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## **A Welcome Note from the Editor-In-Chief:**

It is our pleasure to present you the Volume 16, Number 3, 2016 of European Journal of Management (EJM). The EJM is a publically available and peer-reviewed journal and has the ISSN (ISSN: 1555-4015) issued by the US Library of Congress.

EJM is a Trademark of the International Academy of Business and Economics ([www.iabe.eu](http://www.iabe.eu)). The EJM is a publication of the International Academy of Business and Economics.

It is our objective to publish in the EJM high quality research and papers work from all subject areas of management and business administration with a particular emphasis on issues related International business.

The EJM issues are growing in importance from an issue to another and this fact is proven by the great number of the papers submitted by experienced researchers from many different countries in the World. We would like to assure you that we will do our best in the future, in order to offer you a high quality journal.

In this issue of 2016, we publish research papers of good quality for your reading. Each paper has successfully undergone a double blind peer-review process. You may enjoy scope of research papers ranging from international finance, international economics, business strategy, management of technology, entrepreneurship, organizational structure to quality management. We hope that you will enjoy reading this issue of the EJM and look forward to the next issue.

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Finally, we would like to express our sincere gratitude to numerous paper reviewers and editorial board for their contributions in making this issue.

Warm Regards,

***Dr. Marek Ćwiklicki***

Editor-In-Chief

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## UNION DENSITY AND MAS IN THE NORDIC COUNTRIES

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## ABSTRACT

*Hofstede's masculinity cultural dimension (MAS) focuses on achievement, assertiveness, performance and competition while femininity focus on caring, cooperation and wellbeing of the individual. According to some researchers, societies that have a high degree of MAS are likely to have lower union density (UD). In this paper two hypotheses are put forward: (1) The relationship between UD and MAS is negative amongst the Organisation for Economic Co-operation and Development's (OECD) countries, and (2) the relationship between UD and MAS is positive amongst Nordic countries. The results indicate that there is a strong negative relationship between union density and MAS amongst OECD countries and there is a strong positive relationship between the level of union density and MAS amongst the Nordic countries. The results also indicate that countries such as the Nordic countries with high union density do not necessarily score high on the MAS dimension. The reason for this is the institutional structure and framework of the labour market concerning union culture, which includes closed shop arrangements, pension funds, unemployment benefits and various positive incentives provided by the labour unions.*

**Keywords:** Hofstede's Cultural Dimensions, Masculinity, Femininity, Union Density, Labour Unions

## 1. INTRODUCTION

Singh (2001) suggests that societies that have a high degree of MAS are likely to have lower union density (i.e. societies that create a feminine culture by emphasizing quality of life and nurturing others are more likely to have a positive attitude towards unions). Hofstede's masculine dimension (MAS) and figures from the OECD on union density demonstrate that countries with a high degree of MAS (>50), such as Austria, Australia, Canada, Ireland, Italy, the United Kingdom, and the United States have a relatively low union density (less than 37%). Alternatively, the Nordic countries, such as Iceland, Sweden, Denmark, Norway, and Finland have a low degree of MAS (considering being feminine; less than 26) and have a high union density (>55%). This paper examines the degree of masculinity within the Nordic countries (Gudmundsdottir, Adalsteinsson and Gudlaugsson, 2014; Gudlaugsson, Adalsteinsson and Gudmundsdottir, 2014) and compares it with union density among these countries and among 26 OECD countries. This paper focuses on two hypotheses: **(1) The relationship between UD and MAS is negative amongst OECD countries and (2) the relationship between UD and MAS is positive amongst Nordic countries.**

In order to obtain data for the Icelandic MAS dimension, a questionnaire, VSM 94, measuring the MAS dimension within the national culture, was sent by email to students at faculty of social science at the University of Iceland in October 2013. The figures showing the degree of MAS amongst the 25 OECD countries come from Singh (2001) and the figures of union density come from the OECD. This paper is organized as follows: After Section 1, the introduction, Section 2 provides the literature review and Section 3 describes the methodology. Section 4 describes the results, and a discussion and conclusion is provided in Section 5.

## 2. LITERATURE REVIEW

Hofstede's research on national culture has had a major influence on the understanding of different national cultures within societies. Hofstede's work on national culture has been a topic for many researchers and has been cited many times (McSweeney, 2002; Shi, & Wang, 2010). According to Hofstede (1980 and 1991), culture can be defined as norms, communication habits, common language, literature, written language, educational systems, media, law, and the common values that are shared by a community. The objective of Hofstede's research on national culture was to conduct a comparative

study of nations, and it has been more than forty years since Hofstede's findings were introduced. He used IBM employees as his research population, where he conducted two independent surveys within multinational subsidiaries of the company. At the time, the company operated in 40 countries with 66 worldwide locations with total of 116,000 employees. Hofstede later expanded the database by adding an additional 10 countries and three regions (Hofstede, 1980, 1991, 2001; and Hofstede, Neuijen, Ohayv and Sanders, 1990).

