

Cross-Cultural Configuration Evidence from International Business Organisation in ASEAN Countries

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Abstract---The study was designed to investigate the cross-cultural configurations in international organizations. The purpose of this research is to identify how cross-cultural affects a workplace environment, employees' performance and individual performance. The dependent variable for this research is cultural differences in organization. The independent variables are employee behaviors, individual performance and workplace environment. In order to collect data from respondents, the researcher has used quantitative methods. To get the result, this research using IBM SPSS 16.0 to calculate the data that they receive. This study has successfully identified effect of cross-cultural towards the variables. The results of this research have shown that most of the respondents agreed that cross-cultural affect the performance and also working environment.

Keywords---issues, international business, intercultural management, workforce diversity.

I. INTRODUCTION

Anthropologists and sociologists said that culture means “Ways of Living, “which built by a group of humans and were passed from one generation to another. Culture means the ways of living in the context of social institutions. Other than that, culture includes ideas, attitudes and symbols that can form human behavior and will be pass to next generation. To add in agreeing that culture is learned and not natural, the anthropologist gives two different opinions. First, all respect for culture is complementing. If one aspect of culture changes or been influenced, then it can affect everything else. Second, it is because the culture itself has to be shared by group members and culture put a border between the different groups. People might recognize culture as the things that we can only see such as contact, greets, clothes, foods, quantity and time. But most people did not know about the most important thing in culture which includes the value, feelings, assumptions, roles, concepts of truth, motivation and others. These are the most important things that need to be understood in international business because it shows how an organization works. In the research, we want to know is there a strong relationship between the different cultures and organizations (Hjarvard, 2013).

ASEAN is known as a region where countries have a variety of cultures. The culture of ASEAN is different in varying people. In ancient times the people from mainland Asia moved here are known as Malay. While Indian and Chinese cultural influences made their mark when trade started among the countries, there was increase in immigration to ASEAN. There are some other cultures that influenced ASEAN include Arabic, Persian, and British. Currently these different

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ethnicities exist in ASEAN. Each ethnicity has its own identity which makes it unique (Narine, 2002). Tichy & Devanna (1986) have claimed that leadership in a multicultural organization is usually a transformational leader. In multicultural countries, organizations allow individuals who belong to different cultures to do extraordinary things.

This study chooses this research because nowadays, we faced so many problems related to cross-culture. Cross-culture has significant importance for the companies because of the growth in global business, internet and technology. It is important to understand cross-culture for a firm that has diverse plans or workforce to conduct global business. Such type of cross-cultural communication helps to understand the people, their culture, language, perceptions and communication strategies. Moreover, low-context vs high-context cultures, language differences, power distances and non-verbal differences are also factors that can affect cross-culture (Chopra, 2005).

The researcher has chosen several MNCs as a source for the research to find the findings. Based on the research that the researcher's study and sources that the researchers find, they come out with the three factors that effect cross-cultural in international organizations. The first factor (IV1) is employees' behavior; it is because employees' behavior which divides the practical and theoretical boundaries by limiting the ability to work with the people of different countries and understand their cultures. The author blends of substance and readability include examples and wealth of research from around the world results in a text that is richly detailed and authoritative.

Next, for the second factor (IV2) is individual performance; the reason why this IV has been chosen is that it is an organizational culture that provides a framework of employee behavior at their workplace. It depends on the developed culture of an organization as it could affect negatively and positively to the performance of employees. In an organization employees are an integral part who can make their contribution to the growth of the organization and its culture help them to do so. Employees have ability to align their goals according to the organizational objectives and take responsibility for the well-being of an organization. When the culture of the organization is set in a way that the employees are appreciated by the management of their efforts and then get suitable reward and it increases their job satisfaction, in such organizational culture, employees took charge of their responsibility and had a positive contribution in the overall organization's performance.

