

# National Values' Effects on Affirmative Action: A Study across 21 Countries

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## Abstract

This study focused on: (a) the influence of national values on affirmative action (AA) programs; and (b) the contribution of the level of fit between national values and AA programs to organizational performance indicators (absenteeism and turnover). Data from 5,991 organizations in 21 countries were obtained for this study, using the CRANET database. Data on cultural values were taken from GLOBE and assigned respectively to the organizations sample. Results showed that national values explained AAPs' use and supported the hypothesized interactive effects of national values and AA on organizational performance outcomes. The results have strong implications for organizations concerned with maximizing the fit between particular cultures and AA programs so as to enhance organizational performance.

## Introduction

Affirmative action programs (AAPs) has long been a key human resource practice in the US and as such has been extensively analyzed and investigated. Over the past 4 decades, organizations have implemented affirmative action programs (AAPs) to remedy discrimination against ethnic and racial minorities, disable people, and women and to diversify their workforces. Such programs encompass a range of practices, from expanded recruitment, or "weak" affirmative action (AA), to specific goals and timetables for hiring minorities and women ("strong" AA). Whatever their strength, AAPs share the central feature of taking ascribed characteristics (e.g., race or gender) into account in employment activities such as hiring or promotion (Levi & Fried, 2008).

The purpose of the present study is to investigate: (a) the influence of national values on the characteristics of AA programs; and (b) the contribution of the level of fit between national values and AA programs to organizational performance indicators (absenteeism and turnover). Stated differently, we will analyze the interactive effect of national values and AA programs on these organizational performance indicators. In our analyses, we will control for the effects of key organizational characteristics (size, technological level, sector, service and globalization level).

The importance of understanding the contribution of culture to AA has increased with the trend toward globalization. Global organizations benefit from employees who come from different backgrounds and who bring a variety of skills, areas of expertise, and beliefs into the organization. A variety of backgrounds contributes to employees' collective experience of work and enriches the organization. At the same

time, a diverse workforce requires more emphasis on strategies that establish employees' common ground on key issues, and assist them to deal with the diversity of backgrounds.

Values at a national level are the means by which behaviors and beliefs of members of the larger society can be coherently interpreted. Researchers have made several attempts to define and classify national values (e.g., Aycan, Kanungo, Mendonca, Yu, Deller, Stahl, & Kurshid, 2000; Hofstede, 1991; Schwartz, 1999). Common themes in most of these definitions and classifications are that cultural values are typically shared by members of society, are passed from older to younger members, and shape a collective perception of the world (Hofstede, 1991). Applying this characterization to organizational theory, researchers have proposed that managerial practices can be predicted by various national values (Aycan, 2005; Fischer, Ferreira, Assmar, Redford & Harb, 2005).

### Affirmative actions

The importance of group diversity has rapidly filtered into organizations and research theory in recent years. Changing population demographics, as well as civil rights gains made by women and racial/ethnic minorities, have created organizations that are more and more heterogeneous (Mannix and Neale, 2005). Affirmative actions share the central feature of taking diversity characteristics (i.e. race or sex) into account in employment practices such as hiring or promotion. AA has frequently given rise to contentious debate and conflict in the workplace and in society generally (e.g., Lynch, 2005). Resistance to AA on the part of non-beneficiary groups has been a consistent finding in studies conducted over many years and using a variety of methods (e.g Kravitz & Klineberg, 2000). Most of these studies focus on organizational contexts (e.g. Levi & Fried, 2008). However, the increases in globalization and multinational operations have raised a timely and interesting questions about the degree to which companies located in countries with different cultures tend to implement AA programs, the characteristics of these programs, and the effects of these programs on performance-related outcomes.

The current research is aimed at remedying this gap in the research literature. Exploring these issues should enable us to build a typology of the characteristics of AA systems and their effects across different cultural characteristics.

### National values and affirmative action

In a thorough review of the human resource management (HRM) literature, Aycan (2005) showed that many theories have emphasized the organizational and environmental determinants of HRM practices, while only a few have explicitly discussed the socio-cultural context. However, growing evidence suggests that national cultures significantly affect the HR practices that organizations are likely to adopt and emphasize, as well as the characteristics of these HR practices (see, e.g., Aycan, 2005, Peretz & Rosenblatt, in press).

