Culture matters: the influence of national culture on inclusion climate

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Received 21 November 2014
Revised 18 March 2015
22 June 2015
13 July 2015
12 August 2015
Accepted 15 August 2015

Abstract

Purpose – The purpose of this paper is to develop a conceptual model in order to increase the understanding of the influence of national culture on the relationship between organizational diversity and inclusion management and inclusion climate.

Design/methodology/approach – Based upon a comprehensive review of diversity and inclusion management literature, the authors develop a conceptual model.

Findings – The model delineates how national culture influences the effectiveness of diversity and inclusion management practices in establishing an inclusion climate. In particular, the authors propose that low power distance, high collectivism, low uncertainty avoidance, low masculinity, high long-term orientation, and high indulgence cultures serve as a fertile context for creating an inclusion climate. Furthermore, the authors discuss how cultural tightness-looseness amplifies or attenuates the effects of national culture.

Research limitations/implications – The paper extends the understanding of the antecedents and boundary conditions of creating an inclusion climate. Future research could provide empirical evidence for the proposed relationships.

Practical implications – The model creates an awareness of the ease or difficulty of establishing an inclusion climate through diversity and inclusion management practices across cultures. Recommendations for developing inclusion climates in various cultural settings are provided.

Originality/value – The multi-level model enhances the understanding of how the cultural context, i.e. national cultural values and cultural tightness-looseness, influences the emergence of an organizational inclusion climate which is further suggested to positively influence organizational innovation.

Keywords Diversity, Cultural values, Cultural tightness-looseness, Diversity and inclusion management, Inclusion climate

Paper type Conceptual paper

Introduction

Due to shifting demographics (DESTATIS, 2013; National Institute of Population and Social Security Research, 2012; US Census Bureau, 2012), diversity research has become important in both theory and practice. To fill the resulting talent gap, companies have started to increase the diversity of their workforces (Ng and Burke, 2005). While substantial research has increased our understanding of diversity management, the majority of prior research is limited to single country contexts and/or influenced by an Anglo-American perspective (for reviews see, Jonsen *et al.*, 2011; Shore *et al.*, 2009). However, prior studies have proposed that cultural context plays a pivotal role (Boehm *et al.*, 2013; DiTomaso *et al.*, 2007; Joshi and Roh, 2009), and recent research has started to investigate its influence on the adoption and effectiveness of diversity management programs, for instance, in terms of withdrawal behavior from work – absenteeism and turnover (e.g. Peretz *et al.*, 2015). Thus, we set out to develop a multi-level model of how culture, i.e. national cultural values (Hofstede, 2001) and cultural

Cross Cultural & Strategic Management
Vol. 23 No. 2, 2016
pp. 287-305

2059-5794
DOI 10.1108/CCSM-11-2014-0135

tightness-looseness (Gelfand *et al.*, 2006), influence the effectiveness of organizational diversity and inclusion management practices that have been implemented to facilitate the establishment of an organizational inclusion climate (Nishii, 2013).

Accordingly, this paper makes two major contributions to the diversity and inclusion literature. First, we take account of the effects of culture and examine how the emergence of a workplace inclusion climate hinges on national cultural values. Building upon prior studies (e.g. Klarsfeld *et al.*, 2012; Peretz *et al.*, 2015; Toh and Leonardelli, 2013), that have demonstrated national culture's influence on the organizational adoption of diversity management and, e.g. the share of female leaders (Toh and Leonardelli, 2013), we argue that national cultural values will either facilitate or constrain organizational efforts to foster inclusion climates. For instance, creating inclusion climates in high masculinity and/or power distance cultures poses a greater challenge, compared to efforts in feminine and egalitarian cultures. Further, we enhance our conceptual model and acknowledge the influence of the strength of cultural values, i.e. cultural tightness-looseness (Gelfand *et al.*, 2006), in the proposed relationship. This is important as cultural tightness-looseness is supposed to amplify or attenuate the effects of national cultural values. Adopting this comprehensive perspective on culture allows us to draw implications for the design of diversity and inclusion management practices in various cultural settings.

Second, several studies have emphasized the importance of organizational climates, e.g. diversity climates (Avery *et al.*, 2013; Chen *et al.*, 2012; McKay *et al.*, 2008, 2009) for diverse organizations and work groups. More recently, the trend in the diversity literature toward fostering full employee integration through inclusion has yielded the construct of "inclusion climate" (Guillaume *et al.*, 2014; Nishii, 2013). Inclusion climate's scope goes beyond the prior conceptualizations of diversity climate which have mainly encompassed perceptions of organizational fairness. The construct of inclusion climate captures shared employee perceptions of how strongly their organization supports fair treatment, involvement in decision making and most importantly, the social integration of all employee groups (Guillaume *et al.*, 2014). Hence, inclusion climate has been argued to have a more beneficial and profound impact than diversity climate on various individual and unit-level outcomes of diversity, e.g. less conflict, stronger work group identification, enhanced job satisfaction, higher motivation, and an increase in knowledge exchange (e.g. Guillaume *et al.*, 2014; Shore *et al.*, 2011). Extending the nascent literature on inclusion climate, we develop a conceptual model and assign the construct to the organizational level. Our model suggests that diversity and inclusion management increases inclusion climate which in turn increases organizational innovation – a key variable for enhancing and maintaining organizational success (West and Sacramento, 2006). We thus contribute to a better understanding of how diversity and inclusion management positively influence innovation (e.g. Cox, 1991). In the light of inclusion climate's great promises, our model is among the first endeavors (Guillaume *et al.*, 2014) to conceptually define its determinants, boundary conditions, and outcomes.

