

# The Relationship between Cultural Diversity and Workplace Bullying in Multinational Enterprises

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## Abstract

Workplace bullying has become a prevalent phenomenon for employees in multinational enterprises. As a result, employees' job performance and mental health would be affected significantly. It is important for top management team to neutralize and reduce bullying among cross-cultural employees. This paper will focus on the relationship between cultural diversity and workplace bullying in multinational enterprises.

**Index terms**— cultural diversity, workplace bullying, negative consequences, performance.

## 1 Introduction

Workplace bullying is mistreatment of behavior by managers or co-workers in the workplace. Leymann studied that bullying may be related to poor management and work condition (Tambur & Vadi, 2012). Workplace bullying is divided into two groups; which are work related bullying (WRB) and physically intimidating bullying (PIB) (Power, 2011). WRB is giving unlimited workload and overtime from the manager whereas PIB is not respecting, and shouting at employees. People from different culture and background would have different degree of acceptability to the workplace bullying, especially multinational enterprises. According to Lutgen-Sandvik et al. (2007), 5-28 percent of workers in western countries have been bullied (Cooper-Thomas, Gardner, O'Driscoll, Catley, Bentley, & Trenberth, 2013). Multinational enterprises consist of employees that come from different culture which shape cultural diversity in cross-cultural organizations. Today, cultural diversity also encompassed race, ethnicity, national origin, thinking style, and position in organization hierarchy. Workplace bullying is one of the factors that contribute to low productivity and performance of an organization. This would lead to a few negative consequences such as high absenteeism, decreased job satisfaction, great turnover, low productivity, or quit of job (Dumay & Marini, 2012). Thus, management has the responsibility to neutralize workplace bullying between cross-cultural workers.

## 2 II.

## 3 Cultural Diversity

According to Global Leadership and Organizational Behavior Effectiveness (GLOBE), culture is defined as "shared motives, values, beliefs, identities, and interpretations and meanings of significant events that result from common experiences" (Power JL, 2011). Multinational companies are comprised of cross-cultural workers from different countries. Cultural differences have brought many problems to the company either through the relationship between employees and employers or performance of job. It is important to understand the cultural differences among employees that from different nationality so that they can work under a good working condition and facilitate the organization operation smoothly. The cultural differences are distinguished into collectivism and individualism, acceptability of workplace bullying, gender, age, and disability. For example, Asian and Southern American culture are more toward fully devote themselves to the company where as Western countries like America and British culture emphasize on working balance (Dimitrov, 2012). Thus, top management team play an important role in managing cultural diversity in multinational company.

### 4 III. Acceptability of Workplace Bullying

There are three orientations that showed that different cultures have different level of acceptability of workplace bullying. Humane orientation pursues of compassionate and concerns of living life of workers. People that from humane orientation culture believed that compassionate and concern to workers are important in workplace. Workplace bullying usually would not happen with people that are human orientation. Performance orientation emphasizes more on ability to work rather than relationship with people. Employers would exert higher pressure or shout to the employees so that they can complete their works effectively and improve in job performance. Therefore, they could accept workplace bullying as well as their goals are achieved. Future orientation focused on long-term view where gathering and interaction can improve relationship with employees regardless of race, age, or culture. Employer would reward employees frequently if they achieved the goals by giving holidays, presents or gathering (Power JL, 2011).

IV.

### 5 Collectivism and Individualism

Collectivism and individualism also contributes to workplace bullying. Workers that are collectivists tend to work in groups and promote in cohesion of social groups. On the other hand, individualism emphasized on independence and achieve one's goal that is opposite from collectivism. Workers that are individualistic found boundaries with collectivist workers that tend to work together and their common language, beliefs, and perspectives. Additionally, power distance is common in Asian countries than western countries. Workers that do not agree with unequal power distribution would like to react negatively to the hierarchy structure of the firm. Western workers are more tolerate with ambiguity and work with risk. On the contrary, Asian workers prefer to be uncertainty avoidance with clear decisions and consensus (Loh, Restubog, & Gallois, 2009).

V.

