respectively), however, it failed to explain the relationship between perceived collectivism and perceived team performance. Nevertheless, Gundach, Zivnuska & Stone (2006) propose that the relationship between collectivism and performance is mediated by team identification and team identity (in the current study the proposed mediator was organisational identification which is very close to team identification). The present findings add even more to Gundach, Zivnuska & Stone's argument by proposing that this mechanism works not only on the basis of collectivist individual traits but also on the level of perceived organisational culture (however, only for the performance correlates of work engagement and team satisfaction). On the other hand, failing to find a mediating effect of organisational identification on the collectivism-team performance relationship could be because, as a psychological construct, organisational identification is less congruent with the more behavioural construct of team performance. From this perspective, the collectivism-team performance relationship may be more complex (than the collectivism-work engagement relationship, for example) involving multiple mediating variables representing a 'switch' from the psychological to the behavioural. Therefore, future research should assess behavioural besides psychological mediators of team performance.

Lastly, another notable finding was that organisational identification was positively correlated with perceived collectivism and negatively correlated with perceived individualism. This is consistent with Chatman et al.'s (1998) finding that the salience of organisational membership is higher in the collectivistic than in the individualistic group in the organisational simulation. This supports the proposition that members of collectivistically oriented organisations tend to form more salient ingroup identities on the basis of their organisational membership and less salient ingroup identities based on their demographic social categories.

Theoretical implications

The present findings could not a confirm the existence of a (perceived) diversity-performance relationship. Theoretically, this is inconsistent with both the similarity-attraction and the social social-categorisation perspectives (which hypothesise that the diversity-performance relationship is negative, Byrne, 1971; Tajfel, 1969; Tajfel & Turner, 1979) and the information-diversity perspective (which argues that the same relationship is positive, Cox & Blake, 1991; Williams & O'Reilly, 1998). Therefore, it could not be confirmed whether homogenous teams are more effective due to their similarities on task related or non-task related attributes or the formation of in-group/out-group identities based on such attributes (Bell et al., 2011; Tajfel & Turner, 1979). In addition, it could not be confirmed whether heterogenous teams are successful because they can draw on a greater pool of different perspectives (Bell et al., 2011).

On the other hand, this study generated evidence that perceived collectivist organisational culture influences performance-related outcomes (work engagement and team member satisfaction) via organisational identification. This refined model is partially in line with Gundach, Zivnuska & Stone's (2006) theoretical framework stating that the relationship between collectivism and performance is mediated by team identification and team identity. The current findings also add to the literature on the collectivism/individualism cultural dimensions (coined by Hofstede, 1986) restating their relevance to the organisational context.

Practical implications

First, due to the variety of industries and participants assessed in this study, this study's findings have a broad practical applicability (generalisability) on a cross-national scale, thus, most organisations can benefit. Since the relationship between perceived diversity and performance was not confirmed, there are no direct implications for diversity (although it did shed light on how a 'globalised' community experiences diversity). However, the strong relationship found between a collectivist organisational culture and performance outcomes means that, for successful teams and more engaged/team-satisfied employees, both organisational leaders and managers could work towards fostering a more collectivist culture. A collectivist culture can be developed based on the collectivism scale items used in this study: rewarding team performance rather than individual performance; encouraging more collaboration than competition among employees; encouraging employees to help each other (or offering help) whenever someone faces some difficulties at work. In other words, the

aspect of employee inclusion (through collectivism) has a more powerful influence on performance than the team composition per se (i.e. making sure teams are diverse).

Limitations and avenues for future research

Before the practical and theoretical implications are considered, several limitations need to be addressed. First, the current study employed a cross-sectional, correlational design. Such a design allows for the strength of relationships between variables in the real world to be quantified, whilst remaining blind to the direction of such relationships and the effect of other variables. In other words, this study cannot confirm the direction of the collectivism-performance relationship and whether it may be influenced by another (unmeasured) variable. An example of such variable could be the culture of the country where the organisation is based, the industry in which the organisation operates (e.g. public vs private sector) as well as the type of team (e.g. sales vs management team, etc). Thus, future research could look into whether these variables interact with (perceptions of) collectivist organisational culture.

Overall, causality between (perceived) collectivism and performance and related outcomes cannot be inferred, thus the current theoretical and practical implications should be looked at with a degree of cautiousness.

