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Cultural diversity in organizations: Enhancing identification by valuing differences

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Abstract

The present research investigated the role of perceived similarity in cultural values (associated with diversity in cultural backgrounds) and an intercultural group climate in predicting identification with both the organization and the work team. The relevance of perceived similarity in cultural values for identification was shown in a questionnaire study among 124 employees from various organizations (Study 1). Study 2 among 75 employees from a diverse organization showed that perceived similarity in cultural values is positively related to identification with workgroups. In this vein, cultural diversity can hinder identification. Therefore, we focused on an intercultural group climate, in which cultural diversity is perceived as positive, as an alternative way to ensure employees' identification in diverse work groups. Results confirmed that employees report high levels of identification with both the organization and the work team, when the intercultural group climate is strong. In addition, when an intercultural group climate is strong, employees still report high levels of identification with the organization *despite* low perceived similarity in cultural values.

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Keywords: Cultural diversity; Identification with organization; Identification with work team; Similarity cultural values; Intercultural group climate

1. Introduction

Organizational processes change strikingly as a result of increased cultural diversity: diversity in employees' ethnic backgrounds. Diversity may have advantages, such as a higher potential for innovation, but also introduces problems (see Milliken & Martins, 1996 for an overview). One problem is that employees lack the feeling of being part of their work group (identification). The present study aims to provide insight in the role of perceived similarity in promoting identification. In particular, we will focus on the relation between identification and an intercultural group climate, in which differences are valued. We propose that such a climate can enhance identification in diverse work groups, despite mutual differences.

Identification implies a feeling of being part of the group (Tajfel & Turner, 1979). If employees identify with the organization they are inclined to put effort in the direction of organizational goals. This is nicely clarified by Dutton, Dukerich and Harquail (1994): "Organizational identification aligns individual interests and behaviors with interest and behaviors that benefit the organization. It means exertion on behalf of the organization is also exertion on behalf of the self" (p. 256). In organizations, identification has important consequences for employees. Identification with the

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work group has frequently been mentioned as a strong predictor of job satisfaction and lower turnover rates (e.g. Abrams, Ando, & Hinkle, 1998; see Dutton et al., 1994 for an overview).

According to Social Identity Theory (Tajfel & Turner, 1979) and Self-Categorization Theory (Turner, Hogg, Oakes, Reicker, & Wetherell, 1987), people particularly identify with a group when they perceive to have similar characteristics as their fellow group members. In culturally homogeneous groups, members perceive similarity in cultural background, whereas in culturally diverse groups, members do not perceive this similarity. Therefore, identification with a culturally diverse group is often lower than identification with a culturally homogeneous group (Chattopadhyay, Tluchowska, & George, 2004; O'Reilly, Caldwell, & Barnett, 1989; Tsui, Egan, & O'Reilly, 1992). Although identification with diverse work groups is lower than identification with homogeneous work groups, we propose that identification remains a central element for employees' functioning in these groups. Enhancing identification might help to solve the lower job satisfaction and higher turnover rates that are often associated with a diverse work context (see Milliken & Martins, 1996 for an overview).

In the present study we try to find evidence for an alternative way of enhancing identification under the difficult condition that a diverse work context poses. First, we elaborate on the effects of similarity on identification. Lower perceived similarity with colleagues is expected to relate to lower identification with the group. Second, we focus on an intercultural group climate as an alternative way to enhance employees' identification with the work group. Finally, as previous research focuses on identification with the organization and the work team, both work group identities are included in the present study, although we expect the same processes at both levels.

1.1. Similarity in cultural values

A culturally diverse organization encompasses different cultural backgrounds. By definition, this is the main source of dissimilarity that employees perceive in a culturally diverse organization as compared to a homogeneous organization. Because cultural backgrounds are mainly characterized by their values (Hofstede, 1999), the assumption of the present study is that the basis of dissimilarity lies in dissimilar cultural values. It can therefore be expected that a wider range of cultural values exist in culturally diverse work groups, than in culturally homogeneous work groups. We expect that differences in cultural values become salient in culturally diverse work groups and we assume that lower perceived similarity must have important consequences for employees' identification with diverse work groups. Cultural values are important, because they have developed *within* cultures to give meaning to existential questions, and to handle problems in regulating human behavior (Schwartz, 2002). These cultural values are deeply engrained in the self-concepts of employees and have a strong impact on their behaviors in general.

