

IMPACT OF CULTURAL DIFFERENCES ON BUSINESS PERFORMANCE OF INTERNATIONAL ORGANISATIONS WITH SPECIAL REFERENCE TO TECH MAHINDRA AND HONDA

Dr. Anu Nagpal Chopra

Assistant Prof., Asian Business School, Noida

Email: anunagpal.sagi@gmail.com, anu.nagpal@abs.edu.in

Abstract: *In the business world, communication is imperative for the successful execution of daily operations. Understanding cultural differences and overcoming language barriers are some of the considerations people should have when dealing with business with people of various cultures. Often business deals are lost because the parties involved did not take the time to learn about their each others' cultures prior to interacting. Culture can be defined as the norms, beliefs, informal values and the pattern of behavior of an individual. The cultural issues can occur in different ways depending on the size, location and the custom culture of that organization. These cultural issues sometimes occur even due to the attitudes of the employees. This paper is an attempt to determine the impact of cultural differences on business performance of international organizations and to examine the role of cultural diversity management & its corresponding reflection over work environment. For fulfilling these objectives research methodology followed incorporates techniques like Correlation, Regression and one sample t-test. Results and findings reflect if there is an impact of Cultural differences and if the cultural diversity management play any role in making a better Work Environment.*

Key Words: *Culture, Cultural Differences, Business Performance, Cultural Diversity Management, Work Environment*

1. INTRODUCTION:

Increasingly, managers must deal with multiple ethnic groups with very different cultures. Thanks to globalization, one is likely to work with Japanese, French, Chinese, German and all sorts of other nationalities. It is important to recognize that people from different cultures have are different in a variety of ways, including different ways of looking at things, different ways of dressing and different ways of expressing personality/goodness. Some dimensions along which cultures vary:

1.1 High Context vs Low Context

A low context culture is one in which things are fully (though concisely) spelled out. Things are made explicit, and there is considerable dependence on what is actually said or written. A high context culture is one in which the communicators assume a great deal of commonality of knowledge and views, so that less is spelled out explicitly and much more is implicit or communicated in indirect ways. In a low context culture, more responsibility is placed on the listener to keep up their knowledge base and remain plugged into informal networks.

Low context cultures include Anglos, Germanics and Scandinavians. High context cultures include Japanese, Arabs and French.

Implications

- Interactions between high and low context peoples can be problematic.
- Japanese can find Westerners to be offensively blunt. Westerners can find Japanese to be secretive, devious and bafflingly unforthcoming with information
- French can feel that Germans insult their intelligence by explaining the obvious, while Germans can feel that French managers provide no direction.
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- French can feel that Germans insult their intelligence by explaining the obvious, while Germans can feel that French managers provide no direction
- Low context cultures are vulnerable to communication breakdowns when they assume more shared understanding than there really is. This is especially true in an age of diversity. Low context cultures are not known for their ability to tolerate or understand diversity, and tend to be more insular.

1.2 Monochronic vs Polychronic

Monochronic cultures like to do just one thing at a time. They value a certain orderliness and sense of there being an appropriate time and place for everything. They do not value interruptions. Polychronic cultures like to do multiple things at the same time.

Polychronic cultures include the French and the Americans. The Germans tend to be monochronic.

Implications

- Interactions between types can be problematic. German businessman cannot understand why the person he is meeting is so interruptible by phone calls and people stopping by. Is it meant to insult him? When do they get down to business?
- Similarly, the American employee of a German company is disturbed by all the closed doors -- it seems cold and unfriendly.

1.3 Future vs Present vs Past Orientation

Past-oriented societies are concerned with traditional values and ways of doing things. They tend to be conservative in management and slow to change those things that are tied to the past. Past-oriented societies include China, Britain, Japan and most Spanish-speaking Latin American countries.

Present-oriented societies include the rest of the Spanish-speaking Latin American countries. They see the past as passed and the future as uncertain. They prefer short-term benefits.

