Globalization, Social Identities and Employment

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On the basis of social identity theory, we predict various outcomes of current reactions against globalization which have important implications for the management of employees. Globalization and its associated developments have added impetus to two social trends: increases in inequality and in individualism. Inequalities have increased both between and within nations, whilst individualism is increasingly apparent in social life in general, and in organizational life in particular. It is argued that individualism has led to a preference for personal identities over social identities, but that these are not always satisfying because they are often based upon consumerist values. Moreover, inequalities have resulted in feelings of injustice. Consequently certain social movements have increased in popularity. The most important of these are religious fundamentalism, nationalism and single-issue politics.

Increasing numbers of employees have at least one of these social identities central to their selves. Social identity and self-categorization theory suggest certain hypotheses about the likely implications for employment. First, to the extent that these social identities are salient for employees in the work situation, they will maintain the beliefs, values and norms associated with their identity at the expense of organizational beliefs, values or norms which are incompatible. Second, they will further the interests of their own category at the expense of other social categories of employee. Third, they will fail to differentiate between individuals within their own category, and between individuals within other categories. The implications of these hypotheses, if supported, for organizations are then explored. Finally, certain preventative strategies, also based upon social identity theory, are described.

Globalization and social change

The basic element of globalization, together with its concomitant features, is not greatly contested. Globalization’s central feature is the recent considerable increase in the mobility of capital and labour. Associated with this increase is a variety of other recent trends with which globalization has come to be identified more broadly (Reich, 1991). Some of these are as follows:

• finance capital more frequently takes the form of direct foreign investment, while financial instruments multiply and are increasingly distanced from the production of goods and services;
• multi-national corporations and supra-national institutions have increased in power and wealth, whilst most nation states appear to have decreased (Dunning, 1992; Ohmae, 1995);
• supply of many goods and commodities is excessive, and demand is continually engineered for new ones (Hamel and Prahalad, 1994);
• information technology appears to operate as a positive feedback system, whereby information and knowledge are continuously generated and feed back into more highly developed systems (Castells, 1996).
Whilst the general description of globalization and its associated developments is not greatly contested, however, their interpretation certainly is (Parker, 1998). Interpretations divide largely along disciplinary lines. Economists of all persuasions place globalization within a historical context, and tend to regard it as a quantitative change, albeit a major one. So, for example, Rugman (2000) defines it in terms of the increasing dominance of global business by multinational enterprises (MNEs) (although insisting that this dominance is exercised regionally rather than globally). Dunning (1992, 1997), too, refers to the growth of MNEs, attributing their success to a mix of firm and country competitiveness and successful internalization. Other economists (e.g. Bradley, Hausman and Nolan, 1993) stress the positive feedback linkage between globalization and technology. More radical theorists, on the other hand, treat globalization as a particularly rapid growth in the already burgeoning power of capitalism (e.g. Greider, 1997). But almost all economists consider it to be a quantitative change.

Sociologists, however, (e.g. Giddens, 1999; Tomlinson, 1999), and management theorists (e.g. Coulson-Thomas, 1992) tend in general to treat globalization as a new, revolutionary, qualitative change. Many sociologists argue that economic, technological, political and cultural processes are inextricably interconnected. They particularly emphasize the changes in national and regional cultures, which they see either as being submerged by a common global capitalist culture, or as being bastardized by a process of hybridization via the mass media. Management theorists, on the other hand, concentrating upon the organizational level of analysis, tend to argue that the current changes in organizational philosophies, structures, policies, processes and practices are so immense as to constitute a transformation.

For the purposes of our thesis, we have tended towards the economists’ position, favouring a quantitative interpretation, whilst nevertheless emphasizing the increase in the speed of change wrought by globalization, ‘the worldwide production and marketing of goods and services by multinational enterprises’ (Rugman, 2000). We certainly agree with the sociologists that there are profound social and organizational concomitants of what is essentially an economic phenomenon; but whether or not these constitute a revolutionary social transformation has yet to be determined. What is very clear is that the speed of modernization in industrializing countries, and of postmodernity in industrialized ones (Kumar, 1995), has markedly increased.

