

Chapter 5

Discussion, Conclusions, and Recommendations

5.1 Introduction

How can we make sense out of the data collected throughout the interviews and observations? As indicated earlier, responses of the informants were first collected and examined to find if there were general patterns of consensus and diversions on the topic of multiculturalism and organizational performance. Then each case was carefully compared with another to see if there were variables that could explain such similarities and differences in terms of the impacts of cultural diversity on organizational performance.

5.2 Conclusion

Taking the three informants' information, the gender balance of respondents was equal (50% were males, 50% were females). All respondents were managers, being that 25% were Human Resources Manager, 25% Divisional Manager, and 50% General Manager. 75% of respondents had over 6 years of experience on the job, whereas 25% had 2 years or less. In terms of level of education, 75% of respondents have a bachelor's degree in business administration or related field, and 25% have a MBA education.

As for the companies' characteristics, 66,6% of the companies have over 200 employees, whereas 33,3% have between 101-199 employees. All companies were foreign owned, and exporters of either garment (clothing), or microchips. All companies also have the common characteristic of having Thai nationals in their operational level, whereas management and corporate level are a mix of both foreign and local staff.

All respondents agreed that a heterogeneous workforce brings advantages in terms of access to new markets and enhanced service level. Overall, the informants said that having an employee who can speak the same language and who has the same customs, cultural background and values of a buyer brings advantages to the company because both the employee and the customer can communicate and understand each other better. The respondents mentioned that it becomes easier to find new markets because the employee will then know the culture of the place. Regarding customer satisfaction, respondent C answered that for his company, it does not matter if the workforce is multicultural, as the headquarters is the one responsible for finding new customers and managing marketing campaigns. It was found that the informants

believed that when both seller and buyer come from the same background, fewer misunderstandings happen and a more effective service can be provided. Respondents also mentioned that the customer feels more comfortable when addressing issues to a person with the same cultural background. Also, customers believe that the company is more concerned with themselves if they can provide someone coming from the same cultural background as the customer, in order to best solve the customer's concern.

In terms of problem solving, two thirds of the respondents answered that a heterogeneous workforces brings advantages for the performance of a company, although company A claims that there is no difference.

As it can be seen, one of the respondents believe that there is no advantage in bringing employees from different cultural backgrounds when the company has to solve a problem, although the company did not mention any disadvantage. It can be concluded that the company remained neutral in this aspect, mentioning only that it might take a longer time to come up with solutions as people have different opinions and ideas. In contrast, company B believes that such scenario brings advantages in terms of learning new outcomes, which can be seen as a long-term benefit.

Regarding creativity and innovation, companies B and C agreed that it does bring advantages, whereas company A believes that *"experience, the skill in the job"* other than cultural background, is what makes a difference when talking about creativity and innovation. For both respondents B and C, *"different backgrounds bring different ideas and this is very important for innovation, because employees approach the problem differently, and one employee inspires the other."* As it can be seen, most of the companies believe in the benefits of multiculturalism when it comes to creativity and innovation. Here, respondents believe that different backgrounds give the company the advantage of having many opinions and points of view regarding research and development. In one of the observation, in company A, it was seen that a group of 7 people were discussing the launch of a new product, and the group was composed of Thai and Germans. Here, it can be concluded that although company A believes that the experience is more important than the cultural background, they employ biculturalism in terms of R&D. During the observation, it was seen that the personnel had communication problems in terms of the language and launching time. But no issues regarding cultural problems were seeing.

When it comes to resource acquisition, respondents A and B believe that there are benefits which arise from having multicultural workforces.

Very similar to the customer satisfaction variable, the resource acquisition issue also brings up the relationship between the company and the seller. The more the company's employee understands the seller's point of view, the greater will the interaction be among both sides and therefore, better deals can be achieved. When the employee and the seller come from the same cultural background, fewer misunderstandings are likely to happen and this ultimately brings advantages to the company in terms of time consuming. A deal that would take "x" amount of months to be finalized if the employee and the seller were from different backgrounds could be finalized in "x/2" months if both come from the same cultural background, as a more effective communication and understanding would take place.

Finally, regarding flexibility, companies A and C believe that a multicultural workplace brings advantages in terms of the company being more flexible, although both companies agree that even though they are flexible, rules are rules and they apply to all employees. Also, it was mentioned that the company has to take into consideration the background of the employee to see if the issue in place comes from their background or not. Both informants said that if the behavior does not harm the company or operations, then it is ok and not much thought is given. It is important to mention here that all companies have a set of norms and behaviors that the employees have to follow. When an employee does not follow these rules, the company takes the initiative of talking to them in order to better analyze what is the issue. All companies have mentioned that there was no lack of proper behavior from the employees in terms of multiculturalism. Because of the vast diversity regarding the employee's nationality, all companies said that they are somehow flexible in terms of analyzing their situations and adapting somehow to their background in order to get a better picture why the employee behaved in this or that way.