Numerous studies have established the impact of cultural values on managerial behavior and actions. Within the theoretical framework offered by Hofstede (1980) and Project GLOBE (e.g., House et al., 1999), societal values, often described as national values, have a strong impact on organizations that can override other organizational (e.g., size, sector) and environmental (e.g., market) influences. One

cannot ignore the fact that any particular organization is nested in a given national culture and inevitably is influenced by it. Studies provide some support for this logical link. Lee and Barnett (1997) found little difference between two banks (Taiwanese and American) located in the same country (Taiwan), implying that the general national culture was stronger than the organizational culture.

Drawing on this evidence, we expect that societal values influence the likelihood that organizations will adopt AAPs. In this study, we rely on four widely-studied cultural values at the national level: power distance, individualism/collectivism, uncertainty avoidance, and future orientation (Hofstede, 1980; House et al., 1999). Empirical studies have shown that these national values predict organizational processes and managerial practices (Communal & Senior 1999; Hofstede & Peterson, 2000). First, a discussion of how societal values are expected to affect AAPs will be presented. Then, a discussion of how the level of fit between societal values and the different patterns of AAPs' contribute to organizational performance, based on the criteria of absenteeism and turnover.

### National values and the conduct of affirmative action

#### Power distance

Power distance is the degree to which members of a collective expect power to be distributed equally (House et al., 2004). In high power distance societies, hierarchy is rigidly adhered to and privileges are distributed unequally. In such societies, higher-level members are expected to preserve their relative advantage in status and power. Thus, with respect to such societies, it is reasonable to predict that organizations will typically not implement AAPs'. In contrast, in societies low in power distance, one can expect that organizations will be more inclined to establish AAPs'

*H1: Organizations are more likely to implement AAPs' in low power distance societies than in high power distance societies.*

#### Future orientation

Future orientation is the degree to which individuals engage in future-oriented behaviors such as planning, investing in the future, and delaying gratification (House et al., 2004). Future orientation in HRM means investment and development to prepare the workforce to meet future organizational needs. This suggests that organizations embedded in future-oriented societies are more likely, relative to organizations embedded in present or less future-oriented societies, to adopt AAPs' for the purpose of organizational development and growth.

*H2: Organizations are more likely to adopt AAPs' if they are embedded in future-oriented societies rather than in present- or less future-oriented societies.*

#### Individualism/collectivism

Individualism/collectivism refers to the degree to which societies value individual rights and opportunities versus group loyalty cohesiveness. In individualistic societies the emphasis is on individual rights and uniqueness, while in collectivistic societies the harmony of the group is emphasis. Therefore, organizations in individualistic societies are more likely to establish AAPs' then collectivistic societies.

*H3: Organizations in individualistic societies are more likely to establish AAPs' than are organizations in collectivistic societies.*

### **Uncertainty avoidance**

Uncertainty avoidance is defined as the extent to which a society, organization, or group relies on social norms, rules, and procedures to alleviate the unpredictability of future events (House et al., 2004). Organizations embedded in societies characterized by high uncertainty avoidance are more likely, relative to organizations embedded in societies low in uncertainty avoidance, to develop HRM strategies that avoid ambiguity and therefore are less likely to establish AAPs'.

*H4: Organizations in low uncertainty avoidance societies are more likely to establish AAPs' than organizations in low uncertainty avoidance societies.*

### **National values, affirmative action, and organizational outcomes**

Understanding the expected level of fit (consistency) between societal values and the AAPs' in organizations is important as a basis for understanding the effects of such systems on organizational performance. Overall, we expect that if organizations adopt AAPs' according to the culture they are embedded in, the results will be increased performance indicators (less turnover and absenteeism, higher productivity, innovation, and service quality). Conversely, if organizations adopt AAPs' systems that deviate from the dominant societal culture, the results will be decreases in these performance indicators. Our expectation is based on the model of culture fit, or MCF, (Aycan, Sinha & Kanungo, 1999; Aycan, 2005), which was proposed by Kanungo and his associates (Kanungo and Jaeger, 1990; Mendonca and Kanungo, 1994; Aycan et al., 1999). The MCF assesses culture at two levels: societal (i.e. the socio-cultural context) and organizational (i.e. internal work culture). The model asserts that the internal work culture consists of managerial beliefs and assumptions about two fundamental organizational elements: the task and the employees. The MCF suggests that national culture affects organizational culture, which in turn, affects human resource practices (Aycan, 2005). However, managerial decisions and operations may also reflect strategic goals and interests that may at times deviate from the norms established by the national culture (e.g., e.g., House et al, 2004). On the basis of the MCF it can be expected that when employees are exposed to an HR activity that does not fit the national culture, they will tend to respond negatively (Aycan, 2005; Aycan et al., 2000). When these negative reactions are aggregated across all employees, they are likely to contribute to negative organizational outcomes, such as high levels of absenteeism and turnover and lower levels of productivity and innovation. On the other hand, when employees are exposed to an HR activity that fits the national culture, they will respond positively, which in the aggregate should produce positive organizational outcomes (Aycan, 2005).

