To Recognize Cultural Diversity that Influences Knowledge Sharing in an Organization

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Abstract

This paper investigates the effects of cultural diversity on the business communications i.e., knowledge sharing and working relations. Workforce that is sensitive to multicultural aspects of an organization is now essential for knowledge sharing. In today's world, a diverse work force is required in international and multinational organizations, which cannot rely on just limited managers and experts with multicultural knowledge and skills. Managing diversity in an organization is a challenge to succeed in the business word. The researcher collected the data from the different organization s in Islamabad and used data analysis to provide recommendations and finalize conclusion.

Key Words: Cultural Diversity; Knowledge Sharing; Working Relations.

Background

The importance of cultural differences and diversity has an impact on the workforce in an increasing globalized business world. Multinational companies (MNCs), for example IBM, do not necessarily receive the bulk volume of income and earnings from their home country but from foreign countries due to cost incentives and as part of a globalization strategy.

While the globalization approach impacts the workforce, the latter's portability and movements affect working relations due to the adjustments requirement by the migrating group. Due to the adjustment challenges, workers in Europe are less likely to move in anticipation of job and career opportunities compared to workers in America. This means that the opportunity cost of migration in Europe is greater than in America. This further reflects that corporate culture dynamics have less influence compared to national cultures in Europe.

There is a great need in understanding cultural differences and diversity in the workplace that effects the business communication as it is an obvious fact because most societies are literally multicultural, and many organizations and individuals collect and pool their resources to break geographic and cultural limits.

Introduction

Within the organization managers are dealing with numerous cultural groups and different cultural backgrounds. Due to globalization, one is likely to work with Irani, American , French, Indian, Chinese, and all sorts of other different cultures. As cultural differences cause problems in understanding and interpreting what other individual is doing. It is very important factor to distinguish the people from diverse cultures and backgrounds as they have different ways of dressing, expressing personality, and dissimilar ways of perceptions.

Cultures can be varying in different dimensions, as explained below:

Low context culture in which things are open, clear, explicit, and depends on actually meaning of what is said and written. A high context culture in which communication assumes as commonality of knowledge and views.

In Polychromic cultures people like to do multiple things while it is reverse in Monochronic cultures where people like to perform one task at a time in a specific order and they are very particular about time and exact place for everything as they do not believe in interruptions. Well Past-oriented cultures are based on traditional values and pattern of doing things as they believe in old management style and Present-oriented cultures prefers the short-term goals while Future-oriented societies are more interested in long term benefits.

Time is taken as a restricted resource in some societies which is being used up. They think that time is running like water running from a drain to be used before its runs down the drain or it's wasted. However, other societies think that restricting time would simply result in an over flow and spillover effect.
In some cultures people believe in the power that got all the authority and powers is considered to be the boss and this structure many aspects of life. The boss always true as after all, he is the boss and what he does is correct (Geert Hofstede).

In individualist societies, individual character, personality, uniqueness and self-determination are valued. People get appreciated if he/she are a self-made or have their own rational thinking and identity. Collectivist societies expect people do well in groups (Geert Hofstede).

Objective of the Research

My objective is to recommend ways to incorporate the understanding of what can be the impact of cultural differences in the sharing of knowledge and also support more discussion about cultural diversity and differences that impact on communication and also discuss that why is it important to have the knowledge of others culture to do business effectively and efficiently in this world of innovation. The environment of organization where diversity is high has a good working relationship or not. My study is restricted to organizations of Islamabad; I am working on the subcultures working in the different organization of Islamabad.

My study has taken into account the business practices in the contemporary world that includes multicultural communication, negotiation, management and other business practices. These challenges are complicated due to the cultural variations, diversity and their effects on business communications, relationship and doing business in the twenty first century.

Rationale of the study

The rationale of the paper is to review the cultural diversity literature and aim to investigate research results on the effects of cultural diversity on knowledge sharing and at the same to determine whether an organization where diversity is high has good working relationships. The study is conducted in the private organizations of Islamabad. This changing arena realizing differences and diversity lead to new dimensions and promising school of thought on how to manage human resource and organizations for effective and efficient performance in today's globally competitive business environment. The researcher tries to figure out different management techniques and application to deal with the challenges and opportunities by a diverse cultural business environment.

Literature Review

Due to globalization and spreading of the technologies all over the world it has created the shortage of skilled workforce . One of the unintended consequences of the shortage has been the increased cultural

diversity of the workforce. Diversification of the workforce provides companies with access to different ideas, skills, and it enhances the companies' competitive edge (Elmuti, 2001). However, management has to provide mechanisms and adjust structural arrangement in order to reap the benefits that accompany diversified workforce.