Furthermore, the third factor (IV3) is the workplace environment. It has been chosen because people in every workplace talk about organizational culture; this strange word usually talk about the work environment. When employers conduct interview of the employee, he tries to check the candidate it would be able to fit in their culture. It is difficult to define a culture, but one can generally understand when he finds some suitable employee who appears to fit in his organization's culture. Culture is an environment that is surrounded by employees at work. Culture has powerful traits as it shapes the overall working environment and makes it enjoyable for the workers. Actually culture is a thing which people cannot see, except by its physical manifestations in workplace (Triandis, 1994).

Cross-cultural problems are one of the serious issues in organization. In this modern era, there is still employer or employees that having a problem in accepting other cultural surround them. Having a different cross-cultural in an organization is basically an advantage for the organization itself to grow productivity. However, it does not seem to matter to the organization nowadays because there is no awareness of the importance of cross-cultural in an organization. The need to aware that different cross-cultural give an effect on the growth of the organization. There is good when different cross-cultural being practiced in organization. This shows when the organization has a target market for its product. With different ideas from different cultural of workers, the organization can know what exactly to do to attract other people to have their products. However, not all people can accept cross-cultural in organization because of racist. Therefore, this is to find out how the different cross-cultural grows in an organization even though it has huge differences. The organization

needs to make sure that the employees would not face these problems because employees who keep the company on business. Different employees may have different factors that may their job performance (Nasif, Al-Daeaj, Ebrahimi, & Thibodeaux, 1991).

Cultural issues in an organization are the most important in an organization. However, it depends on certain cultural issues that can affect the organization's performance. It is the organization's top managers' responsibility to take care of these issues deeply. Not only that, the top managers also have to find the solution for it. It is important for them to really understand the causes of cultural effects in an organization. However, through this research it will help the organization identify the real situation of the cross-cultural in organization and can improve the employee's condition to a better standard in which the employees are free from cultural effects. Plus, this will make the management come out with positive ideas to solve the cultural effect in positive way. This study provides the information and approach on the factors that influence the employees in cross cultural configuration in international business organization among employees in ASEAN.

II. LITERATURE REVIEW

Culture is a social pattern and behavior which is developed by humans in societies. Culture represents some human behavior aspects, social practices, some form of art (dance, music), religion, rituals and use of technology in clothing, cooking, shelter. Culture has some universal form that is found in all human societies. Culture consists of its food, peoples wearing, religion and how a person behaves with the people in society and their loved ones (Chuang, 2013).

Anitha (2016) explains that “culture includes the organization's vision, values, symbols, beliefs, norms, assumptions, systems, language and habit. While organizational culture is a system that shares the beliefs, assumptions, values, which help the employees how to behave in specific situation, such values have a significant impact on the employees in an organization as it helps to explain how to act, dress and perform their duties. In a simple way, organizational culture explains the way things can be done around them (Lee & Yu, 2004). These statements express how the culture directly influences the behavior of the employees in organization.

Cultural Difference

Dike, (2013) stated that workplace diversity trainers often mention that there are more similarities among employees than there are differences. Factors that contribute to workplace diversity and cultural differences in the workplace are differences attributable to work styles, education, or disability. According to Martin (2014), “Diversity and communication in the workplace are one of the most important factors in the successful operation of any organization. When dealing with healthcare organizations, the effect of communication with a diverse population is a necessary factor for the growth of the company, patient satisfaction, and also for numerous employees with assorted backgrounds that will be needed to service the potential members from across the globe”.

Employees Behaviour

The term employee behavior explains the ways by which the specific situations and circumstances in an organization are responded by the employees. At workplace there are various elements that determine the employee's behavior; employees shape themselves according to the organizational culture. Personal and corporate culture impact the employees in a way how to interact and communicate with each other and with management. Moreover, employees' beliefs are based on their ethics and sense of responsibility (Anbari, Khilkhanova, Romanova, & Umpleby, 2003).

