Foreign cultures and level of comfort – a three countries empirical investigation in multinational firms

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Abstract

Level of comfort with foreign cultures (CFC) is one of the critical variables in the ease of working in multicultural work teams. In an increasingly multi-cultural working environment in corporations, the observed and latent behavior influences the working relationship amongst employees and has great weight on individual and team performance. This paper investigates level of comfort among employees, which is influenced by the observed and latent behavior at multinational work places in three countries. A framework has been developed and implemented in Italy, Portugal and India, with a controlled sample design to ensure the cultural diversity. Paper analyses that there is a significant 'country' effect on many CFC scales. The Mean score differences based on each of the comfort with foreign culture variables among Portugal, Italy and India are also significant, indicating level of comfort of local cultures with foreign cultures differs from country to country.

Key Words: Inter-cultural comfort; Cross cultural teams; Multicultural work places; Cultural identity

1. Introduction

Effective organization of cross cultural teams can generate useful experience and innovative thinking for multinational firms to deliver results. Multinational firms here refer to those large organizations which are operating in several countries of the world with substantial revenues coming from overseas business and employing multinational workforce at different locations. The influencing behaviors and variables to reflect at work places that culturally diversified environment provides, are identified by Hofstede (1980, 1984, 1987, 1997, 2001, 2006), Trompenaars (1997), Aycan (2000), Apfelthaler (2008) as different cultures, motivational dynamics of cross cultural teams, personal styles of living of different cultures, sensitivity to time, and socio cultural realities. There are primarily two dimensions observed in relationship amongst employees in cross cultural teams; one, 'individualism versus collectivism' (Hofstede, 1980), and two, 'individualism versus communitarians' and 'universalism versus particularism' (Trompenaars, 1997). The theoretical foundations have provided significant directions in developing cross cultural sensitivities among cross cultural team managers, however, academics and practice have realized that the surface cross cultural behaviors are captured and mitigated but there are still windows in which teams are struggling in building a high performing workplace, physical or virtual. The latent or unexplained factors have ability to influence the comfort level of the employees as against foreign cultures, which affect the team working and results in the low performance. Emmitt and Gorse (2007) found that the performance of the team in a multicultural setting produced low as affected by the mismanagement of the cross cultural sensitivities of the team.

Bartlett and Goshal (1989) have identified main challenges facing organizations intending to work overseas as the introduction of practices, which balance -1) global competitiveness, 2) multinational flexibility and 3) the building of global learning capability. The author further argues that organizations must develop cultural sensitivities and ability to manage and build future capabilities for managers of multicultural teams, if they are to achieve this balance.

1.1 Research objectives and Hypotheses

Important objective of this research is to propose a conceptual framework of observed and latent variables for empirical research understanding of level of comfort of local cultures with foreign cultures. One other important objective is to see if there is significant country and other identified control variables effect on different level of comfort dimensions (latent variables). So our proposed hypothesis is H_{01} – The level of comfort with foreign cultures varies from country to country. Another hypothesis is H_{02} – The level of comfort with foreign cultures varies among other control variables – gender, age groups, income levels, education Levels.

2. Literature Review

Performance in cross cultural teams has been widely researched by a number of researchers (Baiden, 2006; Cheng et al., 2006; Ochieng, 2008; Chervier, 2003; Kumaraswamy et al., 2004). Results of these researches have concluded that best individual and team performance is achieved when the whole team is fully integrated and aligned with project objectives. Earley and Mosakowski (2000) stated that multicultural teams are perceived to out-perform monoculture teams, especially when performance requires multiple skills and judgment. In such situations managing people issues rather than issues related to prescriptions and control becomes most important. Major area of these people's issue in multicultural teams in multinational firms, relates to level of comfort of employees of local cultures with foreign cultures.

To understand play of different dimensions impacting the intercultural comfort, it is important to understand that cultural patterns at work places reflect wider societal cultural realities. Project and team managers themselves share the cultures of their own societies and their organizations with other team members (Anbari, FT et al., 2004). Here the level of comfort of local cultures with foreign cultures could be the result of a complex mix of several cultural elements, conceptually similar to the scheme of societal and environmental factors as depicted in figure 1.



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Figure 1 – Observed variables for level of comfort with foreign cultures.

(Source: Based on Hofstede, 2001, p12)

As per the proposition in figure 1, intercultural comfort at cross cultural workplaces is the result of, 1) outside influences; 2) origin and 3) societal environment factors like - cultural stereotypes, biases and discrimination (Fiske et al., 2008), patriotic feelings (world value survey), values, ethics and beliefs (Marquardt et al., 1999) (Kohls, 1981) (Norris et al., 2004), preferred leadership styles in different cultures (House et al, 2004) and demographic factors. These elements may differ substantially among distant cultures.

