

IMPACT OF MULTICULTURAL WORKPLACE ENVIRONMENT
ON INTERPERSONAL CONFLICT: THE MODERATING EFFECT
OF POWER STRUCTURE IN INTERNATIONAL NGO'S OF
ISLAMABAD, PAKISTAN



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**“Impact of Multicultural Workplace Environment on
Interpersonal Conflict: The Moderating Effect of Power
Structure in International NGO's of Islamabad, Pakistan”**

**A Thesis presented to
Pakistan Institute of Development Economics, Islamabad
In fulfillment of the requirement for the degree of**

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In

Business Administration

BY

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Dedication

This dissertation is dedicated to my parents who made huge investments on me throughout my academic life. Now this is the time to pay my best regards to both of them. Secondly, I would like to dedicate this dissertation to all my school and college teachers who made me to put step forward on each and every stage of my academic career. Thirdly, I would like to dedicate this dissertation to all my friends who helped, encouraged and motivated me while I was in crisis.

Finally, this dissertation is dedicated to all those who believe in the richness of learning.

Declaration of Authorship

I, Sadaf Ambreen declare that this dissertation and the research work presented in it is my own and has been produced by me as the result of my own genuine research.

“The Impact of Multicultural Workplace Environment on Interpersonal Conflict: The Moderating Effect of Power Structure in International Non-Government Organizations INGO’s of Islamabad Pakistan”.

I confirm that:

1. This work was done entirely or mostly while in application for a research degree at this University.
2. Where any part of this dissertation has formerly been submitted for a degree or any other qualification at this University.
3. Where I have referred the published work of others, this is always clearly recognized.
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Signed: **Sadaf**

Date: **23-01-2015**

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CHAPTER 1

INTRODUCTION

Culture vs Organization Culture

The term culture appeared in Europe in the 17th century denoting to the advancement or improvement of people, especially through education. Debate on the term was often connected to national aspirations in 18th and 19th century. Hoebel defines culture as a unified system of learned behaviors which are representative of the participants of a society and which are not an outcome of natural inheritance. Culture is the fundamental determinant of a person which he seeks from his family and other social interactions. Edward Burnett Tylor (1871) in his most important work on primeval culture gave one of the initial and clearest definitions of culture. He states that Culture is...

"That complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society".

Culture acts as mental software in the human life as computers have software. Cultures differs in different countries and regions. The success of mental software depends upon the environment in which individuals grow up and gain their life experiences. Culture formerly depicted ethnic or nationality groups but in current years cultural features now include race, gender, age or disability (Blank, 1994). Culture contains designs, clear and unspoken, of and for behavior learned and spread by signs, creating the distinguishing achievements of human groups, comprising their personification in objects, the necessary basics of culture comprises of customary ideas and especially their involved values, culture systems may, on the one hand, be reflected as yields of action, on the other, as qualified elements of future action (Kroeber, 1952).

Culture comprises of the products of experience, more or less ordered, learned or created by the members of a population, containing those images and their explanations conveyed

from past generations, from colleagues, or shaped by people themselves (T.Schwartz, 1992). Culture is the shared encoding of the mind which differentiates the participants of one group or category of people from other group (Hofstede, 1994). Values, attitudes, beliefs, and behaviors shared by a group of individuals, but different for each individual, transferred from generation to generation (Matsumoto, 1996). Culture is an uncertain set of rudimentary assumptions and values, directions to life, beliefs, plans, procedures and behavioral resolutions that are shared by a group of individuals, and that effect each member's behavior and his/her understandings of the meaning of other people's behaviors (Spencer-Oatey 2008).

Traditionally, organizational culture includes shared ethics, beliefs, behaviors, traditions, background etc. of organization's participants. Organizational culture is defined as set of collective values and beliefs over a period of time which yield behavioral rules that are embraced in problem solving (Owens, 1987). Organizations has their specific cultures in which organization member's work and gain experience (Geert H. Hofstede, 2005). Organization culture is the social behaviors within an organizational settings and the sense people confer to those behaviors. It is also the combination shared behaviors and expectations that are taught to new organization employees as a way of observing, and even thinking and feeling.

Ravasi and Schultz (2006) assumed that organization culture is a set of shared intellectual assumptions that guide clarification and action in workplace by defining suitable behavior for several situations. (Schein, 1992) improved the idea that organizations often have very different cultures as well as subcultures.

Disagreements exists in organizations but organization scholars must understand that culture is an important factor which determine that how well an organization member adjusts in the organizational context (Kilmann, Saxton, & Serpa, 1986).

Organization culture assist to offer its members the opportunity and wide structure for the expansion of human resources technical and behavioral skills in an organization

(Hofstede, 1980) considered organizational culture as the basis of organization's actions which has cumulative influence on its overall efficiency and the worth of its product and services. Schein (2004) defined organizational culture as a vibrant force within the organization which is rotating, appealing and cooperative and it is shaped up by the employees and management movements, behaviors and attitudes.

Organizational culture being feature of being a more important cultural phenomenon, hired itself to direct reflection and measurement and thus has had a longer research tradition (Hellriegel, 1974). Environment is only a apparent demonstration of culture, and thus research on environment has not allowed us to think into the deeper underlying aspects of how organizations function.

Organizations with more defined organization culture are more successful and has competitive advantage in terms of high production, high performance, more organized and disciplined workforce. Organization culture is an essential element, but it becomes difficult to measure and understand when people of culturally diverse backgrounds merge within one organizational settings and work together. They differentiate in age, gender, race, ethnicity, language etc. On the other hand diverse and multicultural workforce is now become need of the time, and organizations prefers workforce diversity. It is a paradigm shift from uniformity to diversity.

Workplace Diversity

Cultural workplace multiplicity is when dissimilarities in race, origin, language, nationality, religion, and gender alignment are characterized within a community. According to Merriam Webster (2010) diversity is the presence of a range of people differing in race, gender, or culture in a group or organization. The demonstration, in one social system, of people with different group relations of cultural importance is known as cultural diversity (Cox, 1993).

The influence of cultural diversity on organizational behavior is very complicated. Some organizations are more successful with similar workers, on the other hand some organizations are more successful with diverse workers. People belonging from different ethnic groups presents different norms and attitudes. The question is why does cultural diversity matter? Individuals from different races, etc. have diverse life experiences. This essences their understanding of events. These variances can bring strength to the group if it is respected and joined into the group dynamics. It definitely make cultural diversity a strength. Creativity and innovation rate is much higher in multicultural organizations. Creativity flourishes on diversity (Morgan, 1989).

Diversity also weakens a group. Variances in explanation of events can lead to communication gap or miscommunication, discomfort and aggressions if not discussed. Biases about individuals of different upbringings can also lead people to jump to decisions and misunderstand actions or behaviors.

Diversity generally considered as recognizing, understanding, tolerating, and appreciating dissimilarities among individuals with respect to age, class, origin, gender, physical and mental ability, divine practice, and public support status (Esty, et al, 1995).

Experienced managers recognizes that some skills are needed for creating a fruitful, differentiated workers. Managers must comprehend discrimination and its outcomes. Managers must identify their own cultural preferences and prejudices (Koonce, 2001). Cultural diversity is not only about variances among groups, but also about variances among people. Each individual is distinctive and does not symbolize a particular group. Executives should desire to modify the organization if required (Koonce, 2001). Organizations should learn how to cope and deal with diversity in an organization to be successful in the future (Flagg, 2002). Factors affiliated with diversity and multiculturalism completely depends upon organizational culture (Kochan, 2003).

Organization's achievement and effectiveness depends on its ability to accept diversity and recognize the benefits of it. A diverse gathering of skills and experiences permits an

organization to provide service to clientele on a global basis. A diverse workforce which feels easy cooperating changing points of view offers a larger reservoir of ideas and expertise.

Organizations which boost diversity in the workplace motivate all of their members to execute their best. Company-wide policies can then be revised and applied ensuing in higher efficiency, profit, and return on investment (Josh Greenberg, 2013).