Initially, Hofstede used four dimensions of national culture: power distance (PDI), individualism (IDV), masculinity (MAS), and uncertainty and avoidance (UAI) (Hofstede, 2001). Later Hofstede and Bond (1988) added a fifth dimension to the framework: Confucian dynamism, which was later renamed by Hofstede as long term orientation (LTO). The MAS dimension is considered bipolar and ranges from masculinity to femininity. Values such as assertiveness, performance, success, and competition are measured to determine the degree to which they dominate over the more feminine or masculine values. Countries that score high on masculinity could be expected to have leaders who are performance, success, and competition driven. On the other hand, countries that score lower on MAS (and are considered more feminine), could be expected to have leaders that emphasize the need for personal relationships, quality of life, caring for the elderly, and showing concern for the environment (Hofstede 1991, 2001).

According to Singh (2001, 333), "union density is likely to be lower in countries with a high degree of MAS". Hofstede, Hofstede, and Minkow (2010) point out that in countries with a high degree of MAS, management tries to refrain from dealing with labour unions, and they perceive that the behaviour of labour unions justifies management's animosity. Webb and Webb (1894) define a labour union as a group of individuals who possess specific common characteristics within a structured relationship. The main objective of labour unions is to improve the workers' conditions and create a more just society by working on the common interests of its members (Webb and Webb, 1894; Farnham and Pimlott, 1993). Rose (2001) outlined some of the main functions of labour unions (e.g. improving the terms of employment, improving conditions at work, improving job security, achieving full employment, and having a voice in politics. Moreover, Hyman (2001) proposed three different functions of labour unions: First, they are economic organizations by nature, which engage in collective bargaining as an attempt to affect the wages and benefits of their members. Second, they provide a platform for workers in their struggle against employers, where their collective strength strengthens them in their battle against employers. Finally, labour unions strive to improve society in general.

Union density has declined considerably in recent decades (Boeri, Brugiavini and Calm Fors, 2001; Ebbinghaus, 2002; Ferner and Hyman, 1998; Adalsteinsson, 2003; Kelly, 1998; Pettinger, 2000; Visser, 2002; Waddington and Kerr, 2002). Concurrently, union density in Nordic countries has decreased less or remained relatively unchanged over the same period. In 1993, union density in Iceland was 87.1% (Adalsteinsson, 2003) while in 2014, it was 86.4% (Trade Union Density, n.d.). Union density in Denmark was 74.9% in 1999 and 68.8% in 2009. In Sweden, union density was 80.7% in 1999, but had decreased to 67.3% by 2014. Union density in Norway was 54.8% in 1999 and 54.6% in 2011. In Finland, union density was 76.3% in 1999 and 70% in 2010. The average union density within the OECD countries was 16.7% as of 2014. As examples of OECD member states with high degrees of MAS and low union density, the USA had a union density of 10.7% in 2014, the United Kingdom had a union density of 25.1% and the union densities for Canada, Australia, and New Zealand were 26.4%, 16%, and 22% respectively (Trade union density, n.d.). Iceland was not included in studies on national culture until recently. Gudmundsdottir, Adalsteinsson, and Gudlaugsson (2014) conducted a study to determine how Iceland compares to the other Nordic countries in terms of national culture (e.g. Sweden, Denmark, Norway, and Finland). They found that within the Nordic countries, Sweden, Denmark, and Norway are more alike in terms of their national culture dimensions, while Iceland and Finland had the UAI in common but were different regarding IDV and MAS. Thus, Iceland is an outlier in Nordic national culture mapping (Gudmundsdottir, Adalsteinsson, and Gudlaugsson, 2014).

### 3. METHODOLOGY AND DATA ANALYSIS

A questionnaire was sent to students at the University of Iceland School of Social Sciences by e-mail in October 2013. The total number of responses was 344 and 73.5% of the participants were women. Therefore, the answers from men were weighted equally to the total number of answers from women, making the total number of answers 498. The five dimensions of national culture were measured using

scales that were developed by Hofstede (2001) called VSM 94. Figures regarding the degree of a nation's individualism, with the exception of Iceland, come from Singh (2001) and union density numbers comes from the OECD (Trade union density, n.d.).

### 3.1 Data analysis and execution

After the data gathering for Iceland was complete, the data was transferred to SPSS and Excel for further analysis. In SPSS, the average score for each question was calculated and examined to determine if there was a difference in attitudes by gender. In Excel, dimension values were calculated according to:

$$PDI = -35m(03) + 35m(06) + 25m(14) - 20m(17) - 20$$

$$IDV = -50m(01) + 30m(02) + 20m(04) - 25m(08) + 130$$

$$MAS = +60m(05) - 20m(07) + 20m(15) - 70m(20) + 100$$

$$UAI = +25m(13) + 20m(16) - 50m(18) - 15m(19) + 120$$

$$LTO = -20m(10) + 20m(12) + 40 \text{ (Adalsteinsson, Gudlaugsson and Gudmundsdottir, 2011).}$$

The m(03) is the average score for question 3, m(06) is the average score for question 6, m(14) is the average score for question 14, etc. The index is usually between 0 and 100 where a low index represents an inconspicuous cultural feature, while a high index indicates a decisive cultural feature. Though the index can be less than 0 and more than 100, that has no effect on the results. The relationship between variables was investigated using the Pearson product-moment correlation coefficient.

