
Diversity, culture, and membership in social organisations

Abu H. Ayob* and Nor Asiah Omar

Faculty of Economics and Management,
The National University of Malaysia,
43600, Bangi, Selangor, Malaysia
Email: abuhanifah.ayob@ukm.edu.my
Email: norasiah@ukm.edu.my
*Corresponding author

Zafir Mohamed Makhbul

Graduate School of Business,
The National University of Malaysia,
43600, Bangi, Selangor, Malaysia
Email: zafir@ukm.edu.my

Taslima Jannat

Faculty of Economics and Management,
The National University of Malaysia,
43600, Bangi, Selangor, Malaysia
Email: taslima.jannat@ukm.edu.my

Abstract: This cross-national study empirically examines cultural context as a boundary condition for the interaction of diversity and social organisations. Specifically, this research explores the effects of ethnic, religious and linguistic diversity on the membership of humanitarian and charitable organisations, and how the relationships are moderated by the level of fairness and happiness. The hypotheses are tested using the index of fractionalisation and data from the World Values Survey from 38 countries. After controlling for the institutions, the results show that ethnic and linguistic diversity, together with a level of fairness, have positive effects on the membership of social organisations. However, the impact of the level of happiness and the moderating effects of cultural variables vary according to the type of diversity. The findings imply that social heterogeneity and cultural context play a significant role in determining engagement in voluntary social activities.

Keywords: ethnic diversity; religious diversity; linguistic diversity; fairness; happiness; social organisations.

Reference to this paper should be made as follows: Ayob, A.H., Omar, N.A., Makhbul, Z.M. and Jannat, T. (2022) 'Diversity, culture, and membership in social organisations', *Int. J. Happiness and Development*, Vol. 7, No. 1, pp.91–106.

Biographical notes: Abu H. Ayob is an Assistant Professor at Faculty of Economics and Management, the National University of Malaysia. He earned the BS in ICT from Universiti Teknologi PETRONAS, MS in Management from Toulouse Business School and PhD in Management Science from Université Toulouse 1 Capitole. Upon completion, he went to Boston University as a visiting academic before pursuing his postdoctoral at Copenhagen Business School and Toulouse Business School. His research interest focuses on the exploration of social context for non-profit organisations.

Nor Asiah Omar is an Associate Professor at the Faculty of Economics and Management, the National University of Malaysia. She also serves as a Head of Research Centre at the Centre of Value Creation and Human Well-being. She received her PhD in Marketing from University Technology Mara, Malaysia. Currently, she teaches marketing-related courses and innovation at the undergraduate and postgraduate levels. Her main research focus is consumer behaviour, branding, small and medium-sized enterprise, and service marketing. Her publications have appeared in several academic journals which include *Food Control*, *Journal of Business Ethics*, *The Service Industry Journal*, *Journal of Food Products Marketing*, *Renewable Energy*, *International Journal of Retail and Distribution Management*, *Journal of Islamic Marketing*, and *Journal of Business Economics and Management*.

Zafir Mohamed Makhbul is a Professor in Human Resource and Organisational Management. He is currently seconded as the Dean at Graduate School of Business, the National University of Malaysia. Previously, he was also seconded as the Deputy Director at the Ministry of Higher Education, Malaysia. He has more than 23 years of experience in teaching and researching, as well industrial experience in Motorola, Hong Leong Finance and Agrobank. As an academician, he is directly involved in teaching, research, publication, and community service activities other than being responsible as the main supervisor and external examiner for post graduates students.

Taslina Jannat is a post-doctoral researcher at the Department of Management and Humanities, in Universiti Teknologi PETRONAS. She also served as an accounting and finance manager in Bangladesh Export Processing Zone. She received her DBA in Management from the Graduate School of Business, the National University of Malaysia. She earned the BBA and the MBA degree in Accounting and Information System from the University of Chittagong. Upon completion her doctoral degree, she worked as a research assistant at the National University of Malaysia. Her main research focus is on business ethics, employee attitude, and organisational behaviour. She has published in several scholarly journals, including *Journal of Business Ethics*, *The South East Asian Journal of Management*, *Jurnal Ekonomi*, and *Jurnal Pengurusan*.

1 Introduction

Social organisations, like other types of establishments, are created by the influence of formal regulatory enforcement and informal institutions of shared norms and cultural beliefs, in which individuals pursue their interests (Nee, 2005). Prior research has shed light on the impact of formal institutions on social organisations, mostly in a positive direction. For example, high economic and social levels in countries increase the

propensity to volunteer and donate (Wilson, 2000). Yet scholars have criticised international comparative research on social membership because it has focused mainly on political and economic factors (Ruiter and De Graaf, 2006).

In contrast, exploration of the socio-cultural environment which favours participation in social organisations, remains limited. This research aims to contribute to our understanding of cross-country differences in social participation (Wilson, 2012), with an emphasis on the impact of the national context on individual social behaviour (Wilson, 2000). A notable work by Luria et al. (2015) has partially addressed the issue. However, these authors adopted a predetermined cultural dimension rather than crudely extracting one from a data source, a novel approach adopted in this study.

Diversity is an important social variable proven to have an influence on many aspects of the national landscape, such as democratic stability (Erisen and Wiltse, 2017), entrepreneurship and innovation (Erayden et al., 2010; Qian, 2013) and subjective well-being (Churchill and Mishra, 2017). An investigation of the impact of diversity on the social environment in a country is more promising than ever due to the recent cross-border movement events of asylum seekers and economic migrants. Accordingly, scholars posit that the mechanism of how diversity affects a society is contingent upon cultures and norms rooted in the national value system (Putnam, 2007). In other words, 'positive' values shared among people in a country would facilitate the assimilation and integration process, as well as eliminate potential conflicts emerging between groups in a diversified society.

