

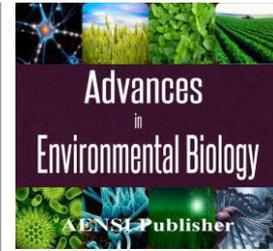


AENSI Journals

## Advances in Environmental Biology

ISSN-1995-0756 EISSN-1998-1066

Journal home page: <http://www.aensiweb.com/AEB/>



# The Effect of Cultural Diversification on Working Performance of Expatriates in the Higher Learning Institutions

Bibi Noraini Bt Mohd Yusuf and Azizi B Mohd Zain

School of Business Innovation and Technopreneurship, Universiti Malaysia Perlis 01000 Kangar, Perlis, Malaysia.

### ARTICLE INFO

#### Article history:

Received 15 June 2014

Received in revised form

8 July 2014

Accepted 4 September 2014

Available online 20 September 2014

#### Keywords:

Cultural diversification, working performance, cultural knowledge and tolerance, language and communication issues, diversity of policies and practices.

### ABSTRACT

Cultural diversification brings benefits to any organization. This study was conducted to examine the impact of cultural diversification towards employees working performance. There were three (3) elements factored for this study, which were cultural knowledge and tolerance, language and communication issues and lastly, diversity of policies and practices. Arguments and supporting statements from past researches were provided adequately to justify the variables and their significance towards the study. This research was conducted through questionnaires targeted to 100 respondents, which were all expatriates (professional foreign workers) who were working as lecturers in several educational institutions. Each expatriate was considered unique in terms of cultures and values, so that the researcher could clearly understand the outcome of the findings. Based on the three (3) hypotheses developed in the initial chapter, two of the hypotheses were accepted, indicating that these two factors had positive impact on the cultural diversification, whilst the other one had a negative correlation signifying its non-correlation with the study. Fundamentally, this study describes the importance of positive impact in cultural diversification in workplaces and how it could contribute towards the working of employees. The benefits of the study could be applied by the employers to strategize efficient methods in discovering their employee's personal behaviors and values and how to apply the opportunities of diversification in their respective workplaces to enhance productivity.

© 2014 AENSI Publisher All rights reserved.

**To Cite This Article:** Bibi Noraini Bt Mohd Yusuf and Azizi B Mohd Zain, The Effect of Cultural Diversification on Working Performance of Expatriates in the Higher Learning Institutions. *Adv. Environ. Biol.*, 8(11), 978-986, 2014

## INTRODUCTION

Cultural diversification in the workplace is currently among one of the most critical business issues being addressed by most of the companies, not just in developing countries like Malaysia, but also in other developed countries around the globe. It is said to be a critical issue because cultural diversification is one of the leading factors that can enhance the high quality of work performance and ultimately productivity due to the existence of different ways of thinking, ideas and working lifestyles. Every organization, regardless of how many people are employed, can take advantage of the benefits that an optimum workplace culture has to offer, such as improving productivity, increase marketability and also forming unity among employees.

Diversity at workplace can be connected to the composition of a workforce as a collective and all-inclusive mixture of employee differences and similarities [26] which mean, regardless of similarities or differences of each employee, the benefits of workforce diversity will be achieved if everyone stays united together. Myers & Dreachslin [19] considers the benefits of having expatriates in workplace in terms of knowledge transfer, innovation and competitiveness, both within the organization and within the wider economy. However, cultural diversification can still bring negative drawbacks to the whole organization if the barriers between each employee are too obvious and that, no solution undertaken by top management to resolve the problems. In an intercultural encounter, there may be a lack of knowledge and experience in dealing with a person who is different in significant ways [7]. An organization that does not understand about the cultural characteristics, be it starting from the superior to the lower management levels, would not be able to meet the quality and the specific goals of the organization, ending up affecting the moralities and motivation of the employees.

