

# Chapter 4

## Research Findings

### 4.1 Introduction

As mentioned earlier, interviews were semi-structured ones, and responses of the three company's informants were first collected and examined to find if there were general patterns of consensus and diversions. Then, each case and response was carefully compared with another to see if there were common variables that could explain such similarities and differences in terms of the impacts of cultural diversity on organizational performance.

### 4.2 Profile of respondents

Taking into consideration the informant's general information, they were: human resources manager (1), general manager (1) and divisional manager (1). Two of the respondents have more than six years of experiences in the job, while one respondent has two or less years of experience. All respondents have a bachelor's degree. As for the place of origin, two respondents are Thai, and one respondent is foreigner.

The companies interviewed had 180, 250, and 1,600 employees each, respectively. Among these employees, the company has more than two employees being from a country other than Thailand. Two of the companies have Thai as their main spoken language, being English the second main spoken language. One of the companies said English was the main language spoken, and Thai was the second main language. Two of the companies interviewed had at least another language (third language) which is also spoken within the company: German for Company A and Japanese for Company C.

Amongst all the characteristics of cultural diversity (seeing on chapter two; e.g: values, expectations, language, believes, assumptions, and attitudes & behaviors), it was seeing the companies agreed that the most distinct cultural diversity characteristic was language, followed by believes. The companies agreed that, if the same language is spoken, and if employees are from the same cultural background fewer misunderstandings happen.

Seen in this light, despite their divergent business background, history, and overview, and given that respondents had a similar background in terms of educational level and experience, their views on the impacts of cultural diversity on organizational performance, seemed to be relatively uniform. After carefully matching the responses

case by case, none of the responses seemed to have any major disagreement from one another in terms of their opinions and attitudes towards cultural diversity, although there were some differences in the answers of how cultural diversity might impact organizational performance.

**Table 12 - Multiculturalism characteristics in accordance with companies interviewed**

<i>Multiculturalism Groups (4)</i>	<i>RESPONDENTS</i>		
	<i>Company A</i>	<i>Company B</i>	<i>Company C</i>
<i>1. Homogeneous</i>			
<i>2. Token</i>			
<i>3. Bicultural</i>			√
<i>4. Multicultural</i>	√	√	

According to the theory of multiculturalism, it was also found that respondent's belonged to either bicultural or multicultural groups. Seeing that the first group, homogeneous, differs from the main purpose of this study, no company follows under this category. The reason is because the companies were already chosen based on their level of multiculturalism, which represents the cultural diversity within the workforce. The next table shows to which category each company belongs.

In terms of answers, Company C, which is characterized as a bicultural group, answered that there is cultural diversity in the workplace. For example, the respondent from this company mentions that:

*Yes, definitely, much more it becomes tough. ...Thailand has the advantage, that is why we decided to start the investment in thai, one reason is labor cost and political stability and also diversity. One important is religion; Japanese and thai are quite similar. So that is why we decided to start division in thai more that 10 years ago. So that for the reason 5 years for many other the country, therefore they have the potential to become a competitor of thai, for example, south of china. So now we have to earn more the cost competitiveness against the china or Vietnam...because we need to prove our attractive against competitor...because they have several choices. Now the manufacturing division doesn't only operate in the group.*

Companies A and B are considered multicultural (according with the multiculturalism theory in chapter 2). The respondents from each one of these two companies also agree that there is cultural diversity within a workforce, as it can be seen in the quotations below, from respondent from Company A and Company B, respectively:

*I think in some departments it (cultural diversity) is very important. But in other departments (such as production) it is not important.*

*Yes, because we have employees from different countries. Ex: Filipino, Chinese, Malaysian, and Thais. We all work together even if sometimes we have different opinion.*

As it can be seen on the above table, companies belonged to either bicultural or multicultural groups, and from either group, companies believe in the existence of cultural diversity. The following table presents the personnel nationalities that each company employs. As shown on the table, both companies A and B have personnel from three or more ethnic backgrounds, which include Thailand, Germany, Romania, USA and Thailand, Canada, Philippines, and China, respectively. Also, the table shows the characteristics of employees from company C, which are from Thailand and Japan, being this way, a bicultural environment.