On the basis of the MCF, the study examines how consistency versus inconsistency between the national values and AAPs' the organization adopts contributes to organizational outcomes. The hypotheses, which follow, are based on the earlier discussion on the expected consistency between national culture and organizational AAPs'.

*H5: in low power distance societies, organizations are likely to have lower rates of turnover and absenteeism, if they adopt AAPs'.*

*H6: In future-oriented societies, organizations will have lower rates of absenteeism and turnover if they adopt AAPs'.*

*H7: in individualistic societies, organizations that adopt AAPs' are likely to have lower rates of absenteeism and turnover than are organizations that do not adopt AAPs'.*

*H8: in low uncertainty avoidance societies, organizations that adopt AAPs' are likely to have lower rates of absenteeism than are organizations that do not adopt AAPs'.*

## **Method**

### **Study Sample**

The study sample consisted of 5,991 organizations from 21 countries: Australia (259), Austria (270), Canada (464), Denmark (516), Germany (320), Greece (180), Hungary (59), Ireland (230), Israel (175), Italy (117), Finland (293), The Netherlands (397), New Zealand (286), Philippines (56), Portugal (150), Slovenia (161), Sweden (383), Switzerland (311), Turkey (171), the U.S.A. (560), and the U.K (633).

### **Data Sources**

Data for the study were obtained from two independent sources:

1. Organizational level data: The data collection tool was a standardized questionnaire, addressed to the most senior HR/personnel specialist in each organization. Questions focus on the organizational level, and cover major areas of HRM policies and practices. Questions are not designed to tap personal opinions, but seek factual answers (numbers or percentages) or a yes/no response to factual questions (e.g., Do you use...?). The data was collected in 2004 by international researchers that are part of The CRANET project (Cranfield Network on Comparative Human Resource Management). The CRANET project was established in 1989 by five European founder countries, with the purpose of promoting international comparative research on HRM. To date, 39 countries around the world participated in the project. The Centre for European Human Resource Management at Cranfield School of Management (UK) coordinates the project through the collaboration of universities and business schools in the participating countries. Data for the project are collected annually in organizations with 200 employees or more worldwide. The criteria for selecting organizations for the present study were (1) full and clean data on affirmative action practices, and (2) participation of the respective country in the GLOBE project (see below).

2. The GLOBE (Global Leadership and Organizational Behavior Effectiveness) 2004 database. GLOBE is a multi-phase multi-method project, in which investigators spanning the world examine inter-relationships between societal culture, organizational culture, and organizational leadership. The GLOBE Project was founded in 1993; today, scholars from 61 countries, representing all major regions of the world, are engaged in this long-term programmatic series of cross-cultural leadership studies. The meta-goal of the GLOBE research program is to develop empirically based theory and measurement tools to describe, understand, and predict the impact of cultural variables on leadership and organizational processes and the effectiveness of these processes.

## **Variables and measurement**

### **Affirmative Action**

Four items provides information on whether the organization has programs to help recruit individuals from the following groups: *Racial minorities; People older than 50 years of age; Disabled people; Women*

Scores for the four affirmative action items were 0 (do not has) and 1 (has).