To further comprehend the issue, this study aims to examine the impact of diversity on the prevalence of membership of humanitarian and charitable organisations across nations, and, particularly, how the relationship is moderated by the level of fairness and happiness. The analysis distinguishes between three types of diversity – ethnic, religious and linguistic – and controls for formal institutions to capture all hierarchies in the new institutional model (Williamson, 2000).

This research proposes hypotheses that draw on a prosocial behaviour perspective to investigate how ethnic/religious/linguistic heterogeneity interacts with shared values of fairness and happiness in determining the propensity to participate in social organisations. At the first level, we argue that a highly diversified society can either enhance mutual understanding via more interactions or create tensions between groups that possibly cause more severe social crises (Putnam, 2007). In any case, there is a strong motivation or urge for people to become involved in solving domestic social issues (Lepoutre et al., 2013), which increases the rate of social engagement in a country.

At the second level, it is held that the social values embedded in society have a significant role in facilitating (or obstructing) the mechanism. For example, empirical studies have found that the cultural dimensions of collectivism and femininity, as opposed to individualism and masculinity, are associated with more social organisations in a country (Puumalainen et al., 2015). Uniting arguments at both levels, this study proposes that, given diversity as a factor that is stable and difficult to change (Alesina et al., 2003), endogenous events should be examined as the products of interaction with other social variables such as fairness and happiness.

The empirical approach of this research advances the literature in several ways. First, three types of diversity: ethnic, religious and linguistic; are distinguished to extend the focus to measure other types of diversity than only ethnic diversity (Savelkoul et al., 2014). We conduct a separate analysis to verify the argument that each type of diversity is defined uniquely, and thus has a different effect on social phenomena (Alesina et al.,

2003). Also, this macro-level study offers rigorous generalisability by controlling for formal institutions and alternative informal institutions across nations to complement single-country studies conducted previously (e.g., Levels et al., 2015). Lastly, this study establishes causality using lagged data of explanatory variables from the World Values Survey (WVS) wave 5 2005–2009 on the dependent variable of membership of humanitarian or charitable organisations from the WVS wave 6 2010–2014. WVS studies national values and their impact on social and political life across countries. It is a reliable data source that has been used in much research across disciplines.

2 Literature review on diversity

Diversity in a country can be manifested in different forms – through ethnicity, religion and linguistics (Ayob, 2020a). For example, ethnic diversity has been found to be low in South Korea and high in India. In contrast, South Korea is one of the most heterogeneous societies in the world in terms of religion, whilst Poland and Spain have low religious diversity.

Traditionally, diversity has existed in human settlements since prehistoric times. Diversity emerged endogenously among peripheral populations due to the insufficient supply of necessary goods (Ahlerup and Olsson, 2012). However, in the modern world where the trans-border movement of people has become common, both the government and local people have expressed concern about the effect of diversity caused by the influx of immigrants on the economic and social development of a country (Putnam, 2007).

For example, a theoretical study by Montalvo and Reynal-Querol (2005) suggests two ways in which diversity may negatively impact the economic progress of a country. First, competition between groups often arises in countries that are more ethnically or religiously diverse because rent-seeking models consider the resources spent by any particular group to earn political supremacy over other groups is a nonproductive use of social cost, presumably by axing investment in more productive sectors. Secondly, the government in a largely diversified country would also be forced to spend more resources on resolving social disruptions caused by instability such as crimes.

In terms of the social effect, Lepoutre et al. (2013) offer two possible outcomes of diversity on social participation. On the one hand, social participation could increase in highly diversified countries in order to solve increased social problems, such as civil wars or corruption (Dincer, 2008). On the other hand, because heterogeneous societies often exhibit domestic problems such as poverty and inequalities (Putnam, 2007), people have more important issues to contemplate for survival rather than engaging in voluntary activities for the social good. In other words, they would be more concerned about basic economic matters, such as employment, which eventually make social participation less attractive.

3 Theoretical framework and hypotheses development

3.1 Diversity and social organisations

Diversity defines the heterogeneity of individual attributes, such as ethnicity, inherited from our ancestors or acquired from the environment, such as languages spoken

(Montalvo and Reynal-Querol, 2005). Although most traits are static, some are changeable such as religious affiliation as people can decide on their faith limitlessly (Alesina et al., 2003). Today, diversity is more subtle than ever and has contributed significantly to the influx of refugees and economic migrants from countries with ethnic, religious and linguistic attributes that differ from those of the local people (Joly, 1996; Putnam, 2007; Sturgis et al., 2010). However, the impact of variation in identity among people living in the same geographical area remains inconclusive, as explained in contact and conflict theory (Dinesen and Sonderskov, 2015; Putnam, 2007; Stolle et al., 2008; Sturgis et al., 2010).

Although contact and conflict theories are often considered contrary, a discussion of both leads us to propose the positive effect of diversity on participation in social organisations. First, contact theory suggests that a diversified society provides opportunities for more interactions with outsiders or out-group members (Huijts et al., 2014). Thus, close proximity with people from various backgrounds helps to bridge differences and increase understanding. As a result, empathic feelings, such as cooperation, responsibility, tolerance and trust are strongly nurtured in the culture (Schwartz, 1999).