Inclusion and culture

The diversity literature has recently emphasized a shift from diversity management toward diversity and inclusion management (e.g. Froese *et al.*, 2015; Nishii, 2013; Oswick and Noon, 2014; Shore *et al.*, 2011). Diversity and inclusion management aims at creating an inclusion climate within the workplace. Its scope goes beyond ensuring minority rights (Guillaume *et al.*, 2014; Roberson, 2006; Shore *et al.*, 2011) by

encouraging the involvement of employees in decision making and most importantly the interpersonal integration of workers from minority and majority groups. The conceptual background relates to Cox's (1991) multicultural organization and Ely and Thomas's (2001) integration and learning perspective. Empirical evidence has supported the conceptual distinction between conventional diversity management and diversity and inclusion management (Roberson, 2006). Roberson's findings indicate that identity-conscious practices, e.g. fair treatment initiatives, relate to the concept of conventional diversity management. In contrast, practices facilitating collaborative work environments, shared commitment, or continuous collective learning, represent inclusion management practices (Roberson, 2006, p. 231). In a similar vein, we argue that inclusion climate (Guillaume *et al.*, 2014; Nishii, 2013) differs from diversity climate (e.g. McKay *et al.*, 2008, 2009).

Nishii (2013) demonstrated the beneficial effects of inclusion climate as a unit-level moderator. Accordingly, gender diverse work groups experience less conflict if their unit climate is highly inclusive. Further, inclusion climates can mitigate the adverse effects of relationship conflict on unit morale. Thus, in inclusive units, individuals do not perceive disagreement and controversy as being personally attacking. Rather, expressions of interpersonal differences are considered a source of mutual learning and development, instead of inducing hostility (Nishii, 2013). Prior research has also emphasized the importance of organizational climates, and examined diversity climates' effects (e.g. Boehm *et al.*, 2013; Gonzalez and DeNisi, 2009). For instance, McKay *et al.* (2008) analyzed the effects of unit diversity climate on the sales performance of black, Hispanic, and white employees in a large retail company. Results indicated that differences in sales performance between white employees on the one hand, and black and Hispanic employees on the other hand were smallest in stores featuring a conducive diversity climate, and largest in stores with a negative diversity climate. Another study conducted by Gonzalez and DeNisi (2009) revealed the favorable effects of a supportive diversity climate for the organizational commitment of Hispanic and black employees.

However, despite its great promises, we know little about the contextual properties that frame the evolution of an inclusion climate within the workplace. Building on earlier research (Peretz *et al.*, 2015; Toh and Leonardelli, 2013; Van der Vegt *et al.*, 2005), we argue that the cultural context influences the effectiveness of diversity and inclusion management in the establishment of an inclusion climate.

For examining cultural effects in the establishment of an inclusion climate, we apply Hofstede's (2001) national cultural value dimensions. Notwithstanding criticism (e.g. Graves, 1986; McSweeney, 2002), the work of Hofstede has received the most prominent attention in cross-cultural research (Taras *et al.*, 2010). Hofstede's conceptualization of culture is comprised of six cultural value dimensions: power distance, which describes how societies handle inequality and how strongly they accept status differences; individualism-collectivism, which characterizes the degree to which individuals are supposed to look after themselves or show high group orientation; uncertainty avoidance as the extent to which societies are comfortable or uncomfortable with unpredictable situations and try to avoid ambiguous situations; masculinity-femininity, which encompasses a society's favor for male-attributed traits like assertiveness, materialism or feminine-attributed traits such as altruism, and modesty; long-term orientation (LTO), which describes a society's orientation along future rewards, in the shape of thrift and perseverance, or the adherence to past virtues, as a sign of respect of tradition (short-term orientation (STO)); indulgence (Hofstede *et al.*, 2010), which

describes a society that allocates high value to the fulfillment of human desires, e.g. enjoying life and having fun. Its opposite pole, restraint, characterizes societies that suppress the gratification of human needs through strict social norms.

Prior research has provided support for the influence of cultural values in terms of diversity. For example, Van der Vegt *et al.* (2005) found that national level power distance moderates the relationship of a unit's functional and tenure diversity and its climate for innovation, evidencing that in low power distance countries, functional and tenure diversity are positively related to a unit's climate for innovation. Further, Ng and Burke (2004) identified a strong negative correlation between individual level power distance and favorable attitudes toward employment equity. Additionally, Peretz *et al.* (2015) found evidence that national culture influences the implementation of diversity management programs and moderates diversity management's effects on employee outcomes, e.g. turnover.