### **Covariates - Organizational background**

Five organizational background variables were measured: 1. *Technology level*. This measure provides categorical information on whether the organization is high tech (the categories are 1= low, 2= middle, and 3= high tech); 2. *Organizational Size*. This variable indicated the total number of employees in a given organization. Because of the non-normal distribution of this variable, we divided the distribution into three categories based on percentage: small (scored 1, 33.4%), medium (scored 2, 33.2%), and large (scored 3, 33.4%); 3. *Sector*. This item provides information on whether the organization belongs to the private (1) or the public (2) sector; 4. *Service*. This item provides information on whether the organization provides services (1) (the categories are health, education, research, finance, transportation, political, entertainment and communication) or products (2) (food, chemical products, textile, machinery, knowledge-based products); 5. *Level of globalization*. This item provides information on whether the organization operates locally (1) or in the global arena (2).

### **Organizational performance variables**

The following two measures were obtained from the CRANET database: 1. *Turnover*: this variable indicated the average yearly turnover percentage; 2. *Absenteeism*: this variable indicated the average annual absenteeism (number of days).

### **Societal Cultural Practices**

The following measures were obtained from the GLOBE database (House et al., 2004): 1. *Power distance*: the degree to which members of a collective expect power to be distributed equally; 2. *Future orientation*: the degree to which individuals engage in future-oriented behaviors such as planning, investing in the future, and postponing gratification; 3. *Uncertainty avoidance*: the extent to which a society, organization, or group relies on social norms, rules, and procedures to alleviate the unpredictability of future events; 4. *Individualism/collectivism*: The degree to which individuals are expected to subordinate themselves to the goals of the group. Given the fact that we are focusing on societal values, we will use collectivism I from the GLOBE database (House et al., 2004). These data reflected the cultural practices of the participating countries. The values used in the present study reflected reported practices ("as is") and indicate the current perceptions of each culture (as opposed to feelings about cultural aspirations). Aspiration values refer to the society's ideal values, while practical values measure the society's actual engagement in a particular value. In the GLOBE literature, it is common to use cultural practices rather than cultural values (aspiration values) when attempting to measure the effects of societal culture on society's effectiveness (see for example, Javidan et al., 2006). Scores for the four cultural practices and cultural values ranged between 1 (lowest) and 7 (highest).

## **Analysis**

Analysis was performed in two phases. *Phase one* examined the effects of national values on AAPs', above and beyond the organization background variables. *Phase two* explored the interactive effects of societal cultures and AAPs' on turnover and absenteeism. For both phases, multilevel analyses were used, in which organizational characteristics are the covariates, AAPs' are level-one predictors and cultural values are level-two predictors (hierarchical linear modeling, HLM).

## Results

Means, standard deviations, ranges, and correlations for the study's level-1 dependent variables (organizational level) and level-2- independent variables (national level) are presented in Tables 1 and 2, respectively.

Table 1: Frequencies and Correlations among Affirmative action measures: Organizational Level (Level 1)

	Racial minorities AA	People older than 50 AA	Disable people AA	Women AA
Racial minorities	-	.44**	.56**	.47**
People older than 50	-	-	.44**	.35*
Disable people	-	-	-	.49**
Frequencies (yes)	23.8%	17.4%	27.4%	25.9%

Table 2: Means, Standard Deviations, Ranges, and Correlations among national values (Level 2)

	Power distance	Uncertainty avoidance	Future orientation	Collectivism
Power distance	-	-.36*	-.54**	-.10**
Uncertainty avoidance	-	-	.74**	-.41**
Future orientation	-	-	-	-.29**
Mean (SD)	5.01 (.40)	4.70 (.56)	4.21 (.41)	4.46 (.71)
Range	4.14-5.68	3.26-5.42	3.31-4.80	3.46-6.14

## Hypothesis testing

### Phase 1: effects of societal cultures on affirmative action

Before investigating the relationship of all four cultural practices with AA, a possible multicollinearity was tested. This test seemed necessary, given the relatively high correlations among the independent variables. The Variance Inflation Factor (VIF) index, with stepwise regression, was used to examine possible multicollinearity. VIF=5.3 was used as the cutoff point for multicollinearity (Hair, Anderson, Tatham, & Black, 1998). The result showed VIF=1.33 suggesting that there was no

multicollinearity in their equation. Thus, all four country-level variables could be used in the same HLM equation.