2.1 Impact of values differences on level of comfort with foreign cultures

It needs investigation to know if there is a direct impact of values differences on the level of comfort with foreign cultures. However past studies have found that there is strong impact of values differences among global cultures on the performance of cross cultural teams (Marquardt and Kearsley, 1999) (Kohls, 1981). For example 'achievement vs. modesty' traits among different cultures, are bound to have an impact on individual behavior of persons with varying cultural backgrounds.

2.2 Impact of stereotypes, prejudice and discrimination on level of comfort with foreign cultures

Because stereotypes simplify and justify social reality, they have potentially powerful effects on how people perceive and treat one another (Banaji et al., 2002). As a result, stereotypes can lead to discrimination at

workplaces (Fiske et al., 2008). Experiments suggest that gender stereotypes play an important role in judgments that affect hiring decisions (Rudman at al., 2001). Stereotypes are shared because group members are motivated to behave in certain ways, and stereotypes reflect those behaviors (McGarty et al., 2002). Stereotypes are regarded as the most cognitive component, prejudice as the affective and discrimination as the behavioral component of prejudicial reactions (Fiske, Susan T., 1998).

2.3 Impact of differences in preferred leadership styles on intercultural comfort

Global project management can succeed through effective leadership, cross – cultural communication, and mutual respect (Anbari, F.T. et al, 2004). To achieve project goals and avoid cultural misunderstanding, project managers must be culturally sensitive and promote 'creativity and motivation' through flexible leadership. GLOBE project (House et al, 2004) studied differences of preferred leadership styles in different cultures. Research has found that subordinates experience different levels of comfort with their bosses as a direct result of their preferred leadership styles of the managers which may vary according to the origins and backgrounds of the subordinates. Therefore it can be inferred that it is important for the project leaders of the international project teams to adapt to the requirement of preferred leadership styles of the dominant team members while addressing the perceived comfort of the minority cultural groups of such teams. This necessarily requires flexibility among project team leaders in terms of their leadership styles. Therefore it can be seen that right attitude and flexibility of the part of project leaders can mitigate the perceived level of comfort between culturally distant groups of the teams they are working with.

3. Research Methodology

Author has used a three-part methodology (Hsu, MK, 2010) to empirically investigate the relationship between 'level of comfort with foreign cultures' in multinational firms and 'national cultures'. This methodology consists of 1) development of survey instrument, 2) exploratory factor analysis (EFA) on respondent data to identify potential latent variables, and 3) confirmatory factor analysis (CFA) using structural equation modeling to reconfirm the identified latent variables in part 2 and fine tune the CFC model (describing inferred causal relationship between observed and latent variables).

3.1 Questionnaire

Intercultural comfort in group dynamics of international teams should be the result of several individual personality traits, cultural idiosyncrasies, beliefs, views, opinions, gender, educational level and others as discussed in the previous section. CFC Questionnaire administered for this study consists of three sections. First section contains observed 'general variables' which can be answered by all respondents. Second section contains 'conditional questions' which may be answered by only those respondents who meet certain criteria as defined in this part of the questionnaire. Third section of the questionnaire contains certain socio demographical questions, to acquire background and baseline information from the participating persons and relates to demographic factors like - gender, age group, nationality, education level, income level etc. This questionnaire has been translated into Italian and Portuguese languages by the research collaborators in Italy and Portugal as acknowledged in this paper.

3.2 Sample design

Sample surveyed using online CFC questionnaire, consisted of respondents from three culturally different countries working in cross cultural teams with multinational firms. Respondents were identified from several sources and through invitation with local support. Thus, systematic controlled approach to sampling have been used, with the objective of creating variance for control variables, such as, income levels, education levels, age groups. Table 1 gives baseline characteristics of the sample, country - wise.

		Total		
	India	Portugal	Italy	
Number of cases	300 (36%)	260 (31%)	275 (33%)	835 (100%)
		Gender		
Women	118 (39%)	85 (33%)	123 (45%)	326 (39%)
Men	182 (61%)	175 (67%)	152 (55%)	509 (41%)
		Income Groups		
Above Average	85 (28%)	72 (28%)	17 (6%)	174 (21%)
Average	203 (68%)	160 (62%)	191 (70%)	554 (66%)
Below Average	12 (4%)	28 (11%)	67 (25%)	107 (13%)
		Age Groups		
20 to 25 years	121 (40%)	14 (5%)	31 (12%)	166 (20%)
26 to 30 years	106 (35%)	55 (21%)	65 (23%)	226 (27%)
31 to 40 years	23 (8%)	118 (46%)	108 (39%)	249 (30%)
41 to 60 years	50 (17%)	73 (28%)	71 (26%)	194 (23%)
		Education Levels		
Bachelor	19 (6%)	10 (4%)	14 (5%)	43 (5%)
Technical Diploma	15 (5%)	104 (40%)	16 (6%)	135 (16%)
Masters Degree Program	235 (78%)	108 (42%)	95 (35%)	438 (53%)
Doctoral Degree	16 (5%)	22 (8%)	56 (20%)	94 (11%)
Other Higher Degree along with Doctorate	15 (5%)	16 (6%)	94 (34%)	125 (15%)