According to Robertson (1994), the characteristics of work setting play important role in developing the behavior of the organizational members. Moreover, it required for the individuals in an organization to change their behavior for the improvement of an organization. Planned changes in an organizational setting help the employees to change the work setting according to plans and help them to adopt those changes.

Usually, there are three work settings that are usually target of intervention activity in job designs, managerial behavior, and goals are examined regarding their relationships with the employee's behavior which is relevant to organizational change and organizational performance.

Individual Performance

This study defined individual performance as the activities of the employee at work and how those activities are performed. The individual performance of the staff is assessed by many business managers on quarterly or annual basis as it helps them to suggest where they can improve. Turner (2017) stated that a number of cultural aspects influence the ways we interact with other people, including national culture, gender culture, corporate culture and various communication styles. Cultural problems range from actual conflicts to miscommunication, which endanger the performance and productivity of the workers.

Workplace Environment

The workplace environment is the condition in a surrounding where employees work. The work environment is a physical condition at office where employees work. It is also related to factors such as work procedure or process. The work environment is also a social interaction that is made at the workplace, which includes interaction with the managers, peers and subordinates. Usually, employees have to work in the boundaries of the office with the set rules (called the culture of organization). It is said that a hostile work environment is present when unwelcome social and sexual conducts exist among employees and this creates an offensive or intimidating work environment (Chandrasekar, 2011).

'Cross-cultural and multinational teams are becoming common, meaning organizations are getting benefit from the diverse knowledge of its workers and these provide insightful approaches to the problems in business. The punctuality concept is also different among cultures in the environment of international business.

Thus the hypothesis being tested are as follows:

- H1 : There is a relationship between the employees and different cross-cultural in an organization.
- H2 : There is a relationship between the performance of employees and different cross-cultural in an organization.
- H3 : There is a relationship between the environment of an organization and different cross-cultural in an organization.

III. METHODOLOGY

The main research instrument used in this research questionnaire survey is based on both methods, which s qualitative and quantitative methods. The questionnaire in quantitative method was divided into five sections which are Section A, Section B, Section C, Section D, and Section E.

SECTION A: Demographic

In section A, it considers of demographics. There have 4 questions in this section. The objectives of demographics were to identify the respondent's demographic factors such as age, gender, race, and part-time or full-time workers.

SECTION B: Cultural Differences In Organization

Next, in section B, it was the story about the dependent variables of the study. This section was adopted and adapted from (Turner 2017). It contains people reacted or people's personal opinions for cross-cultural in the organizations. Each of the question in Section B are rated using the 5-point scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree).

SECTION C: Employees Behaviour

In section C, there are five questions to be answered. This section was adopted and adapted from Gelfand MJ (2007). It contains how cross-cultural effect on the workers in the organization . Each of the question in Section B are rated using the 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree).

SECTION D: Individual Performance

In section D, there also consists of five questions to be answered. This section was adopted and adapted from Alisa Oyler (2007). In this section each question is meant to identify how cross-cultural affects the workers individually. Each of the question in Section D are rated using the 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree).

SECTION E: Workplace Environment

In section E, there also consists of five questions to be answered. This section was adopted and adapted from Shina Neo (2015). In this section, it is to identify how workers adapt cross-cultural practices in the workplace environment. Each of the question in Section D are rated using the 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree).

Response Rate

The method that is used to gather information is by distributing a questionnaire within the time frame of 3 weeks to 300 respondents in ASEAN. To determine the frequency of respondents answered the questionnaire is by using Frequency table and Descriptive Analysis and followed by Regression Analysis. Regression Analysis is being used to identify the relationship between dependent variable and independent variables. The responses have been presented in tabulated formats and conveniently presented in form of pie chart. Overall, the analysis of the background of the respondent covers the demographic profile of the respondents. The respondent's gender, age, and work as a full-timer or part-timer are shown in this chapter.

Sample Profile

The demographic profiles that have been analyzed are the respondent's gender, age, race and work as a full-timer or part-timer. In this part, the frequency table and pie chart are being used.