Future-oriented societies have a great deal of optimism about the future. They think they understand it and can shape it through their actions. They view management as a matter of planning, doing and controlling (as opposed to going with the flow, letting things happen). The United States and, increasingly, Brazil, are examples of future-oriented societies.

1.4 Quantity of Time

In some cultures, time is seen as being a limited resource which is constantly being used up. It's like having a bathtub full of water which can never be replaced, and which is running down the drain. You have to use it as it runs down the drain or it's wasted. In other cultures, time is more plentiful, if not infinite. In old agricultural societies, time was often seen as circular, renewing itself each year.

Implications

- In societies where time is limited, punctuality becomes a virtue. It is insulting to waste someone's time, and the ability to do that and get away with it is an indication of superiority/status. Time is money. In cultures where time is plentiful, like India or Latin America, there is no problem with making people wait all day, and then tell them to come back the next day.
- Time-plentiful cultures tend to rely on trust to do business. Time-limited cultures don't have time to develop trust and so create other mechanisms to replace trust (such as strong rule-by-law).

1.5 Power Distance

The extent to which people accept differences in power and allow this to shape many aspects of life. Is the boss always right because he is the boss, or only when he gets it right?

Implications

- In high power distance countries (most agrarian countries) surpassing a superior is unsubordination. In low power distance countries (US, northern Europeans, Israel), bypassing is not usually a big deal.
- In the US, superiors and subordinates often interact socially as equals. An outsider watching a party of professors and graduate students typically cannot tell them apart.

1.6 Individualism vs Collectivism

In individualist cultures, individual uniqueness, self-determination is valued. A person is all the more admirable if they are a "self-made man" or "makes up their own mind" or show initiative or work well independently. Collectivist cultures expect people to identify with and work well in groups which protect them in exchange for loyalty and compliance.

Paradoxically, individualist cultures tend to believe that there are universal values that should be shared by all, while collectivist cultures tend to accept that different groups have different values.

Many of the asian cultures are collectivist, while anglo cultures tend to be individualist.

Implications

- A market research firm conducted a survey of tourist agencies around the world. The questionnaires came back from most countries in less than a month. But the agencies in the asian countries took months to do it. After many telexes, it was finally done. The reason was that, for example, American tourist agencies assigned the work to one person, while the Filipinos delegated the work to the entire department, which took longer. The researchers also noticed that the telexes from the Philippines always came from a different person.

2. LITERATURE REVIEW:

Culture is a universal phenomenon as there is no society in history without a culture. But culture varies from one society to another. Studies of formal organizations in both Western and non-Western societies have shown the implications of varying cultures for 'organizational operations and performance'. Multinational organizations operating in different cultural contexts have become increasingly sensitive to the potential impact of the culture of a host country on organizational performance. Some of literature reviewed for this paper are as under :

2.1 Culture

Kroeber and Kluckhohn (1952) has focused his study on "**Culture: A Critical Review of Concepts and Definitions**" & provided a definition of culture: Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional ideas and especially their attached values; culture systems may on the one hand be considered as products of action, on the other as conditioning elements of further action. This definition is specific & long. **Robert Serpell (1976)** has presented his study on "**Culture's influence on behavior**" addressed that culture has been conceived as affecting motivation at the level of the total personality, of attitudes and of specific motives; it has been conceived as affecting cognition at the level of the broad structure of intellect and of specific processes such as reasoning, communication and perception. That is why culture diversity existing.