In both global and organizational contexts, one of the principal responsibilities of the manager of a project team is to generate interpretations and solutions to problems through the exploration of diverse views and opinions. The broader the collective perspective of a project team is, the more likely the group will generate a wide variety of potential solutions to a problem. One may assume that, given that members of different cultures have different kinds of frames of reference, a team composed of members from different cultural backgrounds would be interested in knowing the way of solving problems and sharing knowledge. On the other hand, cultural diversity may impede the sharing of knowledge, as there is a lack of personal compatibility and common language.

Companies with a diverse, multicultural workforce tend to rely on workshops to develop knowledge management skills among people from different backgrounds. These training sessions may emphasize ways to shorten the amount of time it takes to solve problems and explore alternative courses of action. However, these sessions usually lack a very important component, which is focusing on building mechanisms for knowledge sharing. Without these mechanisms, the work of the team will not reach adequate levels of performance that have a substantial impact on the effectiveness of the organization. In order for both to take advantage of a diverse workforce, and to allow employees to perform at their full capacities, managers should promote a cultural environment that is responsive to the employees' specific cultural needs (Elmuti, 2001). Organizations need to put in place multicultural communications tools to overcome language and cultural barriers.

Effective management of a firm's knowledge assets is an essential factor to achieve a sustainable competitive advantage in today's market (Drucker, 2001). A firm's knowledge encompasses a mix of framed experience, values, contextual information and expert insight that makes possible the incorporation of new experiences and information (Davenport & Prusak, 1998). According to Watad in 2002, knowledge about the skills which are needed to boost organizational effectiveness through innovation and flexible Knowledge Management infrastructure. Knowledge sharing that really helps in organizational learning (Ford & Chan, 2003) and the development of new skills that certainly leads to organizational innovation. Knowledge sharing is the process of transmitting knowledge within the firm, as different cultures are working within the organization that can affect the process (Ford & Chan, 2003). Different things which are critical to effective knowledge sharing are trust, common languages and beliefs (Simonin, 1999). Knowledge sharing within mixed cultural groups become difficult, as requiring more time and effort than in homogeneous cultural groups (Ford & Chan, 2003).The "identity-group affiliations" concept (as discussed by Thomas and Bendixen, 2000) can be problematic when one looks at the variety of sub-cultures existing within the corporate culture. Thomas and Bendixen (2000) make a valuable prediction that "the challenge facing South Africa today is for managers to harness the richness of the many ethnic groups so as to enhance productivity and facilitate global competitiveness. This demands an understanding of ethnic values and how they impact on global competitiveness". This statement is also very valid from a knowledge-management perspective. One should never lose sight of the fact that companies exist to make money.

Global trade is a big game in today's world of business. Understanding cultural differences and diverse workforce relating issues can mean winning or losing the deal at the very first meeting. That can create a huge impact on your status and the way your business is viewed by the others. Knowledge of traditional culture is often focused on the symptoms rather than causes (Varmer, 2001). For example, Enron lost a major contract in India because both parties recognized the symptoms; i.e. Enron pushing things up to save time and money, and the Indian authorities wanting to take their time to gain trust and confidence in the business process; but did not realized the causes for each other's opposing strategies. Hence cultural differences and its causes pay an important role in international negotiations (Jeswald W. Salacuse).

Working Teams with mixed and diverse abilities are more fruitful (Owan Hideo ,Nickerson, Barton H, Hamilton, Barton H and Jackson A). As Diversity that helps the organization in competing with the foreign markets (Hershey H. Friedman). The people in technological places are drawn to places known for diversity of ideas and liberalism (Florida, Richard and Gary Gates (2001). Organizations need fresh and varied ideas to flourish and guarantee a balanced flow of ideas is as identical workforce is not usually produce creative solutions and ideas to solve the issues faced by a business world (Hershey H. Friedman). Work force and cultural diversity can tremendously beneficial in improving morale, critical thinking, process skills and greater teams and understanding environment. The diversity is increasing vary rapidly in today's world as all the multinational are booming because of diversity we have certain limits and delimits of cultural diversity like skills, knowledge. Understanding of cultures are enhanced while some problem like conflicts, misunderstanding can occur etc (Sonal pathak (2011).

In addition to knowledge, the ethical behavior of employees plays a greater role in international business since it is different from normal cultural uniformity observed in national organizations (Mahdavi, 2001). Since knowledge is not enough to present feasible guidelines on ethical behavior for employees involved in international business and communications, legislations such as The Foreign Corrupt Practices Act of 1977 and Sarbane Oxley Act of 2002 serve as a guiding reference. However, to improve knowledge and concepts from an academic point of view, the culture-based consequentiality model is one of the reference points used to describe how differences in culture influence the ethical behavior of employees making decision involving ethical factors (Robertson and Fadil, 1999: 385-392).