Table 1: Gender Breakdown of Sample

GENDER					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	150	50.0	50.0	50.0
	female	150	50.0	50.0	100.0
	Total	300	100.0	100.0	

Based on the questionnaires that have been answered, it is found that both male and female-dominated in answering the questionnaire. The result shows that among 300 employees that have been answered the questionnaire, 150 male employees answered the questionnaire. The same goes for female employees, 150 answered the questionnaire. The valid percent is 100 percent.

Table 2: Breakdown of the age of sample

AGE					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-25	53	17.7	17.7	17.7
	26-30	99	33.0	33.0	50.7
	31-35	78	26.0	26.0	76.7
	36-40	24	8.0	8.0	84.7
	41-45	15	5.0	5.0	89.7
	46-50	15	5.0	5.0	94.7
	51-55	12	4.0	4.0	98.7
	56-60	4	1.3	1.3	100.0
	Total	300	100.0	100.0	

There are eight scales of respondent's age, which are 21-25 years old, 26-30 years old, 31-35 years old, 36-40 years old, 41-45 years old, 46-50 years old, 51-55 years old and last but not least 56-60 years old. The results show that the questionnaires have been answered by mostly from 26-30-year-old employees. Followed by 31-35 years old employees. The third one is from 21-25 years old employees. Next is from 36-40 years old employees. Followed by 41-45 years old and 46-50 years old employees who have the same amount of respondents. Another one is from 51-55 years old employees who have 12 people as the respondents. Lastly is from 56-60 years old. The valid percent is 100 percent.

Table 3: Full Time versus Part-Time Employment

WORK AS					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Full Timer	264	88.0	88.0	88.0
	Part Timer	36	12.0	12.0	100.0
	Total	300	100.0	100.0	

Regarding the 300 respondents of the questionnaire, the highest number of employees is working as a full-timer which concludes to 88% of the respondents. While the part-timer only 12% of 300 respondents.

IV. RESULTS

The purpose of measuring the reliability of questions is to make sure the accuracy of the variable and to ensure there is no missing dimension element and question. And to ensure that there is nothing irrelevant. The characteristic of good measurement is validity reliability and sensitivity – accuracy of the measuring variable. The table below presents the descriptive statistics of the results.

Table 4: Descriptive Statistics

Statistics				
		Employees Behaviour	Individual Performance	Workplace Environment
N	Valid	300	300	300
	Missin g	0	0	0
Mean		21.9633	8.2000	22.1267
Std. Deviation		1.58863	1.81595	1.41325
Minimum		15.00	5.00	19.00
Maximum		25.00	15.00	25.00

Table 5 below shows the correlation of each independent variable, which significant at 0.01 levels (2-tailed) toward cultural differences in organization. The result shows that there is a positive relationship between Workplace Environment and Employees Behaviour. The value between Workplace Environment and Employees Behaviour is 0.227. The result shows that Behaviour and Parents are positively related to $r=0.227$ at the 0.01 level (2-tailed).

Table 5: Correlation Matrix

Correlations				
		Employees Behaviour	Individual Performance	Workplace Environment
Employees Behaviour	Pearson Correlation	1	-.098	.227**
	Sig. (2-tailed)		.089	.000
	N	300	300	300

Individual Performance	Pearson Correlation	-.098	1	-.074
	Sig. (2-tailed)	.089		.203
	N	300	300	300
Workplace Environment	Pearson Correlation	.227**	-.074	1
	Sig. (2-tailed)	.000	.203	
	N	300	300	300
**. Correlation is significant at the 0.01 level (2-tailed).				

Regression Analysis

Table 6 below has shown the R-value for the regression analysis of this research is 0.297 while the R square is 0.088. this means 8.8% of the variables influence the cultural differences in organization while others 91.2% are from other factors.