### 6 Gender Differences

Most of the organizations are managed in masculine style where top management teams are mostly men. Since long time ago, men are having higher privilege and labeled as the one who have higher ability to manage company compared to women. It is because male and female have different characteristic in management style. Men are more toward aggressiveness, independence, risk taking, and higher control over working environment (Syed & Murray, 2008). On the other hand, women are view as emotional, risk adverse, and emphasize on relationship. According to Fischer and Glejim (1992), communication style of gender is distinguished as women would like to improve relationship through communication while men are straight forward into what they want. Men would speak firmly in the meeting so that everyone is under his control and women perceptions are mostly undervalued and less control over employees (Syed & Murray, 2008). However, studies also showed that there no differences between male and female leadership where women also have the ability to manage the organization as what the male did (Snaebjornsson & Edvardsson, 2013). Physically intimidating bullying such as sexual harassment mostly happened on women.

### 7 VI.

### 8 Bullying

Most people have accepted workplace bullying as an inevitable part of multinational organizations. Unfortunately, the level of harm of bullying also increases at the same time workplace bullying become prevalent and this may highly affect the performance of employees (Vickers, 2009). People spent most of their time like eight hours in the workplace. Thus, anyone in the organization could be the victim or perpetrator. Faruch (2005) and Ferris et al. (2007) studied that position and power in firm's hierarchy is the factors that contribute to workplace bullying where powerless workers always were the target of bullying from managers (Dumay & Marini, 2012). However, workplace bullying could also occur among co-workers or subordinate. Workers of same culture like to talk in their own group using their native language which indirectly forms bullying that isolated other co-workers (Beirne & Hunter, 2013).

Workplace bullying also associated with gender discrimination. Women generally have lower position and power than men in their workplace as most of the men underestimate the working ability of women (MacIntosh, O'Donnell, Wuest, & Merritt-Gray, 2011). According to a study, men managers have more control over the working environment compared to women managers in Malaysia managerial workforce. Besides the ability to work, women have the family burden that they need to take care of family and work equally. Therefore, men thought that women cannot pay full attention to the works. (Ismail & Ibrahim, 2008). As a result, women always are the target of bullying in the workplace. On the other hand, studies also discovered that more men are reported as the victims in workplace bullying than women. Men typically hold a higher position such as managerial position, face more workrelated stress and social manipulation from managers and co-workers (Salin & Hoel, 2013).

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## 9 VII. Organization Structure of Multinational Companies

Multinational company is a large and complex company that distributed in around the world and nation with different national origin, race, skin color, religion, disabilities and age (Kapoor & Sherif, 2012). Management is crucial to integrate all departments in order to facilitate the structure of organization. However, it is also important to emphasize on different national culture with different ways of management. According to Campbell and Strikwerda (2013), multinational company coordinates different dimension into one integral system such as same decision of making profit, management team, and opportunity of capital investment. Alignment of employees by top management in ethno-national companies also would affect the optimal performance of companies (Lee, 2013). There are some criticize statements of multinational companies. Local residences enjoy having higher chances in recruitment where they fitted the requirements in their organizational structure (Lee, 2013). Top managers prefer to bring their own staffs so that the structures are under their control and well manage (Martins, 2007). Gaikwad (2010) stated that cultural diversity is an advantage towards an organization. They are benefited from creative thinking, different thinking style, special skills, and language proficiency that lead the organization into breakthrough and higher level among same industries (Kapoor & Sherif, 2012).

## 10 VIII.

### 11 Negative Impacts on Employee Mental Health

The negative impacts of employees in the workplace have been arising as the economy became globalized. It is definitely related to the workplace bullying that caused by cultural diversity in multinational companies. According to Bryant, Buttigieg, & Hanley (2009), the consequences of bullying are ranged from crying, refuse to go to work to more serious impacts such as depression and suicidal thought. Appelbaum and Roy-Girard (2007) and Giorgi (2010) also studied that mental effects such as anxiety, work-related stress, impaired judgment, and loss of memory, post-traumatic stress disorder (PTSD), low self-esteem and concentration disorder are the negative impacts of workplace bullying. (Appelbaum, Semerjian, & Mohan, 2012; Giorgi, 2010). When victims are exposed to long term bullying, they may suffer from sleeping disorders like insomnia which indirectly affect their workplace performance. In order to aid in sleeping, they need more sleeping pills, drugs or alcohol compared to those that do not experience bullying (Giorgi, 2010).

