

Is diversity of cultural preferences for work good for workplaces?

Having a culturally diverse workforce is important for a number of reasons, write SIMONE MORICONI and GIOVANNI PERI

Abstract

Recent studies have highlighted that values, attitudes and beliefs related to work differ deeply across cultures. New research by Giovanni Peri and Simone Moriconi has found that cultural differences exist in preferences for work versus leisure. Perhaps surprisingly, British culture exhibits weaker attitudes towards work compared with other European cultures, e.g. in Greece, Hungary and Poland. So HR departments in the UK may seek to raise overall levels of in-work awareness and commitment by hiring a 'culturally diverse' workforce.

workforce is important. Generally speaking, when performing a specific task or duty, or brainstorming a problem, we need confrontation with others' perspectives, views and work methods. This type of confrontation is particularly productive when it involves workers with very diverse cultural and ethnic backgrounds. There are a number of studies that find positive returns from having a culturally diverse workforce in terms of productivity, ability to transfer knowledge and propensity to innovate. More diverse groups of employees produce better results.

Individual views and attitudes are partly determined by personality traits that vary from individual to individual. Someone can be more motivated in pursuing a successful career, more efficient on the job and contribute more to workplace performance. Someone else may be less inclined to put effort in to work and more inclined to enjoy leisure or family time.

It could even be argued, based on this evidence, that from an employer's perspective, more leisure-orientated individuals are perhaps likely to be less reliable and more inclined to take days off. Even small enterprises have to deal with potentially very diverse attitudes within their workforce.

What's new

The idea that culture matters for work is very well known in the recent strand of economic literature that analyses cultural incentives. Some studies look more at the individual work decisions of relatively vulnerable worker categories, eg youth workers and female workers, and show that their attitudes towards work depend on views regarding gender roles in the family, and geographical mobility. Other studies suggest that preferences for work also depend on specific features of the industrial relation system.

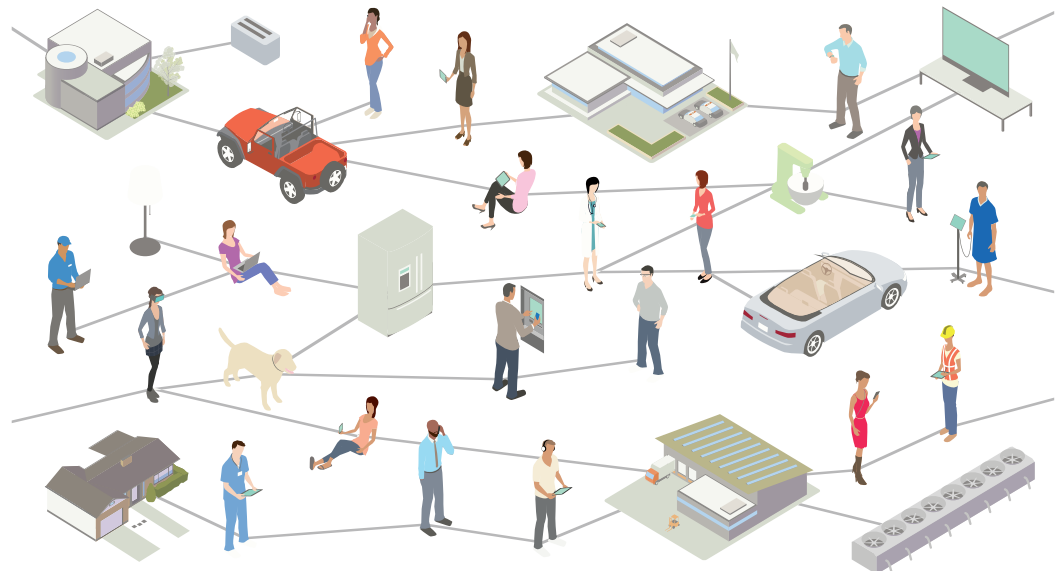
Our study shows that cultural diversity is also an important factor in general. This research highlights that the UK culture appears to place lower value on work. So, this could then suggest there is a strong business case for hiring immigrant workers, not just because of their skills and competencies, but also because of

their motivation and attachment to work. Of course, one of the key ongoing debates in the UK, in light of Brexit, is the role of workers from other European countries. This hot topic is often dominated by strong political and ideological views,

to the extent that we lose sight of economic evaluation of the benefits of having a culturally diverse workforce.

Key findings

Let's first understand the reasons why having a culturally diverse



Cultural preferences for work in Europe

Share of native residents in a country that strongly agree with the statement
 "I would enjoy having a paid job even if I did not need any money"



Source: Authors' calculation based on data from the European Social Survey (ESS) 2010 (5th round)

Belgium	21%	Cyprus	26%	Finland	21%	Israel	28%	Portugal	16%
Bulgaria	34%	Germany	21%	France	20%	Lithuania	11%	Russia	11%
Switzerland	18%	Denmark	20%	UK	12%	Netherlands	19%	Sweden	13%
Czech Republic	15%	Estonia	16%	Greece	22%	Norway	23%	Slovenia	10%
		Spain	14%	Croatia	17%	Ireland	20%	Poland	17%
						Ukraine	16%		
						Hungary	23%		

Ideally, businesses need to hire intrinsically motivated people who can contribute strongly to the performance of the enterprise.