Table 6: Summary of Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.297 ^a	.088	.079	1.46779
a. Predictors: (Constant), Workplace_Environment, Individual_Performance, Employees_Behaviour				
b. Dependent Variable: Cultural_Differences_In_Organization				

Table 7: Anova Analysis

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.694	3	20.565	9.545	.000 ^b
	Residual	637.703	296	2.154		
	Total	699.397	299			
a. Dependent Variable: Cultural_Differences_In_Organization						
b. Predictors: (Constant), Workplace_Environment, Individual_Performance, Employees_Behaviour						

Based on table 7 above, the ANOVA test shows that the p-value is 0.000, which means it is significant. Table 8 below reports the coefficient shows each of the variable p-values. Between the three variables, only employees' behavior and

workplace environment are significant. Therefore, the second hypothesis is rejected. Only the first hypothesis and third hypothesis are accepted.

Table 8: Regression Analysis Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.799	1.699		8.708	.000
	Employees Behaviour	.195	.055	.202	3.535	.000
	Individual Performance	-.083	.047	-.099	-1.765	.079
	Workplace Environment	.149	.062	.138	2.418	.016
a. Dependent Variable: Cultural_Differences_In_Organization						

Based on table ANOVA, it shows that the p-value is 0.000 which means it is significant. Table Coefficient shows each of the variable p-values. Between the three variables, only employees' behavior and workplace environment are significant. Therefore the second hypothesis is rejected. Only the first hypothesis and third hypothesis are accepted.

H1 : There is a relationship between employees' behavior and cultural differences in organization.

H1 is accepted.

Based on the table, the significant value of employees' behavior is 0.000, which is lower than the p-value of 0.05. hence, H1 is accepted, which indicates that there is a positive relationship between training and job performance.

H2: There is a relationship between individual performance and cultural differences in an organization.

H2 is rejected. The significant value is above 0.05.

H3 : There is a relationship between workplace environment and cultural differences in an organization.

H3 is accepted.

Based on the table, the significant value of the workplace environment is 0.016, which is lower than the p-value of 0.05. hence, H3 is accepted, which indicates that there is a positive relationship between workplace environment and cultural differences in organization.

V. CONCLUSION

Most of the employees having a problem in accepting other cultural surround them. Unfortunately, the organization does not seem to be aware of that. Organizations need to know that having different cultures in an organization actually does give an advantage to the organization itself. The factor that is considered in this research is employees' behavior,

individual performance and workplace environment. The result shows that employees' behavior and workplace environment have a significant impact on the differences culture in organizations while individual performance is not significant.

When employees in an organization can accept the differences of culture in that organization, it will give many advantages to the organization itself. Moreover, when each of the employees gives good behavior and attitude, they can communicate well each other. The hypothesis of student behavior is accepted as the result is significant. The significant value of employees' behavior is 0.00 which is below p-value 0.05.

Based on the hypothesis, researchers assume that individual performance has a relationship with cultural differences in organization but the result shows that the hypothesis is not significant. Therefore, this hypothesis is not accepted. It is maybe because each employee knows how to keep their performance increase without having any influence by cultural differences in the organization. The significant value of individual performance is 0.079 which is above 0.05.

Organizations that encourage workplace diversity inspire all of their employees to perform to their highest ability. Different strategies are then executed, resulting in higher productivity, profit, and return on investment (Konard et al. 2006). The relationship between workplace environment and cultural differences in organization is positive. This is because the result shows the p-value of the workplace environment is 0.016 which is below 0.05. Therefore, the hypothesis is accepted.

This study is about the cultural differences in organization and its influenced factors among employees in ASEAN. Researchers need to find 300 respondents in order to complete the research. The result had shown that most employees agreed that there is a strong relationship between the employees' behavior and the cultural differences in organization and between the workplace environment and the cultural differences in organization. While most of the employees disagreed that individual performance has a relationship with cultural differences in organizations because they realize there are no advantages to include matters with their own productivity performance. It may give them disadvantage rather than advantage.

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