However, there are also some employees feel shame to admit themselves as victims of sexual harassment. This can affect the results of studies on relationship between cultural diversity and workplace bullying (Power JL, 2011). Organization management team has paid high concern to employee performance so that organization operates effectively and profit can be maximized but workplace bullying has greatly influenced the firm's performance (Devonish, 2013). High absenteeism, decreased job satisfaction, great turnover, low productivity, or quit of job may occurred when employees are under high level of working stress in very long time (Dumay & Marini, 2012). Employees would relive their stresses and dissatisfaction on their works by purposely against managers (Devonish, 2013).

## 12 IX. Ignorance from Human Resource Management

Human resource management (HRM) in an organization plays an important role in reducing workplace bullying to facilitate the operation of companies. One of the reasons the case of workplace bullying is employers pay less attention to bullying such as fail to identify bullying, blame victims, tolerate bullying behaviors, fail to deal with bullying, and protected by senior manager (Cooper-Thomas, Gardner, O'Driscoll, Catley, Bentley, & Trenberth, 2013; Hutchinson, Vickers, Wilkes, & Jackson, 2009). Besides that, workers that are reported to HR managers did not get response or action from them but being labelled as difficult people or troublemakers in the team. This caused the victims lack of support and isolated which then resein from the job (D'Cruz & Noronha, 2010).

## 13 X.

### 14 Management to Neutralize Workplace Bullying

HRM is responsible to create a good working environment for employees so that the organization is operated smoothly. Resch and Schubinski has investigated a few preventions of workplace bullying which is improve manager social skill, conflict management, awareness of bullying, freedom of speech and modify working structure . (Mikkelsen, Hogh, & Puggaard, 2011). Management with appropriate intervention may reduce workplace bullying and improve relationships among workers which cause them to work harder to improve performance of company (Cooper-Thomas, Gardner, O'Driscoll, Catley, Bentley, & Trenberth, 2013). Research by Nelson (2014), being able to recognize bullying by employers is the key to cope with it. Employer have to identify the real reason and deal with it with appropriate actions once they identify bullying among workers. Once the action is effective, negative impacts like employees's behaviors and mental ills will be reduced although bullying still occurred in the workplace (Cooper-Thomas, Gardner, O'Driscoll, Catley, Bentley, & Trenberth, 2013).

## 15 XI. Employee Perceptions of Cultural Diversity Management

Employees may have low self-esteem or isolated due to their race and national origin. Hence, top management must pay high attention into employee perceptions regarding to the cultural diversity either through the organization structure or formal or informal communications. It is important for management to recognize employee perceptions that foreign workers are supported and integrated into informal networks. Once they recognize management support, they will feel integrated into their informal network and work in a positive working environment. Communication is the one of the obstacles that caused misunderstanding between employees as foreign workers are not familiar with the local language. Managers can encourage freedom of speech among employees so that they can express their problems to avoid miscommunication and conflict in order to create a good working condition. (Leveson, Joiner, & Bakalis, 2009). Management also has to apply different rules and policies for foreign workers that may have different regulations such as employment law in their national countries (Zheng, Hyland, & Soosay, 2007). Based on their national laws, they would have different perspectives on organization structure and workers policy that will arouse dispute of organization management.

## 16 XII.

### 17 Affection Commitment

Affection commitment is another key to maintain good working environment. Employees that feel they are valued by company, belonging to the network, and supported by policy prefer to stay rather than quitting job (Leveson, Joiner, & Bakalis, 2009). Meyer and Allen (1991) stated that employees that are belonged to the network of company think that continue to work in the

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same company is better as the opportunity cost of changing workplace is unworthy (Leveson, Joiner, & Bakalis, 2009). Ashforth (2000), Van Vugt and Hart (2004) studied that employees are willing to commit to the company as they recognized their values are similar to the objectives of organizations (Liu & Lam, 2014). Thus, affective commitment by the company can reduce employee turnover. Employees will pay more effort to achieve their goals when they decided to stay in the company. According to Meyer and Herscovitch (2001), improvement of job performance of employee is because of the opportunity cost of leaving and the normative commitment to pay more effort to the organization (Liu & Lam, 2014). On the contrary, Meyer et al. (2006) argued that it is due to the desire of motivation rather than opportunity cost that motivate employee to work harder to achieve goals (Liu & Lam, 2014). Hence, job performance of employees can be improved with affection commitment.