Multiculturalism in the organization is nothing without its challenges. Those challenges are perceptual, traditional and language obstacles need to be overcome for diversity plans to succeed. Unproductive message results in misperception, failure of teamwork, and low morale. Employees who reject to accept the fact that the social and cultural face of their workplace is changing. This can be the dominant challenge to all diversity promoters.

Training for diversity alone is not adequate for an organization's diversity management strategies. A strategy must be formulated and implemented to create a culture of diversity (Josh Greenberg, 2013).

Conflict vs Interpersonal Conflict

Conflict is any solid disagreement between people, groups, etc., that results in often angry dispute or movements. Conflict are part of human nature no matter whether they occur in home, at workplace and between different individuals and they are not avoidable. Conflict within any organization is an unavoidable and unescapable existence and it has adverse result on the individual and the organization, unless appropriately coped (Almusdy, 2007). These conflicts takes a lot of managers' time at all managerial levels (Luthans, 2008).

Conflict confidential in any organization does not always have a adverse effect. Sometimes conflict has hopeful effects, and this might lead to improved problem solving or decision making, to the inspiration of creativity and may increase the productivity (Hellriegel, 2004). Conflict is very common practice which can be seen in various aspects

of human life which leads them towards aggression, hostility and fight. Conflict distracts the symmetry of organization (Pondy, 1967). Conflict is a dual bordered sword and it can be both worthwhile as well as damaging. Whatever it shows depends upon the way it has been handled (Chen, Zhao, 2008). Conflict observed as a condition in which two or more persons functioning within a division appear to be unharmonious (Chuang, 2003). Jehn and Bendersky (2003) defined conflict as perceived inconsistencies or discrepant views among the parties involved.

Conflicts generates due to a number of reasons including, individual transformations in objectives, thoughts, anticipations, morals, and recommendations about how to best grip a situation. When we enlarge to these dissimilarities the restlessness rising out of a business future, conflict often increases (Walker, 1986).

There is no single definition of conflict. There are at least two independent groups, the group's notice some unsuitability between themselves, and the groups meets with each other in some way (Putnam and Poole, 1987). The collaborating procedure demonstrated in incongruity, or dissonance within or between social entities (Rahim, 1992).

Conflict with supervisors and colleagues that results in huge strain is known as interpersonal conflict (Bruk-Lee & Spector, 2006). Interpersonal conflict is a process through which a employee or a unit irritates another from obtaining the desired results. The reflection of this kind of conflict it is very significant even from start in order to be clogged, and for this experts has certain hints which he can use tactfully (Nistorescu, 2006). Interpersonal conflict results decreased performance, low organizational commitment, less job satisfaction and high turnover intentions (Fox, Spector & Jex, 1998). Interpersonal conflict occurs between two or more persons that work together in groups or teams (Wood et al., 2003).

Person to person differences results in interpersonal conflict, including personality, culture, behaviors, attitudes, values and perceptions (Elsayed-Elkhouly, 1996).

Employees ranks interpersonal conflict as the most stressful and troubling events at work (Beach et al., 1993).

This research is based upon the Karl Marx (1818-1883) social conflict theory which was presented in 1800s. This theory states that social relationships are all about power and exploitation. There exists two groups in a community, one is ruling class and the other is subject class. Ruling class is more dominant and derives power from its ownership, while the subject class is less dominant and is exploited by the ruling class. This conclude that there is a basic conflict of concern among both classes which is called interpersonal conflict. Conflict theory debates that human antiquity is all about this conflict that rich always exploits poor. In other words that currency is made through the mistreatment of workers. Marx social conflict theory proposes the clarification to this issue that there is need of a workers' uprising to halt the political and economic dominance of the ruling class with the purpose of restructuring society along the ranks of common possession and huge self-governing regulation.

Similarly, this power inequality also exists in organizations between top leadership and the employees. It becomes more worst when people from diverse backgrounds merge within an organizational settings. They are considered as minority and oppressed by the top management. This group difference results in interpersonal conflict between two groups.

Research Objectives

This purpose of this research is to identify the impact of multicultural workplace environment on interpersonal conflicts among employees and on distribution of power to employees belonging from diverse backgrounds. So the research objectives are:

- i. To determine the relationship of multicultural workplace environment on interpersonal conflict among employees.
- ii. To understand whether power structure moderates the relationship between multicultural workplace and interpersonal conflict or not.

Research Questions

This research is intended to obtain the answers of following questions:

- i. Is there any significant relationship between multicultural workplace environment and interpersonal conflict?
- ii. Does power structure moderates the relationship between multicultural workplace and interpersonal conflict?

Problem Statement

Power differences among minority and majority members is more or less the most deadly source of conflict. Power discrepancies are often resolved with mutual negotiations. Power difference issues can also be resolved by formulating policies to provide every member of the organization the access to top leadership (Taylor H. Cox, Jr. 1994). Power is now shared with managers and key employees of the organization for the purpose of paradigm shifting from uniformity to conformity. Today power is no longer only a leader's domain but today power is strengthening the leader subordinate relationship in order to avoid differences and discrepancies.

This study aims to determine the impact of multicultural or diverse workplace environment on interpersonal conflict among employees. It will be analyzed that whether a diverse workplace generates or eliminates the interpersonal conflicts among employees. The study also expected to identify the moderating effect of power distribution on interpersonal conflict among employees of diverse backgrounds.

Scope of the Study

The current study has been conducted in Islamabad. The city has so been chosen because of convenience in data collection for the research. Data has been collected from different diversity based international non-government organizations (INGO's) operating within

Islamabad. It would have been far better to broaden the scope of the research to other cities of the country but with the limitation of time and finances, the study has bound to limit the scope of the research to Islamabad only.

Significance of the Study

This research is conducted to enhance the understanding of multicultural or diverse workplace environment and how it affects the interpersonal conflict among members belonging from diverse backgrounds including, age, gender, race, ethnicity etc. It is also to be determined that people coming from diverse backgrounds to work in an organization are often considered as minority and they are not easily been given top leadership positions, which provides a clue that distribution of power in that particular organization is unequal. This inequality leads to cause interpersonal conflict among employees. The combination of variables selected for the study is different from others as many scholarly articles were studied but no content has been found on the relationship of multicultural or diverse workplace environment on interpersonal conflict by taking power structure as a moderator. After going through a large variety of literature the study has put emphasis on analyzing power distribution as a moderating factor in multicultural organizations to reduce interpersonal conflicts in multicultural workplace.

Limitations of the Study

It would have been far better to broaden the scope of the research to other cities of the country but with the limitation of time and finances, the study is bound to limit the scope of the research to Islamabad only. Efforts were put to carry out the research in the best possible way so as to achieve significant results. There are certain limitations of this study which are as follows:

- i. The targeted population for the current study is diversity based international nongovernment organizations (INGO's) operating within Islamabad only.
- ii. The approach to international NGO's was not as easy as to local NGO's.

- iii. The procedure to get entered in to an INGO's office is nothing less than a challenge.
- iv. Due to security concerns many of the INGO's refused to share their information.
- v. The process of data collection was very hectic and time consuming.
- vi. The INGO's from where the data is collected has strictly prohibited to disclose their names in this research.
- vii. Data biasness has been seen also while filling the questionnaires, because respondents may not be able to evaluate that how they feel.
- viii. Some of the respondents were foreigners and may not be the true representatives of their cultures. This is the reason that results are not as much satisfactory as they could be.
- ix. Due to security concerns to INGO's some of the questionnaires filled and exchanged through E-Mail which also has an impact on results.
- x. The total population of 150 respondents does not provide the holistic view of interpersonal conflict in multicultural workplace.