Culture differences based on varying perceptions, beliefs, norms, customs and behaviors often lead to miscommunication underlining the need for awareness raising of other cultures and sensitization to these differences to counter the possibility of misunderstandings and conflicts in international communications (Guijum Zhang).

Appoorva Bharadwaj highlights the following factors that affect business communication: the role of individual, approach towards formality and status, attitude towards uncertainty, attitude towards time, role of hierarchy, role of gender, choice of communication channels, and degree of formality.

Cultural diversities affecting business communication may not only occur in international business but also in national business as sub-cultures within a country lead to cultural differences. This is evident in the American culture which is a mix of several cultures migrating into North American and having their respective roots in original cultures (Triandic, McCusker, and Hui, 1990). While the Asians, African and Hispanic cultures in America have roots that encourage collectivism, Caucasian culture has roots in Europe that promote individualism (Hofstede, 1980, Inkeles, 1983). Studies have shown that Individualist Vs Collective approaches have an effect on working relationships and performance. Early (1993) assessed the difference in performance between 163 managers from China and Israel (Collective Approach) and American (Individual Approach) and found out that Chinese and Israeli managers work better in a group while American managers work better alone. Further supporting this finding, Perkins (1993) found that perception about organizational structure in terms of horizontal, flat and matrix also depend on the culture. Therefore, managing diversity is not only about recognizing cultural differences in people but also a management challenge (Vaughn, Billy 2006). Ensuring smooth communication across a cross-cultural organization is part of the challenge. Judi Brownell, in her article "Developing Receiver-Centered Communication in Diverse Organizations" states that two individuals may never perceive the same message the same way. This stresses the need for communicators to be precise (Brownell, Judi 2003). The communicator requires three skills for effective communication in a culturally diverse organization: self monitoring, empathy and strategic decision making (Brownell, Judi 2003).

In addition to communication, cultural bias is another challenge for the management to overcome. This includes prejudice and discrimination. While prejudice is a negative attitude, discrimination is an adverse behavior towards an employee of an organization because of her or her cultural background (Cox, Jr., Tayloer 1991).

The management also has to be cautious of assimilation that can result in a negative impact for the organization. In assimilation, the individual is forced to adopt the culture of the dominant group and repress his or her own original identify leading to fatigue and tension in that individual that adversely affects his or her performance and hence the organization's running (Fine, Marlene G). While nonverbal communications may be consistent across cultures, such as emotions of happiness or sorrow, the variation occurs in the expression of such feelings (Michelle LeBaron).

For an effective harmonization of various activities in business, the understanding of cultural diversity should go into the designs of especially corporate structure. This stress on a cultural awareness in order to achieve successful managers(Geert Hofstede 1989).
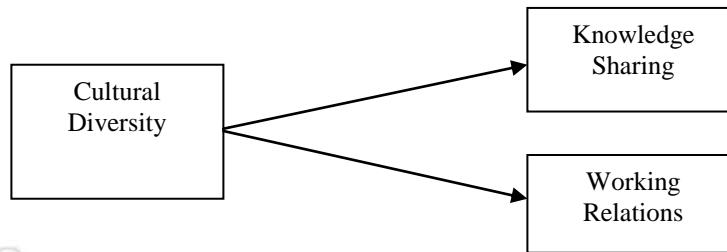
Conceptual Frame Work

Cultural Diversity

Cultural diversity in pakistan comprises numerous diverse cultures and ethnic groups: the Punjabis, Kashmiris, Sindhis in east, Muhajirs, Makrani in the south; Baloch and Pashtun in the west; and the ancient Dardic, Wakhi, and Burusho communities in the north.

Knowledge Sharing

To congregate knowledge from various local or non local markets, individuals have experience from a number of different countries were intentionally recruited as knowledge of different cultural helps in achieving a better understanding of local costumers and their different ideas of a product and different nationalities in the department was of a more general nature. Mixed nationalities are preferred to avoid groupings based on cultural and linguistic affiliation, brining communication even at the more professional level. Top management also wanted to have diversity in terms of education the valuing of variety in nationality led to the common argument that prejudices did not exist in International business.