Accordingly, we develop our model to systematize the influence of culture, and propose a moderating effect of national cultural values in the relationship between diversity and inclusion management, and inclusion climate. Eventually, we suggest that inclusion climate relates positively to organizational innovation (Guillaume *et al.*, 2014; Nishii, 2013; Pless and Maak, 2004; Shore *et al.*, 2011). Further, we integrate Gelfand *et al.*'s (2006) concept of cultural tightness-looseness which depicts the strength of cultural values. In tight cultures, individual behavior and attitudes are closely aligned to the prevailing set of cultural norms. Deviance from these norms is more likely to be noticed in tight cultures and may cause adverse consequences. For instance, voicing opinions which are not in accordance with conformist views in tight cultures, e.g. regarding homosexuality, can lead to social exclusion. In contrast, loose cultures may even encourage a variance in behavior, and normative expectations are not as pronounced (Gelfand *et al.*, 2006). In addition, Taras *et al.* (2010) identified in a meta-analysis that cultural tightness-looseness functions as an important moderator in the relationship between national cultural values and individual attitudes and behaviors. In a similar vein, we argue that cultural tightness-looseness will amplify or attenuate the effects of national cultural values.

Figure 1 depicts our conceptual model. On the organizational level, diversity and inclusion management functions as a predictor for inclusion climate, which in turn affects organizational innovation. Moreover, we propose that the emergence of an inclusion climate is moderated by national cultural values. We argue that cultural tightness-looseness moderates the effects of national cultural values. In the next section, we describe the model's properties and propositions in more detail.

Diversity and inclusion management, inclusion climate, and innovation

Before we provide the details for our cultural context propositions, we will first establish the link between diversity and inclusion management, inclusion climate, and innovation as the basis of our model. Previous studies have found positive (Cox *et al.*, 1991; Watson *et al.*, 1993) and negative outcomes (Jehn *et al.*, 1999; Tsui *et al.*, 1992) (for reviews see, Joshi and Roh, 2009; Williams and O'Reilly, 1998) of organizational diversity. Thus, Milliken and Martins (1996, p. 403) consider diversity to be a "double-edged sword" as it holds the potential to enhance organizational performance but can also lead to work group members becoming dissatisfied and displaying low identification if not managed appropriately. Research produced evidence that organizational contexts, as represented in a firm's diversity climate (e.g. Richard, 2000), are pivotal for harnessing diversity's potential (e.g. Boehm *et al.*, 2013; McKay *et al.*, 2008). In a similar vein, we argue that inclusion climate functions as a crucial

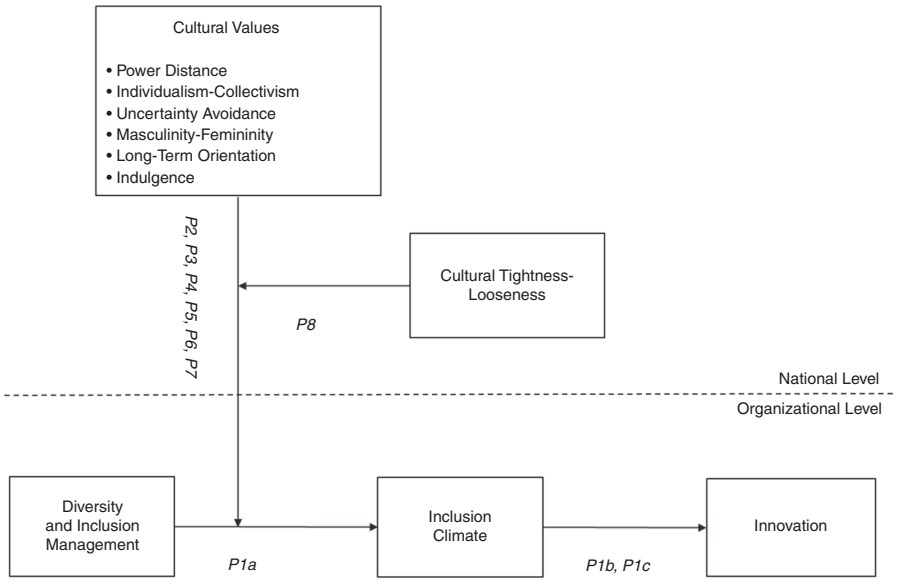

Figure 1. Conceptual model

mediating variable, which positively influences employee attitudes, behaviors and organizational level outcomes. Thus, organizations need to create an inclusion climate in order to benefit from organizational diversity. As a result, engaging in diversity and inclusion management (e.g. supporting collaborative work environments) should foster the emergence of an inclusion climate (Guillaume *et al.*, 2014; Shore *et al.*, 2011). Eventually, the creation of an inclusion climate is expected to generate desirable effects for employees, work groups, and ultimately organizations. It has been shown that recognizing diverse viewpoints, and embracing the value in differences, positively influence job satisfaction, organizational citizenship behavior, and reduce turnover intentions among employees (Acquavita *et al.*, 2009; Cho and Mor Barak, 2008; Nishii, 2013; Stamper and Masterson, 2002). In particular, we assume that an inclusion climate facilitates organizational innovation. In accordance with Guillaume *et al.* (2014), we argue that employees who work in inclusive climates are more likely to feel empowered and thus, develop stronger self-confidence and self-efficacy beliefs which can enhance their creativity and participation in decision-making processes. Another beneficial characteristic of an inclusion climate, in terms of innovation, is that the negative consequences of relationship and task conflict are significantly mitigated (Nishii, 2013). In inclusive climates, disagreements are perceived as a source of mutual learning and personal development (Nishii, 2013). Thus, individuals do not hesitate to voice their opinions and perspectives. We expect that robust debate and discussion are important for generating and adopting novel ideas and can prevent the negative consequences of groupthink. Further, research has found that supportive and collaborative work environments stimulate knowledge transfer which eventually can boost organizational innovation (Cabrera *et al.*, 2006; Swift and Virick, 2013). Therefore, we argue that inclusion climate relates positively to organizational innovation and thus, mediates the effects of diversity and inclusion management. This leads to the following propositions:

P1a. Diversity and inclusion management is positively related to inclusion climate.