CHAPTER 2

LITERATURE REVIEW

In diverse organizational settings when opinion of one individual contradict with other individual on the basis of language, age, gender, race and other constraints it results in interpersonal conflict (Nguyen, Thanh Tung, 2013). This conflict can be observed not only among employees but also among managers. Arising of conflict is a quite natural phenomenon and the matter to be addressed is how the conflict can be resolved. Conflict at a workplace can be positive as well as negative. Managers working in diverse environment should develop extra skills and competencies than those of working in homogenous environment. It is the responsibility of managers whether they make the conflict constructive or destructive for the organization. Manager of a multicultural organization must be able to understand the culturally diverse backgrounds and cope with conflicts productively. Multicultural team is a crew of persons with different cultural backgrounds, who are interdependent in their tasks, who share accountability for results, who see themselves and are seen by others as an undamaged social entity surrounded in one or more larger social systems, and who manage their relationships across organizational limitations (Claire Halverson, 2008).

The value system is the most important element of human development. These values are longer lasting beliefs of individuals which cannot be changed overnight however, they are the potential source of conflict. The value system is rooted in culture, which becomes worst when diverse cultures interact with each other. The identification of personal and others value system is essential in cross cultural environments. Hermann et al., (1997) directed that distinguishing morals and expectations may help to evade the misunderstanding of behaviors and plans in a cross-cultural setting. Strydom (1998) made a stronger statement:

“...no value judgments are to be made under any circumstances whatsoever on the cultural aspect of communities.” The major obstacle of performance in multicultural

environments is multiculturalism itself. It has cultural differences which leads towards conflicts which sometimes becomes constructive and sometimes destructive. Constructive conflicts can be considered healthy while destructive conflicts needs to be diminished. As a result the organizations will be able to benefit from the multicultural environments (Ali Imran Liaqat et al., 2008).

Diverse cultures are now becoming essential for the organizations in order to bring innovation and to break the status quo. Diverse workplace attracts the new talents across the globe from different backgrounds. Diversity acts like a competitive advantage for the organizations. The multicultural workforce can be attracted by formulating policies in order to reduce any kind of discrimination. No organization is considered successful when it does not contain workforce diversity. Diverse workforce enhances innovation, creativity and productivity (Dr. Sunanda Jindal et al., 2013).

While groups become vital to organizations, they present their own inherent problems of synchronization, inspiration, and conflict management (Gladstein, 1984). According to similarity-attraction theory, people like better similarity in their communications. Diversity theorists prefer diversity in workgroups. They believe that differences always makes the difference. Different types of diversity have different effects (Karen A. Jehn et al., 2007).

The world today is called as global village where people across the globe interact more easily than before. Many organizations prefer diverse workforce belonging to different backgrounds. Intercultural relationships results in mutual understandings between different cultures which reduces the chances of interpersonal conflicts. Diversity is now become need of the time, the important is to understand the people coming from different cultures. This can be possible if multicultural education is provided in the organizations, and make people learn how to tackle with people approaching from dissimilar cultures (Veronika Videnov'a et al., 2013).

In an organizational context there occurs different types of conflict containing different reasons behind. There are four categories contributing towards generating conflict including expectations among employees, organizational change, multicultural work environment and management (Ole Amund Broby, 2013). These are also called dynamics of conflict. In most of the cases conflict is observed as a disagreement among people, goals, activity and interaction between parties (Rahim, 2011). Gutierrez, Alvarez, Nemon and Lewis (1996) mention that there will always exist the chance of conflict where people of different cultures interact with each other. Research shows that conflict in heterogeneous work settings is more than homogeneous work settings because of cultural prejudices, biases and stereotypes (Harrison, Price & Bell, 1998). Parochialism is a type of prejudice in which people belonging to one cultural group think and perceive the world according to their own point of view without recognizing and understanding other people's cultural differences, which results in interpersonal conflict (Adler & Gundersen, 2008).

Interpersonal cooperation is very important concept while discussing interpersonal conflict. Lack of interpersonal cooperation results in interpersonal conflict. Interpersonal collaboration process is not the same in intercultural organizations. Differences creates difficulties while working with other cultures. One to one meetings are essential to understand colleagues from various cultures (Helena Karjalainen, 2012).

Organizations preferring diversity should be open to diversity in terms of linguistics, values and informational dissimilarity etc. Demographic dissimilarity argues to improve group output, creativity and decision making as a result of collaboration between corresponding human resources (Ely & Thomas, 2001). An organizational climate will be considered open to diversity when individuals within the organization respects the opinions of those who are different, where group actions are not organized on the basis of demographic resemblances (Hobman et al., 2004). Openness to diversity will ultimately reduce the occurrence of interpersonal conflict among individuals belonging from multicultural environments (Jakob Luring, 2012).

Organizations are becoming increasingly diverse. This diversity influences the cooperation and conflict within the organization. Some studies states that some progressive consequences are connected with diversity. Many other researchers claim that diversity has negative association with group processes and outcomes (Van Knippenberg, 2007). The need is to determine situations under which diversity has positive outcomes, and situations under which diversity has negative outcomes (Eden B. King et al., 2009).

Diversity has many paybacks including improved decision making, greater creativity and innovation. By contrast increased cultural differences within a workforce charges in higher turnover and interpersonal conflict. In order to obtain the benefits of diversity by diminishing charges organization influential overlook change process toward creating multicultural organization. To accomplish this organizations should transformed from homogeneity to heterogeneity. Diverse organization is categorized by pluralism, full integration of minority culture members, and low levels of interpersonal conflict. Organizations which achieve these conditions are in a position to utilize the full potential of individuals coming from diverse backgrounds (Taylor Cox, Jr. 1991).

The most important reasons for the arrival of emigrants before the official end of their overseas consignments in frustration and uncertainty is the result of poor cross-cultural adaptation. When emigrant managers return before accomplishment of their foreign consignment, stress and low job satisfaction subsequent from cultural shock is often blamed (Newman et al., 1978). Nothing is more significant than interpersonal conflict due to cultural differences. Cross cultural adaptation is the biggest challenge which turns the expatriate's success in to failure. Training the key host nationals and expatriates managers help to reduce the chances of such failures (Avan Jassawalla, 2004).

Modern world is promoting more culturally diverse workforce ranging from international to multicultural organizations. Employees working in multicultural organizations should share common norms, values, and behaviors in order to effectively communicate with each other. Employees working in the same national culture share same national meaning

which supports their adaptation in local organizations (Hofstede, 2001). Culture is often conveyed by its values (Hofstede, 1980). The multicultural workforce must hold the multiple meanings of culture in order to reduce the chances of generating interpersonal conflict and which helps them adapt to multiple work contexts. This shared meaning system of global work values creates similarities among multicultural teams (Efrat Shokef & Miriam Erez, 2006).

Different people takes a different meaning of diversity. Optimistic views says that diversity leads to an improved work system including more opportunities for knowledge sharing, increase in performance level and creativity. Pessimistic views says that diversity generates issues including social division as a result of which a negative impact on employee's performance can be faced which ultimately results in creating interpersonal conflict. Newcomb's social attraction theory (Newcomb, 1961, 1968) is basically resultant from Heider's theory of cognitive balance (Heider, 1958). Forecasts of Newcomb's theory are straightforward: Resemblance on attributes such as attitudes, values, and beliefs will facilitate interpersonal attraction and liking. Liking and resemblance strengthen and create a stress toward balance. Diversity is worth that price which ultimately overcome the liabilities by assets in 21st century organizations (Elizabeth, 2005).

Organizations usually aim to standardize their multicultural workgroups rather than to attempt to use their inherent diversity (Brown, 1983). According to Brown (1983) many organizations promotes “cultural homogenization” where cultural dissimilarities are unnoticed and conformity is encouraged. Homogenization results in deficiency of all edges of resources that are potentially constructive. Constructive conflict has a strong impact on decision making in groups that are culturally diverse. Research has supported the benefits achieved as a result of constructive conflict on decision making in multicultural groups. Greater use of constructive conflict is associated with more valid and more important assumptions. More extensive a group's use of constructive conflict,

more committed will be the participants towards group and to the decision (Catherine Kirchmeyer, 1992).