Working Relations

As different ethnic background is working can effects the working relations they have, language issues had a certain impact on interaction. The members of the International **b**usiness have to communicate across linguistic margins. Though, Language exhibited by all employees, using English as lingua. As a part of diversity management strategy, management knows importance of social interaction for the sharing of knowledge, social arrangements were initiated. Organization attempts to become culturally diverse and bring up a common culture, the local culture is very important for influencing the daily working practices.

Sample

The sample is taken from the private organization of Islamabad, the study is concluded on the basis of 30 private organization from each bank 1 employee are given questionnaires in total the sample size is 30 employees each from different organization.

Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Frequency distribution of with respect to number of employees	30	34	76	50.37	10.617
Frequency distribution with respect to number of workers from baluchi culture in your organization	30	0	10	4.17	2.335
Frequency distribution with respect to number of workers from sindhi culture in your organization	30	3	18	6.57	3.002
Frequency distribution with respect to number of workers from punjabi culture in your organization	30	6	30	14.17	5.559
Frequency distribution with respect to number of workers from pukhtoon culture in your organization	30	5	22	10.33	3.594
Frequency distribution with respect to number of workers from urdu culture in your organization	30	0	38	14.93	8.505
Frequency distribution with respect to number of workers from international culture in your organization	30	2	5	3.53	.937
Frequency distribution with respect to workers diversity making environment condusive for working	30	1	5	2.97	.928
Frequency distribution with respect to smooth communication when dealing with other culture in an organization	30	1	5	3.07	1.311
Frequency distribution with respect to problems occurance in a diverse workforce	30	2	5	3.80	.847
Frequency distribution with respect to employees having low moral do to cultural difference	30	1	6	3.73	1.230
Frequency distribution with respect to satisfaction with diversity management team	30	1	5	2.37	1.189
Frequency distribution with respect to language barrier when transfering knowledge from one culture to another	30	1	5	3.67	1.155
Frequency distribution with respect to hesitation while dealing with another culture	30	1	5	3.67	1.213
Frequency distribution with respect to occurance of miscommunication due to difference in cultures	30	1	5	3.70	1.149
Fequency distribution with respect to low moral and cultural difference	30	1	5	3.20	1.375
Frequency disribution with respect to cultural diversity effecting team spirit	30	1	5	3.87	1.167
Frequency disribution with respect to diverse work environment having problem of cultural bias	30	1	5	3.07	1.230
Frequency disribution with respect to decline individual productivity	30	1	5	3.33	.922
Valid N (listwise)	30				

Conclusion and Recommendation

The challenge is effective knowledge sharing to ensure smooth working relationships. Managers must not only have knowledge on cultural differences within the organization and while working with other organizations, but must also know the causes of such variations across difference cultures. Managers should show high standards of ethical behavior and respect towards other cultures. A failure to do so would lead to miscommunication, misunderstanding, conflict and failure in knowledge transfer between and within organizations. Managers must also be sensitive to the cultural backgrounds that dictate whether the employee uses an individual approach towards work and works better individually or whether the employees uses a collective approach towards work and works better in a group. The cultural background also dictates the level of comfort for an employee regarding various organizational cultures and would assist the manager in placing the employee accordingly. The manager must also be aware of importance of exact knowledge to be shared and negative impact of cultural bias and assimilation in organizations. Management should promote knowledge sharing along formal structures that exhibit a formal reward system and incentives. A commonly used practice entails moving from rewarding individuals to rewarding groups, or devising incentives that promote sharing at both the

Limitations and Future Directions

The study is conducted on the organization of Islamabad only. The literature review has been limited in accordance with the time and resources provided for this study. The researcher advises that further research to remove the adverse effects of cultural diversity within and between organizations around the world.

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Appendix-A
Questionnaire

1. Name of organization.
2. Number of employees.
3. How many worker from balochi speaking working in your organization
4. How many worker from sindhi speaking working in your organization.
5. How many workers from pujabi speaking working in your organization.
6. How many workers from urdu speaking working in your organization.
7. How many workers from international culture in your organization.
8. Diversity makes an environment conducive for workers.
9. How much smooth is the communication when dealing with other culture in an organization?
10. How often problems occur in a diverse workforce.
11. How much you satisfied with the diversity management team.
12. To what extent language is a barrier when knowledge is transfer from one culture to another.
13. How much you hesitate when dealing with another culture?
14. How often miscommunication occur due to difference in cultures.
15. How much you think that management successfully Implemented diversity in the workplace policies
16. Do you feel due to this cultural difference employee have low morale
17. Does cultural diversity effects the team spirit.
18. Does your organization provide you to deal with cultural diversity?
19. How much you think your diverse work environments has the problem of cultural bias.
20. Do you think productivity to go down as individual productivity suffers?