On the other hand, conflict theory proposes that diversity is harmful for social integration because it leads to clashes and competition between groups (Putnam, 2007). On a larger scale, diversity can cause political chaos and social instability that hinders the market from functioning properly (Mavridis, 2015). Thus, negative social responses such as illiteracy, poverty, and marginalised minorities require collective participation from all parties including individuals volunteering in social organisations. In fact, the creation of social organisations in highly diversified countries is crucial as an alternative or complementary solution to the government sectors (Dincer, 2008).

In accordance with both theories, this study proposes:

Hypothesis 1a (H1a): Countries with higher ethnic diversity exhibit a higher rate of membership in humanitarian and charitable organisations.

Hypothesis 1b (H1b): Countries with higher religious diversity exhibit a higher rate of membership in humanitarian and charitable organisations.

Hypothesis 1c (H1c): Countries with higher linguistic diversity exhibit a higher rate of membership in humanitarian and charitable organisations.

3.2 Culture and social organisations

To address the effect of cultural values on social participation, we draw on a prosocial behaviour perspective, specifically what motivates individuals to serve the needs of others by becoming members of social organisations (Luria et al., 2015). The existing literature has identified the traits that positively determine subsequent social engagement at both individual and country level. For example, the values of secularity and self-expression are found to be positively related to the prevalence of social businesses (Hechavarría, 2016), as the former emphasises social inclusion and tolerance on unconventional social issues, whilst the latter exhibits trust, tolerance, and quality of life.

Following findings in prior studies, this research focuses on an examination of two values, fairness and happiness, as the main effects and moderators. Fairness and happiness are considered personality resources that encourage people to participate in

community services (Thoits and Hewitt, 2001), a prosocial behaviour that aims to maintain ideal standards shared among members in a country (Penner et al., 2005).

Fairness is an interchangeable term used in the literature with a similar concept of justice. Classically, the principle of fairness has been developed from three ideas: liberty, equality and reward for services contributing to the common good (Rawls, 1958). Today, fairness includes broader cultural dimensions, such as secular orientation, which opposes all types of discrimination and recognises that the social deprivations of others need to be addressed (Puumalainen et al., 2015). When people are treated fairly, they tend to develop the prosocial motivations of benevolence, concern for immediate others, universalism and concern for the welfare of all people (Bardi and Schwartz, 2003; Schwartz, 1999). One study suggests that the intention to contribute to society stems from egalitarianism and harmony values (Schwartz, 1999), where the former implies the attributes of equality, social justice, freedom, and responsibility.

Consistent with existing studies, we hold to a positive impact of fairness on social participation as a main effect. Subsequently, as for interaction, we argue that fairness intensifies the positive effect of all types of diversity on the membership of social organisations. In other words, the higher the level of fairness in a country, the stronger the positive effect of ethnic, religious, and linguistic diversity on social engagement. Therefore, we propose:

Hypothesis 2a (H2a): Countries with a higher level of fairness exhibit a higher rate of membership of humanitarian and charitable organisations.

Hypothesis 2b (H2b): A higher level of fairness accelerates the positive effect of 1) ethnic, 2) religious, and 3) linguistic diversity on the rate of membership of humanitarian and charitable organisations.

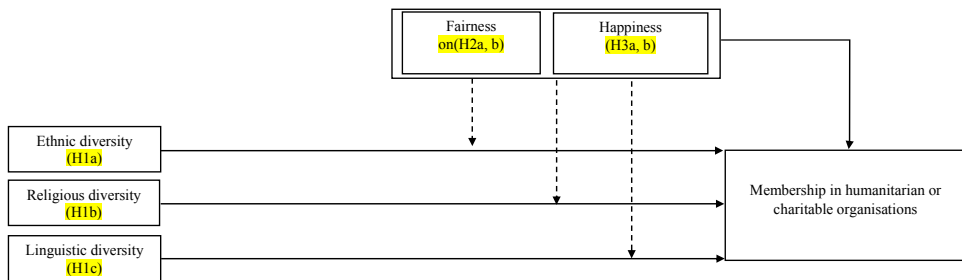
Prior studies provide evidence on the positive relationship between happiness and involvement in social organisations as a determinant or outcome (Borgonovi, 2008; Thoits and Hewitt, 2001). When people live in happiness as the product of surrounding factors, they tend to give more in return to society. For example, cognitive whole-life satisfaction theory posits that happiness results when one's actual life meets or matches one's initial ideal life plan (Feldman, 2010). Accordingly, most social volunteers perceive participation in social activities that are beneficial to others as a means to build integration that satisfies their personal needs and self-image (Penner et al., 2005). Hence, social involvement would increase life satisfaction and self-esteem, and give a better sense to volunteers that they are controlling their lives (Meier and Stutzer, 2008; Thoits and Hewitt, 2001).

In general, we propose that a happier society shows a stronger engagement in social activities. Also, a higher level of happiness would strengthen the positive effect of diversity on membership of social organisations. Hence, it is expected that:

Hypothesis 3 (H3a): Countries with a higher level of happiness exhibit a higher rate of membership of humanitarian and charitable organisations.

Hypothesis 3b (H3b): A higher level of happiness accelerates the positive effect of 1) ethnic, 2) religious, and 3) linguistic diversity on the rate of membership of humanitarian and charitable organisations.

Figure 1 summarises the hypotheses developed in this paper.

Figure 1 Summary of hypotheses (see online version for colours)

4 Data

This cross-country study develops a dataset from multiple sources. An important deficit in our empirical approach is that only a small number of countries consistently presents in all sources available for analysis. Although the index of fractionalisation covers 190 countries, the WVS waves 5 and 6 capture only about 60 countries. When merging all data sources, we yielded only 38 countries with complete data for all the variables studied. Table 1 shows all the countries that were analysed, equally represented by 17 high-income, 13 upper-middle, and eight lower-middle and low-income nations, following the World Bank classification in 2005.