Attaining a settlement between individuals from different cultures encounters obstacles in communicating, in understanding the organizational structure in which each partner lives and finally integrating beliefs, fears and values. Cultural differences are very important in multinational organizations. Mistrust and miscommunication generates interpersonal group conflict. Cultural diversity affects not only group life but also affects conflict process. The partnership between diversity and conflict resolution strategies must be encouraged in order to compete with global competitive environment (Steven H. Appelbaum, 1998).

Multiculturalism figures conflict and conflict in turn figures performance in work. Managers of the diverse work teams must pay more attention to group process in multiple race and multiple tenure settings. When people of similar age groups merge in a work team measures their own progress with that of their coworkers, which creates the element of jealousy and interpersonal conflict among themselves. Some type of diversity increases the conflict as well as some type of diversity reduces the conflict and considered essential order for increasing the performance level of employees. Therefore, managers must always remain ready to meet with the challenges of both the dissimilarity and homogeneity of their teams to reduce the interpersonal conflict (Lisa Hope Pelled et al., 1999).

Realistic group conflict theory states that rivalry between groups for respected but limited substantial and representative resources raises aggression. Another permanent lens is social identity theory which was planned to foil realistic group conflict theory by highlighting group identification. Demographically heterogeneous work groups react more negatively to their jobs (cf. Reskin, 1999). Racial differences generates conflict among groups. Organization scholars must needs to put more emphasis on the fact that their lives do not begins and ends within the organizational doors. They have association

with the families of employees, and employees' level of satisfaction and dissatisfaction is manifested through their attitudes and behaviors. These attitudes and behaviors might be positive in terms of good performance as well as might be negative in terms of conflict. Families, communities and cultures all shapes the attitudes and behaviors of employees (Arthur P. Brief et al., 2005).

Multiculturalism is a characteristic only of groups, not of individuals, so in that sense diversity is an interactive concept (Tilly, 1998). Power makes it possible to create social distinctions by which one is considered dominant upon others. It confers greater honor which provides more access to opportunities and resources. Power and status are often aligned but it is not necessary that people with more power, status and expertise have more access on opportunities and resources. Unequal distribution of power may generate conflict within the organization. This conflict becomes more worst when the teams of culturally diverse backgrounds merge within an organization and suffers discrimination. Class theories, based on Karl Marx theory, assume that class relations are unequal and that a vibrant authoritative produces conflict between classes because of conflicting class benefits (Wrigh, 1997). This inequality leads to interpersonal conflict among employees (Nancy DiTomaso et al., 2007).

Culture regulates the distinctiveness of a social group same like personality regulates the distinctiveness of an individual. The societies must have a mechanism to keep their cultural patterns stable enough across the generations. Almost all of the individual's mental programs are influenced by human behaviors, values and culture. In the backgrounds of organizational settings there can be seen some set human behaviors, value system and culture which an organization adopt to work properly. Culture influences the organizations in many different ways. First it influence by the method of power distribution. Second it influence the values of dominant coalitions or members of the organization because they defines the organizational goals and objectives, in decision making process, in developing organizational structure, in reward system of the organization etc. Third the values of the novelties that form the major part of an

organization's employees have an unintended but thoughtful impact on the working of organization. Fourth the culture influences organizations through the values of non-members of the organization (Geert Hofstede, 1981).

With the increasing demand of globalized business environment both the industrial organizational psychologists and researchers are putting great emphasis on taking organizational culture as an explanatory variable. Culture influences the HRM practices in an organization. In order to manage human resources in the organizational settings there must be an understanding of internal and external work culture. Four cultural dimensions are studied in this research in 10 different countries. The first dimension was power distance which determines the extent to which power inequality exists in society and institutions. The second dimension was paternalism which determines the relationship of supervisors with their subordinates. The role of a supervisor is to provide the guidance, protection and care to the subordinate, while the subordinates' gives their return in terms of loyalty and improved performance at work. The third dimension was loyalty towards community which determines an individual's loyalty and fulfill their obligations towards community and their work groups. The fourth dimension was fatalism which determines the belief that whatever happens must happened. It is conceptualized that it is not possible to control the one's actions and its outcomes (Zeynep Aycan, 2000).

Diversity is measured in various different aspects including age, race, gender, demography, ethnicity, language, education, experience and most commonly religion etc. Dissimilarities exists in each of these aspects. Organizations in which diversity is not handled or even acknowledged, are ones where minorities feel removed from the social network (Heames et al., 2006) are discriminated in some kind of jobs and compensation, leading to increased absenteeism and turnover and interpersonal conflict (Robinson et al., 1997). Organizations has now realized that managing diversity provides them competitive advantage. Less conflicts results in more competitive edge among other organizations. There exists the resistances towards diversity initiative as well. These resistances may

occur in the form of stereotypes and prejudices. Though organizations prefer diversity and tackle with such features. Having intercultural occasions at the workplace, sends out a message of obligation to diverse cultures (Devine et al., 2007). Once the leader become aware of the importance of diversity and need for the diversity management he will plan and formulate strategies for better use of diverse work teams. The success of strategies depends upon the present culture of the organization and the stereotypes and prejudices exists among employees as a result of their cultural backgrounds. If the organization succeeded in managing multicultural workplace then it will not only result in employee engagement but also reduces the chances of interpersonal conflict (Anita Ollapally, 2009).

Heterogeneity and diversity enhances group performance. Advanced level of conflict affiliated with dissimilar groups can allow them to better distinguish when adaptation is suitable (Murray, 1989). (Ross 1989) have defined the variable as having two directions, one consists of job differences, and the other denotes to emotional or interpersonal opinions. The direct effect of diversity is that it induces the positive effects on both the emotional and functional conflict (Lisa Hope Pelled, 1996).

Diversity and differences has now become a challenge for the organizations. Organization are struggling to embrace and manage diversity. Most of the diversity issues deals within group dissimilarities in demographic variables including gender (O'Reilly et al., 1997), race and ethnicity (Riordan, 1997), age (Pelled, 1996), tenure (Hambrick et al., 1996), education (Jackson et al., 1991), practical background (Jehn et al., 1999), and marital status (Harrison et al., 2002). Further, researchers have studied dissimilarities in many non-demographic variables, including values (Jehn et al., 1999), attitudes (Harrison et al., 1998), conscientiousness (Barrick et al., 1998), affect (Barsade et al., 2000), dress (Rafaeli, 1993), network ties (Beck man, 2002), individual performance (Doerr et al., 2002), and pay (Pfeffer, 1988). Organizations scholars needs to follow up and address such diversity issues in order to avoid interpersonal conflicts and compete with the organizations across the globe (David A. Harrison, 2007).

When employees become central to the organization they demonstrate their own problems of cooperation, inspiration and conflict management (Gladstein, 1984). If groups are provided with forums to successfully manage conflicts and share information when they come from diverse backgrounds they become beneficial for the organization (Lipnack, 1993). Recent studies have demonstrated that many informational, educational and knowledge based diversity exists in organizations. Differences in education and experience lead to various job relevant arguments in work groups (Jehn, 1997). Different types of diversity exist in organizations and each of them has different effects. If they are managed successfully they can help to enhance group performances and reduce interpersonal conflict among the interacting groups (Karen A. Jehn et al., 1999).

With the increasing trend of multicultural workforce the future workplace is becoming more culturally diverse. Keeping aside the matter of shrinking job opportunity for the local citizens, this phenomenon of the culturally diverse workplace causes to create organizational problems because of the workers' dissimilarities in cultural values, attitudes, and work style (see Leung & Chan, 1999). Culture based perceptions adversely affect that how workers choose to resolve conflicts. Employees involved in cross cultural disagreements should be aware of any kind of misrepresentation. This information is helpful for management to design and formulate effective training and organizational policies so that excessive lawsuits can be avoided (Darius K.-S. Chan & Sharon G. Goto, 2003).