2.2 Cultural Difference and Culture Diversity

Kamal M. Haddad, Chee W. Chow, George Gordon, Richard Nen-Chen Hwang, and Anne Wu (1999), has done their study on "**Cross-National Differences in Corporate Cultures and the Culture-Performance Relationship: a Two- Country Comparison**" Much has been written on the importance of corporate culture to corporate performance. The findings indicate that the aspect of corporate culture most emphasized varies across companies of different sizes, environmental uncertainty, and national origin. Further, both national origin and environmental uncertainty moderate the relationship between several aspects of corporate culture and corporate performance. Particular significance is that for all aspects of corporate culture where country of origin significantly moderated the relationship with performance, the direction of the country's effect had opposite signs between Mexico and Taiwan. **Robin J. Ely & David A. Thomas (2001)** has focused in his study on "**Cultural Diversity at Work: The Effects of Diversity Perspectives on Work Group Processes and Outcomes**" & this research showed how diversity perspectives differentially affected the functioning of culturally diverse work groups. Cultural diversity is a potentially valuable resource that the organization can use, not only at its margins, to gain entry into previously inaccessible niche markets, but at its core, to rethink and reconfigure its primary tasks as well. It is based on the assumption that cultural differences give rise to different life experiences, knowledge, and insights, which can inform alternative views about work and how best to accomplish it. In the work groups it is studied that the role of racial diversity encouraged group

members to discuss openly their different points of view because differences including those explicitly linked to cultural experience were valued as opportunities for learning. **Barbara Mazur & Politechnika Bialostocka (2010)** has focused in his study “**Cultural Diversity in Organizational Theory and Practice**” mentioned that a diverse workforce is a reflection of a changing world and marketplace. Research diverse work teams bring high value to organizations and respecting individual differences will benefit the workplace by creating a competitive edge and increasing work productivity. Diversity management benefits associates by creating a fair and safe environment where everyone has access to the same opportunities and challenges. Management tools in a diverse workforce should be used to educate everyone about diversity and its issues, including laws and regulations. Most workplaces are made up of diverse cultures, so organizations need to learn how to adapt to be successful. The only advantage of cultural diversity indicated by the companies was better image and bigger opportunity on the marketplace with finding the best personnel for companies. Results of the research suggest that diversity is neither a great asset (in terms of innovation and creativity) nor a liability but definitely is closer to the first one because of its symbolic effect (image).

2.3 Impact of Culture

Maj Molly K. Moon (1997) in his study “**Understanding The Impact Of Cultural Diversity On Organizations**” states that empowering, training and mentoring are tools that can be used to assist in becoming that pluralistic leader who understands and finds diversity an asset to your organization. Additionally, the five-step process of assessing the organization, top-level commitment, choosing solutions, revisiting the goals and to keep building is a simple formula that the pluralistic leader can use on a continuous basis to encourage a positive diverse climate. **M. A. O. Aluko (2003)** has done his study on “**The Impact Of Culture On Organizational Performance In Selected Textile Firms In Nigeria**” The present study examines the multidimensional impact of culture on organizational performance in selected textile firm from Lagos, Asaba and Kano in Nigeria. The main objectives of the study were to identify the cultural variables which influence organizational performance & determine the nature of the relationship between culture and performance. The main finding of the study was that irrespective of their cultural backgrounds, workers in the textile industry appeared to have imbibed the industrial way of life. The results of the analysis of the cultural variables showed a high level of commitment to work, low level of labor turnover and absenteeism, positive beliefs about work, positive work values, attitudes, and norms in all the firms studied. But these positive attributes of the cultural variables did not translate directly to high level of organizational performance in these mills because some other variables were at work. This was an indication that culture was not the sole determinant of organizational performance. Other factors most especially exogenous variables such as the economy, technology and the murky political climate all influence organizational performance significantly and much more than endogenous variable such as size, structure, and style of management. In the main the study showed that there was a significantly positive relationship between culture and organizational performance. **Yao Ma & Xi Ran (2011)** has focused in his study on “**How Cultural Differences Influence the Business**” Based on this analysis, culture is gaining more and more attention in the business world. Everyone might have noticed it, but they might not have taken measures to cope with the different cultural issues that take place in business related affairs. Especially as business students in universities, they do have the awareness that culture has been a significant participant in the business world, however, they do not make efforts to prepare for the changes.

Priscilla Dike (2013) has done his study on “**The impact of workplace diversity on organizations**” The subject matter of this paper is workplace diversity. The study is conducted to explore how companies manage workforce diversity and its consequences to the company’s existence as well as examine how companies deal with challenges that come with employees from diverse cultural backgrounds. The research concludes that diversity covers a wide range of human attributes and qualities. The research is limited to the required tools for managing workplace diversity, advantages and disadvantages of managing a diverse workforce.