Overall, the results supported the hypothesized relationship between societal cultures and AA programs. Thus the coefficients presented in Tables 3 indicated that power distance is negatively related to minorities, age, and women's affirmative action (-.07\*, -.08\*\*, -.06\* correspondently); collectivism is positively related to age AA (.04\*), and negatively to race, disable people and women's AA (-.04\*, -.04\*, -.08\*\* correspondently). Future orientation is positively related to race and disable people AA (.06\*, .06\* correspondently), and uncertainty avoidance is negatively related to race, disable people and women's AA (-.06\*, -.07\*\*, -.07\* correspondently).

In addition, an organizational level variables' effect on AAPs' was found: all organizational level indicators (size, technology level, service, sector and globalization) were related to racial minorities AA ( $\beta = -.09^{**}$ ,  $-.10^{**}$ ,  $.12^{**}$ ,  $.11^{**}$ ,  $-.04^*$ , respectively), such that small organizations, low tech organizations, public, service, and local organizations are more likely to adopt racial minorities AA. Size, technology level, and service, were related to age affirmative action ( $\beta = -.04^*$ ,  $-.05^*$ ,  $.11^{**}$  respectively), such that such that small organizations, low tech organizations, and service organizations are more likely to adopt age affirmative action. Size, technology level, sector, and service, were elated to disable people affirmative action ( $\beta = -.11^{**}$ ,  $-.11^{**}$ ,  $.12^{**}$ ,  $.12^{**}$  respectively); and size, and sector, were related to women affirmative action ( $\beta = -.12^{**}$ ,  $.09^{**}$  respectively), such that small organizations and public organizations are more likely to adopt women affirmative action

Summary of the results appear in Table 3

Table 3: HLM analysis- phase 1

	Dependent variable							
	a Racial minorities		b People older than 50		c Disable people AA		d Women AA	
	coefficient	SE	coefficient	SE	coefficient	SE	coefficient	SE
<b>Level 2 model:</b>								
Intercept ( $\gamma_{00}$ )	.41**	.14	.51**	.22	.34**	.14	.33*	.10
PD ( $\gamma_{01}$ )	-.07*	.05	-.08**	.17	-.03	.12	-.06*	.06
FO ( $\gamma_{02}$ )	.08*	.02	.04	.13	.06*	.10	.02	.04
COLL ( $\gamma_{03}$ )	-.04*	.04	.04*	.04	-.04*	.11	-.08**	.09
UA ( $\gamma_{04}$ )	-.06*	.03	-.03	.05	-.07**	.10	-.07*	.07
<b>Level 1 model:</b>								
Size ( $\gamma_{10}$ )	-.09**	.06	-.04*	.05	-.11**	.04	-.12**	.04
tech-level ( $\gamma_{20}$ )	-.10**	.07	-.05*	.04	-.11**	.05	-.03	.04
service ( $\gamma_{30}$ )	-.11**	.05	.11*	.08	.12**	.07	.04	.06
sector ( $\gamma_{40}$ )	.12**	.01	.04	.01	.12**	.11	.09**	.05
globalization ( $\gamma_{50}$ )	-.04*	.01	.01	.03	.03	.01	.02	.01
<i>Variance Component</i>								
Intercept	.38		.16		20		.19	
Level 1 effect	.85		.72		.81		.92	

## Phase 2: interactive effects of societal cultures and affirmative action on turnover and absenteeism

In the second phase of the analysis, organizational performance variables (absenteeism and turnover) were included. The purpose was to investigate the combined (joint) effect of national values and AAPs' on organizational performance.

A summary of the results is presented at Table 4.