Organizational culture forms diversity movements. Cox (1993) claimed that the results of multiculturalism depend on the degree of structure and comfortable amalgamation present in the organization. Elyand Thomas (2001) debated that diversity is more likely to lead to positive effects when the organizational culture highlights integration and learning. There is a need to carefully manage the diversity in order to increase the positive outcomes and decrease the negative outcomes including job switching, turnover intentions and interpersonal conflict (Susan E. Jackson et al., 2003).

There are six means with the help of which the occurrence of cultural diversity and its operational management can produce a competitive advantage. Organizations craving to maximize the benefits and minimize the problems of diversity, in terms of workgroup cohesiveness, interpersonal conflict, turnover, and clear action on major organizational goals, must create multicultural organizations. In comparison, the multicultural organization is one where members of non-traditional upbringings can contribute to their complete potential. The specific features of multicultural organizations are Pluralism, full structural integration of all cultural groups so that they are well represented at all levels of the organization, full integration of minority culture-group members in the informal networks of the organization, an absence of prejudice and discrimination, equal identification of minority- and majority-group members with the goals of the organization.

The opportunity for alignment of organizational and personal career goal attainment, a minimum of inter-group conflict which is built on race, gender, nationality, and other identity groups of organization members (Taylor H. Cox & Stacy Blake, 1991).

Research Hypotheses

H1: Multicultural workplace has a significant negative relationship with interpersonal conflict among employees.

H2: Power structure acts as a moderator between multicultural workplace and interpersonal conflict.

These research hypothesis are developed on the basis of research gap. Some researches considers that some positive results are connected with diversity while others entitle that diversity has negative association with group processes and results (Van Knippenberg & Schippers, 2007). But to some extent workplace diversity has an association with interpersonal conflict. Geert Hofstede (1981) studied power distance as an important indicator of workplace harmony. Equal distribution of power leads to produce more

productive workforce. While unequal distribution of power within organizational settings results in discomfort and dissatisfaction among workforce. Here the moderating effect of power is being studied in order to identify that power structure moderates between workplace diversity and interpersonal conflict to eliminate the chances of occurrence of the job stressor interpersonal conflict.

Theoretical Framework

This study contains one independent variable of cultural diversity, one moderating variable of power structure and one dependent variable of interpersonal conflict. In this study it will be analyzed that cultural diversity in organizations has an impact on generation or elimination of interpersonal conflicts among employees by taking power structure as a moderating variable. Equal power distribution among employees results in reduction of interpersonal conflicts, while on the other hand unequal distribution of power results in escalation in interpersonal conflicts among employees. This theoretical framework is been made manually after identification of research gap and reading many scholarly articles. Power structure has not been studied as a moderator between workplace diversity and interpersonal conflict before.

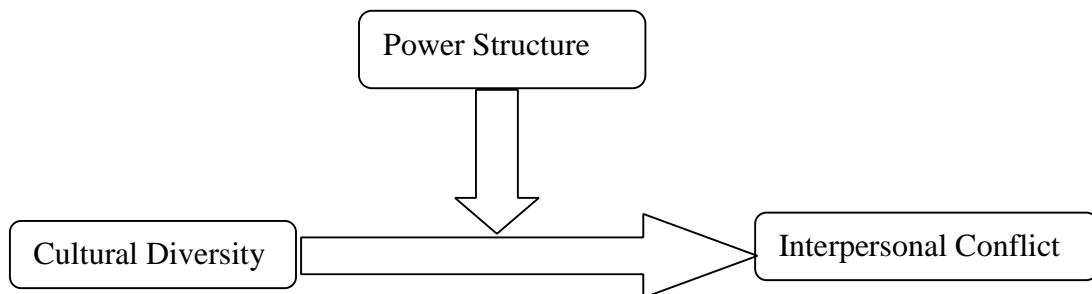


Figure 1: Theoretical Framework

CHAPTER 3

RESEARCH METHODOLOGY

There are various different methods to collect data for the research purposes. There are different data sources are available. Two leading sources are primary and secondary data sources. Secondary data can be collected from the existing literature, research papers, books, journals and internet etc. Primary data can be obtained through questionnaires, interviews, observations and focus group discussions. Researchers can use the blend of both sources for their research purposes. Questionnaires are the most widely used instruments for data collection and most of the academic research is conducted through questionnaires. This is because the collected data can easily be entered, analyzed and assessed through using various software, most commonly SPSS is used.

In this research the primary data source is adopted and questionnaires are used as a data collection instrument. The targeted population is different diversity based international NGO's operating in the Islamabad city. The questionnaire is distributed in four parts including demographics, cultural diversity, power structure and interpersonal conflict.

The current study has used Likert scale ranging from 1-5 where 5 represents strongly agree, 4 represents agree, 3 represents neutral, 5 represents disagree, and 1 represents strongly disagree. Another scale is also Likert type scale ranging from 1-5 where 5 represents very often, 4 represents quite often, 3 represents sometimes, 2 represents rarely, and 1 represents never. The demographic variables used in the study are:

- i. Gender
- ii. Marital Status
- iii. Education
- iv. Age
- v. Tenure
- vi. Ethnicity

Population

The population selected for data collection purpose is the cultural diversity based international non-government organizations (INGO's) of Islamabad. Their names cannot be mentioned here because of the confidentiality of the concerned INGO's.

Sample Size

The current study is based upon the sample size of 150. 200 questionnaires were distributed among different INGO's operating in Islamabad out of which 50 were discarded due to incorrect answers. NGO's has less number of workers as compared to well-organized business organizations. Office workers are less in quantity while most of the workers are deployed in fields. This is the reason the sample size for the study is kept small. Convenience sampling technique is used for data collection. Data analysis software of SPSS is used.

Type of Study

The current study is a co-relational study that determines the cause and effect relationship between all the three variables which are multicultural workplace environment, interpersonal conflict and power structure.

Design of Study

To analyze the possible relationships between workplace diversity, power structure and interpersonal conflict the linear regression technique is used. More precisely this study is used to comprehend the extent to which all these variables causes variations in each other. In this study, statistical techniques has been used to test the hypothesis. Particular predictor variables are workplace diversity, power structure and the indicator is interpersonal conflict.

Time Horizon

The data collected for the present study is for one time use only and it will not be collected again in future for this particular study, therefore it is cross-sectional data.

Development of Data Collection Instrument

The diversity and power structure scales are self-created. Another scale is named as interpersonal conflict at work scale (ICAWS). This scale is copyrighted and developed by Paul. E Spector in 1997. is also self-created Likert type scale ranging from 1-5 where 5 represents very often, 4 represents quite often, 3 represents sometimes, 2 represents rarely, and 1 represents never.

Reliability Analysis of Data Collection Instrument

To check the authenticity and reliability of the data collection instrument Cronbach's alpha is used. It is assumed that value of Cronbach's alpha should be greater than .7, this indicates that data collection instrument data collected by that instrument is considered as reliable. According to Shelby (2011) the range is often 0.65-0.70 instead of .7. So, reliability analysis ranges between .6-.7 is considered as the reliable one. In order to understand the reliability of data collection instrument to be used in the study the Cronbach's alpha test is applied to 28 responses from 28 employees of INGO's. This reliability analysis on 28 responses is also named as a pilot test on the basis of which further results are inferred.

This pilot test has produced the following results.

Table 1: Reliability Analysis of Pilot Data

Variables	No. of Items	Cronbach's Alpha
Workplace Diversity	10	.801
Power Structure	2	.749
Interpersonal Conflict	4	.698

This table identifies the study variables, number of questions associated with these variables in the study and the reliable value of each variable named Cronbach's alpha. The Cronbach's alpha for independent variable workplace diversity is .801 which is considered highly reliable because it is greater than .7. The moderating variable power structure shows the Cronbach's alpha value .749 which is also considered reliable. The dependent variable interpersonal conflict shows the Cronbach's alpha value .698 which is also considered reliable as Shelby (2011) states that Cronbach's alpha value ranging from .6-.7 can be considered reliable.