Table 1.	Sample	design	and	baseline	characteristics
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3.3 Data collection

Data is collected through administering the questionnaire online. Respondents were invited through phone calls, emails, interest group postings etc. to undertake online survey. Since responses were received from several countries and several cities within those countries, final selection of locations to be included in this study was based on several factors including the sample sizes of the countries, based on collected responses. After collating the data received, the baseline characteristics were used to take 'inclusion' decisions with respect to countries included for the final study. The survey was done in more than 10 countries with local support. However, finally sufficient data was found for Italy and Portugal apart from India.

3.4 Control variables

Using the demographic information and on the basis of issues discussed in the literature review as described above, author identified control variables which should have direct impact on observed and latent variables identified using second and third part of the above methodology. Thus gender, income levels, education level, age groups, country of origin and city of residence were identified as control variables for several observed and latent variables (CFC scales) identified in the questionnaire. However control variable 'city of residence' was omitted from this study based on the assumption that intercultural differences within nations are negligible. Analysis of inter correlation between control variables indicate that the control variables are mostly independent (Table 2).

CFC Scales		S 1	S 2	S 3	S 4	S5	S 6	S 7	S 8	S10	S11
S1: Seeing	India	1	0.589**	-0.156	0.450**	0.489**	0.237*	-0.147	0.018	0.422**	0.269**
Cross	Portugal	1	0.582**	0.194**	0.503**	0.564**	0.156*	-0.053	0.017	0.354**	0.323**
Interaction	Italy	1	0.652**	0.406**	0.496**	0.415**	0.545**	-0.051	-0.226**	0.462**	0.378**
S2:	India	0.589**	1	-0.175	0.536**	0.311**	0.296**	-0.164	0.214*	0.358**	0.213*
to Socialize	Portugal	0.582**	1	0.197**	0.514**	0.545**	0.158^{*}	-0.076	0.004	0.221**	0.251**
with foreigners	Italy	0.652**	1	0.338**	0.479**	0.525**	0.474**	0.016	-0.196**	0.387**	0.401**
S3: Agreeing	India	-0.156	-0.175	1	-0.031	0.074	0.15	0.320**	0.004	0.024	-0.078
status to	Portugal	0.194**	0.197**	1	0.282**	0.196**	0.188**	0.160*	-0.007	0.105	0.302**
world cultures	Italy	0.406**	0.338**	1	0.396**	0.160*	0.467**	-0.052	-0.191*	0.148	.224**
	India	0.450**	0.536**	-0.031	1	0.220*	0.291**	-0.110	-0.032	0.227*	0.280**
S4: Level of Personal	Portugal	0.503**	0.514**	0.282**	1	0.484**	0.199**	-0.036	0.110	0.033	0.317**
Comfort	Italy	0.496**	0.479**	0.396**	1	0.382**	0.436**	0.04	239**	0.256**	0.330**
S5:	India	0.489**	0.311**	0.074	0.220^{*}	1	0.469**	0.09	0.145	0.174	0.110
Willingness to Explore Foreign Cultures	Portugal	0.564**	0.545**	0.196**	0.484^{**}	1	0.215**	-0.017	0.047	0.212**	0.245**
	Italy	0.415**	0.525**	0.160*	0.382**	1	0.288^{**}	-0.027	-0.158*	0.244**	0.254**
	India	0.237*	0.296**	0.150	0.291**	0.469**	1	0.18	0.216*	0.250*	0.152
views about	Portugal	0.156*	0.158*	0.188**	0.199**	0.215**	1	0.172**	0.128	0.06	0.072
globalization	Italy	0.545**	0.474**	0.467**	0.436**	0.288**	1	0.112	269**	0.245**	0.292**
07 F 11	India	-0.147	-0.164	0.320**	-0.110	0.090	0.18	1	-0.158	-0.006	-0.176
s7: Favorable impact of	Portugal	-0.053	-0.076	0.160*	-0.036	-0.017	0.172**	1	0.115	0.052	0.028
religion	Italy	-0.051	0.016	-0.052	0.04	-0.027	0.112	1	-0.094	-0.059	0.059
S8: Positive	India	0.018	0.214*	0.004	-0.032	0.145	.216*	-0.158	1	-0.082	0.039
society	Portugal	0.017	0.004	-0.007	0.11	0.047	0.128	0.115	1	0.042	-0.005
towards foreigners	Italy	-0.226**	-0.196**	-0.191*	-0.239**	-0.158*	-0.269**	-0.094	1	-0.166*	-0.051
S10:	India	0.422**	0.358**	0.024	0.227^{*}	0.174	0.250^{*}	-0.006	-0.082	1	0.134
to Use	Portugal	0.354**	0.221**	0.105	0.033	0.212**	0.06	0.052	0.042	1	0.167*
Foreign Products	Italy	0.462**	0.387**	0.148	0.256**	0.244**	0.245**	-0.059	-0.166*	1	0.296**
	India	0.269**	0.213*	-0.078	0.280^{**}	0.110	0.152	-0.176	0.039	0.134	1
S11: Ease of understanding	Portugal	0.323**	0.251**	0.302**	0.317**	0.245**	0.072	0.028	-0.005	0.167*	1
understanding	Italy	0.378 ^{**}	0.401**	0.224**	0.330**	0.254**	0.292**	0.059	-0.051	0.296**	1