The importance of perceived similarity in values in a work context is confirmed in a study by Meglino, Ravlin and Adkins (1989). Their research shows that similarity in values between employees and their supervisors is related to higher work satisfaction and commitment. In the present study the value list of Schwartz (2002) is used, because it encompasses basic values with equal meaning across cultural groups (Schwartz, 1992) and its applicability for organizational contexts has been shown by earlier studies (e.g. Fischer et al., 2007; Glazer, Daniel & Short, 2004). In line with earlier findings on the importance of similarity in values for the work context (Meglino et al., 1989), the first main prediction of the present study is that, in a diverse work group, similarity in values with fellow colleagues corresponds to higher levels of identification with work groups (*Hypothesis 1*).

The assumption that perceived similarity is an important criterion for identification with the work group implies that, in principle, diverse work groups struggle with lower identification levels of their members than homogeneous work groups. Therefore, finding an alternative way of enhancing identification is important. In our opinion, implementing an intercultural group climate (Harquail & Cox, 1993) is one such alternative.

1.2. Intercultural group climate

In general, Self-Categorization Theory (Turner et al., 1987) poses that identification is enhanced by the perception of shared characteristics. Most often, shared characteristics are perceived similarities. Interestingly however, recent research suggests that the characteristic people perceive to share with group members, might also be the fact that they are different (Rink, 2005; Van Knippenberg & Haslam, 2003; Waldzus, Mummendey, Wenzel, & Weber, 2003). Van Knippenberg and Haslam (2003, p. 69) mention in this respect the relevance of "group members' belief that diversity, rather than homogeneity, contributes to the "groupyness" of their group".

Applying this theoretical view to culturally diverse work groups, we argue that when employees value the diversity in their work group, lack of perceived similarity in values does not necessarily lead to lower identification levels. Harquail and Cox (1993) provide a useful definition of cultural context dimensions that we will refer to as an *intercultural group climate*, that also reflect this value in diversity. Harquail and Cox (1993) argue that culturally different employees feel more included in their organization when diversity is a valued characteristic of the group. Instead of being perceived as problematic, diversity is perceived as an advantage for the organization, ambiguities are tolerated, and there are few prescriptions for behavior. Combining their argument with the ideas based on Self-Categorization Theory, we propose that both minority and majority employees will feel more included in, and will identify more with a diverse work group, if this diversity is both valued and perceived as characteristic of their work group. Based on this reasoning, the second main prediction of the present study is that an intercultural group climate contributes to identification with work groups (*Hypothesis 2*).

The assumption is that both perceived similarity in values and an intercultural group climate contribute to identification. In addition, we expect that an intercultural group climate is an alternative way of enhancing identification, especially needed when perceived similarity in values is low. Our final hypothesis therefore is that the positive effect of perceived similarity in values on identification with the work group is lower or non-existent when an intercultural group climate is strong, rather than weak. In other words, we expect an intercultural group climate to moderate the relation between perceived similarity in values and identification with work groups (*Hypothesis 3*).

The relevance of perceived similarity in cultural values has never been measured with the extensive list of Schwartz (2002). In addition, the relations between cultural diversity, perceived similarity in cultural values and identification has never been tested like this before. Therefore, in the first study we tested the assumed relation between cultural background and perceived similarity in cultural values. In order to test this, we distinguished the Dutch cultural background from other cultural backgrounds, because in many Dutch organizations, the (often limited) cultural diversity mainly encompasses the difference between only having a Dutch and (also) having a non-Dutch cultural background. Employees in Dutch organizations who only have a Dutch cultural background are defined as ‘majority member employees’ in the present study. Employees in Dutch organizations that have a non-Dutch cultural background, whether or not combined with the Dutch cultural background, are defined as ‘minority member employees’. Minority member employees have less people of their own cultural background in their team than majority member employees. Therefore, we assume that minority member employees report less similarity in values than majority member employees.

We also tested the relation between similarity in values and identification. Then, in the second study, we investigated the role of an intercultural group climate as a way of enhancing identification with diverse work groups. As far as we are aware, our study is the first to test the effects of perceived similarity in cultural values (Schwartz, 2002) and an intercultural group climate in a real life setting.