P1b. Inclusion climate is positively related to innovation.

P1c. Inclusion climate mediates the effect of diversity and inclusion management on organizational innovation.

Power distance as a moderator

Power distance is the degree of acceptance for inequality in power that is prevalent inside a given cultural context (Hofstede, 2001). In low power distance cultures, subordinates expect to be involved in decision-making processes, and status symbols exert little meaning, while in high power distance cultures there is a stronger divide separating management and subordinates, and status differences are more pronounced (Koc, 2013). Therefore, social interactions in high power distance cultures tend to be strongly influenced by hierarchical relationships and status differences among diverse groups (Van Oudenhoven *et al.*, 1998). Additionally, based upon the importance of status for social hierarchy, privileged groups will insist on the status quo and reject the relinquishment of exclusive advantages. These characteristics of high power distance cultures are likely to substantiate strong and static stratification patterns, which support the discrimination of low status groups. In contrast, the effects of discrimination based upon status are expected to be less pronounced in low power distance cultures.

Consequently, we propose that in low power distance cultures, the need for equality will provide a favorable environment for diversity and inclusion management practices which will eventually foster the establishment of an inclusion climate. This is also related to the more direct exchange between different status groups (Koc, 2013) and the pronounced willingness of privileged groups to cooperate. In contrast, in high power distance cultures, cultural stratification schemes are resistant to change, and both factions – the privileged and minorities – do not perceive much purpose in striving for more power for the disadvantaged. This leads to the following proposition:

P2. Power distance moderates the relationship between diversity and inclusion management and inclusion climate: in low power distance cultures, diversity and inclusion management will have a stronger effect on inclusion climate than in high power distance cultures.

Individualism-collectivism as a moderator

An individualistic society is defined by Hofstede (2001, p. 225) as "a society in which the ties between individuals are loose" and where individuals are supposed to look after themselves. Individualism's opposite pole, collectivism, refers to a pronounced group orientation and a distinct need for harmony (Hofstede, 2001). In individualistic cultures people emphasize their own goals and independence from group structures (Cohen and Avrahami, 2006). Hence, group affiliation and moral involvement with social networks are low. Moreover, individualistic nations promote a strong sense of competitiveness among their members (Ramamoorthy *et al.*, 2005), which is related to preserving and extending privileges. Recalling the main pillars of inclusion climate, e.g. fairness and empathy for members of disadvantaged groups (Nishii, 2013; Pless and Maak, 2004), it becomes apparent that individualistic cultural contexts may not serve as a fertile ground for fostering an inclusion climate. In contrast, in collectivist cultures, individuals allocate great importance to the family and meaningful social networks such as their work group (Cohen and Avrahami, 2006). Further, individuals in collectivist cultures have a greater sensitivity for equity (Wheeler, 2002) and "have stronger moral feelings toward mutual obligations" (Ng and Burke, 2004, p. 318).

In sum, we posit that in collectivist cultures the support for persons from diverse backgrounds will be stronger than in individualistic cultures. This will result in support for organizational diversity and inclusion management in collectivist cultures. Thus, we develop the following proposition:

P3. Individualism-collectivism moderates the relationship between diversity and inclusion management and inclusion climate: in high collectivism (low individualism) cultures, diversity and inclusion management will have a stronger effect on inclusion climate than in high individualism (low collectivism) cultures.

Uncertainty avoidance as a moderator

Uncertainty avoidance is defined as "the extent to which the members of a culture feel threatened by uncertain or unknown situations" (Hofstede, 2001, p. 161). High uncertainty avoidance cultures formulate clear rules to prevent uncertain situations (Smith, 1992), while low uncertainty avoidance cultures do not endeavor to eliminate uncertainty and attach positive value to an open-ended future (Smith, 1992). We argue that this cultural preference for particular methods of dealing with uncertainty is likely to affect perceptions of diversity. For example, encountering diversity might induce uncertainty, since dissimilar others have a different background and may have diverging fundamental assumptions from the majority. This lack of familiarity is detrimental as high uncertainty avoidance cultures tend to adopt negative attitudes and are suspicious of the unknown (Hofstede, 2001). In contrast, low uncertainty avoidance cultures take an open stance toward novel situations and change processes. Supporting this, Shane (1995) found that low uncertainty avoidance cultures exhibit higher degrees of innovation. In such cultures, individuals feel empowered to question long-established processes. This attitude toward change is assumed to be conducive to an inclusion climate, considering the pillars of inclusion climate, such as challenging dominant thinking styles, norms, and behaviors (Pless and Maak, 2004). In opposition, high uncertainty avoidance cultures will resist embracing the ideas of an inclusion climate as this means breaking out from precisely formalized working procedures and a loss of structure.