Table 4: HLM analysis- phase 2

	a absenteeism coefficient	a absenteeism SE	b turnover coefficient	b turnover SE
<b>Level 2 model:</b>				
Intercept ( $\gamma_{00}$ )	.50**	.16	.71**	.22
PD ( $\gamma_{01}$ )	-.16**	.05	-.03	.17
FO ( $\gamma_{02}$ )	.04	.02	.09**	.14
COLL ( $\gamma_{03}$ )	.11*	.04	.04	.07
UA ( $\gamma_{04}$ )	.03	.01	-.05	.11
<b>Level 1 model:</b>				
minorities AA ( $\gamma_{60}$ )	.03	.02	.02	.01
age AA ( $\gamma_{70}$ )	.01	.01	.02	.01
disable people AA ( $\gamma_{80}$ )	.01	.01	.03	.02
women AA ( $\gamma_{90}$ )	.03	.02	-.09**	.04
minorities X PD ( $\gamma_{61}$ )	.01	.00	-.01	.00
age X PD ( $\gamma_{71}$ )	.01	.00	.04*	.02
disable X PD ( $\gamma_{81}$ )	.01	.01	.02	.01
women X PD ( $\gamma_{91}$ )	.01	.01	-.01	.00
minorities X FO ( $\gamma_{62}$ )	-.01	.00	-.01	.00
age X FO ( $\gamma_{72}$ )	-.03	.02	-.06*	.03
disable X FO ( $\gamma_{82}$ )	-.02	.01	.01	.00
women X FO ( $\gamma_{92}$ )	.02	.01	-.02	.01
minorities X COLL ( $\gamma_{63}$ )	-.02	.01	-.01	.00
age X COLL ( $\gamma_{73}$ )	-.01	.00	-.05*	.02
disable X COLL ( $\gamma_{83}$ )	.01	.00	.04*	.02
women X COLL ( $\gamma_{93}$ )	-.05**	.03	-.01	.00
minorities X UA ( $\gamma_{64}$ )	.02	.01	.03	.01
age X UA ( $\gamma_{74}$ )	.03	.02	-.07**	.04
disable X UA ( $\gamma_{84}$ )	-.09**	.04	.03	.02
women X UA ( $\gamma_{94}$ )	-.04*	.03	.02	.01
<i>Variance Component</i>				
Intercept	.38		.16	
Level 1 effect	.85		.72	

We will discuss the results pertain absenteeism and turnover variables:

### *Absenteeism*

HLM analysis (table 4-a) indicated negatively main effect of level 2 predictors: future orientation, collectivism, and uncertainty avoidance ( $\gamma = -.05^{**}$ ,  $-.04^*$ ,  $-.07^{**}$  correspondently). A main effect for AA indicators on absenteeism was not found. In addition, three interactions were found: between uncertainty avoidance and disable people AA ( $\gamma = -.09^{**}$ ), uncertainty avoidance and women AA ( $\gamma = -.04^*$ ), and between collectivism and women AA ( $\gamma = -.05^{**}$ ). To more systematically examine the direction of the interactions, the results were graphed (for example see figures 1 to 2)

Figure 1: Interactive effect of Disability-based affirmative action and uncertainty avoidance on Absenteeism

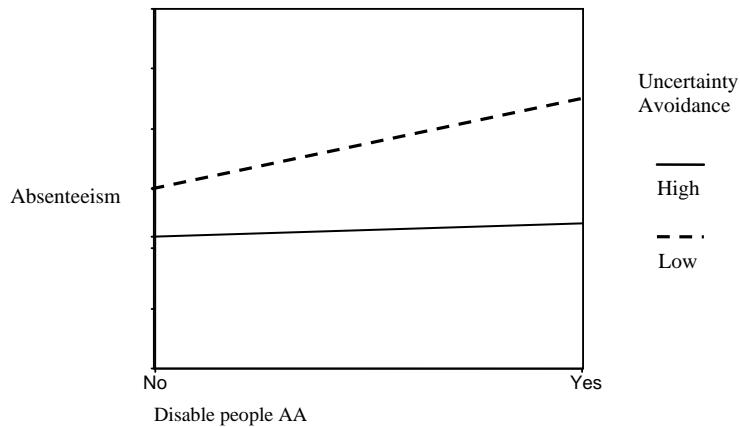
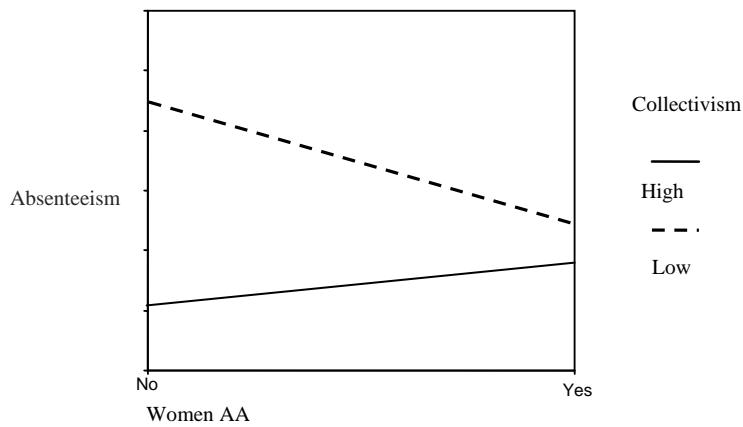