Globalization itself, together with its associated economic and technological developments, has undoubtedly resulted in a major overall increase in wealth. Here, however, we concentrate upon two of globalization’s societal concomitants: increases in existing inequalities in the distribution of that wealth; and an increased pace of the growth of individualism, both generally within societies and also within organizational settings. We argue that these outcomes are failing to meet a variety of needs for many of the world’s inhabitants, but that certain social movements, both old and new, are succeeding in doing so, thereby gaining adherents and power.

The recent growth in inequalities, both between and within nations, is well-documented (United Nations Development Programme, 1998). The richest 20% of the world’s population control 86% of world gross domestic product and 82% of world exports, while the poorest 20% consume 1.3%. Consumption in Africa has actually declined over the last 20 years. Within national economies, inequalities are particularly noticeable in those nations where there are minimal legal and social constraints upon capital. The gap between executive and median salaries within organizations has continued to widen, particularly in the USA and the UK. These inequalities in wealth are matched by inequalities in national and personal status and power.

Equally well evidenced is the increase in individualism. Individualism values loose linkages between individuals ‘who view themselves as independent of collectives; are primarily motivated by their own preferences, needs, rights and the contracts they have established with others; give priority to their personal goals over the goals of others; and emphasize their personal goals over the goals of others’ (Triandis, 1995, p. 2). Individualism is contrasted with collectivism, which values close linkages between individuals ‘who see themselves as parts of one or more collectives; ... are primarily motivated by the norms of, and duties imposed by, those collectives; are willing to give priority to the goals of these collectives over their own personal goals; and emphasize their
connectedness to members of these collectives’ (ibid.).

It is generally agreed by commentators (e.g. Giddens, 1991) and investigators (e.g. Erez and Earley, 1993; Markus and Kitayama, 1991; Triandis, 1995) that the increased pace of modernity and postmodernity has hastened the social trend towards individualism.

In those modernizing, industrializing nations to which manufacturing jobs are increasingly being relocated, the same social changes are occurring which transformed richer countries in the first industrial revolution. The migration from rural to urban environments disrupts ties of family and location. It results in a shift away from collectivist values and assumptions towards more individualist ones, as the newly urbanized proletariat search for alternative identities (Castells, 1997).

Many already industrialized nations, on the other hand, are moving towards conditions of post-modernity (Kumar, 1995). Social fragmentation is matched by segmented marketing (Pine, 1993). Targeted consumerism enables individuals to create new personal identities on the basis of their purchases of goods, services or packaged experiences (Giddens, 1991; Rifkin, 2000). Personal identities have become tailored to suit individual consumer preferences (du Gay, 1996).

The same trend towards individualism may be observed in organizations, as they mirror the more general trends of their societal contexts (Ghoshal and Bartlett, 1998). As post-industrial service economies develop, the range of possible employment contracts and work designs is increasing (Clarke and Clegg, 1998). The employment relationship is increasingly conducted between individual employees and their employers, rather than through collective representation (Sparrow and Marchington, 1998). This general trend takes different forms (Storey and Bacon, 1993); for example, all aspects of employee relations may be individualized, or industrial relations and work organization are individualized but HR policies are collectivized. However, increasingly, individual performance is assessed and rewarded or sanctioned, and individual development plans are formulated to enable employees to develop the desired competencies. Employees are treated as individual units of the organization’s human resource (Legge, 1995).

Inequality, individualism and identities

These two social outcomes of globalization, increased inequalities and individualism, have important psychological consequences. These may best be analysed in terms of psychological theories of the self (Baumeister, 1982, 1999). People use their concepts of their selves to organize their understanding and guide their actions in the social world. They derive these concepts largely from their observations of the outcomes of their actions, particularly others’ reactions to those actions. There are extensive cultural differences in such reactions, both within and between national groupings. People in industrialized nations also increasingly base their selves upon various forms of symbolic communications, especially those of the various media (Turkle, 1995).