2. Study 1

2.1. Method

2.1.1. Participants and procedure

In order to study some of the effects of cultural diversity, we randomly distributed questionnaires at a public place in The Netherlands, known for its culturally diverse population (Amsterdam Central Station). In total, 124 participants that were currently employed, completed the questionnaire and returned it by post. Fifty-six participants were men, 62 were women and two participants did not provide information about their gender. Participants’ mean age was 36 (SD = 12.7). All questionnaires were in Dutch.

To assess participants’ *Cultural Background*, we asked them whether their background was Dutch or also encompassing a non-Dutch cultural background. We explained to participants that they had a non-Dutch cultural background when they, or (one of) their parents were born in another country than The Netherlands. In this way, minority member employees were both first and second generation immigrants. Thirty-one minority member employees participated in the present study. Cultural backgrounds included the Surinamese, Indian, Dutch Antillean and Spanish background. In total, 14 different minority backgrounds were represented in our sample. Eighty-nine people solely had a Dutch background and were categorized as majority member employees. Four people did not answer the question and were excluded from further data analysis.

Perceived similarity in cultural values was measured by using a slightly adapted version of Schwartz's (2002) values list. Instead of just once, participants indicated the importance of 57 values twice. They estimated the importance of the values both for themselves, and for their colleagues. Examples of such values are 'equality', 'loyalty', 'true friendship', 'independence'. To prevent order effects, we changed the order in which values were presented in half of the questionnaires. Participants answered on a six-point scale ranging from 0 (unimportant) to 5 (of utmost importance). We computed a mean absolute difference score between the ratings of own importance and the ratings of perceived importance of the cultural values of colleagues. This mean absolute difference score was computed by adding all the difference scores and dividing those by the total amount of values. We reversed the scores (by subtracting them from 5, the maximal difference) such that high scores indicated high perceived similarity in values.

As participants were recruited on the street and working in various organizations, the structures of participants' organizations differed. It could be expected that not all employees could define their work team, i.e. a work group that people work in on a daily basis. However, all employees must have some direct colleagues. The scale for *Identification with the work team* was therefore assessed by asking participants how much they identified with their colleagues. *Identification with the work team* consisted of four items, adapted from Boen and Vanbeselaere (2000) and from 'the affective commitment scale' by Allen and Meyer (1990). An example is 'I am proud to work with my colleagues'. Participants answered on a five-point scale ranging from 1 (totally disagree) to 5 (totally agree). Internal consistency was high ($\alpha = .89$).

Identification with cultural background consisted of the same four items, but referred to the cultural background instead of the work team. Participants were asked to fill in their cultural background on the blanks left in the items, and then answer the questions, for example: 'I feel very connected to the _____ community'. Seventeen participants did not understand this task: they did not respond to the item, or they filled in different words in all blanks. Their scores were excluded as missing values on this scale. Internal consistency of this scale was good ($\alpha = .78$).

2.2. Results and discussion

See Table 1 for the results. No significant differences were found between minority and majority member employees in their levels of identification with their cultural background, $M_{\text{minority}} = 3.34$, $M_{\text{majority}} = 3.06$, $F(1, 101) = 2.38$, $p = .126$, $\eta^2 = .02$, nor did cultural identification relate to perceived similarity in values or to identification with the work team. The assumption that cultural background was related to perceived similarity in values was confirmed, although differences were marginally significant. Minority member employees perceived less similarity in values than majority member employees, $M_{\text{minority}} = 3.89$, $M_{\text{majority}} = 4.07$, $F(1, 116) = 3.00$, $p = .086$, $\eta^2 = .03$. In addition, results showed that perceived similarity in cultural values was positively related to identification with the work team, $r = .26$, $p = .006$,¹ thereby supporting *Hypothesis 1*. Furthermore, cultural background was significantly related to identification with the work team, with minority member employees indicating lower levels of identification than majority member employees, $M_{\text{minority}} = 2.76$, $M_{\text{majority}} = 3.13$, $F(1, 118) = 3.97$, $p = .049$, $\eta^2 = .03$.

In additional analysis we checked for the implied mediation by similarity in values in the relation between cultural background and identification with the work team. The direct effect of cultural background on identification with the work team was significant ($b = .38$, $p = .049$), and the indirect effect, controlling for similarity in values, was not ($b = .29$, $p = .13$), which suggested mediation. For mediation to occur, there has to be a significant relation between cultural background (the predictor) and similarity in values (the assumed mediator, see Baron & Kenny, 1986). However, in our study, this effect was only marginally significant (see Table 1) and, probably as a result, the Sobel test statistic (Preacher & Leonardelli, 2001) did not confirm mediation (1.45, $p = .15$).