Table 2: Inter - correlations a	among CFC scales
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3.5 Latent variables (CFC scales)

Latent variables (CFC scales) have been identified to postulate a valid CFC model which can be used to analyze effects of country and other control variables on CFC scales and explains the overall level of comfort with

foreign culture. As described earlier a two stage method of EFA and CFC has been used to identify latent variables. EFA identified the latent variables while CFC validated the CFC scales so derived while fine tuning the CFC model.

3.5.1 Exploratory Factor Analysis

A further three stage methodology has been used for EFA. In the first stage combined sample of three countries with 835 responses has been randomly divided into two approximately equal sub datasets of 400 and 435 responses each. A factor structure tested have been conducted on dataset 1 (N=400). In the second stage author has conducted factor structure tests on individual country samples (N₁=300, N₂=260, N₃=275). In the third stage author has conducted analysis of inter correlation among identified latent variables.

On the item level, Tables 3 shows factor loadings above 0.3 of the rotated solutions for individual country factor structure tests which closely match with the factor structure of combined dataset 1. Exploratory CFC scales (latent variables) has been thus identified, in these tests. 'Cronbach's Alpha' was also calculated for each CFC scale to test the reliability of the data. CFC scale S9 where Cronbach's Alpha score is not acceptable in case of all three countries has been removed.

	Variance Explained63%, (60%), {65%}, N=300, (N=260), {N=275}										
	Factors										
	F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11
S1: Seeing Benefits in Cross Cultural Interaction (Cronbach Alpha - 0.841, (0.78), {0.806})											
•S1.1 Cross cultural	.671										
interaction should be	(.649)										
encouraged	{.456}										
 S1.2 Important to learn 	.652										
other cultures	(.770)										
					{.646}						
 S1.3 Immigrants add 	.500										
value	(.290)										
		{.647}									
• S1.4 Like to know	.839										
differences to build	(.716)										
friendship	{.438}	110									
• S1.5 Like to see	(150)	.418									
foreigners coming to my	(.473)										
country	{.302}										
• S1.6 I find other	.471										(5 4 5)
cultures are similar to us	(407)										(.545)
62. Willing and a set of Section 1	{.40/}	(C	h h . A 1	h = 0.704	(0.95) (0.02(1)					
S2: willingness to Socializ	e with foreig	ners (Cror	ibach Alp	na - 0.794	, (0.85), {	0.830})					
• S2.1 Like to visit a	.433	.327									
foreigner		(.774)									
		{.778}									
 S2.2 Good feeling to 		.313									
meet a foreigner		(.828)									
		{.565}									
• S2.3 New learning		.355									
from visiting a foreigner		(.577)									
		{.533}									
• S2.4 Fun to learn about											
foreigners		.535									
		(.429)			(205)						
• 92 5 Comfortable and				E01	{.385}						
• 52.5 Comfortable With		(220)		.384							
loreigners		(.529)									
S3: Agreeing to the equal s	status to world	d cultures	(Cronbac	h Alpha -	0.672, (0.5	568), {0.7]	15})				
• \$3.1 Nothing like my			602	1	, , , , , ,	,, ()	,,				
- 55.1 Nouning like lify			.075								

Table 3: Factor structure tests on three country samples (Note: Represented values in () - Portugal, { } - Italy, and open numbers represent India)