Thus selves are working mental models, continuously both regulating, and also adapting to, direct and symbolic interactions. The self is of particular importance as a source of personal motivation: our identities serve to enhance our self-esteem (Abrams and Hogg, 1988); and they decrease our uncertainty about who we are and what we should do (Hogg and Mullin, 1999). Hence much of our behaviour is motivated by the desire to defend, maintain, enhance or acquire identities.

In order to permit the statement of specific hypotheses, we will focus here upon one theoretical perspective on the self: social identity and self-categorization theory (Hogg, 2001; Tajfel and Turner, 1986; Turner, 1985, 1991). We start with a fundamental distinction drawn by social identity theory: that between social and personal identities (Turner, 1982).

Social identities refer to those social categories to which one believes one belongs (e.g. family, religion, nationality, political party, ethnic group, occupation, locality, work group). These categories provide a self-definition in terms of the defining features of each category; the features of the category become the features of one’s self. People have a repertoire of such category memberships, which vary in terms of their centrality and importance to the self. Different social identities become salient in different situations, as a function both of their centrality, and also of the other social categories present in the situation.

Personal identities, on the other hand, are not derived from social categories. Rather, they
emphasize each individual’s uniqueness in terms of their personal characteristics and behavioural style. This does not imply that personal identities are not socially derived; they, too, are likely to be the result of interpersonal interaction. Rather, it means that personal identities are not based upon the features of those social categories to which individuals believe they belong.

The implications of this theoretical distinction for our analysis of the social concomitants of globalization are clear. The trend towards individualism, both at the societal and the organizational levels of analysis, suggests that selves will increasingly incorporate personal rather than social identities. Both segmented marketing and individualized HR management encourage consumers and employees to construe themselves as unique individuals. Moreover, the continuing decline and fragmentation of traditional institutional sources of social identity, such as family, mainstream religion and democratic politics (Fukuyama, 1995; Sennett, 1998) may have contributed to this preference for personal identity by diminishing existing sources of social identity. Instead of the character-based social virtues of civil society, such as dependability and integrity, it is argued that personality-based features, such as personal ambition and social attractiveness, are valued more highly (Giddens, 1991; Triandis, 1995).

However, we propose that for a very significant minority of employees world-wide, the shift is in the opposite, counter-cultural direction. For these people, social identities are coming to play a larger, rather than a decreased, role in their construction of their selves. There are at least two possible reasons for this.

The first is the growth in inequalities described above. Many perceive themselves as unjustly treated, and their experience may not only take the form of distributive injustice (i.e. they believe that they receive an unfair share). They may also experience procedural or interactional forms of injustice (Folger and Cropanzano, 1998); that is, they may feel that the institutions and systems for distribution are unfair, opaque or corrupt; or that they are not treated with respect. As a result, their self-esteem suffers, and they may feel powerless (Ashforth, 1989).

Since the maintenance of self-esteem and the reduction of uncertainty about how to respond are both powerful motivations, victims of injustice identify with others whom they perceive to suffer injustice also. Existing social categories can provide unifying social identities. Indeed, as we will seek to demonstrate, these oppositional social categories have features which are diametrically opposed to the features of the social category of persons perceived to be responsible for the injustice (Tajfel, 1982). So, for example, values of spirituality, cultural diversity or deep ecology may be embraced by adherents of reactive social movements.

The second possible reason for the growth of the importance of social identities for a large minority is their dissatisfaction with the personal identities provided by consumerism. Such identities may fail to satisfy because consumerism continuously creates new needs (Greider, 1997); because it fails to meet affiliation needs or needs for meaning and purpose (Castells, 1997); or because it is perceived to have malign consequences (Porrit, 1994). To the extent that employers treat employees as consumers, the same analysis may apply to the employment relationship (du Gay, 1996).

**Reactive social movements**

Several social movements, both old and new, have sought to meet those psychological needs which late modernity, the product of capitalist growth and globalization, has for many failed to meet. Here we consider three, all of which have profound implications for employment relationships: fundamentalist religion, nationalism and single-issue politics. It is important to note that the growth of these social movements is clearly distinguished from the well-established cultural differences between and within nations. Whilst multi-national corporations are well aware of the need to take account of these local cultural differences, social movements are global in their spread, and will impact upon local as well as multi-national organizations.