In addition, as mentioned before, the reliability of the collectivism scale was somewhat concerning (α = .62) and warranted improvement. Future research endeavours should invest efforts into cross-validating an organisational culture scale assessing organisational culture along the individualism/collectivism dimension. By using the same cross-validated scale consistently, research results from different studies will be more comparable. As such a scale does not exist yet, a novel one was constructed but due to the time-limited scope, it was only validated in the context of the current study.

Lastly, another limitation is the young average age of the participants in the sample. This is indeed a weakness that has been identified as a potential reason for not confirming the diversity-performance relationship. Whilst this means that the current findings are less applicable to employees aged >30, it also opens up a new, potentially fruitful research area on the generational effects impacting the diversity-performance relationship. It could also spark further research on whether people working abroad view diversity differently from people working in their country of origin and how this affects team performance.

Conclusion

In recent decades, organisations worldwide have been paying increased attention to the demographic composition of their teams in line with increasing globalisation. However, their attempts to achieve higher diversity have not been substantiated with adequate knowledge of the effects of diversity on team performance. The scientific literature has also been inconclusive with regards to the diversity-team performance relationship. In the current research, no evidence was found for the diversity-team performance relationship. On the other hand, a collectivist organisational culture was shown to be an important factor for better team performance, higher work engagement and team member satisfaction. Therefore, organisations could invest in their employee performance and consequent organisational success by promoting employee inclusion instead of focusing on the team composition per se. This means that teams are more likely to be successful if their organisations and/or managers reward teams instead of individual employees, promote a collaborative working atmosphere and encourage mutual help amongst team members.

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Appendix 1 - Consent from

This is an invitation to take part in a short survey study. Before you decide if you wish to take part, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully.

You should participate in this study if any of the following applies to you:

- · You are currently employed by a private/public sector organisation.
- · To achieve your work objectives, you collaborate with a minimum of 2 other people.

If you participate, you agree to complete a short questionnaire regarding the perceptions you have of your workplace team and culture. The questionnaires generally do not require any sensitive information, however, if you believe some of the information to be sensitive you can rest assured that all your answers will be anonymised.

The whole survey will take around 15 min to complete.

Participation in this study is totally voluntary and you are under no obligation to take part. You are free to withdraw at any point before or during the study. All data collected will be kept confidential and used for research purposes only.

If you have any questions or concerns about this study, please contact the researcher at d.d.penkova@students.uu.nl

Researcher: Dilyana Penkova

Supervisors: Marjoka van Doorn, Wiebren Jansen

Please answer the following questions independently:

- Have you read and understood the Study description? YES/NO
- "This study has been explained to me to my satisfaction, and I agree to take part. I understand that I am free to withdraw at any time."
 YES/NO
- I give permission for my data from this study to be shared with other researchers provided that my anonymity is completely protected.
 YES/NO

Appendix 2 - Perceived organisational culture

Individualism scale

- 1. My organisation awards separate individuals for their (successful) performance.
- 2. Individuality is appreciated at my organisation.
- 3. My organisation values the expression of individual opinions.

Collectivism scale

- 1. At my organisation, credits are given for (successful) team performance.
- 2. At work, collaboration is encouraged more than competition among colleagues.
- 3. I can count on my organisation for help if I find myself in any kind of trouble at work or have work difficulties.

Appendix 3 - Perceived team performance scale

1. My team sets realistic performance objectives.

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- 2. My team completes its tasks/projects in a timely manner.
- 3. The work my team produces is high quality.
- 4. My team achieves its set objectives.
- 5. Our customers are satisfied with the service/product of our team.
- 6. My team manager is satisfied with my team's performance.

Appendix 4 – Work engagement

- 1. At work, I feel bursting with energy. (vigour)
- 2. At work, I feel strong and vigorous. (vigour)
- 3. I am enthusiastic about my job. (dedication)
- 4. My job inspires me. (dedication)
- 5. When I arrive at work in the morning, I feel like starting work. (vigour)
- 6. I feel happy when I work intensely. (absorption)
- 7. I am proud of the work that I do. (dedication)
- 8. I am immersed in my work. (absorption)
- 9. I get carried away when I am working. (absorption)