The dependent variable, membership of social organisations, is captured from WVS wave 6 2010–2014, question 32: “... could you tell me whether you are an active member, an inactive member or not a member of a humanitarian or charitable organisation”. Because the percentage of ‘not a member’ for most countries is very large, we decided to aggregate both active and inactive members as the measure. In other words, the variation is very small if we only include active members to represent the variable. This is admittedly an important caveat in this study since prior studies have distinguished between active and passive participation (Savelkoul et al., 2014).

For the explanatory variable, diversity, we used the index of fractionalisation from Alesina et al. (2003). The index measures the probability of two randomly selected individuals in a country belonging to different ethnic, religious or linguistic groups. It ranges from 0 to 1, where 0 describes a totally homogeneous society and 1 defines a totally heterogeneous society. This index has been used widely in research across fields such as economics and sociology (e.g., Posner, 2004; Hodler, 2006). Although the index was constructed more than a decade ago, it remains robust for research purposes over the foreseeable future because diversity in a country is considered stable for a 30-year period.

To alleviate endogeneity, data on fairness and happiness were acquired from WVS wave 5 2005–2009, a one-wave lagging from the dependent variable. Fairness is measured through an ordinal scale of 1 (people would try to take advantage) to 10 (people would try to be fair) in the question: “Do you think most people would try to take advantage of you ...”, whilst happiness was captured in the percentage of respondents answering ‘very happy’ and ‘rather happy’ to the question “Taking all things together, would you say you are ...”.

Table 1 Countries for analysis

	<i>Country</i>	<i>Region</i>	<i>Income group</i>
1	Argentina	Latin America and the Caribbean	Upper middle income
2	Australia	East Asia and Pacific	High income
3	Brazil	Latin America and the Caribbean	Upper middle income
4	Chile	Latin America and the Caribbean	High income
5	China	East Asia and Pacific	Upper middle income
6	Colombia	Latin America and the Caribbean	Upper middle income
7	Cyprus	Europe and Central Asia	High income
8	Egypt	Middle East and North Africa	Lower middle income
9	Georgia	Europe and Central Asia	Lower middle income
10	Germany	Europe and Central Asia	High income
11	Ghana	Sub-Saharan Africa	Lower middle income
12	Hong Kong	East Asia and Pacific	High income
13	India	South Asia	Lower middle income
14	Iraq	Middle East and North Africa	Upper middle income
15	Japan	East Asia and Pacific	High income
16	Jordan	Middle East and North Africa	Lower middle income
17	Malaysia	East Asia and Pacific	Upper middle income
18	Mexico	Latin America and the Caribbean	Upper middle income
19	Morocco	Middle East and North Africa	Lower middle income
20	Netherlands	Europe and Central Asia	High income
21	New Zealand	East Asia and Pacific	High income
22	Peru	Latin America and the Caribbean	Upper middle income
23	Poland	Europe and Central Asia	High income
24	Romania	Europe and Central Asia	Upper middle income
25	Russia	Europe and Central Asia	Upper middle income
26	Rwanda	Sub-Saharan Africa	Low income
27	Slovenia	Europe and Central Asia	High income
28	South Africa	Sub-Saharan Africa	Upper middle income
29	South Korea	East Asia and Pacific	High income
30	Spain	Europe and Central Asia	High income
31	Sweden	Europe and Central Asia	High income
32	Taiwan	East Asia and Pacific	High income
33	Thailand	East Asia and Pacific	Upper middle income
34	Trinidad and Tobago	Latin America and the Caribbean	High income
35	Turkey	Europe and Central Asia	Upper middle income
36	Ukraine	Europe and Central Asia	Lower middle income
37	USA	North America	High income
38	Uruguay	Latin America and the Caribbean	High income

Table 3 Correlation table (continued)

<i>Variable</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
3 Linguistic diversity	0.41	0.28	1.00								
4 Fairness	-0.18	0.28	0.06	1.00							
5 Happiness	-0.13	0.07	-0.16	0.13	1.00						
6 Membership	0.08	0.29	0.38	0.31	0.30	1.00					
7 HDI	-0.50	0.15	-0.40	-0.06	0.35	-0.10	1.00				
8 Government effectiveness	-0.51	0.29	-0.08	0.11	0.62	0.33	0.69	1.00			
9 Regulatory quality	-0.44	0.34	-0.09	0.06	0.47	0.28	0.75	0.90	1.00		
10 Rule of law	-0.51	0.37	-0.03	0.20	0.59	0.35	0.71	0.93	0.93	1.00	
11 Component WGI	-0.50	0.35	-0.07	0.13	0.58	0.33	0.74	0.97	0.97	0.98	1.00

Significant at the $p < 0.01$ level when Pearson correlations > 0.30 and < -0.40 .

5 Results

Before the estimation was executed, we ran robustness checks to ensure there were no abnormalities in the final dataset, such as common method bias, although this is unlikely because our dataset has been developed from multiple sources. To alleviate multicollinearity, we performed principal component analysis for the three formal institution variables from the WGI because they are correlated almost perfectly, ranging from 0.901 to 0.934, with an unacceptable level of variance inflation factor between 9.603 and 17.801. A single component has emerged, component WGI, with an eigenvalue of 2.843, explaining 94.777% of the variance, and the component loading exceeds 0.969. Thus, the final model is robust and free from any major possibility of statistical deficiencies.