## 19 XIII. Perceived Organizational Support (pos)

Organizational support is defined as employee work efforts are support by manager, workers are treated under same and justice rules, and encourage and reward them for contributing to the organization (Arnold & Dupré, 2012). Employees will be rewarded and valued by the organization if they have paid additional effort to their works. This motivates them to work harder and loyal to the company when they recognized their efforts are being valued by employers (Leveson, Joiner, & Bakalis, 2009). POS is vital in reducing employee working stress. Working stress, the cause of psychological illness is aroused when POS is low where organization did not value their efforts and contributions (Arnold & Dupré, 2012). When POS is low, workers efforts are not valued by the company can indirectly lead to workplace bullying. Employees would not respect to foreign co-workers as they perceived that managers did not support and value foreign workers efforts. POS is also associated to employee emotion. Employees are in positive emotion when POS is high whereas they are in negative emotion when POS is low. According to Eisenberger et al. (1990) and Maertz (2007), positive emotion encourages employee to devote their efforts to company as well as improve the relationship between employee and the managers (Newman, Thanacoody, & Hui, 2012). Employees are willing to repay and taking risk to organization once they perceived organizational support and trust is built between them (Neves & Eisenberger, 2014). Thus, they think it is worthwhile and fully devote effort to company even though there is higher chance to be failure.

## 20 XIV.

## 21 Discussion

As a result of the research, cultural diversity would influence the degree of workplace bullying in multinational companies. Each aspect of cultural diversity such as thinking style, national origin, gender, age, race and ethnicity have a certain degree of influential that lead to workplace bullying. This phenomenon has divided into work-related bullying (WRB) which is unlimited workload and unreasonable overtime and physically intimidating bullying (PIB), uncomfortable eye contact and not respect to opposite sex. Cross-cultural workers that come from different background would arouse conflicts when they work together such as misunderstanding and

miscommunication. Subsequently, this would lead to workplace bullying that affect workers living life and mental behaviors when conflicts are unresolved. For instance, local workers may interpret the sentences foreign workers delivered in different perceptions as they came from different background and not familiar with local language. People also prefer to speak with their native language and this can result in isolation of cross-cultural employees. The victim of workplace bullying also could be anyone since employees spend longer time working together than staying with family. However, the results of number of victims may vary with results because some victims feel ashamed to admit they are the victims of sexual harassment.

Top management team has the responsibility to solve this problem by applying with appropriate method to neutralize or reduce workplace bullying. Workplace bullying would increase substantially if there is no action by top management team. Negatives impacts such as high absenteeism, decrease job satisfaction, anxiety, depression, and low self-esteem are the result of workplace bullying (Appelbaum, Semerjian, & Mohan, 2012; Giorgi, 2010). Employee perception of cultural diversity, affective commitment, perceived organizational support (POS) can be used by managers to reduce workplace bullying. It is important for employee to express their problems freely so that they can work corporately to improve productivity and job performance. According to Gaikwad (2010), it is an advantage to have crosscultural workers in an organization compared to normal organization as they can provide creative thinking, language skills, different thinking style, and special skills.

XV.

## 22 Conclusion

Multinational company engaged in international business across the global. It should be advantage to have cross-cultural workers in organization to improve the job performance. Unfortunately, mismanagement by top management team could change this advantage to a weakness for the organization. Workplace bullying is an obstacle to prevent company from functioning smoothly and expand to a higher level. It is vital for manager to neutralize and reduce workplace bullying. Stereotype is the major factor that leads to workplace bullying where local workers believed that foreign workers are the burden for them in workplace. Stereotype will then turn into discrimination which negatively judging all the foreign workers. Workplace bullying would cause negative impacts when management did not perform action effectively. Psychological health in this modern technological era has increased significantly among workers due to working stress and workplace bullying. Depression and suicidal thought are the major factors of suicide in the society. Thus, top management team in multinational organization must figure out effective ways to create good working condition which indirectly reduce employees' psychological and mental health. In other words, manager can show their support to encourage workers to integrate and strengthen their bond by giving affective commitment organizational support, and employee training to understand each other culture for the benefits of organization.



Figure 1: 2 Global

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<sup>2</sup>The Relationship Between Cultural Diversity and Workplace Bullying in Multinational Enterprises

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