There are few theories, based on past study, that are applicable to this research to examine how working performances can be influenced based on the differences in cultures and values. According to Hofstede's Theory, cultural values in workplace could be analyzed based on five (5) dimensions which are individualism

**Corresponding Author:** Bibi Noraini Bt Mohd Yusuf, School of Business Innovation and Technopreneurship, Universiti Malaysia Perlis 01000 Kangar, Perlis, Malaysia.  
E-mail: [bibinoraini@unimap.edu.my](mailto:bibinoraini@unimap.edu.my)

vs. collectivism, masculinity vs. femininity, power distance (strength of social hierarchy), uncertainty avoidance and lastly long-term vs. short-term orientation. North America and European countries can be considered as being individualistic in nature, in contrast with countries in Asia, Africa and Latin America, the latter showing strong collectivistic values. Individualism is regarded with societies where people's relations are weak; everybody is expected to only care for himself or his family and on the other hand, collectivism is regarded in societies where people join powerful and integrated groups [15]. This difference brings impact when two different cultures work together. In societies with lesser masculine tendencies, cooperation and security are valuable for employees [15]. Rachel [22] indicates in her previous study that inequality exists in every society; some of these societies allow people to grow so that these inequalities result in the difference in power and wealth. Several cultural issues occur among superiors and subordinates that possesses different level of power distance in their workplace. Uncertainty avoidance deals with a society's tolerance for uncertainty and ambiguity. Triandis [28] states that this dimension describes the attempts of society members to attain a certain position and certainty they feel in conflicting situations. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures. Long term orientation values more future oriented dimensions (especially hardship and economy) while short term orientation values now oriented and stability [15]. Cultures in long term oriented countries, such as Hong Kong, tends to build relationships ordered by status while, cultures in short term orientation, such as in the United Kingdom, accepts status as not being a major issue in their relationships.

#### *Problem Statements:*

Culture is one of the most often overlooked elements in an international company's strategy that can determine the success or failure of their product. A failure to appreciate employees' cultural differences, like language and traditions, can demotivate foreign employees and driving them to be less productive compared to employing local employees. Meanwhile, organizations will face difficulties in terms of communication barriers. According to Devine *et al.* [7], when people with different cultural background or nationalities work together, there often exist a moment of misunderstanding in communication, either verbal, non-verbal or both, that can hinder cordial working relationships and productivity. For instance, if one workplace consists of one or two diverse cultures only, it still brings certain issues such as miscommunication in terms of gestures and languages. Where the workplace consists of more diverse cultures from different countries, problems in communication would escalate because of the different behaviour and varied working styles possessed by them.

#### *Research Objectives:*

This study will focus on the consequences of the elements in culture itself towards working performance in workplaces. These are among the objectives of this study:

- i. To examine what are the factors that enhance the cultural diversification in workplaces.
- ii. To analyse the impact of the cultural differences among employees in workplaces, either positive or negative.
- iii. To study which variable contributes the most impact towards cultural diversification.

#### *Research Questions:*

These are among the questions that need to be investigated in this research. These questions may reflect the findings and results in the next chapter.

- i. Do cultural knowledge and tolerance have significant impact towards working performance in the workplace?
- ii. Do language and communication issues play any roles in affecting employees working performance in workplaces?
- iii. Why does the diversity of policies and practices give impact on working performances in workplaces?
- iv. Which factors influence the biggest impact on working performances in workplaces?
- v. How these factors influence employees in term of cultural diversification in their workplaces?

Researchers have found that this research has its own significance to the readers. It can be applied to help all workforces that are facing cultural diversification issues in their workplace. It obviously cannot help them to solve all their issues, but it subsequently can provide a ground work to understand those methods applicable and on how to be more sensitive towards culture diversification.

#### *Literature review:*

The topic of diversification in any typical workplace has been rapidly discussed and has become a priority concern among organizations in Malaysia. Nowadays, many workplaces are becoming more and more aware of the cultural diversification of their employees. It therefore becomes more important to understand how cultural diversity in organizations is related to the work-outcomes. The term diversity itself refers to the efforts by organizations to recruit, retain and facilitate working relationships among individuals from a variety of cultural

background [27]. There are actually many definitions of diversity. Another version the term “diversity” can be defined relating to many demographic variables, including but not limited, to race, religion, colour, gender, national origin, disability, sexual orientation, age, education, geographic origin, and skills characteristics [14]. The majority of successful companies in Malaysia attempt to use diversity to their advantage, as it has become an important component of the workplace in today’s business environment. Today’s employees are visibly diverse, physically diverse, diverse in their abilities, their personalities, their background, in their age, sex, marital or even family status. The term “workplace diversity” can be defined as “the existence of staff from diverse racial and cultural backgrounds in a particular organization” [4]. Diversity is valued in organizations for a variety of reasons. Researchers have identified diversity as an important element in sustaining equality of opportunity in the workplace. The support for equal opportunity helps institutions gain the most benefit from an increasingly multicultural labor force [12]. In this way, initiatives supporting diversity are aimed at ensuring that a given organization does not lose or waste its talent.