Chapter 4

DATA ANALYSIS

The collected data is analyzed and results are as follows:

Descriptive Statistics

Descriptive statistics provides a brief overview of the data and observations that has been collected. Descriptive statistics do not allow to make any conclusions about the data. It is simply a tactic to describe the data. The descriptive statistics of data for the current study are as follows:

Table 2: Descriptive Statistics of Data

Variables	N	Mean	Std. Deviation
Diversity	150	3.8600	.60888
Power Structure	150	3.4267	1.03039
Interpersonal Conflict	150	8.5467	3.11003

Descriptive statistics provides a practical view of large amount of respondents' data. The statistical techniques used to obtain this data view are mean and standard deviation. Standard deviation is said to be the most accurate and most precise technique used to provide the accurate estimates of range and circulation of the data. Mean on the other hand is statistical method which indicates that central tendency comes at some specific point. All variables with their particular mean and standard deviations are shown in the above table.

Mean and standard deviations of the study variables are shown in the above table. Out of total 150 responses the mean value of independent variable cultural diversity is 3.8600

and its standard deviation is .60888. The mean value of moderating variable power structure is 3.4267 while its standard deviation is 1.03039. The mean value of dependent variable interpersonal conflict is 8.5467 and it deviates up to 3.11003.

Frequency Tables

Following are the frequency tables of all the demographic variables studied in the research questionnaires.

Gender

Table 3: Frequency Table of Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	82	54.7	54.7	54.7
Female	68	45.3	45.3	100.0
Total	150	100.0	100.0	

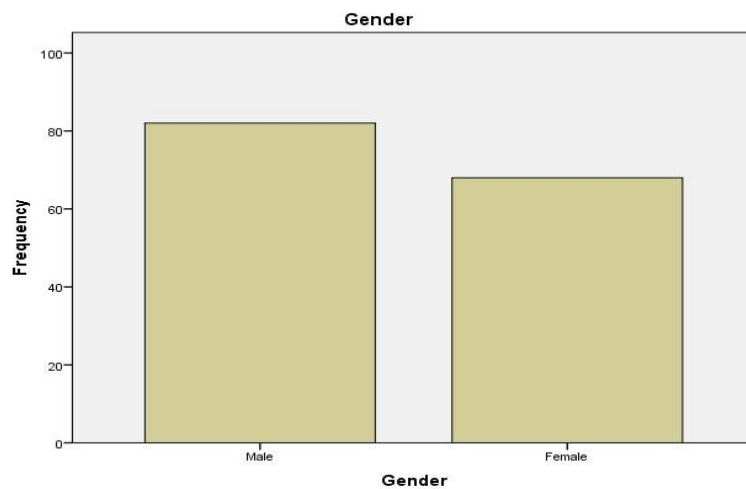


Figure 2: Bar chart of Gender

From total of 150 responses 82 were male respondents while 68 were female respondents.

The total percentage of male and female respondents was 54.7% and 45.3% respectively.

Marital Status

Table 4: Frequency Table of Marital Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	72	48.0	48.0	48.0
Married	78	52.0	52.0	100.0
Total	150	100.0	100.0	

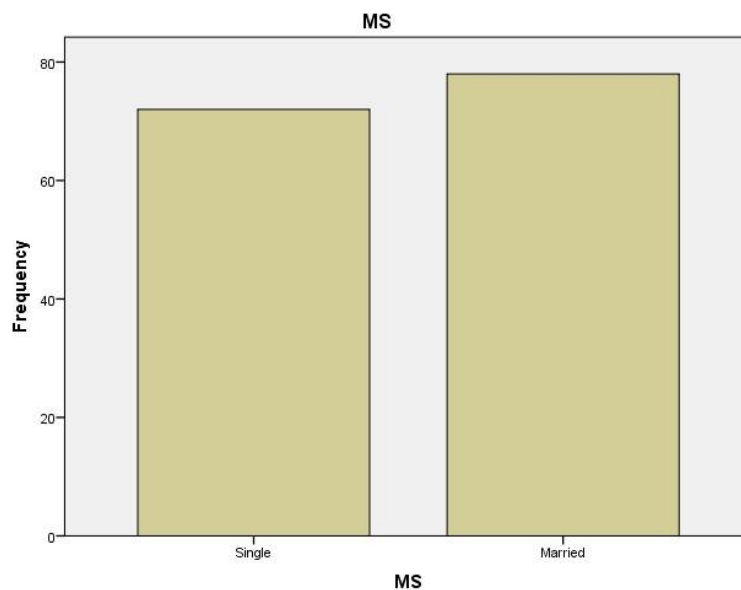


Figure 3: Bar Chart of Marital Status

From total of 150 responses 72 were single respondents while 78 were married respondents. The total percentage of male and female respondents was 48% and 52% respectively.

Education

Table 5: Frequency Table of Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Graduation	56	37.3	37.3	37.3
Masters or above	86	57.3	57.3	94.7
Doctorate	8	5.3	5.3	100.0
Total	150	100.0	100.0	

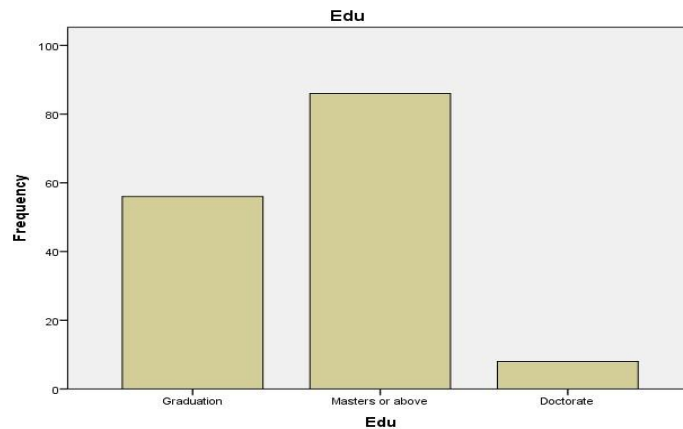


Figure 4: Bar Chart of Education

From total of 150 responses the education level of 56 respondents was graduation, while 86 were masters and above and 8 were doctorate. The total percentage of graduate respondents was 37.3% masters and above respondents were 57.3% and doctorate respondents were 5.3% respectively.

Age

Table 6: Frequency Table of Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-24	20	13.3	13.3	13.3
25-29	47	31.3	31.3	44.7
30-34	34	22.7	22.7	67.3
35-40	28	18.7	18.7	86.0
Above 40	21	14.0	14.0	100.0
Total	150	100.0	100.0	

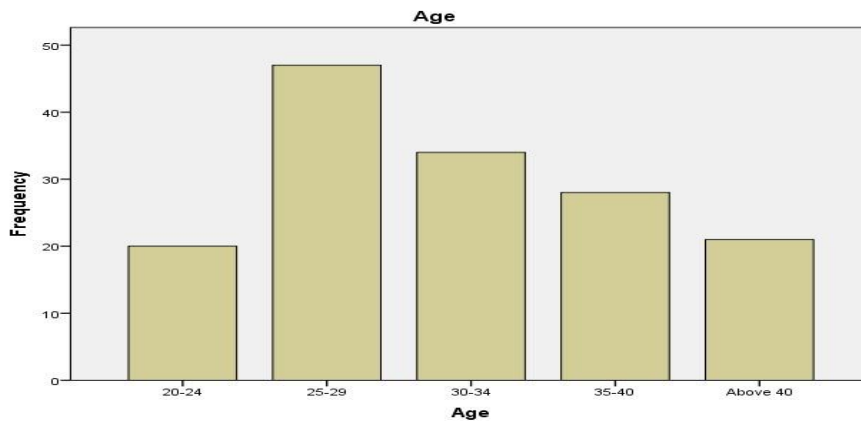


Figure 5: Bar chart of Age

From total of 150 responses the respondents belonging to age group of 20-24 were 20, 47 were from 25-29, 34 were from 30-34, 28 were from 35-40 and 21 were from age group of above 40. The total percentage of these age groups are 13.3%, 31.3%, 22.7%, 18.7% and 14.0, respectively.