To conclude, this first study gives moderate support for our assumption that minority member employees perceive lower similarity in cultural values than majority member employees. In addition, results confirm our hypothesis that perceived similarity in cultural values is related to identification. Furthermore, minority member employees have more trouble identifying with their work team than majority member employees. This first study thereby largely supports our assumptions.

¹ For minority member employees, this correlation was .21, but non-significant because $N = 30$, for majority member employees, this correlation was of comparable strength and significant, namely .25.

Table 1
Overview of results from Study 1

	Overall		Minority, N = 31		Majority, N = 89		Correlations		
	M	S.D.	M	S.D.	M	S.D.	1	2	3
1. Cultural background (1 = minority, 2 = majority)									
2. Perceived similarity in values	4.03	.50	3.89	.58	4.07	.47	.16 ⁺		
3. Identification with the work team	3.03	.91	2.76	.89	3.13	.91	.18 [*]	.26 ^{**}	
4. Identification with cultural background	3.06	.91	3.34	.98	3.06	.75	-.15	-.01	.03

⁺ $p = .086$.

^{*} $p < .05$.

^{**} $p < .01$.

In our second study, which we conducted in a diverse organization in the Netherlands, we further elaborated on these findings. We wanted to test our hypothesis that low perceived similarity in values is less important for identification when a strong intercultural group climate is present.

3. Study 2

3.1. Method

3.1.1. Participants and procedure

Participants of this study were employees of a large Dutch employment agency. The sample of participants was representative of the organization, except that we tried to reach as many minority member employees as possible. Questionnaires were mailed to the participants, who completed them at home. As in Study 1, all questionnaires were in Dutch. Participation was voluntary for all employees and confidentiality of responses was assured. We received 171 questionnaires, a response rate of 45%. However, as our research focuses on cultural diversity in organizations, a necessary precondition was that employees work in a diverse work team. Sixty-one employees reported having minority member colleagues, and 33 employees reported being a minority member employee. Of those minority member employees, 33% were first generation immigrants, 67% were second generation immigrants. They came from 20 different countries, for instance Indonesia, Suriname, Poland, Germany, former Yugoslavia and Turkey. Because some employees were both minority member and had minority member colleagues, our final study sample consisted of 75 employees.² The average age of participants was 31.6 years (S.D. = 7.45), the average organizational tenure was 3.79 years (S.D. = 3.14) and average team tenure was 2.12 years (S.D. = 2.04). Seven participants were male, 68 were female. Most participants reported having intermediate vocational education (24%), higher vocational education (48%) or a university degree (19%), indicating a high educational level in this sample.

3.1.2. Measures

Identification was measured on two levels: identification with the organization and identification with the work team. *Identification with the organization* consisted of the same four items as used in Study 1, but referred to the organization, for example ‘I am proud to work for [name of organization]’. Participants answered on a five-point scale ranging from 1 (totally disagree) to 5 (totally agree). Internal consistency was very high ($\alpha = .92$). *Identification with the work team* consisted of the same four items as identification with organization, but referred to the work team instead of the organization. In this particular organization, the work team is represented by the “branch office” that people work in with colleagues on a daily basis. Internal consistency of this scale was high ($\alpha = .89$).

Perceived similarity in cultural values was measured as in Study 1.

² The 75 participants that were included in the present study reported 54 different teams. This implies that there are few employees that report working at the same place: this need not imply that they actually worked together, as more branches existed in those places, but were not specified. Therefore, we assume that dependency in the data is minimal and we analysed the data on an individual level. However, we did analyse the data also for $N = 54$ (i.e. the cases where independence of measurements was guaranteed), and results are comparable.

The scale for *Intercultural group climate* was measured with a scale consisting of six items ($\alpha = .84$), generated by Kruijthof (2001). An example is ‘In our team, we value differences in cultural backgrounds among employees’. Participants answered on a five-point scale ranging from 1 (totally disagree) to 5 (totally agree). See Appendix A for an overview of the items.

Identification with cultural background was measured with the same four items as earlier identification measures, but referred to the cultural background instead, for example ‘I am proud of my cultural background’. Internal consistency was very high ($\alpha = .93$).