Of course, not all adherents of these three movements are consciously reacting against globalization. Whilst many campaigners on single issues, such as environmentalists, do expressly cite globalized capital as their opponent, fundamentalists and nationalists may be meeting their social and psychological needs without being aware why those needs have not been met in other ways; or, indeed, of what needs they are meeting by their
adherence. What is evident is that all of these social movements are currently gaining support across the world.

First, fundamentalist religion offers a directly oppositional social identity to consumerism (Castells, 1997). It provides a belief system which values spirituality in preference to materialism, and permits a wide variety of other social identities to be considered as hostile out-groups (Huntington, 1996). These may even include insufficiently zealous adherents of their own religion. The institutions which support these hostile identities, and the categories of person which best represent them, are frequently scapegoated by fundamentalists. Hence all the conditions are present for them to maintain an oppositional vision, mission, and values which they consider to be the only correct belief system. The authority of sacred scriptures and their divinely appointed interpreters is brought in aid, both to affirm the unique truth of their doctrine and also to provide clear rules for behaviour. Thus fundamentalist believers are possessed of a powerful social identity which they constantly validate by their social behaviour, to the approval of their co-religionists and the hostility or apathy of others (McNeill, 1993).

It is extremely important to note the demographics of fundamentalism (Huntington, 1996). Both Muslim and Christian fundamentalists largely consist, as one might expect, of the newly urbanized rural migrants. However, they are also drawn from professional and technical workers who are second-generation suburbanites, or who are the first generation of their family to receive a university education. Hence, far from resembling the ageing devotees of mainstream religion decreasing in numbers in the richer nations, fundamentalists constitute a growing minority of the present and future core employees of corporations.

The second resurgent social movement is nationalism. Nationalism does not refer to nation states; many examples either cross national frontiers or exist within them. Nor is it synonymous with national or regional cultures. Rather, it is a strong form of cultural social identity which embraces ethnicity, language, history, religion and place.

Like fundamentalism, therefore, nationalism provides a strong and rooted social identity, signalled by various overt badges such as ethnicity and language (Castells, 1997). Again like fundamentalism, it provides a diametrically opposed set of beliefs and values to globalized consumerism. Perceiving globalization to be a form of cultural imperialism, nationalists abhor the brand artefacts which symbolize globalization, and the values which they represent.

Essentially, nationalism seeks to establish a cultural homeland. Artefacts such as local crafts, national dress, flags, language, rituals and the like are important insofar as they signal the important values and beliefs of nationalist cultures. Values such as loyalty, solidarity and patriotism are contrasted with consumerist individualism and self-gratification; and the anchors of historic time and local place oppose the instantaneous time and global space of the global élites. In particular, shared historic experiences which have been mythologized and have accrued communal meaning are the bedrock of nationalism. Although commentators are disagreed regarding the thesis that globalization is resulting in a marked convergence of cultures, nationalists have no doubt that it is.

Thus, like fundamentalism, nationalism provides a powerful social identity, signalled in many obvious ways. It also shares with fundamentalism the tendency to feel hostile towards many out-groups which do not share its artefacts, norms, values or beliefs. Like fundamentalism, it meets the social identity needs of the self. Individuals can place themselves as persons within the context of national history. They can gain a sense of themselves as having agency by supporting the nationalist project. They can derive self-esteem from the perceived importance of their nation. And finally, like fundamentalism, nationalism goes back to ancient roots which have successfully met social and psychological needs long before the modernist project got under way.

Our third and final social movement is what might be termed ‘issuism’: the pursuit of single-issue politics. It appears absurd to lump together such diverse movements as environmentalism, feminism and human rights, which have diverse aims and origins. However, they all share in common the capacity to meet the psychological needs which globalized consumerism has largely failed to address. They are all driven by issues, values and mutual sympathies. Consider environmentalism by way of example.