Consequently, uncertainty avoidance cultures will reject transformations in established sets of rules which will result in a marginal support for diversity and inclusion management. In contrast, low uncertainty avoidance nations are open-minded and encourage new perspectives, which is pivotal for creating inclusion climates (Pless and Maak, 2004). This leads to the following proposition:

P4. Uncertainty avoidance moderates the relationship between diversity and inclusion management and inclusion climate: in low uncertainty avoidance cultures, diversity and inclusion management will have a stronger effect on inclusion climate than in high uncertainty avoidance cultures.

Masculinity-femininity as a moderator

Masculinity and its opposite pole, femininity, reflect the degree of distinction between gender roles and associated values in a cultural context. In masculine cultures, gender roles are clearly separated. While men are supposed to fulfill assertive and success-oriented roles, females are expected to be altruistic and to show sympathy for the weak (Hofstede, 2001). In contrast, feminine cultures aspire for the equity of sexes and encourage both men and women to be intuitive and empathetic (Luthar and Luthar, 2002). This cultural approval for empathy, altruism, and equity may serve as a positive influence on the emergence of an inclusion climate. As inclusion practices aim to realize

the equal treatment of formerly disadvantaged groups, there could perceivably be a strong backlash to this in masculine cultures. This is due to masculine cultures mainly sympathizing for the strong and being based upon a distinct gender role separation (Hofstede, 2001). This also implies that individuals in masculine cultures are prone to adopt a pronounced social dominance orientation (Pratto *et al.*, 1994), which refers to the wish to dominate other social groups. Refuting the assumption that this mainly relates to gender issues, Pratto *et al.* (1994) discovered that social dominance orientation correlated negatively with the support of gay rights and positively with nationalism. Supporting this, Garcia *et al.* (2009) found that masculinity was positively related to a preference for employing nationals over immigrants.

In sum, masculine cultures prefer clear and conservative distinctions between gender roles and degrade the equality of women and minorities. Thus, efforts for creating an inclusion climate will not find backup in masculine cultures. Feminine nations on the contrary, display a high value for cooperation and equity. This leads to the following proposition:

P5. Masculinity-femininity moderates the relationship between diversity and inclusion management and inclusion climate: in low masculinity (high femininity) cultures, diversity and inclusion management will have a stronger effect on inclusion climate than in high masculinity (low femininity) cultures.

LTO as a moderator

LTO "stands for the fostering of virtues oriented toward future rewards, in particular, perseverance and thrift" (Hofstede, 2001, p. 359). Its opposite pole, STO, depicts a cultural model in which virtues related to present and past traditions, and saving face are fostered. LTO cultures are considered by Hofstede (2001) as emphasizing thrift and economic development. Thus, LTO cultures are expected to favor sustainable HRM practices that will contribute to preserving economic growth and prosperity. Accordingly, Buck *et al.* (2010) in their study on international joint ventures, found that LTO cultures are inclined toward adopting long-term HRM programs. Hence, in the light of demographic change and the associated benefits of diversity, we suppose that LTO cultures perceive work force diversity as a valuable resource contributing to the advancement of society and building a competitive market position. Concerning the perceived value of minorities for ensuring economic growth, we assume that these groups are less likely to experience discrimination in LTO cultures. Moreover, Hofstede characterizes LTO cultures as endorsing different and contradictory views as being complementary, instead of incompatible. In contrast, cultures with low LTO (high STO) have a distinct need for cognitive consistency (Hofstede, 2001) and are thus, expected to avoid integrating contradictory or novel opinions. Further, STO cultures cling to traditions and long-established value systems which may cause adverse effects regarding the processes associated with an inclusion climate such as the revision and invalidation of value assumptions.

In conclusion, we propose that organizational efforts that are implemented to facilitate the emergence of an inclusion climate will find conducive conditions in LTO cultures. As LTO cultures allocate great meaning to preserving wealth and catalyzing economic development, they will support the integration of formerly disadvantaged social groups into their labor force and will attempt to leverage the beneficial effects of diversity. LTO cultures will also acknowledge and anticipate the importance of, for instance, immigrant workers for dealing with the challenges posed by demographic change.

Further, recalling the main pillars of inclusion climate, such as invalidating problematic status beliefs and creating refined interaction patterns, we assume that this can be achieved more easily in LTO cultures that do not refrain from redefining outdated value and status assumptions. In contrast, STO cultures are not future oriented and will therefore not engage in the inclusion of minorities in order to harness the prospective benefits of diversity. Additionally, traditional views and values are unlikely to undergo revision in STO cultures which is detrimental for the emergence of inclusion climates. This leads to the following proposition:

P6. LTO moderates the relationship between diversity and inclusion management and inclusion climate: in high LTO (low STO) cultures, diversity and inclusion management will have a stronger effect on inclusion climate than in low LTO (high STO) cultures.