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culture represent more			(.728)							
values and ethics			{.615}							
• S3.2 My culture do not			.805							
need extra recognition			(.641)							
S3.3 All cultures have					.677					
same status										
S4: Level of Personal Corr	fort (Cronba	h Alpha -	$\{.546\}$	782) (0.9	8551)					
54. Level of Fersonal Con		n Aipila -	0.709, (0	.782), {0.8	3337)					
• 54.1 No problem with				.762						
a loreigii boss				{.888}						
• S4.2 No problem with				.673						
a foreign junior				(.749)						
				{.800}						
• S4.3 No problem with				.545						
a foreign roommate				(.541						
• S4 4 No problem with				{.008}						
a homosexual				(.469)						
S5: Willingness to Explore	Foreign Cult	ures (Cro	nbach Alp	oha - 0.679	9, (0.757),	{0.628})				
S5.1 Desire to travel					.603					
abroad					(.337)					
					{.631}					
• S5.2 I will be welcome					.622					
abroad					(.353)					
• \$5.3 Willing to venture					{.340} 384					
into foreign cultures					(.459)					
S5.4 Like to have	.536									
vacation abroad	(.607)									
S6: Desitive views about a	lobalization (Crophash	Alpha 0	602 (0.20	$\{.504\}$	21)				
So. I ositive views about g		ciondacii	Alpha - 0	.075, (0.5.	, (0.70.	(1,				
• S6.1 No need to stop						.669		(558)		
giobalization						{ 869 }		(.556)		
S6.2 No cultural						.752				
damage by globalization										
						{.552}				
• S6.3 Immigrants do not	{.668}				.616	(022)				
steal jobs S7: Favorable impact of re	ligion (Cronb	ach Alpha	a - 0 664	(0.706) {() 6993)	(.923)				
• \$7.1 Deligion not nort		uen / npne	. 0.004,	(0.700), (0	,		625			
• 57.1 Kengion not part							.023			
of daily file							(070)			
							(.979) {.819}			
• S7.2 No existence of a							(.979) {.819} .738			
• S7.2 No existence of a supernatural power							(.979) {.819} .738 (.581)			
• S7.2 No existence of a supernatural power					0.452	(0.2(2))	(.979) {.819} .738 (.581) {.629}			
• S7.2 No existence of a supernatural power S8: Positive attitude of the	society towar	ds foreigr	ners (Cron	bach Alph	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})			
 S7.2 No existence of a supernatural power S8: Positive attitude of the S8.1 Problem may not 	society towar	rds foreigr	ners (Cron	bach Alpl	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})	.308		
 S7.2 No existence of a supernatural power S8: Positive attitude of the S8.1 Problem may not increase with foreigners 	society towar	ds foreigr	ners (Cron	bach Alph	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})	.308 (.414) { 504)		
 • S7.2 No existence of a supernatural power S8: Positive attitude of the • S8.1 Problem may not increase with foreigners • S8.2 No Victimization 	society towar	rds foreigr	ners (Cron	bach Alph	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})	.308 (.414) {.504) .459		
 \$7.2 No existence of a supernatural power \$8: Positive attitude of the \$8.1 Problem may not increase with foreigners \$8.2 No Victimization of foreigners based on 	society towar	ds foreigr	ners (Cron	bach Alpl	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})	.308 (.414) {.504) .459 (.637)		
 \$7.2 No existence of a supernatural power \$8: Positive attitude of the \$8.1 Problem may not increase with foreigners \$8.2 No Victimization of foreigners based on their religious beliefs 	society towar	ds foreigr	ners (Cron	bach Alph	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})	.308 (.414) {.504) .459 (.637) {.580}		
 \$7.2 No existence of a supernatural power \$8: Positive attitude of the \$8.1 Problem may not increase with foreigners \$8.2 No Victimization of foreigners based on their religious beliefs \$8.3 Unrelated person 	society towar	ds foreigr	ners (Cron	bach Alph	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})	.308 (.414) {.504) .459 (.637) {.580} .382		
 S7.2 No existence of a supernatural power S8: Positive attitude of the S8.1 Problem may not increase with foreigners S8.2 No Victimization of foreigners based on their religious beliefs S8.3 Unrelated person never getting randomly targeted 	society towar	rds foreigr	ners (Cron	bach Alph	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})	.308 (.414) {.504) (.637) {.580} .382 (.404) (.624)		
 S7.2 No existence of a supernatural power S8: Positive attitude of the S8.1 Problem may not increase with foreigners S8.2 No Victimization of foreigners based on their religious beliefs S8.3 Unrelated person never getting randomly targeted S8 4 Rational Society 	society towar	rds foreigr	ners (Cron	bach Alph	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})	.308 (.414) {.504) .459 (.637) {.580} .382 (.404) {.626}	421	
 S7.2 No existence of a supernatural power S8: Positive attitude of the S8.1 Problem may not increase with foreigners S8.2 No Victimization of foreigners based on their religious beliefs S8.3 Unrelated person never getting randomly targeted S8.4 Rational Society for foreigners 	society towar	rds foreigr	ners (Cron	bach Alph	na - 0.463,	(0.263), {	(.979) {.819} .738 (.581) {.629} 0.630})	.308 (.414) {.504) .459 (.637) {.580} .382 (.404) {.626}	.421	