#### *New Challenges of Cultural Diversity in the Workplace:*

Today, diversity is an integral and important part of doing business and in understanding the business process. The main objective of diversity in workplace is valuing differences among employees. Creativity and innovation, which are important for an organization, are often a result of a combination of diverse ideas; attitudes and ways of thinking that inspire productivity among employees at all levels. According to one study, diverse groups were found to make higher quality decisions, generate more creative ideas and had more potential for increased productivity than their non-diverse groups [11]. Therefore, diversity in the workplace is critical for achieving goals in the workplace. In order for diversity to work, it must be a part of the overall company’s strategies and goals. Diversity requires a long-term commitment and it encompasses many aspects such as women in the workforce, multicultural workforce, seniors in the workforce and team issues.

There are challenges to managing a diverse work population. Managing diversity is not simply by acknowledging differences in people, it also involves recognizing the value of differences, combating discrimination and promoting inclusiveness. Managers may also be challenged with possibility of losses in personnel and work productivity due to prejudice, discrimination and complaints and may result in lengthy legal actions against the organization [6]. Negative attitudes and behaviours can be barriers to organizational diversity because they can harm working relationships and damage staff morale and work productivity [8]. Negative attitudes and behaviours in the workplace include prejudice, stereotyping and discrimination, which should never be used by management for hiring, retention and termination practices (could lead to costly litigation). There are three (3) elements of cultural differences that can be the major factors towards cultural diversification in this research. These are cultural knowledge and tolerance, language and communication issues and also diversified policy and practices.

#### *Cultural knowledge and tolerance:*

Every country, religion or race, have different cultures. To learn about the culture of one specific group, one need to learn about that group as a whole. The culture will define many things about that particular group, such as their religious beliefs, their day-to-day norms about accepting or not accepting certain things, the values that group attaches to various issues of life, their mythology, their political beliefs and lastly systems. Following group discussions, when exercises, role plays and inviting immigrant representatives are undertaken, cultural awareness and sensitivity can be enhanced and attitudes changed, for example, by increasing people’s understanding about how to work with persons from other cultures [30]. How much does an employee knows about the culture of a particular group is called your cultural knowledge and it varies from one person to another. Some employees have almost 100% cultural knowledge and tolerance about their own country but almost 0% knowledge about some other countries' culture. Employees cannot understand communications taking place within a culture or cultures without understanding the cultural and ethnographic factors that are involved in this process. Battle [2] wrote that culture, is not only about the “behaviour, beliefs and values of a group of people who are brought together by the commonality”, but also about self-perception as we are able to view our own world through language and society. It is not just to understand the way they work, but also to understand deeply their culture so that we will be more sensitive about their lifestyles. Learning and to be aware of other’s cultures are difficult tasks as stated by Daft [5]. However cultural knowledge and tolerance should be emphasized by everyone in the workplace in order to achieve an understandable and mutual communication, especially in multicultural organization.

#### *Language and communication issues:*

Language explains that everyone in different countries have different ways in communication. In considering cultural identity, we also have to review language as well because both influence each other (Richardson, 2001). Communication problems in the workplace can cost company’s productivity and money. Without an efficient communication platform, company is unable to exchange information essential to its daily

operations and create a communication network to carry new product data. The difference of communication style from different culture can bring several issues in workplace that need to be faced professionally by everyone. Intercultural communication problems can occur as a result of the interaction between people from different cultures. All communication is cultural, it draws on ways we have learned to speak and give non-verbal messages. According to Le Baron [16], people do not always communicate the same way, day to day, since factors like context, individual personality and mood interacts with the variety of cultural influences we have internalized that influence our choices. Communication is interactive, so an important influence on its effectiveness is our relationship with others. Miscommunication may lead to conflict or could prolong the conflict that already exists.

#### *Language barriers:*

According to Le Baron [16], a diverse workplace has several distinct benefits to a business, such as having a variety of solutions to solve company issues and an insight into international markets challenges during expansion. The language barrier can sometimes occur in a diverse workplace having different people with different levels of masculinity, time and space and in such instance, may become a communication problem. According to Gudykunst and Kim [10], intercultural communication employs the same processes as communication within a culture, but poses several special problems. Any language barrier slows down communication or creates misunderstandings that make communications ineffective. Language barriers should be overcome by focusing on two (2) permanent languages that people in the whole workplace can understand, which is country's main and second language (for e.g.; in Malaysia, the main language is Bahasa Melayu and the second language being English).