Indulgence as a moderator

The latest addition to Hofstede's culture framework is the dimension of indulgence (Hofstede *et al.*, 2010). Indulgence is defined as "a tendency to allow for free gratification of basic and natural human desires related to enjoying life and having fun" (Hofstede *et al.*, 2010, p. 281). Its opposite pole, restraint, stands for a culture employing strict norms in order to regulate and restrict the gratification of human needs. For example, indulgence countries encompass Sweden, or the Netherlands, whereas China or Italy are restrained nations. In indulgence cultures, individuals tend to be extroverted and broad-minded (Hofstede *et al.*, 2010). Such personality traits have been shown to relate positively to diversity attitudes (e.g. Sawyerr *et al.*, 2005; Strauss and Connerley, 2003). Indulgent cultures are also suggested to display a general state of optimism which we expect to be pivotal in terms of the changes induced by organizational efforts to facilitate inclusion. An even more important feature of indulgent cultures is that gender role conceptions are only loosely prescribed, and heteronormative imperatives are comparably weak. Lastly, freedom of speech is considered a valuable societal property. On the contrary, restrained cultures articulate clear gender role constructions and sexual norms have to be adhered to. Moreover, there is little approval for foreign influences, for example, from movies or music. Regarding personality traits, individuals in restrained cultures are more likely to be neurotic, which has been shown to be negatively related to attitudes toward immigrants (Gallego and Pardos-Prado, 2013).

In sum, we expect that indulgent cultures serve as a fertile ground for implementing diversity and inclusion management practices and creating an inclusion climate. Accordingly, organizations in indulgent cultures are more likely to embrace the key pillars of an inclusion climate, such as cooperation and valuing differences, due to their pronounced open-mindedness. Further, traditional gender role expectations are of little relevance, which is conducive to genuine equality between females and males. Lastly, we assume that involvement in decision making is particularly strong in indulgent cultures that encourage the expression of opinions and ideas. On the contrary, a cultural value orientation of strong restraint will negatively affect organizational inclusion climate as organizations are skeptical of foreign influences, and prefer established gender roles. This leads to the following proposition:

P7. Indulgence moderates the relationship between diversity and inclusion management and inclusion climate: in high indulgence (low restraint) cultures, diversity and inclusion management will have a stronger effect on inclusion climate than in low indulgence (high restraint) cultures.

The moderating effect of cultural tightness-looseness

According to Triandis (1989), cultural tightness-looseness is important for explaining variation between cultures. Having emerged initially through the work of the Finnish anthropologist Pertti Pelto (1968), who examined traditional communities and concluded that societies differ in the pervasiveness of, and adherence to social norms, the construct of cultural tightness-looseness has only recently been investigated systematically (Gelfand *et al.*, 2006, 2011; Gelfand, 2012; Harrington and Gelfand, 2014; Taras *et al.*, 2010). It is defined as "the strength of social norms, […] and the strength of sanctioning, or how much tolerance there is for deviance from norms within societies" (Gelfand *et al.*, 2006, p. 1226). Within tight cultures, values exert strong pervasiveness and are strictly adhered to, whereas loose cultures show high tolerance for variance in behavior and rules are less pronounced (Gelfand *et al.*, 2006). In a first attempt to assign countries to their respective position on the continuum of cultural tightness-looseness, Gelfand *et al.* (2011) gathered data for 33 nations and found significant variations. They identified, e.g. Hungary, Estonia, and the Netherlands as being culturally loose, whereas Pakistan, Malaysia, and South Korea were found to be tight cultures.

A central agent in conveying cultural expectations of tight or loose norm adherence are sociocultural institutions, e.g. families, education systems, media, legislation, and associated mechanisms that communicate which behavioral patterns are favored or disfavored in a given social context (Gelfand *et al.*, 2006). Thus, the process of socialization is substantial and accordingly research differentiates between narrow or broad socialization (Jensen-Arnett, 1995). In tight cultures, parents closely monitor their children's behavior and demand compliance with rules, whereas in loose societies parents are more lenient with their children and allow greater latitude (Gelfand *et al.*, 2006). In a similar vein, media networks in tight cultures face stronger censorship and political control, whereas in loose cultures there is stronger freedom of press, and media content is more diverse. In addition, there is a greater adherence to laws in tight cultures, as punishment will be strict, e.g. rigorous sanctions for spitting on the pavement or jaywalking in Singapore (Toh and Leonardelli, 2013).

The prominence of social norms in tight cultures thus results in strong self-guides and distinct self-monitoring that warrant adherence and compliance with normative (sociocultural) expectations (Gelfand *et al.*, 2006). As a result, individuals do not solely monitor their own behavior but also pay increased attention to others' actions. Thus, variation in behaviors and attitudes across different situations are in general estimated to be low in tight, and higher in loose cultures (Gelfand *et al.*, 2006; Triandis, 1989). For example, Realo *et al.* (2015) examined differences in situational constraint between an Estonian (loose culture) and Greek (tight culture) sample. Interestingly, they found in both samples that situational constraint, albeit in varying degrees (even more pronounced in Greece), was extraordinarily strong in organizational contexts such as job interviews or the work place. This suggests a distinct tendency for the effects of cultural tightness to be particularly salient in organizational or institutional contexts that involve patterns of stratification and hierarchies.

Based upon the delineated effects of cultural tightness-looseness and the variation of situational and behavioral constraint, we expect that individuals in tight cultures will arrange their behaviors more closely and in accordance with prevalent cultural values. In contrast, in loose cultures, there is greater latitude for variance in behavior and individuals can draw from a broader set of accepted behaviors, which attenuates the importance and guide of cultural values. Thus, cultural strength is more pronounced in

tight cultures (Gelfand *et al.*, 2006). This suggestion has also been supported by meta-analytic research (Taras *et al.*, 2010) and leads to the following proposition:

P8. Cultural tightness amplifies the moderating effect of national cultural values on the relation between diversity and inclusion management, and inclusion climate: in cultures characterized as tight, national cultural values' moderation effect will be stronger than in cultures characterized as loose.