Tenure

Table 7: Frequency Table of Tenure

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than a year	17	11.3	11.3	11.3
1-5 years	69	46.0	46.0	57.3
5-10 years	41	27.3	27.3	84.7
10-15 years	12	8.0	8.0	92.7
15-20 years	11	7.3	7.3	100.0
Total	150	100.0	100.0	

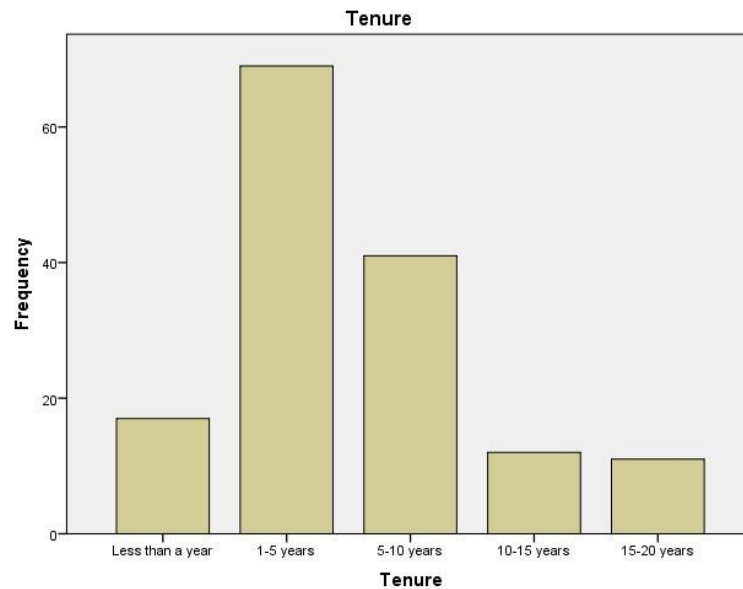


Figure 6: Bar Chart of Tenure

From total of 150 responses the 17 respondents' tenure was of less than a year, respondents ranging from tenure period of 1-5 years were 69, 5-10 years were 41, 10-15 years were 12, and 15-20 years were 11. The total percentage of these tenures are 11.3%, 46%, 27.3%, 8% and 7.3% respectively.

Ethnicity

Table 8: Frequency Table of Ethnicity

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Pakistani	115	76.7	76.7	76.7
Other	34	22.7	22.7	99.3
12.00	1	.7	.7	100.0
Total	150	100.0	100.0	

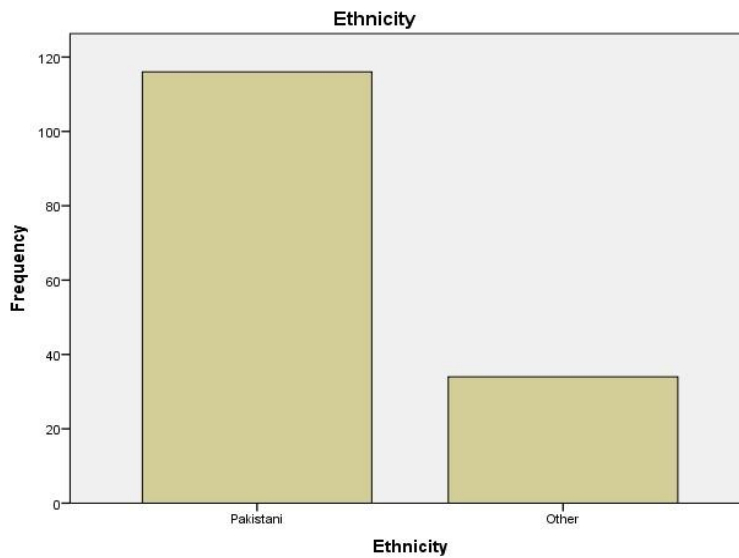


Figure 7: Bar Chart of Ethnicity

From total of 150 responses 115 were Pakistani respondents while 34 were belonging from other countries of the world. The total percentage of Pakistani respondents was 76.7% and other respondents were 22.7% and 52% respectively.

Correlation Analysis

Correlation is measure of direct association between two variables. Values of -1 and +1 determines positive and negative relationship among variables. Coefficient of 0 indicates that there is no direct relationship between two variables. The purpose of a correlation analysis is to see that change in independent variable causes change in dependent variable.

The method used to find correlation between dependent, independent and moderating variables is the Pearson correlation method. Here the cultural diversity is independent variable, power structure is the moderating variable and interpersonal conflict is the dependent variable.

Correlation analysis of current study indicates the correlational value of “.569**” that workplace diversity is positively correlated with power structure not wholly but partially. The correlation between interpersonal conflict and workplace diversity is “-.470**” which demonstrates that both interpersonal conflict and workplace diversity are strongly negatively correlated.

The correlation between interpersonal conflict and power structure is “-.479**” which demonstrates a strong negative correlation between them. Interpersonal conflict has no linear relationship with diversity and power structure. Significance value is less than .05 which shows that all the three variables are statistically significant and correlated on both sides i.e. positive and negative.

Table 9: Correlation Analysis

		Correlations		
		Diversity	Power Structure	Interpersonal Conflict
Diversity	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	150		
Power Structure	Pearson Correlation	.569**	1	
	Sig. (2-tailed)	.000		
	N	150	150	
Interpersonal Conflict	Pearson Correlation	-.470**	-.479**	1
	Sig. (2-tailed)	.000	.000	
	N	150	150	150

** . Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis

Regression analysis is made to determine relationship between multicultural workplace and interpersonal conflict. Both regression and correlation analysis should not be taken as forming cause and effect relationship. Both indicates that how and to what extent variables are linked. Here cultural diversity is one independent variable, power structure is the moderating variable and interpersonal conflict is the dependent variable. Linear regression is run in the current study due to the presence of a moderating variable in the model.

Table 10: Regression Analysis

Model		Coefficients			T	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	4.384	.348		12.595	.000
	Workplace Diversity	-.373	.108	-.292	-3.448	.001
	Power Structure	-.236	.064	-.312	-3.690	.000
2	(Constant)	5.480	.926		5.917	.000
	Workplace Diversity	-.666	.253	-.521	-2.626	.010
	Power Structure	-.618	.306	-.819	-2.019	.045
	MOWPDPW R	.099	.078	.670	1.277	.204

a. Dependent Variable: Interpersonal Conflict

To determine the impact of cultural workplace diversity on interpersonal conflict among employees of international non-government organizations (INGO's) in Islamabad the statistical technique of linear regression has been used in the current study. "T" value in regression table directs the effect of independent variable on dependent variable. "T" value should be greater than 2 this is an indicator that independent variable influences the dependent variable. In the coefficient table the "t" value is 12.595 which is greater than 4. It shows the model fitness. The significant values of all variables are less than 0.05 except moderating variable. The significance value of the composite variable is 0.204 which is greater than 0.05. This specifies the negative effect of diversity on interpersonal conflict. The linear regression analysis partially accepts the assumed hypothesis that power structure acts as a moderator between multicultural workplace and interpersonal conflict.

Analysis of variance (ANOVA) checks the variations between two groups. It can be illustrated by group of students whose performance is assessed before preparation for exams and after preparation for exams. These variations can easily be assessed by using ANOVA. This technique is applicable on both parametric and non-parametric tests.

Table 11: ANOVA

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.821	2	12.911	29.537	.000 ^b
	Residual	64.252	147	.437		
	Total	90.073	149			
2	Regression	26.530	3	8.843	20.319	.000 ^c
	Residual	63.543	146	.435		
	Total	90.073	149			

a. Dependent Variable: IPConflict

b. Predictors: (Constant), POWER, WPDiversity

c. Predictors: (Constant), POWER, WPDiversity, MOWPDPWR

ANOVA explains goodness of model fit F. The “F” value shows the direct relationship between workplace diversity and interpersonal conflict is 25.821 shows the model fitness. Similarly in the presence of moderating variable the value is 26.530 which also shows model fitness. The significance value in both cases is 0.000 which shows overall model fitness.