Njugi Anne Wanjiku , Nickson Lumwagi agusioma(2014) has presented his study on “**Effect of Organization Culture on Employee Performance in Non Governmental Organizations**” & indicated that Culture may have a big influence on the performance of all organizations worldwide. This is a practice that cannot just be assumed as it has both positive and negative effects as far as performance is concerned. It is more serious when it comes to non-Governmental organizations, since in most cases they involve international Governments. The study concluded that

organization culture has a great influence on performance as it dictates how things are done, organization's philosophy, work environment, performance targets and organizations stability.

2.4 Managing Diversity

Yousuf Kamal & Most. Moriom Ferdousi (2009) has focused in his study “**Managing Diversity at Workplace: A Case Study of Hewlett-Packard**” that **Hewlett-Packard** Company had tried to adapt with emerging paradigm of diversity management and to create cultural synergy in the work place, still it has room for improvement. Managing diversity itself is a complex phenomenon. To achieve sustainable competitive advantage from diversity, it needs to continuously monitor and change its strategy towards diversity issue and try to update its founding principles. Moreover, as **Hewlett-Packard** Company is doing a technical professional business, like any other technical business, they consider soft skills in general and interpersonal skills in particular as secondary to technical skills for employees. So they need further cross cultural training and workshop to develop their diversity skill. Similarly diversity trainers and HR managers need to handle this sensitive issue with due diligence. They found Hp case study as an ideal example of diversity management in the workplace. Accordingly, Hp can be a pioneer in diversity management for Bangladeshi large corporate firms. Efficient diversity management helps the organization to be more successful. **Cheryl Demetria Edwards Buckingham (2010)** has done his study on “**A Case Study Exploring The Impact Of Managing Workplace Diversity On Diversity Awareness And Employee Job Satisfaction**” & addressed Diversity is any dimension that can be used to differentiate groups and people from one another, in which these dimensions can be visible or invisible. The existence of workplace diversity, within an organization or workplace, indicates that the organization or workplace is heterogeneous in terms of gender, race, and ethnicity, in which employees possess distinct elements and qualities, differing from one another. Managing these elements can create a range of staffing related issues that are the main focal points for human resource departments. There are several key components associated with workplace diversity, issues concerning workplace diversity, and the management of workplace diversity. The intent of this study was to clearly define workplace diversity, examine the policies and procedures associated with workplace diversity management, and explore how managing workplace diversity can impact diversity awareness and employee's job satisfaction. **St.Agnes Centre For Post Graduate and Research Centre (2014)** has done a study on “**HRM and Diversity management –A Case Study on managing Diversity in multi National Company Special Reference Infosys Ltd**”. This study states that people with different cultural backgrounds behave differently even at the workplace. Today MNCs are highly diversified with the employees of different state, different countries, different age groups, culture, religions, races, ethnic, groups, color and gender. This study is an attempt to study the various issues in diversity management that prevail in MNCs and especially the software giant Infosys Ltd. It is very clear from the above information that the model adopted by Infosys Ltd is an extremely effective strategy in managing diversity. Promoting diversity helps companies increase revenue by attracting new customers, identifying new markets, improving success in cross-cultural negotiations, stimulating innovation, and boosting growth potential through non-traditional hires. A diverse workforce is a reflection of a changing world and marketplace. Diverse work teams bring high value to organizations. Respecting individual differences will benefit the workplace by creating a competitive edge and increasing work productivity. Diversity management benefits associates by creating a fair and safe environment where everyone has access to opportunities and challenges.

3. OBJECTIVES OF THE STUDY:

Following are the objectives of the study:

- (a) To analyze the relationship between cultural differences & organizational performance.
- (b) To determine the impact of cultural differences on business performance of international organizations.
- (c) To examine the role of cultural diversity management & its corresponding reflection over work environment.