We use ordinary least squares (OLS) regression to estimate the impact of diversity, fairness and happiness on membership of humanitarian or charitable organisations. Table 4 shows the results of the hypotheses, which are tested separately according to the type of diversity. Models 1–3a test the main effects, whilst models 1–3b analyse the interaction effects.

All models are statistically significant with acceptable VIF between 1.030 and 3.851. However, it is important to mention that the adjusted R^2 for model 1 reduces by 0.017 from model 1a to 1b. In other words, inserting the moderating effects does not improve the overall prediction for ethnic diversity. On the other hand, moderators help to increase the adjusted R^2 for model 2 and 3 by 0.034 and 0.139, respectively.

Hypotheses 1a–c predict the positive effects of ethnic, religious and linguistic diversity on membership of social organisations. The results, however, provide moderate support only for Hypotheses 1a and 1c, with no significant impact of religious diversity observed. This suggests that ethnic and linguistic diversity positively determine

participation in social activities. The findings are particularly striking because the majority of prior studies favour the negative effect of diversity on many aspects of social capital, such as trust (Putnam, 2007) and participation in interest organisations (Savelkoul et al., 2014) and political affairs (Levels et al., 2015).

Table 4 Results of OLS regression

	<i>Ethnic</i>		<i>Religious</i>		<i>Linguistic</i>	
	<i>Model 1a</i>	<i>Model 1b</i>	<i>Model 2a</i>	<i>Model 2b</i>	<i>Model 3a</i>	<i>Model 3b</i>
Diversity (D)	14.835*	14.675*	4.765	0.706	13.867*	15.657**
	(6.712)	(6.891)	(5.103)	(5.247)	(6.214)	(5.500)
Fairness (F)	3.158*	3.123*	2.189	2.890*	2.684 [‡]	2.908*
	(1.405)	(1.442)	(1.453)	(1.447)	(1.376)	(1.210)
Happiness (H)	0.041	0.028	0.132	0.163	0.185	0.229 [‡]
	(0.139)	(0.148)	(0.143)	(0.141)	(0.140)	(0.124)
D × F		-1.954		-7.524		20.194**
		(7.348)		(5.403)		(6.591)
D × H		0.174		1.380*		-2.557***
		(0.784)		(0.613)		(0.649)
HDI	-65.358***	-65.806***	-71.776***	-74.817***	-51.744**	-43.203**
	(15.512)	(15.964)	(15.605)	(15.267)	(17.985)	(16.356)
Component WGI	10.817***	10.974***	8.936***	8.254***	7.463***	7.285***
	(2.079)	(2.209)	(2.220)	(2.182)	(2.246)	(1.990)
Constant	39.117 [‡]	40.787 [‡]	45.061*	42.838*	20.5000	7.240
	(20.262)	(21.432)	(20.787)	(20.343)	(23.571)	(21.397)
R^2	0.434	0.435	0.402	0.450	0.434	0.577
Adjusted R^2	0.393	0.376	0.359	0.393	0.394	0.533
Δ Adjusted R^2		-0.017		0.034		0.139
F value	10.723***	7.465***	9.398***	7.940***	10.754***	13.232***

*** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$; [‡] $p < 0.10$ (two-tailed).

Next, all models also provide support for Hypothesis 2a, that a higher degree of fairness in a country would increase social organisation membership. However, Hypothesis 3a on the effect of happiness receives no support for all types of diversity. In other words, the findings show that social engagement is positively influenced only by the fairness value, but not happiness.

Lastly, the positive effect of the interaction between diversity and fairness is significant only in model 3, linguistic diversity. However, the moderating effects of diversity and happiness are found to be mixed, positively for religious diversity but negatively for linguistic diversity, in partial support of Hypothesis 3b. Thus, the findings suggest that feelings of happiness actually attenuate the positive effect of linguistic diversity on social membership. All interactions are illustrated in Figures 2–4.

Figure 2 Predicted probability of membership of social organisations based on the interaction between religious diversity and happiness

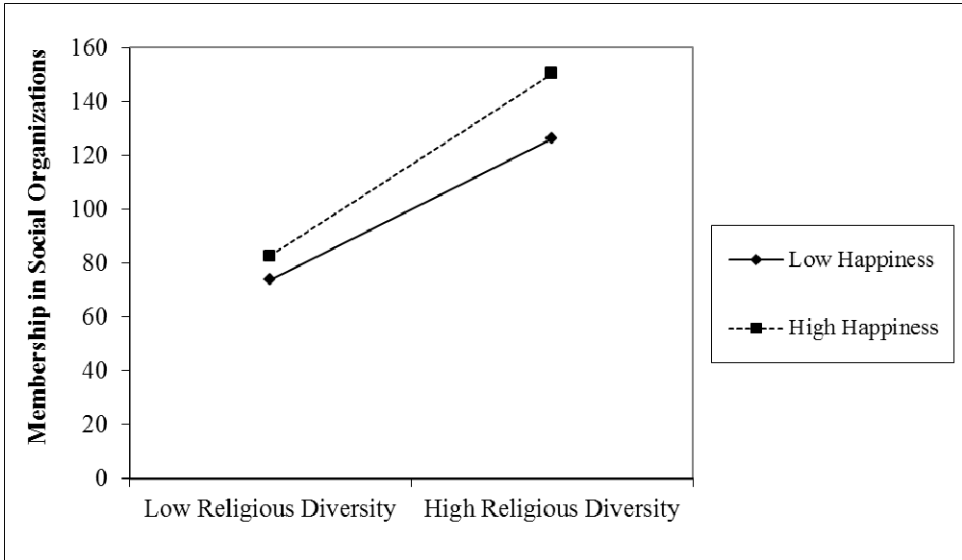


Figure 3 Predicted probability of membership of social organisations based on the interaction between linguistic diversity and fairness