**Table 13 - Multiculturalism groups related to the nationality of the company's employees**

<i>MULTI-CULTURALISM/</i>	<i>Homogeneous</i>	<i>Token</i>	<i>Bicultural</i>	<i>Multicultural</i>
<i>COMPANIES</i>				
<i>Company A</i>	/	/	/	<i>Thai, German, Romanian, American</i>
<i>Company B</i>	/	/	/	<i>Thai, Canadian, Filipino, Chinese</i>
<i>Company C</i>	/	/	<i>Thai, Japanese</i>	/

#### 4.2.1 Views of Cultural Diversity

Across all the interviews, it was seen an emergence of a general consensus that it is very important to have a multicultural workforce (multiculturalism) in order to improve work performance. When asked what is cultural diversity and if there is cultural diversity in the workplace? Respondents, for example A, pointed out that:

*Yeah, for example, diversity in terms of people from different countries, for example you have people from Thailand and from Japan. Maybe in Japan they have people from Japan, US, this kind of diversity.*

Informants were asked, how important they think cultural diversity is to the workplace, most informants indicated that cultural diversity brings advantages to the workplace and potentially impacts on organizational performance:

*Yes – good to have cultural diversity. Because then we talk to each other and we can learn different things, for example, language and customs. And if we have a problem then people always has a different point of view and different ideas of how to solve the problem. I think it is good. For example we have one person from Malaysia and he has a very different culture than what we have here in Thailand.*

*From informant's B answer, it can be inferred that cultural diversity brings advantages in terms of learning new scenarios, which include the language of another culture and its customs. Here, the respondent believes that multiculturalism enhances the knowledge of one being.*

However, while the majority of the respondents agree that cultural diversity brings advantages to organizational performance, informants also indicated that there problems arise from a multicultural workforce. Among many others, language, beliefs and behaviors were indicated as problems come along with cultural diversity in the workplace.

However, although respondents viewed that communication problems are the most visible issues regarding a multicultural workforce, they agreed that such problems do not represent a great risk to the organization, or a great pitfall. The problem consists mostly of people misunderstanding each other at times, which can be solved by talking to the employee and making it clear. Respondents A, B, and C assert that:

*I think the language (main problem), because we don't speak the same... to explain or to go into details maybe is misunderstanding. Sometimes misunderstandings happen because of the language... Sometimes, for example, we send emails and the employee do not understand too much but then he comes and talks to us and we explain everything.*

*We have problems sometimes with communication. For example, one time, we had problems with the salary, what was written on the paper and what the*

*employee really received (plus extra time/benefits). Sometime they don't understand what is written and then we talk to them and explain better.*

*Oh yeah, most of the problem is for the language... So basically there is no problem to operate to do the work. But some of the Japanese from the headquarters and also some here are not good to speak English and even Thai so that is why sometimes we have to use the translator. Translator is very time consuming. So that is one point. Another thing is for the common sense, understanding of the cultural background. For example my understanding the Thai and Japan have different view of the time. In Japan everything is running very fast, so everyone is very time conscious. But in Thai, everyone is in their own pace... and also some customs, for example the ceremony. How to understand the relation, for example, how much to respect the higher, what kind of behavior is out of courtesy or something like that. That kind of thing is a problem.*

*Sometimes we tell employees one thing and they understand something different; sometimes with the written one as well. (She gives example: company sends out a letter saying that bonuses won't be given to people who will resign. Some employees say they will resign after the bonus period and therefore they expect the bonus, but they are actually not eligible for it.).*

*We have problems sometimes with communication problems. For example, one time, we had problems with the salary and what was written on the paper and what the employee really received (plus extra time/benefits). Sometime they don't understand what is written and then we talk to them and explain better.*