Model summary table is consulted for the values of R and R square. R square indicates the influence of independent variables on dependent variable. R Acceptance and rejection of hypothesis is identified on the basis of “t” value, “p” value and” F” test value.

Table 12: Model Summary

Model Summary				
Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.535 ^a	.287	.277	.66113
2	.543 ^b	.295	.280	.65972

a. Predictors: (Constant), POWER, WP Diversity

b. Predictors: (Constant), POWER, WP Diversity
MOWPDPWR

R value in the model summary table .535 which indicates that change in interpersonal conflict due to workplace diversity is 53.5%. While in the presence of moderator this value is 54.3% which shows that moderator plays negative role rather to reduce the interpersonal conflict among employees. So, R value shows that remaining 46% change is due to other variables i.e. employee behaviors, organization structure, organization culture etc.

CHAPTER 5

FINDINGS

At the start of this study few research questions are asked. The study aims to get answers of those questions.

i. Is there any significant relationship between multicultural workplace environment and interpersonal conflict?

The results and findings of the study shows that multicultural workplace or workplace diversity has a significant positive relationship with interpersonal conflict. The relationship of diversity with interpersonal conflict is positive. But negative relationship can be obtained with other variables and when scope of study is expanded.

ii. Does power structure moderates the relationship between multicultural workplace and interpersonal conflict?

The results conclude that power structure moderates the relationship between multicultural workplace and interpersonal conflict not wholly but partially. It means if the population size is increased then power structure will provide strong relationship between diversity and interpersonal conflict.

There are two study hypothesis proposed on the basis of which analysis is made and results are inferred. The details of acceptance and rejection of those hypotheses are described below.

H1: Multicultural workplace has a significant negative relationship with interpersonal conflict among employees.

The results of the study shows that cultural workplace diversity has a significant positive relationship with interpersonal conflict. It means that cultural workplace diversity does

not cause interpersonal conflict among organization members. If it is studied with other variables it may cause negative relationship.

Therefore, H1 is rejected.

H2: Power structure acts as a moderator between multicultural workplace and interpersonal conflict.

Study results demonstrates that it cannot be said that power structure does not wholly act as a moderator between multicultural workplace and interpersonal conflict. It can moderates if the sample size is increased greater than 150. In the current study power structure moderates the relationship between diversity and interpersonal conflict not wholly or partially due to minor variation in the R-Square.

Therefore, H2 is partially accepted.

Discussion

Many previous studies shows the significant relationship of multicultural workplace environment and interpersonal conflict. They believe that diversity more or less causes conflicts at certain level within organizational settings. They agrees that conflicts if carefully managed they can provide a better image of organization. Conflicts can be reduced but cannot be eliminated or eradicated as an element of human nature. The researchers i.e. Hofstede (1984) considers power distance in organizations as an important indicator of organizational harmony. But after searching many previous works on the study variables I did not found any research which determine the power structure as a moderating variable. In my research I have taken power structure as a moderating variable between cultural workplace diversity and interpersonal conflict. This moderating factor has a partial relationship with study variables. It can be stated that power structure is a moderating variable by and large.

The findings indicates negative relationship between dependent and independent variable. Hence, further research can be made to obtain the positive relationship of these two variables. In the current study the Karl Marx social conflict theory proposed in 1880's is used to determine the equal and unequal distribution of power in multicultural organizations. This theory can be implemented in organizational settings to identify whether multicultural workplace has equal or unequal distribution of power. The results conclude that this theory can be used in organizational settings.

Business Managerial Implications

The time when I started this research process I was very much confident that I will easily collect the data and required information easily. But later I realized that collecting data from multicultural organizations is not as easy job as I was thinking. I was lacking the knowledge and exposure of the concerned area. I tried my best to get as many responses as possible within limited time and resources. I concluded that 150 responses are not the true representatives of the entire population. The future managers and researchers should take some findings of the study in to practice. Some of them are as follows:

Improvements are still required to make the multicultural workplace environments more effective in the country of Pakistan. The major obstacle in multicultural or diverse workplace is multiculturalism itself. People differ from their backgrounds including their culture, language, ethnicity, age, gender and experiences etc. These differences causes interpersonal conflicts to occur within organizational settings. These conflicts are sometimes productive and sometimes of destructive in nature.

The future researchers can broaden the idea across the country.

The future researchers can identify the relationship of diversity with other variables i.e. organization structure, job performance, turnover intentions etc.

This is managers' job to make the best use of productive conflicts to enhance organization's overall performance and reduce the destructive conflicts.

This research provide a guideline for managers to manage multicultural workplace and get productive outcomes from them.

Managers needs to encourage diversity rather than discourage it to compete globally.

Recommendations

After concluding this study I am able to provide some recommendations to future researchers if they further explore the idea. These recommendations are as follows.

1. The data is collected from INGO's operating within the city of Islamabad only and they are only few of them. The future researchers should expand the scope of study to all the INGO's of Islamabad.
2. To take the holistic picture of multicultural or diverse workplace environment the study should be conducted in all the diversity based organizations of the city, country, province and the region except the specification of INGO's only.
3. The sample size of total population should be greater than 150 to understand the actual concept of cultural workplace diversity.
4. The future researchers should also study the relationship of cultural workplace to other variables i.e. job satisfaction, performance, turnover intentions etc.

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Respected Sir/Madam

I (the student of Pakistan Institute of Development Economics, Islamabad) am conducting the research on the topic:

“The impact of Multicultural workplace environment on interpersonal conflict among employees in international NGO’s, Islamabad Pakistan”

I request you to fill the questionnaire according to the instructions provided. I assure you that the information collected through these questionnaires will only be used for research purpose and will not be provided to any agency or any person for any other purpose.

I shall be thankful for your cooperation and time spread for this activity.

(a) Gender:

(a) Male

(b) Female

(b) Marital status:

(a) Single

(b) Married

(c) Education:

(a) Graduation

(b) Masters or above

(d) Doctorate

(d) Age:

(a) 20-24

(b) 25-29

(c) 30-34

(d) 35-40

(e) Above 40

(e) Tenure:

(a)Less than a year**(b)** 1-5 year **(c)** 5-10 years **(d)** 10-15 years **(e)** 15-20

(f) Ethnicity:

(a) Pakistani

(b) Other

1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
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Sr.		(1)	(2)	(3)	(4)	(5)
1	My workplace employs people from different cultures					
2	People in my workplace speak different native languages					
3	Many people in my workplace come from different parts of the world					
4	Many people in my workplace come from different part of the country					
5	Everyone is involved in decision making in my organization					
6	My organization holds regular meetings to ensure that everyone is heard					
7	Colleagues get along well in my organization					
8	Differences are welcome in my workplace					
9	My colleagues and I indulge in productive debates					
10	My colleagues and I tend to disagree on many subjects					
11	My boss has a great deal of influence over me.					
12	All bosses in my organization have strong influence on their subordinates.					

1 Never	2 Rarely	3 Sometimes	4 Quite Often	5 Very Often
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Sr.		(1)	(2)	(3)	(4)	(5)
13	How often do you get into arguments with others at work?					
14	How often do other people yell at you at work?					
15	How often are people rude to you at work?					
16	How often do other people do nasty things to you at work?					

Cronbach's Alpha of Diversity Scale

Reliability Statistics

Cronbach's Alpha	N of Items
.801	10

Cronbach's Alpha of Power Structure

Reliability Statistics

Cronbach's Alpha	N of Items
.749	2

Cronbach's Alpha of Interpersonal Conflict Scale (ICAWS)

Reliability Statistics

Cronbach's Alpha	N of Items
.698	4