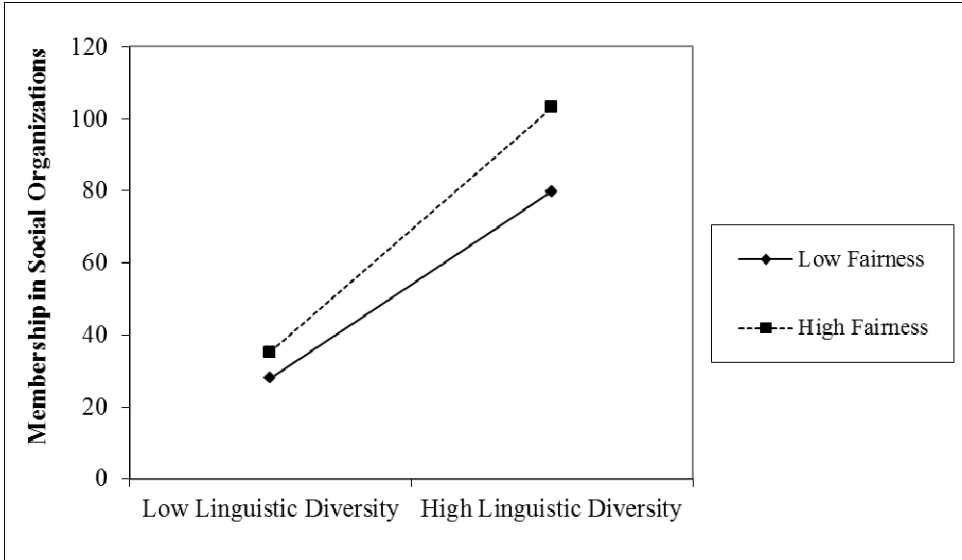
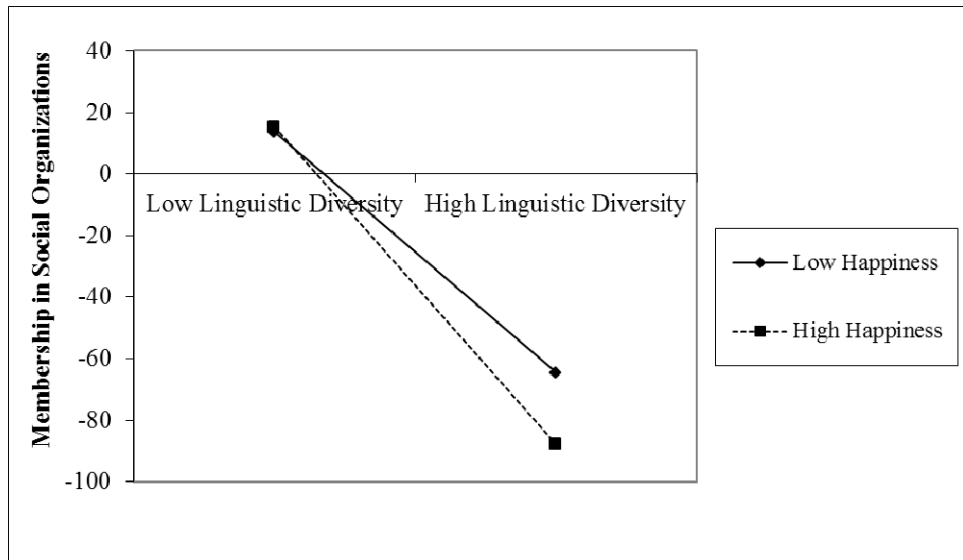


Figure 4 Predicted probability of membership of social organisations based on the interaction between linguistic diversity and happiness



6 Discussion and conclusion

Since diversity presents in a country as a very stable social variable, its impact on subsequent national events will be examined as the product of interactions with both formal and informal institutions. Holding to the proposition, this research examines fairness and happiness values as boundary conditions for diversity and social organisation interactions. Specifically, we explore the impact of ethnic, religious, and linguistic diversity on membership of humanitarian and charitable organisations, together with fairness and happiness as main effects and moderators. The rationale of this study lies at the heart of a resource model explained by Wilson and Musick (1999) that:

- 1 human capital is essential for productive work
- 2 social capital is essential for collective behaviour
- 3 cultural capital is essential for ethically motivated work.

This study constructs hypotheses drawing on prosocial behaviour perspectives and a brief discussion of contact and conflict theory. We developed a dataset from multiple sources comprising 38 countries for analysis. The findings provide evidence that only ethnic and linguistic diversity have a positive effect on social engagement. While the results confront the widely accepted view in the literature of the negative impact of diversity, little research has favoured the positive effect, i.e., that it increases participation in activist organisations (Savelkoul et al., 2014). Prior empirical work by Ayob (2018) found similar evidence that social enterprises are more prevalent in highly diversified countries. One prominent argument is that diversity has caused many social deficits that

require complementary solutions and greater participation in social works in society, rather than merely relying on the role played by the government (Dincer, 2008; Putnam, 2007).

Also, fairness values significantly predict social participation in a positive direction, whilst happiness has no effect. Our findings verify a study by Ayob (2020b) that found fairness is positively related with active and inactive membership in social organisations. Social engagement is a symbiotic relationship in which people feel voluntarily obligated to give to society if they receive equal or fair treatment from others or via government policies (Mason, 2016).