*For example, in Japanese the word "Mi-Tai-Yew-Yut-Kiera-San" means directly "watching something". The Japanese translation is to take care of something, and do something if necessary. So the new machine comes from Japan to install, so the Japanese manager, the local engineer, says "Mi-Tai-Yew-Yut-Kiera-San" to the translator and he translates "watching" but actually the meaning is to try to install, or do the adjusting, or something like that. After that a week passes and the manager comes down to the place and sees everything is the same, the machine is still there and he asks what happened and the other say "you just ask to watch it".*

*The Thai behavior is sometimes not polite. For the office, the company says they can dress the way they like as there is no uniform. But company means proper for working. Foreign don't look at the way they dress, as long as it's comfortable. Sometimes Thai girls wear short skirts. The company is stricter with the Thais than with foreigners. If something isn't proper, I tell him/her 'this is not proper' and then they change it and don't do it anymore. Sometimes is difficult to control. We say 'dress polite' but sometimes the foreign doesn't dress, or the Thai doesn't dress. Than the other nationality thinks he/she can dress like this too.*

*Not too many problems, but for example, we have a Malaysian employee. We are most Buddhist and Christian, but he is Muslim, so he doesn't eat the food*

*we eat everyday here at the cafeteria. First, when he came, he said he wouldn't eat lunch, but now he cannot eat with us.*

*If the organization doesn't mind much, just expenses. It is more expensive to hire people from other countries because we need to pay more and we need to give them more benefits otherwise they will not come to our organization.*

*Not so much, but the differences in the cultural side and beliefs/religions may be a problem, but not so much. In terms of salary, it doesn't change, at least in this company, foreign get the same as Thais (if the Thais speak English) because the government sets a minimum wage.*

## **4.2.2 Managing Cultural Diversity**

As every informant mentioned that there are problems arising from the fact that they have employees from different backgrounds, a question regarding how they solve those problems was asked. The answers were almost all the same, which included the willingness of the company to talk to the employees about the misunderstanding and let the employee know how the company feels about the situation. All respondents agreed that there were no major problems that could not be solved, involving employees coming from different backgrounds.

Respondents agree on the fact that it is important to have a multicultural workforce and see the importance of having a mix of approaches when dealing with employees from different backgrounds. The importance of addressing employees this way is that the company does not lose its corporate culture and also adapts itself somewhat to the background of the employee, which can always be seen as a win-win situation. In managing the workplace diversity, the respondents indicated that the companies focus on the mission, goals and values of the companies and the development of trust in the companies.

### **4.2.2.1 Mission, Goals and values**

When asked how do they deal with the problems arising in the workplace diversity? The immediate response of respondents A, B, and C that:

*Mission... We have a wording saying 'quality first'. This is our mission. We inform our employees about the rules, norms and values. In their first day, we introduce them the set of these values and norms... What you can do, what you cannot do. This introduction is done in both Thai and English languages.*

*Yeah, so the mission is for the making for contribute to making for the saving the energy, the power supply, and to contribute to the social... because our company has the power supply so this why the semi conductor as much as we design to save the energy the high efficiency of the product to contribute too. I think the value of this company is quality, product quality.*

*In this organization we have the meeting with the manager. In the top management they know the goals of the company. It is the task of the manager how he/she will inform their employee/staff about it. Top management is both foreigner and Thais.*

*We have meetings with the staff and we let them know what we are doing now. We also have information in the website but some employees don't have internet.*

*Actually goal is complete localization, no Japanese employee here, so all of the managements are done by the Thai people.*

#### **4.2.2.2 Trust**

Another way of dealing the problem in workplace diversity is “trust”. Most respondents, for example A and B assert that:

*We trust each other. It doesn't matter. I even trust the foreign more (they do what they say, especially with the time. With the Thais, they make excuses especially about time. When a foreigner does a good thing we set as an example).*