Discussion

Throwing light on the boundary conditions of inclusion climate, we contribute to the diversity and inclusion literature by examining the influence of cultural context. In our model we proposed that the effectiveness of diversity and inclusion management in terms of the emergence of an inclusion climate is strongly influenced by prevalent national cultural values and the strength of cultural values, i.e. cultural tightness-looseness. Further, we highlighted that inclusion climate functions as a vital mediator in the relationship of diversity and inclusion management, and organizational innovation. Hence, we show that an inclusion climate is important for organizations to consider as it holds the key for leveraging the benefits of diversity.

Theoretical implications

First, taking the current debate in diversity research into account (e.g. Boehm *et al.*, 2013; Joshi and Roh, 2009), we considered the impact of cultural properties for organizational diversity research. According to our theoretical model, the emergence of an inclusion climate is closely interwoven with national cultural values. Hence, the basic pillars of an inclusion climate, i.e. equal treatment, integration of differences, and involvement of all groups in decision making (Nishii, 2013), will be influenced by general cultural assumptions, which are captured in cultural values. Extending research on the influence of culture in the area of diversity (Ng and Burke, 2004; Van der Vegt *et al.*, 2005), we showed that all of Hofstede's cultural value dimensions are important. In short, we propose that cultural values of low power distance, high collectivism, low uncertainty avoidance, low masculinity, high LTO, and high indulgence serve as a conducive context to effectively implement diversity and inclusion management practices and create inclusion climates.

Further, the integration of cultural tightness-looseness into our model has extended our understanding of the dynamics at play. As the model delineates the influence of national cultural values on inclusion climate, we proposed that this is further moderated by cultural value strength, i.e. cultural tightness-looseness. Building upon Taras *et al.* (2010), we suppose that in tight cultures the effect of cultural values will be more pronounced than in loose cultures. Extending Toh and Leonardelli's (2013) findings, we propose that tightness-looseness also influences the establishment of an inclusion climate. In tight cultures, behavioral and attitudinal orientation are closely aligned to the dominating norms, and individuals rarely deviate from these normative guides (Gelfand *et al.*, 2006) This characteristic of tight cultures is expected to be beneficial in terms of inclusion climate when cultures, for example, prefer flat hierarchical ordering (low power distance) or approach the unfamiliar with an open mind (low uncertainty avoidance). Disadvantageous effects are assumed when cultures are tight and, for instance, highly masculine or individualistic. In these constellations, the proposed adverse effects of cultural values will be amplified as the normative imperative on behavior is pronounced and deviance in behavior is unlikely. This implies that in particular, in tight cultures with

adverse cultural values, great efforts to manage diversity and inclusion have to be invested, for instance regarding sensitization and awareness raising, when attempting to create inclusion climates. For loose cultures the impact of the cultural context is still existent and should not be underestimated. However, it can be presumed that in these settings, cultural values take on a subordinate role and that individual convictions and views exert a stronger influence on the endorsement of diversity and inclusion management practices.

Second, in contrast to prior studies investigating the effects of diversity-related climates on the workgroup-level (Guillaume *et al.*, 2014; McKay *et al.*, 2009), we were among the first to examine the novel construct of inclusion climate and applied it at the organizational level. Building on Nishii's (2013) work, we proposed that inclusion climate is an important mediating variable for leveraging the benefits of diversity. Thus, with the increase of diversity in organizations, firms should invest greater efforts in fostering inclusion climates. We argue that diversity and inclusion management practices that aim to facilitate collaborative work environments, collective conflict resolution processes, or participatory work systems (Roberson, 2006) can be conducive to an inclusion climate. Only if organizations succeed in creating an inclusion climate that includes fair treatment, positive diversity mind-sets and the valuing of all employee groups, can they benefit from diversity. Accordingly, within an inclusive climate, employees feel empowered which can result in stable assumptions of self-efficacy and an increase in creativity and participation in decision-making processes. Further, an inclusion climate provides a supportive and cooperative work environment, which is expected to boost knowledge exchange, and eventually innovation. Hence, we highlighted the importance of an inclusion climate with regards to harnessing the creative potential within a diverse work force.

Practical implications

This conceptual paper also has implications for diversity and inclusion management practice: diversity officers should not consider their organization as a self-contained entity that is left relatively unaffected by its cultural context. Exogenous forces as delineated in this paper's model play an important role for organizational diversity and inclusion management. Therefore, practitioners need to be aware of the dominating cultural values in their respective settings in order to successfully create inclusion climates. Different cultural settings may require different programs for facilitating an inclusion climate, and eventually for rendering the advantages of a diverse work force.