4. HYPOTHESES

The goals of the study were to characterize cultural diversity, identify elements used to manage cultural diversity and look at how these elements were reflected in the business performance of international organizations. The research in this study was designed based on the following hypothesis:

1. **H₀**: There is no significant relationship between cultural differences & organizational performance. **H₁**: There is a significant relationship between cultural differences & organizational performance.
2. **H₀**: There is no significant impact of cultural differences on business performance of international organizations.
H₁: There is a significant impact of cultural differences on business performance of international organizations.
3. **H₀₃**: There is no significant role of cultural diversity management & its corresponding reflection over work environment.
H₁: There is a significant role of cultural diversity management & its corresponding reflection over work environment.

5. RESEARCH METHODOLOGY:

Data Collection:

The project being undertaken is exploratory research. For the purpose of study the data is collected through following sources :

Primary Data:

Most of the information of Research Paper has been gathered through primary source. The Primary data is collected by means of a self-designed questionnaire. Total samples of 124 respondents were contacted who responded to the questionnaires. In which 62 respondents were taken from the co. Tech Mahindra Ltd. & rest from the Honda Motor Co., Ltd. Companies from two different Industries are taken with an intention to get a unbiased outcome of the objectives. **Secondary Data:** Secondary data is majorly collected through Journals and Online sources.

Methodology used for Data Analysis:

Data Analysis & Interpretation – Classification & tabulation transforms the raw data collected through questionnaire in to useful information by organizing and compiling the bits of data contained in each questionnaire i.e., observation and responses are converted in to understandable and orderly statistics are used to organize and analyze the data. Then Simple tabulation of data using tally marks is done after that Calculating the percentage of the responses.

Tools & Techniques:

- a. Techniques like Correlation, Regression & One Sample t-test techniques are proposed to be used to analyse the classified data.
- b. The tools used for analysis of the questionnaire are Microsoft Excel and SPSS .

6. DATA PRESENTATION AND ANALYSIS:

In the initial phase, in order to examine the efficacy of questionnaire for proposed study, Pilot testing was conducted to check the reliability of questionnaire using Cronbach's alpha.

| Reliability Statistics | | |
|------------------------|--|-------------|
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | No of Items |
| .778 | .780 | 15 |

Table 1: Reliability Statistics

The value of Cronbach's alpha reliability testing came out to be 0.778. This reflects that questionnaire is highly reliable & there is no need to delete any item and the research can be proceeded based on the same questionnaire.

The second half portion covers the statistical analysis on data collected using the research instrument. For the purpose of Data presentation percentage analysis is applied to get an overview of the data in terms of Demographics of Respondents:

| Demographics | Demographics | Number of Respondents | % of Respondents |
|--------------|--------------|-----------------------|------------------|
| Gender | Male | 71 | 59.16% |
| | Female | 49 | 40.83% |
| Age | 20-30 | 25 | 20.83% |
| | 30-40 | 54 | 45.00% |
| | 40-50 | 28 | 23.33% |
| | Above 50 | 13 | 10.84% |

Table 2: Demographics of Respondents

Testing Hypothesis

Hypotheses testing is the third phase in which the hypotheses are tested based on the collected data. For testing the Hypothesis following tests have been applied:

- Correlation
- Regression
- One Sample t-test

Hypothesis 1

H_0 : There is no significant relationship between cultural differences & organizational performance.

H_1 : There is a significant relationship between cultural differences & organizational performance.

Cultural Difference is the independent variable. Organizational performance is the dependent variable. In order to examine the response rate from all the respondents 5 questions (Q No 2,3,4,8,10) on Cultural Differences were developed & these questions are related to independent variable. & 7 questions(Q No 1,9,11,12,13,14,15) on organizational performance were adopted & they were about dependent variable. Questionnaire was based on likert scale i.e. 1=strongly disagree, 2=disagree,3=neutral, 4=agree, 5=strongly agree. For testing Hypothesis 3 Correlation Testing has been applied.

| Descriptive Statistics | | | |
|----------------------------|---------|----------------|-----|
| | Mean | Std. Deviation | N |
| Cultural differences | 15.6333 | 3.39781 | 120 |
| Organizational Performance | 24.6250 | 3.06529 | 120 |