#### *Non-verbal Communications:*

We use different methods in understanding gestures, postures, silence, special relations, emotional expressions, touch, physical appearances and other non-verbal cues. Le Baron [16] has emphasized non-verbal communication being one of the elements in language and communication issues. This is because we tend to look for non-verbal cues when verbal messages are unclear or ambiguous, as they are more likely to be across cultures (especially when different languages are being used). An understanding of different cultures should be emphasized in any organization to maximize corporate communication and reduce barriers [17]. In high-context settings such as Japan or Colombia, an understanding of the non-verbal components of communication is relatively more important to receiving the intended meanings of the communication as a whole. At the same time, interpretation of facial expressions across cultures is difficult. In China and Japan, for example, a facial expression that would aptly be recognized around the world as conveying an expression of happiness may actually express an anger or masking sadness, both of which are unacceptable to show overtly. These differences of interpretation may lead to conflict, or escalate existing conflict. Even though some facial expressions may be similar across cultures, their interpretations remain culture-specific. It is therefore important to understand something about cultural starting-points and values in order to interpret emotions expressed in cross-cultural interactions. Palthe [21] demonstrated that the socialization of expatriates can be viewed as the process by which their values and norms become closely aligned with the organizational culture. He argued that the expatriates need to develop a dual understanding of the values, expected behaviors and social knowledge that are essential for assuming an organizational role and for participating as an organizational member in the host organization.

Another variable across cultures has to do with element of proxemics, or ways of relating to space. North Americans prefer a large amount of space, perhaps because they are surrounded by it in their homes and countryside. Europeans, on the other hand, tend to stand more closely with each other when talking and are accustomed to smaller personal spaces. In a comparison of North American and French children on a beach, a researcher noticed that the French children tended to stay in a relatively small space near their parents, while U.S. children ranged up and dominated a large area of the beach. The difficulty with space preference is not that they exist, but the judgments that get attached to them. If someone is accustomed to standing or sitting very close, when they are talking with one another, they may see the other's attempt to create more space as evidence of coldness, condescension, or a lack of interest. Those who are accustomed to more personal space may view attempts to get closer as pushy, disrespectful, or aggressive. These are the examples of differences related to non-verbal communication according to Le Baron, [16]. Referred to as "pragmatic" competence in language studies, it is the ability to use language appropriately for the social situation. To avoid many issues in a diverse workplace; careful observations, on-going study from a variety of sources and lastly cultivating relationships across cultures will all help develop the cultural fluency to work effectively?

#### *Diversity of Policy and Practices:*

Policy and practices in an organization play a crucial role towards the impact of cultural differences in the workplace. The organizational culture involves a group of ruling ideas that include: ways of reasoning, ways of

acting, common shared values, and codes of behaviour as well as ethical standards, which are formed and developed over a long period with the active consensus of their leaders and influenced by the social environment as the background [20]. Malaysia has among the highest number of foreign workers and expatriates compared to other Asian countries because the business and investment-friendly regulations here enabled foreign workers to be employed in most of the major economic sectors that includes manufacturing, construction, plantation, agricultural, business-academic services and domestic helps, wooing expatriates whom are highly-professional workers in varied academic spectrum such as lecturers, doctors, engineers and lawyers. Other countries with different labour regulations such as Japan, which is stricter in terms of hiring foreign workers and expatriates, might have different regulation and policies. In Japan, a tight recruitment and selection process would be done in order to choose the best workers from foreign countries.

People in different workplaces come from different countries with different regulations so obviously they have different ways of working according to the policies. Schein [24]) defines the culture of a group as follows: "A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems." This definition basically addresses two issues, firstly, the shared basic assumptions of the group need to be defined and secondly, these assumptions need to be taught and cascaded to everybody who forms part of the group. It also developed the shared assumptions that are acceptable to both management and the group members that this is a major task. In summary, the policies and practices are different among different countries whereby each employee in an organization should follow the local rules. Companies will only benefit in this regard if they have clear statements of policy in respect to equal opportunities, supported by a program of actions to ensure general awareness and specific training in relation to its implications. [7].

#### *Cultural Diversification:*

Cultural diversification in a workplace can be best defined as having set of people of different races, cultures, religions, nationalities, ethnic groups and backgrounds in order to achieve the organizational goals and objectives. The word "cultural diversification in workplace" is defined as a mixture of people with different group identities within the same social system [9]. If the workforce profile in an organization comprises working groups which show differences depending on demographic or other characteristics, naturally diversity emerges. The criteria discriminating these groups include race, geographic origin, ethnicity, gender, age, functional or educational background, physical and cognitive capability, language, lifestyles, beliefs, cultural background, economic category and sexual preferences [3]. Everyone in different perspectives will be working together in order to make sure that the management in workplace is improving and always be facilitated.