Seen in this light, despite their divergent business background and history, and given that they were relatively high educated their views on cultural diversity and organizational performance seemed to be relatively uniform. When asked, in a scale of 1 to 5, how important they saw cultural diversity is to the workplace, being 1 very low, and 5 very high (3 is considered neutral), the average of the respondents' answers was 4, therefore, relatively high, therefore answering positively the research question of "*How will a cultural diverse workforce impact organization performance in Thai Business context?*"

5.3 Discussion on Findings

Organizational performance is a broad term which captures what agencies, in this case businesses, do, produce, and accomplish for the various communities with which they interact. In other words, organization performance measures output against input. Extensively, organization performance embraces six dimensions which can be divided as the following: output (sometimes referred to as productivity), employee satisfaction, client satisfaction, client impact, service quality, and resource acquisition (Ezzel, 2005). Although these are the major key dimensions, performance can also be measured through other factors, which can include problem solving, flexibility, creativity and innovation, and access to new markets. Findings from the six variables of the organizational performance indicate a positive relationship between the variables and multiculturalism, concluding that theories from the various scholars worldwide apply to the organizations studied in Thailand.

As Cox (1994) would define, cultural diversity is the "representation, in one social system, of people with distinctly different group affiliations of cultural significance. With that being said, it can be concluded that the companies interviewed were cultural diverse as each one of them has distinctly different group affiliations of cultural significance, or also known as distinct countries. Each one of the companies interviewed had employees from at least another country other than Thailand.

In this study, all the organizations interviewed have engaged in some type of diversity activity. In a comparison to a study facilitated by the Society of Human Resource Management (SHRM) and Fortune Magazine, 75% of the surveyed organizations have engaged in some type of diversity activity or initiative. It can be concluded here that multiculturalism is not a characteristic held only by the Western society, but also by the Asian one. The same study also suggested that there is a broad assumption that diversity is a positive factor that leads to competitive advantages for organizations. When taking into consideration this study, it can be concluded that the vast majority of the informants hold the same thought as the SHRM study.

Holmes (2005), Cox (1994) and innumerable other researchers and scholars say that the benefits of such diversity might bring improved individual and organizational performance in terms of employee productivity and work quality, enhanced customer service, enhanced team performance, improved organizational processes, enhanced workforce quality, as well as an increased ability on the part of the organization to recruit and retain the best human resources available. The theory above applies to some extent to the findings of this thesis. Here, it can be concluded that most of the companies share the view that most of the above variables have a positive impact on organizational performance, as shown on table 19.

Table 14 - Outline of positive views towards organizational performance variables

Variable	Respondent A	Respondent B	Respondent C
The value of cultural diversity	√	√	√
Problem solving		√	√
Creativity and innovation		√	√
Resource acquisition	√	√	
Flexibility	√		√
Enhanced service level	√	√	
Access to new markets	√	√	√

All organizations have agreed that cultural diversity brings advantages regarding access to new markets, which proves the theory of Lockwood (Street & Street, 2006). He argues that diversity-embracing organizations will likely enjoy larger market share since they will have access to a potentially larger customer base, as well as the

tendency that cultural diverse teams tend to produce more decisions alternatives and provide a wider range of creative solutions than a homogeneous team. Over the course of time, such beneficial outcomes will presumably translate into increased levels of employee productivity and organizational profitability. According to the same researcher, diversity in the workplace enables organizations to develop more innovative and effective programs and services for the diverse clients it serves; the results are more business, more sales, more targeted and satisfied customers which can mean more dollars on the company's bottom line (Laquihon, 2007). Here also, the majority of the informants believe in the same idea. As we can see in the above Table 16, most of the respondents believe that multiculturalism brings advantages to creativity and innovation, and to customer satisfaction.

5.4 Recommendations

As suggested by the informants of this study, cultural diversity, or multiculturalism is an important factor for organization performance. Organizations with a heterogeneous workforce face positive inputs from the fact that they are multicultural, and consequently it is vital for companies to think about the characteristics of their workforces to better tap the positive results that such characteristic brings.

The effectiveness of multiculturalism will depend, however, on the company's ability to be adapted to change, open minded, and somewhat flexible. As mentioned previously, organizations cannot see the workforce as a melting pot, but rather as of a school of knowledge where each employee learns from one another. In this learning process, employees will be able to face new scenarios which will help them in the long-run.

It was noticed in the study that companies gave a very large importance to the fact of employees of different countries being able to speak the same language. Answers and comments were that the less communication barriers employees face (e.g. language), the more efficient the job will be done. Therefore, it is part of this study's recommendations to point out the importance of having a multicultural workforce that is able to speak the same language. Perhaps this could be done throughout training in terms of language.

It was also noticed that the companies find it important for employees to know about each other's culture. This will make it easier for them to have a better understanding of their colleague's cultural background and fewer misunderstandings will happen. This could be achieved by supporting social activity within the company, where employees could, informally, get to know each other.

All of the above suggestions will help the company to obtain a smoother organization, but still having a heterogeneous workforce. Each one of the variables will have a positive impact if the company understands the importance of each culture within the bigger group.

It is important to notice here that, although not 100% of the respondents agreed with the positive impacts of each variable on organizational performance, none of the respondents felt that multiculturalism brought disadvantages to their organizations. The 5 answers that were not positively related to organizational performance are either variables that they thought had a neutral impact on their organization or variables that do not apply to the organization.

5.5 Future Research

The studied applied a qualitative oriented method in order to answer the research question. Thus the findings should be verified with quantitative methods and enhanced with focus on more employees from a company, if possible. In order to improve similar study on the impacts of cultural diversity on organization performance in Northern Thailand, the researcher should make observations on the daily interaction between employees of different cultural backgrounds in order to see if the informant's responses match with the daily outcome. Also, the researcher should interview a greater number of companies and perhaps match the results of heterogeneous workforces with homogeneous workforces.