Table 3: Descriptive Statistics

This table indicates that the mean for cultural differences is 15.6 and mean for organizational performance is 24.6. The standard deviation is 3.3 and 3.0 respectively.

| Correlations | | |
|----------------------------|----------------------|----------------------------|
| | Cultural Differences | Organizational Performance |
| Cultural differences | Pearson Correlation | 1 |
| | Sig. (2-tailed) | |
| | N | 120 |
| Organizational Performance | Pearson Correlation | .529** |
| | Sig. (2-tailed) | .000 |
| | N | 120 |

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4: Correlations Statistics

The value of correlation between cultural differences & organizational performance is (.529). The p value (=0.000) obtained from correlation table is less than the value of alpha 0.05, so the null hypothesis is rejected & it is verified that there is significant relationship between cultural differences & organizational performance. The relation is positive in nature and there exist a moderate correlation between the two.

Hypothesis 2

H₀: There is no significant impact of cultural differences on business performance of international organizations.

H₁: There is no significant impact of cultural differences on business performance of international organizations.

| Descriptive Statistics | | | |
|------------------------|---------|----------------|-----|
| | Mean | Std. Deviation | N |
| Business Performance | 24.6250 | 3.06529 | 120 |
| Cultural differences | 15.6333 | 3.39781 | 120 |

Table 5: Descriptive Statistics

The variables has been taken from the observed gap in Literature Review. Cultural Difference is the independent variable. Business performance is the dependent variable. In order to examine the response rate from all the respondents 5 questions (Q No 2,3,4,8,10) on Cultural Differences were developed & these questions are related to independent variable. & 7 questions(Q No 1,9,11,12,13,14,15) on business performance were adopted & they were about dependent variable. Questionnaire was based on likert scale i.e. 1=strongly disagree, 2=disagree,3=neutral, 4=agree, 5=strongly agree. For testing Hypothesis 1 Regression Testing has been applied.

| Model Summary | | | | | | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .529 ^a | .280 | .274 | 2.61251 | .280 | 45.823 | 1 | 118 | .000 |

Table 6: Regression Statistics

a. Predictors: (Constant), cultural differences

| ANOVA ^a | | | | | | |
|--------------------|----------------|----------|-------------|---------|--------|-------------------|
| Model | Sum of Squares | Df | Mean Square | F | Sig. | |
| 1 | Regression | 312.753 | 1 | 312.753 | 45.823 | .000 ^b |
| | Residual | 805.372 | 118 | 6.825 | | |
| | Total | 1118.125 | 119 | | | |

Table 7: ANOVA Statistics

Mean value of the variables are 24.7 & 15.7. And Standard Deviation values are 3.06 & 3.39 respectively. R is telling how the relationship between independent and dependent variable exist or not. The range of R should be in between 0 and 1. So this range shows that there is a relationship between independent variable and dependent variable. And R square is also used to explain what the variation in dependent variable is by independent variables. 28.0 % variation in business performance describes by the organization culture and remaining 72.0% variation explains by the other variables.

The value of R is .529 and the p-value from this statistic is .000 and which is less than 0.05 (the level of significance usually used for the test) hence and alternate hypothesis is accepted. The value derived from the test that there is an impact of cultural differences on business performance.

Coefficients

| Model | Unstandardized Coefficients | Standardized Coefficients | T | Sig. | 95.0% Confidence Interval for B | | |
|-------|-----------------------------|---------------------------|-------|------|---------------------------------|--------|-------------|
| | | | | | Std. Error | Beta | Lower Bound |
| 1 | (Constant) | 17.166 | 1.127 | | | 15.226 | .000 |
| | cultural differences | .477 | .070 | | .529 | 6.769 | .000 |

Table 8: Coefficients Statistics**a. Dependent Variable: Business Performance**

| Coefficient Correlations ^a | | |
|---------------------------------------|----------------------|----------------------|
| Model | cultural differences | |
| 1 | Correlations | cultural differences |
| | Co variances | cultural differences |

Table 9: Coefficient Correlations^a**a. Dependent Variable: Business Performance Interpretation****Interpretation of Slope:**

There is an increase in cultural differences by 1 unit the business performance will increase by 0.477.