3.2. Results

Table 2 summarizes the means, standard deviations and correlations for the relevant constructs. As in Study 1, no significant differences were found between minority and majority member employees in their levels of identification with their cultural background, $M_{\text{minority}} = 3.39$, $M_{\text{majority}} = 3.70$, $F(1, 72) = 1.65$, $p = .20$, $\eta^2 = .02$, nor did cultural identification relate to perceived similarity in values or to identification with the work group. Cultural background was significantly related to perceived similarity in values. Minority member employees perceived less similarity in values than majority member employees, $M_{\text{minority}} = 3.92$, $M_{\text{majority}} = 4.22$, $F(1, 73) = 9.41$, $p = .003$, $\eta^2 = .11$, as well as a weaker intercultural group climate, $M_{\text{minority}} = 3.13$, $M_{\text{majority}} = 3.58$, $F(1, 71) = 6.50$, $p = .013$, $\eta^2 = .08$. On average, identification with the organization was high ($M = 3.68$, S.D. = .89), and in contrast to Study 1, cultural background was no longer significantly related to identification with the work team, nor with the organization.³ Also noteworthy is the correlation between similarity in values and an intercultural group climate ($r = .37$, $p < .01$).

We expected that identification with the work group would be stronger when employees perceive more similarity in values (Hypothesis 1) and when employees perceive a strong intercultural group climate (Hypothesis 2). Moreover, we expected an interaction between perceived similarity in values and an intercultural group climate (Hypothesis 3). These hypotheses were first tested for *identification with the organization*. We conducted a hierarchical regression analyses with identification with the organization as dependent variable. The independent variables were standardized in order to prevent multicollinearity (Aiken & West, 1991). In the first step of the regression, the main effects of perceived similarity in values and an intercultural group climate were tested. No main effect of perceived similarity in cultural values was found ($b = .15$, $p = .125$). Intercultural group climate predicted identification with the organization significantly ($b = .36$, $p < .001$). In the second step we entered the interaction term, which was significant ($b = -.18$, $t = -2.31$, $p = .024$). We interpreted this interaction term by means of simple slope analyses, pictured in Fig. 1. It can

Table 2
Overview of results from Study 2 (employees in diverse teams)

	Overall		Minority, $N_1 = 33$		Majority, $N_2 = 42$		Correlations				
	<i>M</i>	S.D.	<i>M</i>	S.D.	<i>M</i>	S.D.	1	2	3	4	5
1. Cultural background (1 = minority, 2 = majority)											
2. Perceived similarity in values	4.09	.44	3.92 ^a	.49	4.22 ^b	.34	-.34 ^{**}				
3. Climate	3.37	.77	3.13 ^a	.72	3.58 ^b	.76	-.29 [*]	.37 ^{**}			
4. Identification with branch	3.69	.86	3.62	.90	3.75	.84	-.08	.31 ^{**}	.47 ^{**}		
5. Identification with organization	3.68	.89	3.49	1.06	3.83	.72	-.19	.32 ^{**}	.51 ^{**}	.64 ^{**}	
6. Identification with cultural background	3.56	1.03	3.39	1.31	3.70	.71	-.15	-.13	.02	.06	.01

Note: means with different superscripts differ between minority and majority member employees.

^{*} $p < .05$.

^{**} $p < .01$.

³ In our opinion, this is not surprising. In Study 2, the importance of employees' participation was stressed by their organization, which makes membership of their organization very salient, resulting in higher identification levels for all employees (see also Terry, Carey, & Callan, 2001). In contrast, in Study 1 the first author personally stressed that in order to participate, one had to be employed currently. This probably made organizational membership less salient than being employed in itself.

Fig. 1. Identification with the organization predicted by intercultural group climate and similarity in values.

be seen in Fig. 1 that under conditions of a weak intercultural group climate, perceived similarity in values has a positive effect on identification with the organization ($b = .31$, $t = 2.63$, $p = .01$). Under conditions of a strong intercultural group climate however, perceived similarity in values does not contribute to the prediction of identification with the organization ($b = -.06$, $t < 1$). In line with our hypotheses we therefore conclude that perceived similarity in values is less important when an intercultural group climate is present.⁴

The same hypotheses were tested for *identification with the team*. No main effect of perceived similarity in cultural values was found ($b = .15$, $p = .122$), whereas an intercultural group climate predicted identification with the work team significantly ($b = .32$, $p < .001$). In the second step we entered the interaction term, which was non-significant ($b = .04$, $t < 1$). Hence, for identification with the team, Hypothesis 3 could not be supported.