Environmentalists develop strong and nested social identities. They can identify with a worldwide environmentalist movement, and also, within that category, with a specific institution (e.g.
Greenpeace. Their immediate social identity may be bound up with its local branch. These social identities are buttressed by shared values and beliefs. For example, at the level of fundamental assumptions about the world, environmentalists can perceive time past in lengthy evolutionary terms, time present in terms of crisis and decision, and time future as belonging to generations yet to come. They can perceive space in terms of the planet as a whole. And they can construe human-kind as *homo sapiens*, a natural species with the responsibility for its own and its environment’s survival. What is more, they can believe themselves to be affecting outcomes on this global stage by their localized activities. There is no more inspiring vision than the salvation of the world, as fundamentalists too have discovered. The postmodern distrust of grand theory cuts no ice with the adherents of these movements.

**Social movements and employment**

The implications of these reactions against modernism and globalization for the employment relationship are profound. Before developing some specific hypotheses, however, it is important to establish the psychological nature of the employment relationship. We argue that, as with any relationship, the parties to the employment relationship bring their existing repertoire of social and personal identities with them to the work situation. Their existing selves both influence, and are influenced by, the course of the relationship (Hinde, 1997). Their own actions, and their reactions to their employer’s actions, will be affected by their identities, in particular by those identities which are salient at the workplace.

For most individuals, different identities will become salient, depending upon the situation (Turner, 1985). For many employees, for example, their social identity as family member is likely to be salient at home, their organizational or occupational identity at work. Many people have multiple social identities, several of which possess a similar degree of centrality to their selves. Hence they are willing (granted the appropriate skills) to play the variety of roles expected of them in different situations, since these roles are consistent with the currently salient element(s) of their selves.

However, our account hitherto has suggested that there exists an increasing number of people worldwide who are affiliated to social movements which provide them with a single central and fundamental social identity. Social identity and self-categorization theory permits the following predictions to be made regarding the behaviour of such adherents as employees of local or of multi-national corporations.

First, people with social identities central to their selves tend to define themselves in terms of the beliefs, values, norms and personal characteristics of the social category concerned (Hogg, 2001). Since adherents’ social identity is central to their selves, it is likely that it will be salient in many work situations. Furthermore, if desired organizational beliefs, values, norms and characteristics are repeatedly made explicit in the workplace (for example, in vision, mission and values statements), then this situation increases the probability that the adherent’s central social identity will become salient. Hence, if the beliefs, values, norms and personal characteristics of the organizational or work group identity are incompatible with those of the adherent identity, the latter will probably win out. The characterization of whistleblowers as individuals with strong and principled values (Rothschild and Miethe, 1994) indirectly supports this prediction:

\[ H1: \text{Employees who are adherents of social movements will act consistently with the beliefs, values, and norms of those movements rather than with incompatible organizational beliefs, values, and norms, especially when the latter are explicitly promoted.} \]

Second, when a social identity is salient in a situation, whether because of its centrality to individuals or because of the presence of other conflicting identities, members of other categories present are treated as out-groups. Intra-group similarities and inter-group differences are accentuated (Tajfel, 1982). The social situation is perceived as one of conflict, and the interests of the in-group are promoted above those of the out-groups:

\[ H2: \text{Where adherents of different social movements are present together at work, they will favour the interests of their fellow adherents at the expense of the interests of adherents of other movements.} \]
Third, when a social identity is repeatedly salient in a situation, a prototype of that category is often developed (Hogg and Terry, 2000). A prototype consists of a fuzzy set of features which are taken to describe the typical (or sometimes, the ideal) member of a category. This prototype becomes the accepted representation of that category, and its members come to assume that they all share the prototypical features. Moreover, they engage in the same sort of process with respect to members of other categories of persons present in the situation. These categories become stereotyped, with all their members perceived as sharing the same features. Hence both fellow adherents and out-group members become depersonalized (Turner, 1984), with their personal identities submerged by their prototypical or stereotypical features:

H3: Employees who are adherents of different social movements will not differentiate their responses to individual members of their own movement, nor to individual members of other movements.