## 4. RESULTS

In this section, the findings of the research are described. The first part addresses hypothesis 1, the relationship between union density and MAS amongst OECD countries, and the second focuses on hypothesis 2, the relationship between union density and MAS amongst the Nordic countries. Union density amongst OECD countries is investigated differently. It is relatively high for Nordic countries, such as Iceland, Denmark, Sweden, Norway, and Finland, as well as China, but lower for other countries. Data for union density and MAS amongst the OECD countries that were investigated is illustrated in Figure 1.

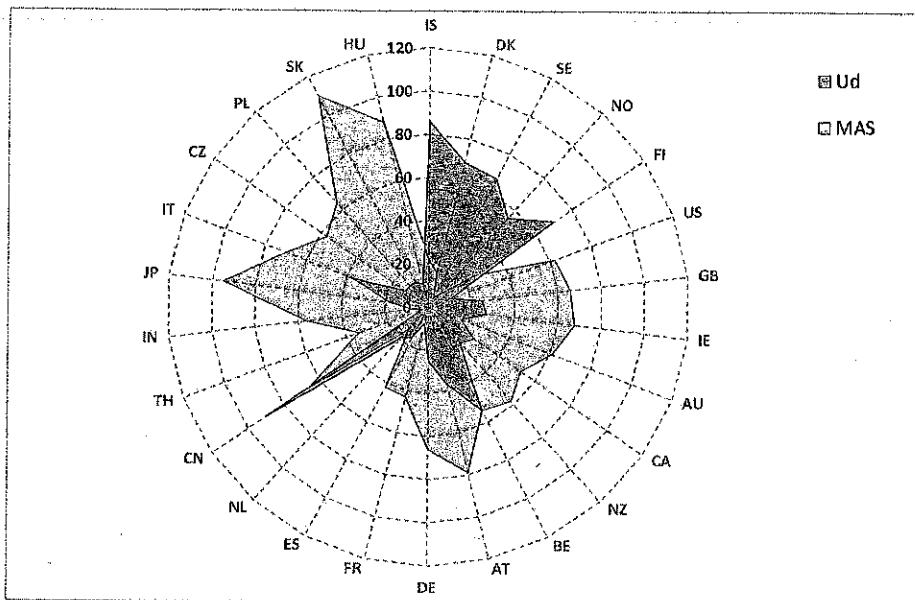


FIGURE 1: UNION DENSITY AND MAS FOR 26 OECD COUNTRIES

The relationship between union density and MAS was investigated using the Pearson product moment correlation coefficients. According to Cohen's (1988) classifications of strength of association there was

a strong negative relationship between Ud [ $r=-0,45$ ,  $n=26$ ,  $p<0.0005$ ] and MAS amongst OECD countries (see Table 1).

TABLE 1: THE RELATIONSHIP BETWEEN UD and MAS AMONGST OECD COUNTRIES

	Ud	MAS
Ud	1	
MAS	-0,45045	1

As shown in Table 1, the relationship is strong and negative, which indicates that when MAS is high the UD is low. Therefore, hypothesis 1 is supported.

The relationships between union density and MAS among the Nordic countries were investigated using the same method that was used for the first hypothesis. According to Cohen's classifications of strength of association, there was strong positive relationship between Ud [ $r=0.63$ ,  $n=5$ ,  $p<0.0005$ ] and MAS (see Table 2)

TABLE 2: THE RELATIONSHIP BETWEEN Ud and MAS AMONGST NORDIC COUNTRIES

	Ud	MAS
Ud	1	
MAS	0,625567	1

As demonstrated in Table 2, the relationship is positive and strong which indicates that when the level of UD is high, the level of MAS is also high. It must be considered that the index for MAS among the Nordic countries is low, as illustrated in Figure 1. When the relationship between the variables is investigated without the Nordic countries, the relationship is weak [ $r=-0.09$ ,  $n=21$ ,  $p<0.0005$ ]. However, that weakness is primarily due to the high union density among the Nordic countries while the MAS index is generally low. Based on these findings, hypothesis 2 is also supported.

## 5. DISCUSSION AND CONCLUSION

Singh (2001) states that countries that have a high degree of MAS are likely to have lower union density than countries with a low score on the MAS dimension (i.e. countries with more feminine values that favour unions and that have an ideology and aim that fit well together). The findings from the study presented in this paper shows a different picture for the Nordic countries, which have a low score on the MAS dimension and relatively high union density. While the 26 OECD countries show a strong negative relationship between union density and MAS when measured together, the relationship is positive and strong in the Nordic countries. There are many reasons why union density in the Nordic countries is relatively high and it does not necessarily coincide with a low score on the MAS dimension. Countries that score high on the MAS dimension are built on values such as assertiveness and success, and are competitive and performance driven. Thus, societies with a high degree of masculinity do not necessarily have a lower union density, as demonstrated by the Nordic countries. One must consider the institutional structure and framework of the labour market concerning union culture, such as closed shop arrangements, pension funds, unemployment benefits, and various positive incentives provided by the labour unions.



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