Those three variables that have been explained above; cultural knowledge and tolerance, language and communication issues and diversity of policies and practices are among the major elements in culture that give impact towards cultural diversification. The idea of cultural diversity is not just about hiring people of different races, or hiring people from different religions. An individual who perceives himself as a member of a team is more likely to perceive the fate of the team as their own [1]. This statement is true because cultural diversity exists all around us. It exists in different households and communities, ranging from the suburbs and to the city. The cultures that they were raised in can prove to be very useful and important to a company. If a workplace has employees with a variety of backgrounds, then the organization will have people with a much different point of view than your own. Legrain [18] writes; "regional economic growth is powered by creative people, who prefer places that are diverse, tolerant and open to new ideas. Diversity increases the odds that a place will attract different types of creative people with different skill sets and ideas.

#### *Research methodology:*

A theoretical framework refers to the methodology used in any research. The theoretical framework of any study is thus the structure that holds and supports the theory of the research work. It serves as the lens that a researcher uses to examine a particular aspect of his or her subject field [31].

The figure above illustrates the schematic diagram for the theoretical framework created for this study. There are three (3) independent variables in this research, i.e. cultural knowledge and tolerance, language and communication issues and diversity of policies and practices. Meanwhile, the sole dependent variable here is the impact of the existence of cultural diversification in the workplace, either positive or negative. This figure shows that the independent variables as having positive relationships to the dependent variable. The research framework was guided by the following hypothesis:-

*H1: Cultural knowledge and tolerance will lead to cultural diversification among employees in the workplace.*

*H2: Language and communication issues will lead to cultural diversification among employees in the workplace.*

*H3: Differences of policies and practices will lead to cultural diversification among employees in the workplace.*

Three hypotheses were established for this study. Questionnaires approach was used for this study and the questionnaires were designed, which comprised three sections.

#### Results:

Figure 2 shows the sample profile of the questionnaires survey. A total of 100 questionnaires were distributed randomly among the selected respondents and all the questionnaires were collected back. These made up of 100% of total questionnaires distributed were satisfactorily completed and tested by using the Statistical Package for Social Sciences (SPSS) software. The researcher used the IBM SPSS Statistics 18th Version software.

*Figure 2: Sample Profile*

Items	Total questionnaire
Number of questionnaires distributed	100
Number of questionnaires collected back	100
Response rate	100%
Number of questionnaires used for analysis	100

Figure 3 below summarizes all the demographic data of respondents including gender, age, marital status, profession, level of education, monthly income, region of origin and experience as expatriate. Under the “gender” category, 64 respondents (64%) were male and 36 respondents (36.0%) were female. In terms of “age range”, the majority of respondents were aged between 20-29 years old (9.0%), 30-39 years old (16.0%), 40-49 years (19.0%), 50-59 years old (53%) and 3.0% for above 60 years. In respect of the “marital status”, majority of the respondents were married (80%) followed by single (18%) and also 2% were divorced/separated/widowed. In the “profession” category, all of the respondents were academic staff (100%) and for the “level of education”, the majority of the respondents held PHD qualifications (72%), followed by master’s degree (27%) and degree (1%). In terms of “monthly income”, the respondents were mostly earning a range of between RM4,001-RM5,000 (39%), and also above RM5,000 (38%), followed by RM3,001-RM4,000 (1%). In terms of “demographics”, majority respondents were from Asia (53%), Europe (24%) followed by Africa (19%) and also another 4% from the continent of Australia. Experience wise, majority of the respondents have “experience” as an expatriate for 4 years and above (84%) and also (14%) for 1 year-3 years and lastly 2% for less than 1 year.