Figure 2: Interactive effect of gender-based affirmative action and Collectivism on Absenteeism



### *Turnover*

The analysis (table 5-b) indicated negatively main effect of level 2 predictors: future orientation, collectivism, and uncertainty avoidance ( $\gamma = -.06^{**}$ ,  $-.09^*$ ,  $-.08^{**}$  correspondently). A negative main effect of women affirmative action on turnover ( $\gamma = -.09^{**}$ ) was also found. In addition, five interactions were found. Four interaction between age affirmative action and between uncertainty avoidance ( $\gamma = -.07^{**}$ ), collectivism ( $\gamma = -.05^*$ ), future orientation ( $\gamma = -.06^{**}$ ), and power distance ( $\gamma = .04^*$ ), on turnover. Another interaction was found between collectivism and disable people AA ( $\gamma = .04^*$ ). To examine the direction of the interactions, the results were graphed (for example see figures 3 and 4).

Figure 3: Interactive effect between age-based affirmative action and power distance on Turnover

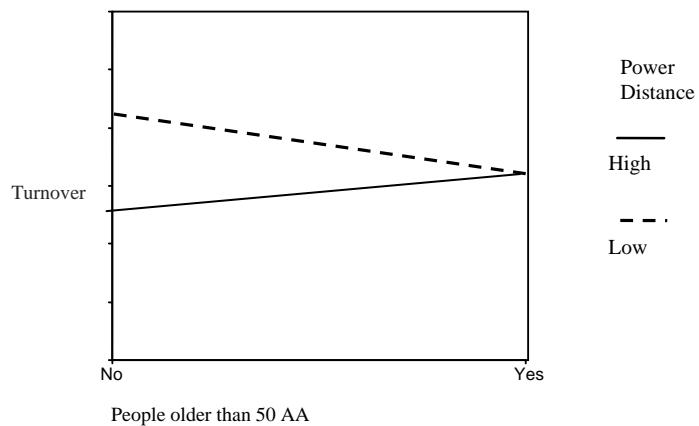
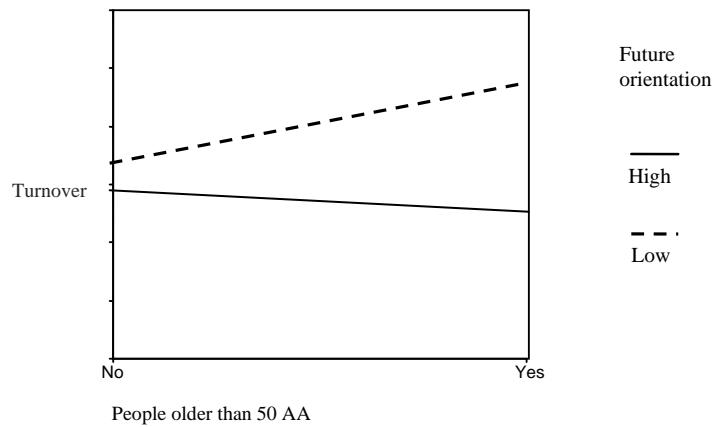


Figure 4: Interactive effect between age-based affirmative action and future orientation on Turnover



## Conclusions

This study focused on two complementary issues: (a) the contribution of national values to AA programs adopted by organizations embedded in the particular national values; and (b) the interaction effects of national values and these AA programs on absenteeism and turnover. Results generally supported the hypotheses regarding these two issues. Concerning the first issue, the results showed that national values explained organizational adopt of AAPs', supporting the study hypotheses. Low power distance, high future orientation, low uncertainty avoidance, and high individualism contributed to higher emphasis on organization affirmative action programs. Results also showed that organizational factors affected AA: small organizations tended to use more all AAPs' (race, age, disable people, women); low tech organizations use more race, age, and disable people AAPs'. Public sector organizations tend to use more race, disable people, and women AAPs'. Service organizations are more likely to establish disable people and age AAPs'. Finally globalization level race AAPs': local organizations tend to use this kind of AAPs' more often than global organizations.