S9: How liberal is the society? (Cronbach Alpha - 0.348, (0.093), {0.253})											
• S9.1 Belief in the theory of evolution									.551 (.392)		
• S9.2 No encounter with persons preaching their religious beliefs											
S10: Willingness to Use Foreign Products (Cronbach Alpha - 0.709, (0.572), {0.637})											
• S10.1 Watch foreign movies										.910 (.389) {.555}	
• S10.2 Buy foreign clothing										.949 (.842) {.558}	
• S10.3 Listen to Foreign Music										.395 (.389) {.600}	
S11: Ease of understanding	g (Cronbach A	Alpha - 0.4	404, (0.47	0), {0.516	5})						
• S11.1 No problem to understand foreigners											.600 (.299) {.596}
• S11.2 No Repulsion with people of other religion	{.425}					.331					(.299)
• S11.3 No Difficulty in understanding diverse cultures	· · · · · · · · · · · · · · · · · · ·	1									.636 (.358) {.430}

Rotation Method: Waximum Likelinooa. Rotation Method: Varimax with Kaiser Normalization

Respondent data was tested again to see if CFC scales have correlation among each other. Overall, 'CFC scales' are more inter correlated in case of Portugal and Italy than in case of India, indicating Indian respondents having independent thinking about their views about foreign cultures.

3.5.2 Confirmatory factor analysis (CFA)

Using the results of EFA, author leveraged (structural equation modeling) SEM interface using IBM spss AMOS, to run a CFA, using the dataset 2 (N=435) to examine the reliability and validity of the measurement model. Author then drew on the hypothesized models and examined the underlying directional relationships among CFC scales or latent variables (Fig.2). Since the fit indices thus obtained were acceptable, it was known that CFC model is already identified that fit the empirical data (i.e., both the comparative fit index (CFI) and the Tucker-Lewis index (TLI) were close to .95, and the root mean square error of approximation (RMSEA) was smaller than .08).



Figure 2: Summary of results of structural equation modeling on dataset 2 (N=435)

This model allowed author to graphically view the inferred causal relationships between different dimensions (latent variables) of intercultural comfort (an exogenous dependable variable). The squares in figure 2 represent the questions, or items (observed variables), asked during the survey phase e.g., item S1.1 asked 'Cross cultural

interaction should be encouraged'). The ovals represent the latent (non-observed) variables, also described as constructs or dimensions.

4. Data analysis and results

Three countries samples are now compared in terms of country and other control variable effect and tested for equality.

4.1 Effects of country and other control variables on CFC scales

For the purpose of analyzing the effect of country and other control variables on CFC scales, univariate analysis of variance (ANOVA) has been used.

Results for the scores of each of the three countries samples and those of the differences between the three, in terms of 'country and control variables' are given in Table 4. CFC scale scores are given in terms of the averages of respective subscales (observed variables from survey instrument). Which means scores of each CFC scales can vary from 1 to 5, center being 3.