*Figure 3: Demographic Data:*

Variables	Categories	Frequency	Percentage (%)
Gender	Male	64	64.0
	Female	36	36.0
Age	Below 20 years	0	0
	20-29 years	9	9.0
	30-39 years	16	16.0
	40-49 years	19	19.0
	50-59 years	53	53.0
	Above 60 years	3	3.0
Marital status	Single	18	18.0
	Married	80	80.0
	Divorced/Separated/Widowed	2	2.0
Profession	Academic staffs	100	100.0
	Administrative staffs	0	0
	Others	0	0
Level of Education	Secondary	0	0
	Certificate	0	0
	Diploma	0	0
	Degree	1	1
	Master degree	27	27.0
	PHD	72	72.0
	Others	0	0
Monthly Income	Less than RM 1,000	0	0
	RM 1,001 – RM 2,000	0	0
	RM 2,001 – RM 3,000	1	1.0
	RM 3,001 – RM 4,000	22	22.0
	RM 4,001 – RM 5,000	39	39.0
	Above RM 5,000	38	38.0
Region of Origins	Asia	53	53.0
	Africa	19	19.0
	North America	0	0
	South America	0	0
	Europe	24	24.0
	Australia	4	4.0
Experience as Expatriate	Less than 1 year	2	2.0

	1 – 3 years	14	14.0
	4 years and above	84	84.0

*Reliability analysis:**Figure 4: Reliability Analysis:*

Reliability analysis Variables	Number of items	Cronbach Alpha
Impact of cultural diversification	5	0.865
Cultural knowledge and tolerance	5	0.804
Language and communication issues	4	0.632
Diversity of policies and practices	6	0.572

Figure 4 above shows the number of items for each variable and also the results of Cronbach Alpha calculations.

The Cronbach Alpha values from ranged 0.572 to 0.865, indicating a good inter-item consistency for each factor. This means the closer the Cronbach's Alpha is to 1, the higher is the internal consistency. Consistency of data shows the degree an item is independently measured of a concept. Therefore reliability analysis was used to measure the goodness of data. The range of alpha over 0.80 is considered good, while a range of 0.70 is still considered acceptable. The highest Cronbach Alpha's value which is 0.865 is the impact of cultural diversification and the lowest Cronbach Alpha's value is the diversity of policies and practices, which is just 0.572. This reliability analysis using the values of Cronbach Alpha is applied to obtain a more accurate value for the results and also to make sure that all the items analysed were free from errors. To conclude, the Cronbach Alpha values for all of the factors showing above, which ranged from 0.572 to 0.865, showed that there was a good inter-item consistency for each factor. Therefore, this data set is considered to be reliable and valid to be analysed.

*Descriptive Analysis among All Variables:**Figure 5: Descriptive Analysis:*

Descriptive Analysis among All Variables Factors	Mean	Std. Deviation
Impact of cultural diversification	4.5120	0.45777
Cultural knowledge and tolerance	4.4080	0.45029
Language and communication issues	4.3775	0.39488
Diversity of policies and practices	4.3800	0.34171

Figure 5 above shows the mean for all variables, which ranged from 4.3775 to 4.5210. The highest mean is the impact of cultural diversification, showing 4.5120, with a standard deviation of 0.45777. However, the lowest mean is the language and communication issues, at just 4.3775, with a standard deviation of 0.39488. Meanwhile the mean and standard deviation for cultural knowledge and tolerance are 4.4080 and 0.45029 respectively. For the diversity of policies and practices, the mean and standard deviations are 4.3800 and 0.34171 respectively. Hence, the mean scores of the variables for this sample population are also considered representative. Therefore, this data set is considered reliable and valid.

*Regression Analysis:**Figure 6: Regression Analysis:*

Variables	Beta	t-Ratio	Sig. t
Cultural knowledge and tolerance	0.258	2.551	0.012
Language and communication issues	0.123	1.159	0.249
Diversity of policies and practices	0.334	3.500	0.001
R Square = 0.331 Durbin-Watson = 1.647 F = 15.819 Sig. F = 0.00			

The cultural knowledge and tolerance has the significant effect Sig. t = 0.012 towards the impact of cultural diversification among the employees. The finding was significant and relevant with the author's statement in the literature review, i.e. "everyone in workplace should understand the other communities' value and norms in order to create a positive impact of cultural diversification". This is significant with Wrench's findings (1997 and 2001), where in his previous study, which emphasizes on activities in enhancing people's understanding on how to work with persons from other cultures such as group discussions, exercises, role plays and inviting immigrant representatives, cultural awareness and enhancing sensitivity. As a result, the Hypothesis 1, which stated cultural knowledge and tolerance will lead to the cultural diversification among the employees in the workplace is accepted at the significance level of P-value is less than 0.05. However, the regression analysis for the "language and communication issues", this variable did not significantly affect Sig. t = 0.249 towards the