In high power distance cultures, the compliance of superiors is particularly important since subordinates closely adjust their behavior to managerial expectations. For instance, Nishii and Mayer (2009) found evidence that an inclusive leadership style may support the emergence of an inclusion climate in organizations. This is also important in terms of invalidating stereotypes. If members of previously advantaged groups perceive that their supervisors treat everyone equally, this can boost the integration of formerly discriminated groups and may aid in supporting their overall acceptance (Guillaume *et al.*, 2014; Nishii, 2013). Also in high uncertainty avoidance cultures, senior managers should clearly communicate the intended steps (Hofstede, 2001) in this important process of organizational change. Providing an agenda, including milestones and expected behaviors, for creating a stronger inclusion climate may help in reducing fears and elicit employee compliance. Further, employees may attend seminars in getting to know the customs and perspectives, and ways of communication of other social groups and thus, learn how to manage ambiguous

situations. In individualistic cultures, employees of formerly advantaged groups need to learn that an inclusion climate does not provide certain groups with unfair advantages, but fosters an egalitarian environment. Training that promotes the emergence of a strong team morale may prove useful in achieving these aims. In masculine and restraint cultures, outdated gender role models should be addressed. This can for instance be realized by assigning individuals into mixed team structures. Cooperation in those team constellations is expected to have a beneficial effect in terms of fighting female/male gender roles and the problematic assumption of inferior/superior capabilities. Additionally, training in masculine cultures should also encompass raising awareness on the social mechanisms that shape and convey gender roles (Dolan and Kawamura, 2015). In the context of LTO cultures, attention should be directed at the challenges of the future such as coping with the development of demographic change. Changing cognitive patterns that categorize migrants and other minorities as burdens on the shoulders of society should be addressed and replaced through emphasizing their great value for ensuring future economic competitiveness, high living standards and prosperity (Ng and Metz, 2014).

Furthermore, the degree of cultural tightness-looseness may serve as an indicator for the pervasiveness of prevailing norms and values and of the needed effort to implement inclusion climates successfully. For instance, due to the strong influence of cultural values in tight cultures, practitioners will face a more complex challenge to foster inclusion if the cultural value outline is debilitating. Nonetheless, they can also make use of the strong adherence to norms and regulations shown by members of tight cultures. Thus, Toh and Leonardelli (2013) recommend organizations in tight cultures to install quotas, e.g. for female representation in executive positions, as individuals will show higher responsiveness and compliance to changes that are imposed by authorities. In contrast, an increased organizational integration and higher representation in leadership positions of social minorities is more likely to occur through providing role models in loose cultures (Toh and Leonardelli, 2013). Thus, successful and high exposure minority executives can redefine outdated views that only members of social majorities, e.g. white males, are qualified and hence, granted opportunities to engage in executive positions. This is further expected to change minorities' overall self-perceptions and to demonstrate that they can be successful and respected leaders in the business world.

Limitations and future avenues for research

There are some limitations to the conceptual model introduced in this paper. First, using Hofstede's culture framework has been criticized in the past for its sole foundation on data surveyed from one company (Graves, 1986), or a Western bias. Another critique directed at Hofstede's measurement of culture is that it is too simplistic and does not do justice to the complexities of culture. For instance, Hofstede considers cultural values as distinct dimensions and thus, neglects the possibility of interrelations and dynamics that are likely to occur between different dimensions of culture (McSweeney, 2002). Further, we have to acknowledge the existence of within-country-variance (Triandis *et al.*, 1988; Wheeler, 2002) which implies that individual and organizational cultural orientations (Schneider *et al.*, 2013) may deviate from national culture. Future studies may integrate dimensions of organizational culture into their examination. In the context of inclusion climate, we assume that in particular Hofstede *et al.*'s (1990) organizational culture dimensions, e.g. process vs results-orientation, or employee vs job-orientation are a good starting point. Despite these

limitations, there is an overall consensus that national culture impacts organizational and individual value assumptions and thus, is an appropriate moderator for organizational and individual level variables (Hofstede, 2001; Schneider *et al.*, 2013). Moreover, a great part of Hofstede's findings have been confirmed (Sondergaard, 1994). Building on the vast international business literature (e.g. Kessapidou and Varsakelis, 2003; Migliore, 2011; Van der Vegt *et al.*, 2005; Zhang and Begley, 2011), we argue that Hofstede's work captures the salient differences between cultures and is a valuable framework for diversity and inclusion management.

Second, the model focusses on the prediction of inclusion climate based upon dimensions of culture. It is likely that other (societal) factors (Guillaume *et al.*, 2014), e.g. the national degree of industrialization, the legal, political and technological environment (PESTLE), or the organizational level of internationalization may play an important role. Based upon our model, which systematically considers the influence of national culture, future research may achieve further conceptual enhancement through integrating socio-economic variables.

Future research could also engage in empirically testing the proposed model. This process could encompass conducting multiple country comparisons. Due to divergent cultural value outlines, the quality of inclusion climate is likely to differ among cultures leading to disparities in their ability to leverage the benefits of diversity. A country comparison consisting, for example, of the big three, Japan, the USA, and Germany is expected to be an intriguing starting point for the relationship between national culture and inclusion climate, as these countries share very different cultural value assumptions and different approaches to managing their employees (Pudelko, 2006). In a next step, a multi-level analysis of organizations nested in more than 30 countries could provide evidence of our proposed model.

Lastly, the model provides a theoretical framework for establishing culture-specific diversity and inclusion management programs that support creating an inclusion climate in distinct cultural environments. Future research could embrace longitudinal studies that evaluate which diversity and inclusion practices render most promising for the purpose of establishing inclusion climates within a given cultural context. This is not only of value to diversity and inclusion research, but also for organizations and practitioners alike.

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