Our study of various European countries' population's views on work shows that there appears to be an element in people's preferences for work rooted in national cultures. The paper, 'Country-specific preferences and employment rates in Europe' shows country-specific labour-leisure preferences could explain about 24% of the top-bottom variation in employment rates across European countries.

According to our study, British culture displays a relatively weak attitude to work, in that British people are, compared with their European counterparts,

motivated more by reward in return. In the study, most other European cultures appear to enjoy the idea of working more for its own sake. This is the case for most Nordic and Continental European cultures. This is also the case for some Southern and Central-Eastern European cultures, those that are stereotypically regarded as being more leisure-orientated.

But what do we mean exactly by culture, and cultural preferences for work? The so-called 'cultural economics' literature defines culture as "those customary beliefs and values that ethnic, religious, and social groups transmit fairly unchanged from generation to generation".

Other studies exist that claim that German-speaking cultures

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are more 'workaholic' than Latin-speaking ones. This definition of culture is consistent with one of the central findings of our study, ie that cultural preferences for work are still persistent in immigrants and the children of immigrants who live and work in a European country different from their country of origin. Those individuals are exposed to a variety of institutions and economic environments different from their country of origin. However, their preferences for work are still what we could call 'culturally transmitted'.

Our study also analyses the relationship between the immigrant's culture of origin and the destination culture. Several studies point out the ▶

Cultural assimilation of the immigrant in the country of destination

Recent research suggests that there are a number of factors that dilute the effect of the country of origin's culture:

1 Length of stay in destination:

There is a broad consensus in the cultural economics literature that the cultural trait from the origin is attenuated after 20 years.

2 Citizenship:

Immigrants that apply for (and obtain) citizenship are more similar to natives than immigrants that do not. This factor is however much less important for intra-European immigrants, as these are European citizens, with equal rights in all countries belonging to the European Union.

3 Close networks:

Immigrants that operate and live in close networks of immigrants preserve their cultural traits more than immigrants that are more open to cultural integration.

4 Having a native parent:

Second-generation immigrants are less likely to preserve the cultural trait from their country of origin than first-generation. This is particularly the case if the native parent is the mother, whose culture is more "influential" than the father's on the offspring.

factors that determine a "cultural assimilation" of the immigrants in the country of destination (see the box above).

Our study shows that the cultural traits from the country of origin are 'diluted' in those immigrants who spend more than 20 years in the destination country. More importantly, the cultural trait is also attenuated in the offspring of an immigrant-native couple.

Less important are other factors usually emphasised by the

literature, such as whether the immigrant has the citizenship of the destination country, or whether the immigrant is part of a closed or open network here.

From research to reality

Our study suggests that if only British workers are available, more incentives and monitoring will be needed to deliver a good work performance. British workers are, according to our study, much less committed to hard work than workers from

several countries from Continental and Nordic Europe, such as Germany, Denmark, Belgium and the Netherlands. The data shows the English culture is also less work-orientated than Mediterranean or Central-Eastern European cultures: Greece, Spain, Hungary, Poland or Slovakia.

There are many reasons why cultural diversity may be a valuable asset for UK enterprises, from increased level of innovation to enhanced productivity and better business returns. The results of our study suggest that if only British workers are available, HR departments and managers might have to deal with a workforce that needs significant incentives and monitoring to deliver a good work performance. Hiring workers from Poland, Hungary, Slovakia and Greece, for

example, creating a cultural mix, on the other hand, is a good way for HR departments in the UK to raise overall levels of work awareness and commitment.

And so we turn back to the UK's decision to leave the EU. Will closing borders and impeding workers' mobility be good for UK firms? In the past few months several reasons and motivations have been raised in the public debate to explain why Brexit will be detrimental to the UK economy. This article proposes a new perspective. We claim that by no longer using immigrants from Europe, the UK will forfeit a constant flow of highly motivated and committed workers. This risks becoming an additional factor that may hamper long-term growth prospects of UK firms and the economy as a whole after Brexit. **HR**

Recommended reading

- Alesina A, Glaeser E and Sacerdote B (2006) "Work and Leisure in the US and Europe. Why so Different?", *NBER Macroeconomics Annual* (eds. M Gertler and K Rogoff)
- Alesina A and Giuliano P (2016). "Culture and Institutions", *Journal of Economic Literature* 53(4): 898-944
- Brugger B, Lalive R and Zweimuller J (2009) "Does Culture affect Unemployment? Evidence from the Rostigraben", *IZA Discussion Paper No. 4283* – revised in 2012.
- Giavazzi F, Schiantarelli F and Serafinelli M (2013) "Attitudes, Policies and Work", *Journal of the European Economic Association* 11(6): 1256-1289
- Moriconi S and Peri G (2015) "Country-Specific Preferences and Employment Rates in Europe", *NBER Working Paper No. 21561*
- Parrotta P, Pozzoli D and Pytlíkova M (2014) "Does Labor Diversity affect Firm Productivity?", *European Economic Review* 66: 144-179

About the authors

Simone Moriconi is assistant professor at the Università Cattolica di Milano. He is the author of several publications on the political and cultural determinants of institutions, particularly in the labour market. Find out more at <http://bit.ly/2a5Achw>

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