impact of cultural diversification among the employees in workplace. This showed that language and communication issues were not the factors that would contribute to the cultural diversification in the workplace. Therefore, we can safely say that for Hypothesis 2, language and communication will lead to the impact of cultural diversification among workplace in the workplace cannot be accepted since the significance level of P-value is more than 0.05. Meanwhile, the diversity of policies and practices variable has significant effect Sig.  $t = 0.001$  towards the impact of cultural diversification. It is significant because diversity of policies and practices do provide an impact towards the cultural diversification in workplace. The different regulation among expatriates who came from different countries sometimes may lead to different working styles among expatriates and this was why various solution has been done by organization that possess a high number of foreign employment to reduce the gap. Hence, for Hypothesis 3, stating that the differences of policies and practices will lead to cultural diversification among employees in workplace, is accepted at the significance level of P-value is less than 0.05. The cultural knowledge and tolerance, language and communication issue, the diversity of policies and practices can only explain 0.331 of R square variation on the cultural diversification. Durbin-Watson within the accepted range of 1.647 and it indicated that there was no auto-correlation problem with the data. Furthermore, the F-value is significant at 1 per cent significance level Sig.  $F = 0.000$ , therefore the regression model used in this study was adequate and reliable. Thus, an accurate finding will be obtained based on the analysis done.

#### *Discussion and Conclusion:*

The result of the research conducted showed that cultural diversification among employees is an important issue that need to be addressed by multinational companies or institutions that have a higher number of expatriates. In multinational companies for instance, this research is very useful to identify the reason(s) why there are so many differences and gaps between employees of different cultures in their company. The issue of cultural differences is actually one of the leading issues faced by most of the multinational companies. The difference in terms of culture sometimes can create a bigger conflict among co-workers and therefore this research is conducted to educate employees to respect the presence of each community, even though there are some differences among them. There are both benefits and drawbacks of cultural diversification, but apparently the benefits are more obvious if everyone sees the differences they possess can enhance ideas and views and can generate greater productivity in the company. Nevertheless, the undergoing study has its own limitations because the result of the findings could be biased, as the data obtained may not represent the whole spectrum of population. The research has a limited perspective where the respondents selected were only restricted to higher education institutions located at the northern region of Malaysia, such as in Penang, Perlis Kedah and Perak. The population may not be a total representative since all the 100 respondents selected were not expatriates that came from all countries in the world. Therefore, some degree of biasness may occur. Few respondents also did not provide the right answer while answering the questionnaires and as a result, the data obtained may not be accurate or reliable. There were few problems the author faced during analyzing the reliability and regression of the data.

Furthermore, since the respondents selected were expatriates, it was very hard to find the suitable respondents because some of them couldn't cooperate due to other commitment they possess. In addition, time constraints were another limitation for this present study. In respect of forwarding recommendation for further research, the researcher would like to suggest that all of the limitations observed in this study as stated above should be addressed to obtain a more accurate and reliable data. In future, the theoretical framework should be redefined so that we can see the clear findings and the results. Apart from that, perhaps in the future, a more widespread population of respondents should be expanded to represent the whole expatriates' context for this study. There should be more diverse respondents selected for the future research in terms of demographic and also region of origins so that this research will represent the whole expatriates' population in Malaysia. Furthermore in the future, the research should be done to multinational companies and not confined to higher educational institutions because most expatriates in Malaysia work in multinationals companies. The number of expatriates in the educational institutions is quite small.

#### **REFERENCES**

- [1] Ashforth, B.E., F. Mael, 1989. *Social identity theory and the organization*, Academy of Management Review, 14(1): 20-39.
- [2] Battle, D.E., 1998. *Communication disorders in a multicultural populations*, (2nd ed.). Oxford: Heinemann.
- [3] Bhadury, J., E.J. Mighty, H. Damar, 2000. *Maximizing workforce diversity in project teams: a network flow approach*, Omega, 28: 143-53.
- [4] Chan, A., 2011. The challenges of human resource management. [Online] Available: <http://www.zeromillion.com/business/hrm.html> (October 12, 2012)