4. Discussion

One of the main problems associated with cultural diversity is that employees identify less with their organization and work unit. The present research aimed to give more insight in the role of perceived similarity and an intercultural group climate in promoting identification. Results show that perceived similarity in cultural values is positively related to identification with the team and the organization (Study 1 and 2), and that the negative effect of low perceived similarity in values on identification with the organization can be buffered by an intercultural group climate (Study 2).

In the present research, similarity was measured by means of basic cultural values (Schwartz, 2002). As the relevance of Schwartz's values list (2002) for perceived similarity in values and for identification had never been tested before, we tested the relations between cultural background (minority/majority member employees) and perceived similarity in cultural values in Study 1 and replicated these findings in Study 2. Results confirm that minority member employees perceive less similarity in values than majority member employees. This confirms that lower similarity in cultural values is an important consequence of being surrounded by colleagues of different ethnic make-up. Therefore, for future research, we suggest that focusing on levels of perceived similarity in values as a direct consequence of diversity is important.

Our research confirmed that perceived similarity in values is lower when many different cultural identities are present (e.g. Hofstede, 1999; Schwartz, 2002). We hypothesized that in culturally diverse organizations an alternative way to enhance identification with the work team and the organization might be needed, and that an intercultural group climate (Harquail & Cox, 1993) is such an alternative. Results show, at least at the level of the organization, that despite low perceived similarity in values, identification levels can be equally high as a result of a strong intercultural group climate. This finding offers a clear guideline for organizations: In order to enhance identification within a diverse organization, the organization must develop an intercultural group climate in which diversity becomes

⁴ When analyses are done separately for minority member employees ($N = 33$) and majority member employees ($N = 42$) results are comparable.

characteristic of the organization, and is perceived as a positive feature. In addition, differences should be open to discussion, be appreciated and should be taken into account. While this idea might be obvious, organizations might often fail to realize it and may rather tend to emphasize similarities among employees by downplaying the relevance of cultural differences for the organization in the interest of community spirit.

In terms of scientific outcomes, we think that our research also makes a contribution to the diversity literature. Our study follows up on reviews and experimental studies in which it is argued that identification with culturally diverse work groups is related to (an organizational climate) valuing diversity. Our study shows that this idea is applicable and useful for ‘real’ organizational settings dealing with diversity.

In future research, we think it is important to further investigate the relevance of an intercultural group climate that values diversity. In our opinion, very relevant in this respect is the qualitative research by Ely and Thomas (2001). By interviewing employees and observing staff meetings of three different organizations, these authors identified three different perspectives towards the value of diversity at work. In one of these perspectives, the ‘Integration and Learning Perspective’, diversity is seen as a resource for learning, change and renewal. This perspective seems to share important characteristics with the intercultural group climate defined by Harquail and Cox (1993). It can be argued that an intercultural group climate gives form to an integration and learning perspective, and might therefore be an interesting starting point for organizations striving for an integration and learning perspective. In addition, it is interesting to compare the impact of different climates on employees’ identification and work outcomes.

Our research might also be relevant for research based on Self-Categorization Theory. As mentioned in the introduction, some research suggests that the characteristic people perceive to share with group members might also be the fact that they are different (See Rink, 2005; Van Knippenberg & Haslam, 2003; Waldzus et al., 2003). In these mainly experimental studies among diverse groups, results have shown that when group members perceive diversity as a group norm, identification levels are higher (Van Knippenberg & Haslam, 2003). To some extent, an intercultural group climate parallels the idea of having diversity as a group norm. In this vein, our research shows the utility of norms promoting diversity for culturally diverse, applied settings.

It remains to be seen whether low similarity in *all* values can be overcome by an intercultural group climate, or whether some values are so fundamental that similarity is required. Said differently, can some values be extracted that yield the most positive results on identification? One value that might be fundamental is mutual respect. According to recent research (e.g. Barreto & Ellemers, 2002; Huo & Molina, 2006; O’Brien, Haslam, Jetten, & O’Sullivan, 2005), respect contributes positively to intergroup relations. A recent study by Huo and Molina (2006) showed that perceived respect from Anglo-Americans (i.e. majority group members) positively contributed to the American identification of African Americans and Latinos (i.e. minority members). It would be interesting to study the effects of perceived respect for identification with diverse work contexts for both minority and majority members.