CFC Scale	Country	Gender	Income Group	Age Group	Edu, Level
S1 C Scale	$P^2 = 0.280$	$P^2 = 0.126$	$\mathbf{P}^2 = 0.042$	$P^2 = 0.112$	$P^2 = 0.005$
	K = 0.280	K = 0.120	K = 0.042	K = 0.112	K = 0.093
Range of Scores	1.45 to 1.90	1.60 to 1.75	1.60 to 1.68	1.58 to 1.81	1.51 to 1.81
Sig Country	0.000	0.000	0.000	0.000	0.000
Sig Control Variable		0.665	0.884	0.370	0.227
Sig Interaction		0.000	0.944	0.022	0.386
\$2	$R^2 = 0.334$	$R^2 = 0.148$	$R^2 = 0.031$	$R^2 = 0.092$	$R^2 = 0.054$
Range of Scores	1.45 to 2.03	1.55 to 1.74	1.56 to 1.66	1.52 to 1.85	1.43 to 1.90
Sig Country	0.000	0.000	0.000	0.000	0.001
Sig Control Variable		0.531	0.194	0.412	0.061
Sig Interaction		0.000	0.561	0.174	0.279
\$3	$R^2 = 0.423$	$R^2 = 0.244$	$R^2 = 0.055$	$R^2 = 0.082$	$R^2 = 0.014$
Range of Scores	2.22 to 3.55	2.56 to 2.86	2.49 to 2.68	2.44 to 2.94	2.07 to 2.95
Sig Country	0.000	0.000	0.000	0.000	0.000
Sig Control Variable		0.001	0.934	0.122	0.314
Sig Interaction		0.407	0.467	0.779	0.878
S4	$R^2 = 0.357$	$R^2 = 0.229$	$R^2 = 0.047$	$R^2 = 0.075$	$R^2 = 0.035$
Range of Scores	1.48 to 2.20	1.53 to 1.85	1.55 to 1.68	1.57 to 1.90	1.51 to 1.88
Sig Country	0.000	0.000	0.000	0.000	0.000
Sig Control Variable		0.002	0.505	0.469	0.303
Sig Interaction		0.153	0.529	0.077	0.427
\$5	$R^2 = 0.240$	$R^2 = 0.157$	$R^2 = 0.020$	$R^2 = 0.124$	$R^2 = 0.103$
Range of Scores	1.39 to 1.94	1.44 to 1.64	1.47 to 1.55	1.46 to 1.75	1.28 to 1.66
Sig Country	0.000	0.000	0.000	0.000	0.003
Sig Control Variable		0.109	0.005	0.236	0.817
Sig Interaction		0.038	0.050	0.009	0.905
\$6	$R^2 = 0.100$	$R^2 = 0.089$	$R^2 = 0.007$	$R^2 = 0.123$	$R^2 = 0.147$
Range of Scores	1.90 to 2.76	2.20 to 2.37	2.20 to 2.29	2.14 to 2.50	1.71 to 2.88
Sig Country	0.000	0.000	0.000	0.000	0.002
Sig Control Variable		0.294	0.094	0.028	0.570
Sig Interaction		0.331	0.918	0.606	0.883
S7	$R^2 = 0.050$	$R^2 = 0.054$	$R^2 = 0.183$	$R^2 = 0.020$	$R^2 = 0.185$

Table 4: Differences among CFC scales in terms of country and control variables

Range of Scores	2.42 to 3.53	3.00 to 3.13	2.54 to 3.32	2.97 to 3.16	2.52 to 3.63
Sig Country	0.000	0.000	0.000	0.000	0.000
Sig Control Variable		0.302	0.692	0.043	0.816
Sig Interaction		0.839	0.453	0.054	0.665
S8	$R^2 = 0.205$	$R^2 = 0.039$	$R^2 = 0.201$	$R^2 = 0.009$	$R^2 = 0.256$
Range of Scores	2.82 to 3.90	3.19 to 3.27	2.94 to 3.60	3.18 to 3.27	3.18 to 3.93
Sig Country	0.000	0.000	0.000	0.000	0.000
Sig Control Variable		0.022	0.227	0.611	0.270
Sig Interaction		0.343	0.653	0.025	0.095
S10	$R^2 = 0.135$	$R^2 = 0.089$	$R^2 = 0.013$	$R^2 = 0.015$	$R^2 = 0.060$
Range of Scores	2.22 to 2.52	2.31 to 2.48	2.34 to 2.41	2.32 to 2.47	2.29 to 2.84
Sig Country	0.003	0.000	0.004	0.011	0.373
Sig Control Variable		0.182	0.548	0.443	0.500
Sig Interaction		0.062	0.193	0.235	0.023
S11	$R^2 = 0.267$	$R^2 = 0.120$	$R^2 = 0.061$	$R^2 = 0.088$	$R^2 = 0.196$
Range of Scores	1.69 to 2.24	1.89 to 2.09	1.89 to 2.06	1.87 to 2.14	1.75 to 2.33
Sig Country	0.000	0.000	0.000	0.000	0.000
Sig Control Variable		0.398	0.729	0.760	0.414
Sig Interaction		0.082	0.269	0.323	0.850

In the following paragraphs author has discussed the impact of country and other control variables on each of the identified CFC scales.

S1 - The scale scores vary from 1.45 to 1.90. It indicates respondents from all three countries see benefits in cross cultural interactions. There is a statistically significant 'country' effect that remains in the presence of other control variables. 'Gender' and 'age groups' variables have significant interaction with 'country' effect but have no significant influence of their own, on the scale. It indicates that people from different countries see the benefit differently and these differences are also related to 'gender' and 'age groups'.

S2 - The scale scores vary from 1.45 to 2.03. The scores indicate respondents from all three countries are willing to socialize with foreigners. There is statistically significant 'country' effect that remains in the presence of each of the other control variables. 'Gender' has a significant interaction with 'country' effect but has no significant influence of its own on the scale itself. It indicates that willingness to socialize with foreigners vary from country to country and is somewhat affected by 'gender' differences too.