*If there is a problem, we just talk directly to the person, and then it is solved. We never had a problem that is too big and cannot be solved... If he or she changes their behavior then everything is ok. If they cannot change then we need to do something else but it didn't happen before.*

#### **4.2.2.3 Regulations**

The key method that the three companies use to solve the problem is involved reinforcement of the regulations. According to the respondents A, B and C strongly assert that:

*Basically we have regulations and specify the rules... also the short time the frequent meeting, as well as the weekly short report (informal language).*

*We have company's rules. If someone doesn't follow it, even after a warning, then you can consider yourself fired. Things like smoking, drinking, usual things like that we don't tolerate.*

*The uniform, for example they cannot wear the reverse shirt, the shoes have to be wear properly. It is part of the discipline.*

### **4.3 The Impacts of Cultural Diversity on Organizational Performance**

In this section of the interview, respondents were asked to answer questions directly related to the broad problem of this research, how cultural diverse workforces impact the organizational performance, when performance is measured with the six main areas of problem solving, flexibility, resource acquisition, access to new markets, creativity and innovation and customer service. Also, informants were asked if they see the value of bringing cultural diversity to the workplace. For each of the above variables, respondents were asked to answer if they see a positive or negative relation of heterogeneous workforces and the variables.

Overall, the three respondents agreed that cultural diverse workforces bring advantages to the organization. A very important point was raised by one of the respondents who mentioned that cultural diversity is important but not in all the areas of a company, as it can be seen in the comments below:

#### 4.3.1 Values of cultural diversity

When asked about the value of bringing cultural diversity to the workplace, most informants indicated that cultural diversity is necessary:

*Yes, it is important to have a mix of employees from different places. For example, for the people themselves, they learn new things, become more open. We also learn different behaviors and attitudes and that is good because we can be more accepted. Then if we have other jobs we can use what we learned before and that will be better...*

*I think there is value because the important thing is for the understanding the diversity...the world has different people. Now the Japanese company cannot survive in domestic, so they need to operate in overseas. That is why here many of the Japanese face the diversity, so they can learn, how to solve conflict, and also try to reach the final goal, localization... kind of activity is useful of the Japanese, nationally speaking and internationally.*

*I think for our organization, Thai is more suitable, because we have top management who is foreigner. He/she puts up the objectives and practical should be Thai, since it is cheaper.*

*If we cannot find Thai people, then we should hire foreigner. But first option is Thai, for example, if an operations manager would be hired (language – operational level does not speak English). But for other positions it might be better to hire a foreigner.*

*Increase the mix? I think the Thai is developing country, so maybe it is not enough for the corporation, so that is why it needs to import human resources. The Thai is the most developed country in SE Asia, so it is an advantage...because for example, another Japanese company here has another factory in Laos, but it is mainly operated by Thai people.*

At the heart of it, however, one informant argued that it depends on the position in the company:

*There are good things about it, for example if you have different cultures, you take the good things of the culture. But it doesn't apply to all the levels. For example, we don't need cultural diversity in the operational level because it doesn't matter, it will not change anything. Their work is very technical and doesn't require different cultures.*



### 4.3.2 Problem solving

Similarly, when asked if multicultural workforce brings advantages in terms of problem's solving? Most respondents agree that cultural diversity brings advantages to the company:

*Yeah. For this question, in Thailand, we can use the Japanese approach: thinking, analyzing, problem analyzing. We can learn from Japanese approach. In Thailand, in school we don't learn that...*

*We should listen to everyone's opinion. I think it is better when we have employees from different places. Sometimes maybe we have too many opinions but then are good because we learn more. Maybe we have to listen to everyone and then it takes longer, but it's good, bring advantages.*

One respondent, however, argued that solving of the problem happening in the company, it needs opinions from the staff but some culture like Thais, do not speak out:

*It doesn't matter. As long as you agree and have solutions. Maybe foreigners speak more and show their opinions, while Thais don't show their opinions. But at the end, it doesn't really matter. Sometimes it takes a little longer to solve the problem because maybe they have different opinions. But it doesn't matter for benefits.*

