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# Job allocations as cultural sorting in a culturally diverse organizational context



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#### ABSTRACT

This study addresses the inadequacy of the career and diversity literatures in explaining the dynamics of job allocations in a culturally diverse organizational context. In order to better understand this topic, we conducted a qualitative study involving personal interviews with 50 Emiratis and international employees who worked in managerial positions in the United Arab Emirates (UAE). The purpose of the study was to explore the unique challenges associated with managing a culturally diverse workforce and explore the role of culture in allocating jobs among employees with diverse cultural backgrounds. Despite the perceived value of having a culturally diverse workforce, our findings indicate a lack of effective diversity management strategies for dealing with challenges and issues associated with a high level of cultural diversity in the participating organizations. This study provides insights into the impact of cultural/nationality-based stereotypes on job allocations as well as on organizational outcomes. Based on the findings, we discussed implications for research and practice and as well as for policy makers.

#### 1. Introduction

As the global economy becomes more integrated, growing numbers of individuals are moving across national borders to pursue career opportunities. The higher level of global career mobility of these international employees, or individuals pursuing careers in countries other than their home countries (e.g., migrant workers and company-assigned or self-initiated expatriates), along with more permeable geographic and institutional boundaries, has contributed to cultural diversity in the workforce (Guo & Al Ariss, 2015) and has become an inevitable organizational reality (Jonsen, Maznevski, & Schneider, 2011). Researchers and business practitioners have sought to understand the impact of cultural diversity on organizational outcomes. Early studies found that cultural diversity provided firms with diverse experiences and knowledge, promoted team creativity and innovation and facilitated decision making (Cox, 1993; Cox & Blake, 1991). Research by Lauring and Selmer (2013) showed that cultural diversity was strongly associated with favorable diversity attitudes. In addition, the use of a common language can enhance openness to diversity in multicultural organizations (Lauring & Selmer, 2012); and

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http://dx.doi.org/10.1016/j.ibusrev.2015.09.010 0969-5931/© 2015 Elsevier Ltd. All rights reserved. openness to diversity was found to positively associate with perceived group performance and group satisfaction (Lauring & Selmer, 2011).

Another relevant research stream that has emerged as a response to the observed increasing global career mobility focuses on career challenges and consequences of global work experiences (for reviews, see Dabic, Gonzàlez-Loureiro, & Harvey, 2015; Shaffer, Kraimer, Chen, & Bolino, 2012). According to Shaffer et al. (2012), global work experiences are critical to the development of international employees' career capital. International employees are now viewed as an important part of the global talent pool, contributing to the competitive advantages of the global organizations, (Beechler & Woodward, 2009; Carr, Inkson, & Thorn, 2005; Cerdin, Diné, & Brewster, 2014). However, these previous studies have been mostly done at the individual level and global careers have been examined as a result of individual career agency and motivation, omitting the discussion of the receiving context and the organizational level factors that may also shape global career experiences.

Therefore, major knowledge gaps exist. First, as Jonsen et al. (2011) pointed out, the diversity literature is not so diverse. Although multicultural workforce is a common theme in corporations globally (Shen, Chanda, DNetto, & Monga, 2009), little research has been done outside the United States and we have limited knowledge about how national, cultural and institutional contexts impact diversity (Jonsen et al., 2011). Second, although

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administrative difficulties and structural barriers (e.g., obtaining a work visa) have been well studied in the career literature (e.g., Al Ariss, 2010; Dietz, 2010), little attention has been directed to the perceptual barriers that may inhibit the career success of international employees (Shaffer et al., 2012). Lastly, recent research (e.g., Baltes & Rudolph, 2010; Binggeli, Dietz, & Krings, 2013; Dietz, 2010; Hakak, Holzinger, & Zikic, 2010; Hosoda & Stone-Romero, 2010) has shown that international employees, such as migrant workers, are not a homogenous group; a high level of diversity exists in terms of their cultural backgrounds, religious beliefs, as well as their education and skill levels. However, we know little about the role of culture in understanding different career outcomes received by employees in a culturally diverse organizational context (Al Ariss, 2010; Al Ariss & Syed, 2011; Guo & Al Ariss, 2015).