Concerning the second investigated issue, the results were generally supportive of the hypotheses on the interactive effects of national values and AAPs' on absenteeism, and turnover. Overall, the results supported the notion that the level of fit between national values and AA practices adopted by organizations in a particular culture is an important contributor to organizational performance (cf. Aycan, 2005).

Thus, for example, the results indicated that the effect of women AA is contingent on the level of uncertainty avoidance. As expected, the positive effect of women AA on absenteeism was negatively in organizations in low uncertainty avoidance societies but positively in organizations in high uncertainty avoidance societies. Meaning that women AA will decrease level of absenteeism in organization embedded in low uncertainty avoidance societies, but will increase level of absenteeism in organization embedded in high uncertainty avoidance societies

Similarly, the effects of age AA were contingent on societal power distance. As expected, the positive effects of age AA on turnover were evident in organizations embedded in societies with low rather than high power distance.

Finally, the results supported the notion that the effect of disable people AAPs' is contingent on collectivism level. As expected, in societies characterized by high individualism, organizations that implemented disable people AAPs' tended to show lower level turnover than did their counterparts that did not implement such formal AA programs.

One of the main methodological strengths of the present study is the independence of its data sources. While the organizational-level data on AAPs' has been obtained from the CRANET data, the country-level data on cultural values has been obtained from the GLOBE study. The consistent theory-based relationships revealed in the study, in data sets drawn from such different sources, naturally strengthen the conclusions that can be drawn.

Another contribution of the study is the multi-level analysis that was used. Most previous studies focus on organizational effects (e.g., Levi & Fried, 2008), but few have looked at the interaction between variables at the organizational level and national level, taking into account the nested structure of the data: organizations within countries in this case. Future studies might add an individual level of analysis, investigating individuals' perceptions of work values, while considering organizational and national effects.

The results pertaining to cultural values lend credence to culture-based theories such as those originally advanced by Hofstede (1991) and later developed by the GLOBE study (House et al., 2004), namely that management is influenced not only by organizational culture but by the culture of the larger society surrounding the focal organization. Results of the study demonstrate the powerful impact of national values, despite managerial efforts to create and sustain organizational culture (Schein, 2000). In a later publication, Hofstede (2000) discussed the complex relationships between national and organizational culture. He raised the question of whether management can establish a strong organizational culture that reflects values different from those of the larger national culture and that compete with societal socialization. He further argued that even strong organizational cultures of multi-national organizations will be

subject to local reinterpretations of their “standard” values when their practices are transferred abroad. Thus, even seemingly identical practices in multi-national organizations can produce different nuances in different countries. Understanding the influence of national cultures is of great importance for understanding organizational cultures.

### **International and managerial implication**

The study's results support the notion that the effect of AA programs is contingent on particular societal values. The theoretical and practical contribution of these results is very extensive, particularly given the significant growth in the global economy. From a theoretical point of view, the results help us to build a useful typology of cross-cultural AAPs' that can facilitate understanding the effect of national values on the conduct of affirmative action, and on organizational outcomes. From a practical standpoint, the study has important implications for organizational performance and competitiveness. Because of increased globalization and the extensiveness of international business operations, corporations would likely benefit from research findings concerning the adaptation of AA programs in different cultures and under different organizational conditions, and their relative effects on important organizational outcomes. The study's results provide managers a set of very rich and comprehensive findings. The findings enables managers, who are responsible for global operations, or who are in organizations competing in the global market, to determine more accurately and effectively when to establish AA programs in organizations that are based or operate in different countries, and what characteristics these programs should have to maximize their contribution to organizational competitiveness. The study clearly indicates that an understanding of the fit between AA and societal values is an important element in implementing effective AA programs.

The knowledge derived from the present study about cultural effects is applicable to studies concerning cross-cultural organizational processes, such as globalization, outsourcing, and expatriate behavior. Studies and practices of AA need to consider the separate and the interactive contributions of organizational and national factors. Kim (1999) stated that globalization implies accepting that cultural diversity in management composition and style contributes to the competitive advantage of the firm. Based on the results of the preset study, globalization also implies acceptance of national, not only organizational, diversity. Recognition and acceptance of such values may contribute to the successful operation of multi-national firms.

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