- [5] Daft, R.L., 2003. *Management*. (6th ed.). London: Thomas Learning. G. (1998). *Management, int. ed.*, (1st ed.). New Jersey: Prentice-Hall, Inc.
- [6] Devoe, Deborah, 1999. *Managing a diverse workforce*. San Mateo, CA: InfoWorld Media Group.
- [7] Divine, R., R. Miller, H. Wilson, 2006. *Analysis of student performance in an internship program in a U.S. university*. International Journal of Quality and Productivity Management, 6(1): 1-15.
- [8] Esty, Katharine, Richard Griffin, and Marcie Schorr-Hirsh, 1995. *Workplace diversity. A manager's guide to solving problems and turning diversity into a competitive advantage*. MA: Adams Media Corporation.
- [9] Fleury, M.T.L., 1999. *The management of culture diversity: lessons from Brazilian companies*, Industrial Management & Data Systems, 99(3): 109-14.
- [10] Gudykunst, W.B. and Y.Y. Kim, 1992. *Communicating with Strangers: An Approach to Intercultural Communication*, 2nd ed., McGraw-Hill, New York, NY.
- [11] Hartenian & Linda, 2000. *Cultural diversity in small business: Implications for firm performance*, Journal of Developmental Entrepreneurship, (December), pp: 209-219.
- [12] Henderson, T., 2011. Multicultural workforce. [Online] Available: [http://www.referenceforbusiness.com/encyclopedia/Mor-Off/Multicultural Workforce.html](http://www.referenceforbusiness.com/encyclopedia/Mor-Off/Multicultural%20Workforce.html) (December 10, 2012)
- [13] Hofstede, G., 1980. *Culture's consequences: international differences in work-related values*. London: Sage Publications.
- [14] Ivancevich, J., 2000, *Diversity management: time for a new approach*. *Public Personnel Management*, 29: 75-92.
- [15] Khastar, H., K. Reza, G.A. Khalouei, M. Maleki, 2011. Levels of Analysis and Hofstede's Theory of Cultural Differences. *2011 International Conference on Financial Management and Economics*, pp: 321-322.
- [16] LeBaron, M., 2003. Communication tools for understanding cultural differences. [Online] Available: <http://www.beyondintractability.org/bi-essay/communication-tools> (November 2, 2012)
- [17] Lee, C. and K. Chon, 2000. "An investigation of multicultural training practices in the restaurant industry: the training cycle approach", *International Journal of Contemporary Hospitality Management*, 12(2): 126-34.
- [18] Legrain, Philippe, 2006. Immigrants-Your Country Needs Them, Little, Brown, London [Online] Available: [http://www.beyondintractability.org/essay/communication\\_tools/](http://www.beyondintractability.org/essay/communication_tools/) (November 2, 2012)
- [19] Myers, V. and J.L. Dreachslin, 2007. *Recruitment and retention of a diverse workforce: challenges and opportunities*, Journal of Healthcare Management, 52(5): 290.
- [20] Ng, W., S.F. Lee and E. Siores, 2003. 8C Plus 6C Management model for multi- national corporation a locally compatible and globally fit culture model, *Journal of Materials Processing Technology*, 139: 44-50.
- [21] Palthe, J., 2004. The relative importance of antecedents to cross-cultural adjustment: implications for managing a global workforce, *International Journal of Intercultural Relations*, 28(1): 37-59.
- [22] Rachel, F. Baskerville, 2003. "Hofstede never studied culture," *Accounting, Organizations and Society*, 28: 1-14.
- [23] Richardson, M., 2001. *The Experience of Culture*. London: Sage Publications.
- [24] Schein, E.H., 1992. *Organizational Culture and Leadership* (2nd ed.). San Francisco: Jossey-Bass.
- [25] Stephen, R., 2003. *The leadership development handbook, center for creative leadership and organizational behavior*. (4th ed.). New York: Prentice Hall.
- [26] Thomas Jr., R.R., 1995. *A diversity framework*, in Chemers, M.M., Oskamp, S. and Costanzo, M.A. (Eds), *Diversity in Organizations*, New Perspectives for a Changing Workplace, Sage, Thousand Oaks, CA, pp: 245-63.
- [27] Thomas, R., 1991. *Beyond race and gender: unleashing the power of your total workforce by managing diversity*. New York: Amacom.
- [28] Triandis, H.C., 2004. The many dimensions of culture. *Academy of management executive*, 18: 88-93.
- [29] Wrench, J., 1997. *Compendium of Good Practice for the Prevention of Racism at the Workplace*, Office for Official Publications of the European Communities, Luxembourg.
- [30] Wrench, J., 2001. "Anti-discrimination training at the workplace in Europe: the application of an international typology", in Essemeyr, M.(Ed.), *Diversity in Work Organisations*, Arbetslivsinstitutet, Stockholm.
- [31] Zeidler, D.L., 2007. What is a Theoretical Framework? [Online] Available: <http://www.coedu.usf.edu/jwhite/secedseminar/theoryframe.pdf> (11 November 2012)