Lastly, hypotheses related to the moderating effects yield only partial support, contingent upon the type of diversity. Fairness interacts significantly with linguistic diversity to have a positive effect on social organisations while happiness accelerates the effect of religious diversity; however, fairness is found attenuating the positive effect of linguistic diversity. The result is similar to a study by Ayob (2018), which found moderate interactional effects of cultural value between diversity and social engagement.

This study advances the existing literature in two ways. First, it sheds light on the socio-cultural determinants of social organisations, complementing much-focused research on the role of formal institutions, such as the socio-economic development level (Wilson, 2000). The findings provide empirical evidence that the social variables of diversity and fairness are as important as other factors in explaining social participation. Second, the empirical approach of this research is unique and robust for generalisability. It distinguishes between three types of diversity that demonstrate different effects on social organisations. Also, it utilises WVS data over two time periods which allows country-level analysis and the establishment of causality.

The results of this study are relevant for government agencies, NGOs and individuals. Generally, it is suggested that heterogeneity in society facilitates more involvement in humanitarian and charitable organisations. To further enhance the effect, the value of fairness must be nurtured through an effective justice system (Herrerros and Criado, 2008), or cultural diffusion. Therefore, all parties must work hand in hand to pursue the smooth integration of diversified groups that is beneficial for collective wellbeing activities. Moreover, this study suggests that incoming immigrants of different ethnic or linguistic backgrounds would promote more engagement in social organisations. Since accelerated immigration is inevitable in this modern era, government should embrace assimilation and integration programs amongst people of diverse social backgrounds. Lastly, upholding the principle of fairness in a country is essential to further strengthen the positive effect of diversity.

Despite its contribution, this research has some limitations. First, merging data from multiple sources results in a small number of countries available for analysis. Thus, a statistical approach with a limited number of countries could be too simplistic to explain complex economic and social phenomena (Dinesen and Sonderskov, 2015). Future works covering longer time periods could find alternative measures or data sources that include more countries. For example, the happiness value can be captured from the World Happiness Report by the United Nations. Second, although the findings show the positive effect of ethnic and linguistic diversity on social involvement, the actual mechanism remains unexplained. In other words, the results only demonstrate the 'what' but not the 'how' of the relationship. Thus, this study provides a potential avenue for theoretical development to further explain the mechanism. Future works could address this issue via qualitative methodology and explore related values such as freedom and tolerance.

References

- Ahlerup, P. and Olsson, O. (2012) 'The roots of ethnic diversity', *Journal of Economic Growth*, Vol. 17, No. 2, pp.71–102.
- Alesina, A., Devleeschauwer, A., Easterly, W., Kurlat, S. and Wacziarg, R. (2003) 'Fractionalization', *Journal of Economic Growth*, Vol. 8, pp.155–194.
- Ayob, A.H. (2018) 'Diversity, trust and social entrepreneurship', *Journal of Social Entrepreneurship*, Vol. 9, No. 1, pp.1–12.
- Ayob, A.H. (2020a) 'Diversity, institutions and entrepreneurship', *Journal for International Business and Entrepreneurship Development*, Vol. 12, No. 4, pp.298–315.
- Ayob, A.H. (2020b) 'An exploratory study of societal values in social participation across nations', *The Social Science Journal*, Vol. 57, No. 3, pp.310–325.
- Bardi, A. and Schwartz, S.H. (2003) 'Values and behavior: strength and structure of relations', *Personality and Social Psychology Bulletin*, Vol. 29, No. 10, pp.1207–1220.
- Bjornskov, C. (2006) 'Determinants of generalized trust: a cross-country comparison', *Public Choice*, Vol. 130, pp.1–21.
- Borgonovi, F. (2008) 'Doing well by doing good. the relationship between formal volunteering and self-reported health and happiness', *Social Science, and Medicine*, Vol. 66, No. 11, pp.2321–2334.
- Churchill, S.A. and Mishra, V. (2017) 'Trust, social networks and subjective wellbeing in China', *Social Indicators Research*, Vol. 132, No. 1, pp.313–339.
- Dincer, O.C. (2008) 'Ethnic and religious diversity and corruption', *Economics Letters*, Vol. 99, No. 1, pp.98–102.
- Dinesen, P.T. and Sonderskov, K.M. (2015) 'Ethnic diversity and social trust: evidence from the micro-context', *American Sociological Review*, Vol. 80, No. 3, pp.550–573.
- Erayden, A., Tasan-Kok, T. and Vranken, J. (2010) 'Diversity matters: immigrant entrepreneurship and contribution of different forms of social integration in economic performance of cities', *European Planning Studies*, Vol. 18, No. 4, pp.521–543.
- Erisen, C. and Wiltse, E.C. (2017) 'Divided, institutions and economic performance: a cross-national analysis of democratic stability', *Social Indicators Research*, Vol. 123, No. 3, pp.1145–1161.
- Feldman, F. (2010) *What is This Thing Called Happiness?*, Oxford University Press, Oxford.
- Hechavarría, D.M. (2016) 'The impact of culture on national prevalence rates of social and commercial entrepreneurship', *International Entrepreneurship and Management Journal*, Vol. 12, No. 4, pp.1025–1052.
- Herreros, F. and Criado, H., 2008. The state and the development of social trust. *International Political Science Review*, 29(1), pp.53-71.
- Hodler, R. (2006) 'The curse of natural resources in fractionalized countries', *European Economic Review*, Vol. 50, No. 6, pp.1367–1386.
- Hoogendoorn, B. (2016) 'The prevalence and determinants of social entrepreneurship at the macro level', *Journal of Small Business Management*, Vol. 54, No. S1, pp.278–296.
- Huijts, T., Kraaykamp, G. and Scheepers, P. (2014) 'Ethnic diversity and informal intra-and inter-ethnic contacts with neighbours in the Netherlands: a comparison of natives and ethnic minorities', *Acta Sociologica*, Vol. 57, No. 1, pp.41–57.
- Joly, D. (1996) *Haven Or Hell? Asylum Policies and Refugees in Europe*, Macmillan, Basingstoke.
- Koopmans, R. and Veit, S. (2014) 'Ethnic diversity, trust and the mediating role of positive and negative interethnic contact: a priming experiment', *Social Science Research*, Vol. 47, pp.91–107.
- Lepoutre, J., Justo, R., Terjesen, S. and Bosma, N. (2013) 'Designing a global standardized methodology for measuring social entrepreneurship activity: the global entrepreneurship monitor social entrepreneurship study', *Small Business Economics*, Vol. 40, pp.693–714.