If these hypotheses are supported, then the outlook for organizations appears increasingly unfavourable. To consider a few examples:

- conscious organizational attempts to focus upon corporate vision, mission, and values may meet more opposition than hitherto;
- diversity of team membership may be more likely to result in conflict than in innovation;
- equitable implementation of HR policies and processes may be less likely, as fellow adherents are favoured at the expense of others;
- individual differences are less likely to be perceived and valued, and appropriate allocation to organizational roles may become difficult;
- adherents may seek to involve their representative institutions in organizational affairs, thereby potentially threatening authority and legitimacy.

**Strategic managerial responses**

However, social identity and self-categorization theory also offers some indications of how these issues may be addressed (Ashforth and Mael, 1989), and suggests a range of strategic choices to be made.

First, where there is a strong organizational identity, recruiters and managers are likely to favour applicants and subordinates who more or less approximate to the prototype of that identity. Hence, if adherents’ social identities are incompatible with the organizational identity, they are unlikely to be attracted, selected or retained (Schneider, 1987). However, if adherents form an increasing proportion of the labour markets from which organizations draw their employees, then such organizations run the risk of putting themselves at a disadvantage in the competition for talent.

Second, the assumption of a dominant single organizational identity is probably mistaken (Albert and Whetten, 1985; Pratt and Foreman, 2000). There may be different perceptions within organizations of what are the fundamental and distinctive features of the organizational identity. Moreover, such different perceptions may be held universally throughout the organization, or by some groups but not others. Clearly, it is more likely amongst a plurality of organizational identities for one to be found which is compatible with the social identity of adherents. Particularly if the organizational identities are relatively independent of each other, the organization may opt for a strategy of compartmentalization. This would result in an absence of synergy between adherent groupings, but a high level of social capital within them.

Third, organizational identity is also fluid (Gioia, Schultz and Corley, 2000). Organizational image and identity interact in a reciprocal way, such that a particular organizational identity leads to the projection of a particular image (where image is defined as a mix of outsiders’ perceptions, insiders’ beliefs about these perceptions and general reputation). This image stimulates reactions by others, and these reactions in turn affect the organizational identity. Hence organizational identities may be consciously changed so as to fit adherents’ social identities better.

Fourth, specific manipulations of structure, task and reward systems can succeed in modifying identities within organizations (Brickson, 2000). So, for example, an atomized organizational structure, individually designed tasks and individualized rewards can result in the development of more personal identities; divisionalized structure, group task design and group rewards in more social and collective identities. More controversially, a
networked structure, dyadic tasks and dyadic rewards may result in relational identities (Brewer and Gardner, 1996), where the key motivation is the benefit of colleagues.

If, then, organizational identities are, to an extent, multiple, fluid, and malleable, certain alternative identity-based managerial strategies for addressing the increase in adherent employees present themselves:

- Organizations may seek to develop a variety of organizational identities, each of which is compatible with an adherent social identity. A difficulty here is ensuring that each group of adherents takes on the appropriate organizational identity.
- Organizations may seek to develop an inclusive overarching organizational identity, for example, one which incorporates both task and social values. The problem here is that the different groups of adherents may hold very different social values. Even the superordinate aim of saving the world means very different things to environmentalists and fundamentalists.
- Organizations may compartmentalize their structure so as to ensure that adherents of the same group work together. The difficulty with this solution is that, while it may be appropriate to a degree for nationalisms, fundamentalism and issuism are to be found everywhere, and therefore it is hard to segregate adherents locally.
- Organizations may seek to make organizational roles and social identities independent of each other (Alderfer and Smith, 1982; Nkomo and Cox, 1996) so that, for example, nationality and level in the organizational hierarchy are unrelated. Whilst this may decrease the salience of social identity, it will not eradicate it where different social identities are present in the same workplace.

Clearly, however, there is room for supposing that the management of identity can reduce the bleakness of the three hypotheses which we derived above from social identity theory (Albert, Ashforth and Dutton, 2000). In particular, the growth of social movements may come to be seen as an opportunity rather than a threat, as they each constitute a potential source of social capital and legitimacy.

**References**


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