The purpose of the study is to examine the impact of culture on shaping career outcomes, namely job allocations, received by international employees in a non-Western, culturally diverse organizational context. By doing so, we also explore the challenges and issues associated with managing a culturally diverse workforce. We conducted a qualitative study involving fifty interviews with international employees and their local counterparts working in managerial positions in the United Arab Emirates (UAE). UAE has been a major destination country for international employees worldwide and has emerged as an economic powerhouse in the Arab Gulf region (Elamin, 2011; Schoepp, 2011). Based on the accounts of both local and international employees, our study uncovered that, despite the perceived value of having a culturally diverse workforce, participating organizations did poorly in managing a culturally diverse workforce. The findings showed that cultural/nationality-based stereotypes, in the absence of diversity management strategies and merit-based human resource management (HRM) practices, served as a sorting system through which job positions were allocated based on international employees' countries of origin. Such a stereotype-driven job allocative process caused job segregation or cultural separation across cultural groups and job stratification or cultural disparity in access to job positions at different organizational levels.

The current research makes several contributions to the literature on career and diversity. First, the study empirically investigated challenges and issues associated with cultural diversity in a non-Western context. The findings provided support to the previous research that having a culturally diverse workforce doesn't automatically benefit organizational performance. When managed inappropriately, cultural differences are detrimental to workplace efficiency and organizational competitiveness. Second, our study highlights the importance of culture in explaining career outcomes in a culturally diverse organizational context. Departing from the previous career research on job allocations as a result of career agency and individual choices, the qualitative data of our study have shown that job allocations are cultural artifacts built on prevalent cultural biases and nationality-based stereotypes held by employers. Third, the findings of the current investigation have enriched our understanding of diversity as separation and disparity in a culturally diverse organizational context. This study showed how perceptual biases created job segregation (cultural separation) and stratification (cultural disparity), which, in turn, led to institutional biases preventing employees with diverse cultural backgrounds from advancing to the best positions. Lastly, extending the global career literature, the results have suggested that perceptual barriers do not have an equal impact on all cultural groups. While some cultural groups benefited from the positive stereotypes that made them suitable job candidates for certain job positions, others' career development was blocked due to the negativity of the stereotypes associated with their countries of origin.

The rest of the paper is organized as follows. We first review research on cultural diversity and global careers. After that, we explain the contextual characteristics of the UAE in order to situate this study. Then we present the research methodology, followed by the findings and discussions. Implications for theory and practices are suggested. The paper concludes by offering strategies for policy makers to better manage a culturally diverse workforce.

#### 2. Literature review

#### 2.1. Cultural diversity, stereotyping and job segregation

Cultural diversity is defined by Cox (1993: 6) as "the representation, in one social system, of people with distinctly different group affiliates of cultural significance" (Cox, 1993: 6). Cultural diversity was found to be associated with important group and organizational outcomes. Although earlier studies (e.g., Cox, 1993; Cox & Blake, 1991; Richard, 2000) found that cultural diversity is associated with positive organizational outcomes such as creativity, innovative ideas, better decision making processes and firm competitiveness, more recent study approached cultural diversity as a double-edged sword and research attention has been directed to contingency factors of diversity effects (e.g., Joshi & Roh, 2009; Pieterse, van Knippenberg, & van Dierendonck, 2013). For example, Pieterse et al. (2013) found that goal orientation moderated the performance benefits of cultural diversity in such a way that cultural diversity was more positively associated with team performance when team members' learning approach orientation was high.

Indeed, an inevitable challenge associated with managing a culturally diverse workforce, according to Cox (1993), is that in culturally dissimilar groups, stereotyping, or a perceptual and cognitive process in which specific behavioral traits are ascribed to individuals based on their group memberships, is likely to occur. When individuals interact with people from different social categories (e.g., cultural groups), the effect of these individual differences are more likely to be prominent and hence activate stereotypes associated with that social category (Leonardi & Rodriguez-Lluesma, 2013). Indeed, social categories can be informative by providing inferences about underlying dispositions of individuals in a social group and therefore are routinely referred to (Stangor, Lynch, Duan, & Glass, 1992). Stangor et al. (1992) maintain that social categories such as race and sex are used so frequently in social perception that their use becomes habitual and automatic, occurring without little conscious thought or effort.

Cox (1993) cautions that while stereotyping may make perceptual and cognitive processes more efficient, stereotypical information of a social category may not always be accurate and not all members will be characteristic of the group. Therefore, the use of stereotypes and the reliance on stereotyping can have a negative impact on career outcomes. According to Cox (1993), the greatest impact of stereotypes on career experiences is that stereotypes may block organizational entry by hindering members of certain groups from being hired for certain jobs, or by segregating members of different social groups into different job categories within organizations (e.g., gender and racioethnicity segregation). Cox's (1993) theorization lays the foundation of examining the role of stereotypes in constituting the perceptual barriers, which may have a significant impact on career outcomes. However, little empirical research has been conducted to further examine cultural-related perceptual barriers that may impede career development of employees in a culturally diverse organizational context.

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