In our study, we measured overall similarity in values as the average perception of similarity of 57 cultural values. However, perceived similarity in a couple of central cultural values might become more crucial than overall similarity. If team members reconcile their values through discussion, and for instance agree that the value ‘respect’ is important, this value might in itself improve identification with the work team. In this sense, one might argue that certain values become part of a climate. This process is much more likely to occur on a work team level, where people frequently interact and have the opportunity to discuss their values, than on the more abstract organizational level (Campion, Medsker, & Higgs, 1993, see also Anderson & West, 1998). According to the ‘shared perceptions approach’ (Reichers & Schneider, 1990; see also Anderson & West, 1998), the norms and values that are generally perceived to be important for organizational policies, practices and procedures can indeed start to make up the group climate. In our research, this process might explain why the expected interaction between perceived similarity in cultural values and an intercultural group climate was confirmed for organizational identification, but not for team identification. The concept of perceived similarity in specific cultural values might have become close to the concept of a group climate, which, in a diverse work team, might very well resemble the intercultural group climate (“The people make the place”, Schneider, 1987). Therefore, we think it is a highly relevant direction for future research to find out under what conditions employees in diverse work teams develop some sort of intercultural group climate by looking for similarity in values. Most appropriately, this relation between perceived similarity in values and an intercultural group climate should be tested in a longitudinal study.

Moreover, such a longitudinal study might offer interesting insights on the mechanisms linking similarity in values and an intercultural group climate with identification. A limitation of our chosen methodology is that we cannot infer causality on the relationships tested. For instance, a causal relation from identification to similarity in values is also

plausible, although this would not explain the importance of an intercultural group climate as a moderator, shown on an organizational level in the present research.

Finally, it might be interesting to study the effect of an intercultural group climate, not only for identification, but also for innovation. In various studies, it is suggested that innovation is enhanced by a tolerance for diversity (Scott & Bruce, 1994, p. 583). Innovation is also enhanced by a climate that gives the possibility to offer ideas for new and improved ways of working (*participative safety*, Anderson & West, 1998, p. 240), which relates to the concept of valuing diversity, instead of just tolerating diversity. In our opinion, an intercultural group climate resembles the factors that enhance innovation. Theoretically, one of the possible advantages of diversity is its increased potential for innovation (see Milliken & Martins, 1996, for an overview). Thus, an intercultural group climate might not only be important for identification, but might also promote innovation in diverse work teams.

A possible limitation of this research is the diversity rate. To be able to examine the effects of similarity in values and an intercultural group climate in a diverse context, our research included employees that were minority members themselves and/or reported having at least one minority member colleague in the team. A challenging task for future research might be to find a culturally more diverse organization willing to participate in this kind of research in order to be able to generalize the results of the present study to such a context. Thereby, it would also be interesting to study the consensus in team climate as indicated by both cultural minority team members and cultural majority team members.

4.1. Conclusion

The present research revealed that increased diversity in cultural backgrounds results in lower perceived similarity in cultural values. Perceived similarity in cultural values and an intercultural group climate are both positively related to identification with the organization and the work team. In addition, and most importantly, our research showed that an intercultural group climate can compensate for low perceived similarity in values on an organizational level. This finding offers an optimistic starting point for organizations struggling with diversity and for research focusing on the content of diversity climates.

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Appendix A. Items Intercultural Group Climate

1. In our branch we think positively about cultural differences of colleagues. [Op onze vestiging vinden wij het positief als collega's verschillende culturen hebben.]
2. In our branch we understand and accept different cultures. [Op onze vestiging begrijpen en accepteren wij verschillende culturen.]
3. In our branch we recommend working with people with cultural different backgrounds. [Op onze vestiging bevelen wij aan om met mensen met verschillende culturele achtergronden te werken.]
4. Differences in cultural backgrounds are discussed openly in our branch. [Er wordt op onze vestiging openlijk gesproken over verschillende culturen van collega's.]
5. In our branch we take differences in traditions and habits (like religion, celebrations) into account. [Op onze vestiging houden wij rekening met verschillende tradities en gewoonten van collega's (bijvoorbeeld geloof, feesten).]
6. In our branch we see the advantage of differences in cultural backgrounds of employees. [Op onze vestiging geldt het als een voordeel dat niet iedereen dezelfde cultuur heeft.]

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