- Levels, M., Scheepers, P., Huijts, T. and Kraaykamp, G. (2015) 'Formal and informal social capital in Germany: the role of institutions and ethnic diversity', *European Sociological Review*, Vol. 31, No. 6, pp.766–779.
- Luria, G., Cnaan, R.A. and Boehm, A. (2015) 'National culture and prosocial behaviors: results from 66 countries', *Nonprofit and Voluntary Sector Quarterly*, Vol. 44, No. 5, pp.1041–1065.
- Mason, D.P. (2016) 'Recognition and cross-cultural communications as motivators for charitable giving: a field experiment', *Nonprofit and Voluntary Sector Quarterly*, Vol. 45, No. 1, pp.192–204.
- Mavridis, D. (2015) 'Ethnic diversity and social capital in Indonesia', *World Development*, Vol. 67, pp.376–395.
- Meier, S. and Stutzer, A. (2008) 'Is volunteering rewarding in itself?', *Economica*, Vol. 75, pp.39–59.
- Montalvo, J.G. and Reynal-Querol, M. (2005) 'Ethnic diversity and economic development', *Journal of Economic Development*, Vol. 76, pp.293–323.
- Nee, V. (2005) 'The new institutionalisms in economics and sociology', *The Handbook of Economic Sociology*, Vol. 2, pp.49–74.
- Penner, L.A., Dovidio, J.F., Piliavin, J.A. and Schroeder, D.A. (2005) 'Prosocial behavior: multilevel perspectives', *Annual Review of Psychology*, Vol. 56, pp.365–392.
- Posner, D.N. (2004) 'Measuring ethnic fractionalization in Africa', *American Journal of Political Science*, Vol. 48, No. 4, pp.849–863.
- Putnam, R. (2007) 'E pluribus unum: diversity and community in the twenty-first century the 2006 johan skytte prize lecture', *Scandinavian Political Studies*, Vol. 30, No. 2, pp.137–174.
- Puumalainen, K., Sjogren, H., Pasi, S. and Barraket, J. (2015) 'Comparing social entrepreneurship across nations: an exploratory study of institutional effects', *Canadian Journal of Administrative Sciences*, Vol. 32, pp.276–287.
- Qian, H. (2013) 'Diversity versus tolerance: the social drivers of innovation and entrepreneurship in US cities', *Urban Studies*, Vol. 50, No. 13, pp.2718–2735.
- Rawls, J. (1958) 'Justice as fairness', *Philosophical Review*, Vol. 67, No. 2, pp.164–194.
- Ruiter, S. and De Graaf, N.D. (2006) 'National context, religiosity, and volunteering: results from 53 countries', *American Sociological Review*, Vol. 71, pp.191–210.
- Savelkoul, M., Gesthuizen, M. and Scheepers, P. (2014) 'The impact of ethnic diversity on participation in European voluntary organizations: direct and indirect pathways', *Nonprofit and Voluntary Sector Quarterly*, Vol. 43, No. 6, pp.1070–1094.
- Schwartz, S.H. (1999) 'A theory of cultural values and some implications for work', *Applied Psychology*, Vol. 48, No. 1, pp.23–47.
- Stolle, D., Soroka, S. and Johnston, R. (2008) 'When does diversity erode trust? Neighborhood diversity, interpersonal trust and the mediating effect of social interactions', *Political Studies*, Vol. 56, No. 1, pp.57–75.
- Sturgis, P., Brunton-Smith, I., Read, S. and Allum, N. (2010) 'Does ethnic diversity erode trust? Putnam's 'hunkering down' Thesis Reconsidered. *British Journal of Political Science*, Vol. 41, No. 1, pp.57–82.
- Thoits, P.A. and Hewitt, L.N. (2001) 'Volunteer work and well-being', *Journal of Health and Social Behavior*, Vol. 42, pp.115–131.
- Williamson, O. (2000) 'New institutional economics', *Journal of Economics Literature*, Vol. 38, pp.595–613.
- Wilson, J. (2000) 'Volunteering', *Annual Review of Sociology*, Vol. 26, pp.215–240.
- Wilson, J. (2012) 'Volunteerism research: a review essay', *Nonprofit and Voluntary Sector Quarterly*, Vol. 41, pp.176–212.
- Wilson, J. and Musick, M.A. (1999) 'The effects of volunteering on the volunteer', *Law and Contemporary Problems*, Vol. 62, pp.141–168.