### 4.3.3 Creativity & innovation

Similarly, when asked if multicultural workforce brings advantages in terms of creativity & innovation? Most respondents view that cultural diversity in the workplace brings creativity and innovation:

*Yes, more innovation, because we can compare with what they know, where they came from. They have different idea and this is very important for innovation. Our company is always looking for ways to improve the product or technical things so when we have people from different places they bring different perspectives.*

*Yes, working together...different aspects of direction, of approaching the problem. Each one inspires the other. Because the Japanese have similar approach but the Thai has a different approach.*

One respondent, however, argued that experiences of staff are more important than cultural diversity in the workplace:

*I don't think people from different places make a difference. What makes a difference in my opinion is experience, the working experience, the skill in the job, and not the nationality. It might take a longer time.*

#### 4.3.4 Resource acquisition

The immediate response from two respondents when asked if multicultural workforce brings advantages in terms of resource acquisition gave was that multicultural workforce could bring resource acquisition:

*Yes. The same language, the same culture, the same background, it is easier to communicate, and so easier to get raw materials, etc. It makes it easier and more advantage when dealing with suppliers of the same nationality.*

*Yes, it helps to have a multicultural workforce because it is easier to communicate (Eg: compare the price). We have people for that and we think it helps a lot. For example we have Chinese employees to talk to Chinese suppliers. It is better because they can connect to each other better.*

One respondent, however, points out that resource acquisition is not dependent on multicultural diversity in organization alone:

*It doesn't matter. For example, for some products 90% of supply is localized. Transferred product comes from Japan. That kind of activity changed for localized. Japan oriented the parts, it is manufactured in Thailand. In that case, the Japanese will have the pressure to buy. So here it doesn't matter.*

#### 4.3.5 Flexibility

When asked if multicultural workforce brings advantages in terms of flexibility? Most respondents agree that multicultural workforce brings flexibility in the company. However, the company has to stick with the regulation:

*Yes, more flexible, but rules are rules. But if there is something that doesn't make any damage, it doesn't matter (for example, short skirts). We need to take into consideration their background and how they do in their normal life. So if it doesn't harm the work environment is ok. But I think it makes the company more flexible.*

#### 4.3.6 Enhanced service level

On a similar view, when asked if multicultural workforce brings advantages in terms of enhanced service level? Most respondents assert that:

*Yes. This is good, it is better to have cultural backgrounds. For example, we have a marketing team that speaks German so than German customers will feel better because they can speak German instead of English/Thai. The customers feel like the company knows them better and cares more about them because the employees can speak the customers' language. This is an advantage.*

*Yes, it helps, mostly because of the language and because they'll know background. It is the same thing as for suppliers. If we have an employee who knows the language and culture, they can do better with the customers and customers are happier.*

*Customer doesn't matter because most of the customer come down here and see by themselves. So far, for the five or six years we have direct customer and sales person and they communicate with customer with no problem. And all of the responsibility of customer is Japan's headquarters.*

#### **4.3.7 Improved Access to New Markets**

Not surprisingly, the consensus from all respondents when ask if multicultural workforce brings advantages in terms of improved access to new markets:

*Yes. For example, we have a French sales person in order to get into the French sales market. Also, in Germany, we have German sales person. It is easier for a German sales person to sell to a German company or a European company than for a Thai sales person to sell to a German or to a European country. This is very important.*

*Yes, it helps. This is because they can relate and find common things. Also they can get into the market easier because the employee knows the culture of the place and maybe if it was an employee from a different place he would not know the culture.*

*This is the Japanese's headquarters responsibility. Here is just manufacturing, we don't have the marketing and new market responsibility. I think diversity is very important for Japanese company; the image of Japanese company is very close, very isolated. Now we talk about diversity, but for example in America they don't talk about diversity because they have it already.*