Interpretation of intercept:

If the independent variable is 0 the business performance will 17.16. There is a change in business performance because of cultural differences & they are effective variables.

Level of significant:

Cultural Differences= .000 (P.value)

Cultural Differences are significant & it could explain the business Performance because .000 is less than .05 so the alternative hypothesis is accepted.

Hypothesis 3

H₀: There is no significant role of cultural diversity management & its corresponding reflection over work environment.

H₁: There is a significant role of cultural diversity management & its corresponding reflection over work environment

One Sample Statistics

| | N | Mean | Std. Deviation | Std. Error Mean |
|-------------------------------|-----|---------|----------------|-----------------|
| cultural diversity management | 120 | 10.6083 | 1.86654 | .17039 |

Table 10: One-Sample Statistics

One-Sample Test

| | Test Value = 0 | | | | | |
|-------------------------------|----------------|-----|-----------------|-----------------|---|---------|
| | T | Df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Cultural diversity management | 62.259 | 119 | .000 | 10.60833 | 10.2709 | 10.9457 |

Table 11: One-Sample Test Statistics

The one sample t-test statistic is 62.259 and the p-value from this statistic is .000 and that is less than 0.05 (the level of significance usually used for the test) so the alternate hypothesis is accepted. The value derived from the one sample t-test indicates that there is a role of cultural diversity management.

The first hypothesis deduced that there was significant relationship between cultural differences & organization performance of the organization. The second hypothesis concluded that there was significant impact of cultural differences on business performance of international organizations. The third hypothesis concluded that there was significant role of cultural diversity management & its corresponding reflection over work environment.

6. FINDINGS AND CONCLUSIONS:

The present chapter aims to recollect the various phases of the study. A summary of the research with the main findings has also been presented. Revisiting of objectives is essential to understand whether the purpose and aim of research has been achieved. Limitations of the study have been pointed out.

Findings of the Study

Following is the table representing results of hypotheses along with its 'P-Values':

| S.No. | Hypothesis | P- Value | Result |
|-------|---|----------|----------------------------|
| 1. | Relationship between cultural differences & organizational performance. | 0.000* | H ₀₁ : Rejected |
| 2. | Impact of cultural differences on business performance of international organizations. | 0.000* | H ₀₂ : Rejected |
| 3. | Role of cultural diversity management & its corresponding reflection over work environment. | 0.000* | H ₀₃ : Rejected |

* P- Value at 95 % of significance.

Table 12: Results from Testing of Hypothesis

The survey shows that majority of the respondents were males. Out of 120 respondents the no of respondents between 20 -30 years are 25, between 30-40 years are 54 and between 40- 50 years are 28 & 50 above are 13. Therefore the major respondent lies between the age group 30-40 years. The analysis showed that cross cultural issues brings about communication, age and gender discrimination among the employees, which resulting increasing conflict among the employees.

It was analysed from the hypothesis that there was a significant relationship between cultural differences & organizational performance of the organizations. The p value (=0.000) obtained from correlation table is less than the value of alpha 0.05, so the null hypothesis is rejected and the alternate hypothesis is accepted. The value of correlation between cultural differences & organization performance is (.529). Since the null hypothesis is rejected it is verified that there is significant relationship between cultural differences & organization performance. It can also be observed from results that there was a significant impact of cultural differences on business performance of international organizations. The value of R is .529 and the p-value from this statistic is .000 and which is less than 0.05 (the level of

significance usually used for the test) so the null hypothesis is rejected and alternate hypothesis is accepted. The value derived from the test that there is an impact of cultural differences on business performance.

Consequently there is a major role of cultural diversity management over work environment of the organizations.

7. CONCLUSION

The companies' especially international organisations should lay higher emphasis on management of cultural differences considering that there is a significant impact of cultural differences on business performance of international organizations and there were major role of cultural diversity management over work environment of the organizations.

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