S3 - The scale scores vary from 2.07 to 3.55. It indicates that respondents from all three countries do not necessarily agree on equal status of different world cultures. There is statistically significant 'country' effect that remains in the presence of each control variable. 'Gender' has a significant influence on this scale although without significant interaction with 'country' effect. It indicates that level of agreement to equal status to all world cultures vary significantly among countries as well as among gender. The impact of both variables is independent of each other.

S4 - Respondents from all three countries agree on generally having personal comfort level with foreigners. There is statistically significant 'country' effect that remains in the presence of each of other control variables. 'Gender' has a significant influence on this scale although without significant interaction with 'country' effect.

S5 - Respondents from all three countries are generally willing to explore foreign cultures. There is statistically significant 'country' effect that remains in the presence of each of other control variables. 'Gender' has a significant interaction with 'country' effect but does not significantly influence this scale. 'Income groups' significantly influences this CFC scale with significant interaction with 'country' effect but no significant influence of its own on the scale.

S6 - Respondents from all three countries agree on having positive views about globalization. There is statistically significant 'country' effect that remains in the presence of each of other control variables. 'Age groups' has a significant influence on this scale, without interaction with 'country' effect. Effects of 'Age

groups' and 'educational levels' are conceptually explainable. More experienced persons with higher education having better understanding of the benefits of 'globalization'.

S7 - Respondents from all three countries may not always agree on having positive religious views. There is statistically significant 'country' effect that remains in the presence of each of other control variables. 'Age groups' effect has a significant influence on this scale, without interaction with 'country' effect. As has been discussed in the earlier section of this study, 'religious' factor is unaffected by nationality and has a universal view point. Therefore it can be easily inferred that at least in the case of S7, 'country' effect is not a major influencer, while control variables like 'age groups' plays an important role in terms of intercultural comfort dynamics among cross cultural teams.

S8 - Respondents from all three countries may not always agree that the society they live in has positive attitude towards foreigners. There is statistically significant 'country' effect that remains in the presence of each control variable. 'Gender' effect has a significant influence on this scale, without interaction with 'country' effect. 'Age groups' has significant interaction with 'country' effect without significant influence on the scale. The effect and reason of 'gender' variable on this scale and its interaction with 'country' effect need further investigation.

S10 - Respondents from all three countries have mixed feelings about willingness to use foreign products and services. There is statistically significant 'country' effect that remains in the presence of each control variable. 'Education levels' effect has a significant interaction with 'country' effect but no significant influence.

S11 - Respondents from all three countries have ease of understanding with foreigners. There is statistically significant 'country' effect that remains in the presence of each control variable.

5. Discussions of results

Share of explained variance is rather high for most of the results. More than 30% of variance on the CFC scales S2, S3, S4 and ST5 is explained by 'country' variable. Similarly more than 20% of the variance on CFC scales S1, S5, S8, and S11 is explained by 'country' variable. On other CFC scales too, effect of 'country' variable is rather high. Overall 'country' variable plays most important role in explaining variance on most CFC scales. In comparison, effect of other control variables on overall CFC scales is rather low.

Finally, post hoc tests (Tukey's Test) indicate there are overall significant 'observed mean differences' among all countries studied on all scales. The immediate conclusion of these results is that most of the CFC scale would vary from country to country and therefore these scales provide strong base to measure level of comfort among countries. Overall results indicate that our hypothesis H_{01} holds true i.e, level of comfort with foreign cultures vary from country to country. However our second hypothesis H_{02} does not hold, i.e. level of comfort among gender, educational levels, age groups and income levels does not vary significantly.

6. Managerial implications, future directions and limitations

The scales suggested in this research can be used to measure CFC scores for different countries in order to better understand the group comfort dynamics of cross cultural teams they are managing. Further the study serves as a strong base for multinational firms to provide cultural sensitivities and cross cultural management capabilities to team managers. The study also provides solutions to adopt practices which maintain a balance of 1) global competitiveness, 2) multinational flexibility and 3) the building of global learning capability, as discussed in the earlier section of the study.

For future studies, similar methodology and conceptual framework can be used to derive new insights in terms of 1) Comparison of level of comfort among regional cultures with foreign cultures in multinational firms in countries not covered in this study; 2) Comparison of level of comfort among regional cultures and other alien or distant cultures in large organizations within national boundaries of large and culturally diverse countries like India, US, Brazil and others.

The current study covered respondents who are primary educated, well to do and working with decent jobs in multinational firms. Therefore the results of the study may not reflect the overall comfort dynamics of the local cultures with foreign cultures on a societal or national level. A very large study can only be conclusive on that scale.

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