Analysis of Cultural Diversity Factors Influencing Employees Satisfaction

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Abstract

This study is carried out to analyze cultural diversity factors influencing employee satisfaction in a joint venture electric power company operating in Indonesia. Quantitative research method is used to process this research, and collects and analyzes data base on questionnaire. The respondents of questionnaire are distributed in the company. The number of respondents are 100 persons which are employees of the company gathered by convenience method of non-probability sampling techniques for sampling design. Based on the output of SPSS 16.0 multiple regressions analysis, this research found religion, language and age have significant influence on employee satisfaction, while gender has no significant influence on employee satisfaction in the company. The result of this study is expected to help company have a better understanding on cultural diversity in an organization and cope with it.

Keywords: Culture, diversity, Religion, language, gender, age, employee satisfaction.

Introduction

With the development of the policy of China and Indonesia, there exists an international and grow-fast electric power company. The company is a joint venture with two state-owned enterprises which are from China and Indonesia, because of the cohesion

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of different nationalities, culture diversity is an impetus and an intervention to affect employee satisfaction.

At the end of year 2017, the company made a survey about employee satisfaction based on several aspects, especially for cultural diversity, it is around 44%, and for other factors is around 56%.

Figure 1. Factors influencing employees satisfaction
Source: *Administration & HR Dept.*

Based on the survey from Administration & HR Dept. every half a year. The company surveys about employee satisfaction twice in a year, and this is the data:
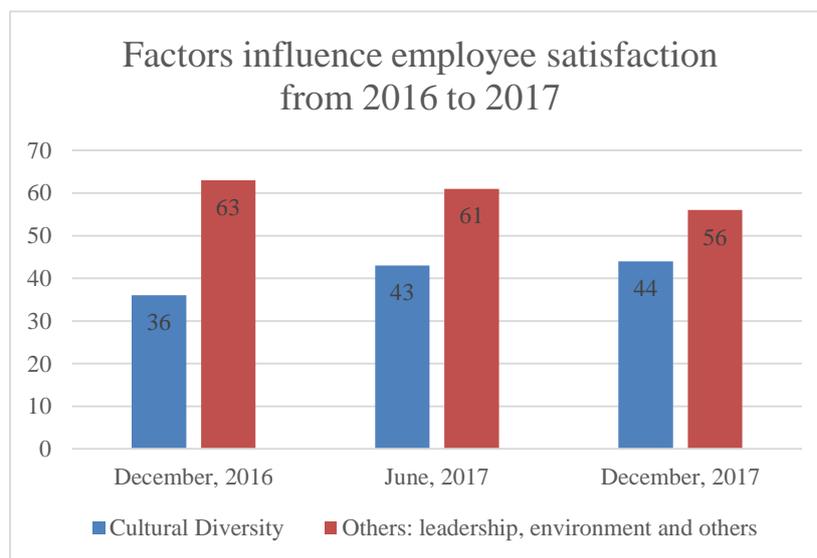

Figure 2. Factors influencing employees satisfaction from the year of 2016 to 2017
Source: *Administration & HR Dept.*

With the development of the international business and global business, HRM becomes international and global. To deal with international human resource management is quite important. Many organizations experience cross cultural

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management, based on the different culture, there may exist different management approaches, to adapt cultural diversity, adapt cultural environment, improve employee satisfaction and so on (Wang, 2015). In addition, Pirraglia (2017), employee satisfaction can often be influenced by cultural diversity or ethnic diversity, every company has a corporate culture, and when the corporate culture meets cultural diversity, it will have positive and negative influence on employee satisfaction.

In addition, Munsey (2012) stated that the cultural diversity can be influenced by several factors, such as ethnicity, physical ability, race, gender and sexual preferences, age, economics, communication, religion and so on. This research identified four independent variables religion, language, gender and age based on the situation of the company. For the other cultural factors which were not analyzed in this research were considered as limitation of the research.

So the research is conducted with a title of "Analysis of cultural diversity factors influencing employee satisfaction in a joint venture electric power company."

Research Questions

According to the topic of this research, there are some kinds of factors that will influence on employee satisfaction based on cultural diversity. Below is the main form of the questions in the research:

1. Does religion influence employee satisfaction in the joint venture electric power company?

2. Does language influence employee satisfaction in the joint venture electric power company?

3. Does gender influence employee satisfaction in the joint venture electric power company?

4. Does age influence employee satisfaction in the joint venture electric power company?

5. Does religion, language, gender and age simultaneously influence employee satisfaction in the joint venture electric power company?

Objectives

The objectives of the research are:

1. To find out religion influence on employee satisfaction in the joint venture electric power company?

2. To find out language influence on employee satisfaction in the joint venture electric power company?

3. To find out gender influence on employee satisfaction in joint venture electric power company?

4. To find out age influence on employee satisfaction in the joint venture electric power company?

5. To find out religion, language, gender and age simultaneously influence on employee satisfaction in the joint venture electric power company?

Limitation

The research focused on researching the cultural diversity though there were other factors which influence employee satisfaction such as leadership, salary and others. In this research, cultural diversity factors were limited in the main considerate factors influencing the employee satisfaction, only four variables (religion, language, gender, age) were used in the research. The research limited the range of the study in the internal company, with the total respondents of 100 employees.

Literature review

Employee Satisfaction

It is the terminology used to describe whether employees are happy and fulfilled their desires and needs at work as Heathfield (2018) argued that employee satisfaction is to describe whether employees are happy or satisfied with their expectations and requirements in their work. According to Jayaram (2016), there are several indicators which can describe the employee satisfaction itself, namely, training, respect, problem solving, work environment and leadership. This research refers to these aspects for measuring the employee satisfaction.

Religion

Religious diversity is an important component of cultural diversity. It means some beliefs and practices which are generally agreed by a number of persons and sectors, and especially, the beliefs and practices are quite fundamental in human life. In our present society, there is at least one diversity of civilizations left here, which can enrich the politeness and shallow consensus of life (Gross, 2012). According to Feigenbaum (2013), religion at workplace can cover several indicators as organizational commitment, religion discrimination, religious accommodation, working hard and training.

Language

As in the company, there are different languages for daily communication, there are Chinese, English, and Indonesian. Culture is a reflection of the history of a group of people. The method helps human to communicate, either in all kinds of methods such as spoken and written, consisting of the use of words in a structured and conventional way. They are spread through language (various kinds). Naturally, when learning a foreign language, its customs and culture are generally absorbed (Guido, 2016). There are some

indicators of language which are communication challenges, enthusiasm, open mindedness, conflicts and community (Allison, 2015).

Gender

In a company, it is composed by many differences. In the past, the number of women who participated at workplace were limited, but as the development of the society, it obviously proved that women has become more and more important. In some situation, women role at workplace is quite important. Since men and women have different ideas, so they can give different ideas when something happens together. According to Erickson (2016), gender can influence at workplace based on several items such as team intelligence, decision making, talent, leadership style and interesting working environment.

Age

Age can be defined as the length of time that a person has lived or a thing has existed, even this can determine different century, different minds and so on (Braga, 2016). Age diversity could be very nice and crucial for a company, since it is about experience and skills. Furthermore, there are some indicators of age that indicates the influence such as: diverse skills, technology, tradition, mentoring, continuity (McQuerrey, 2013).
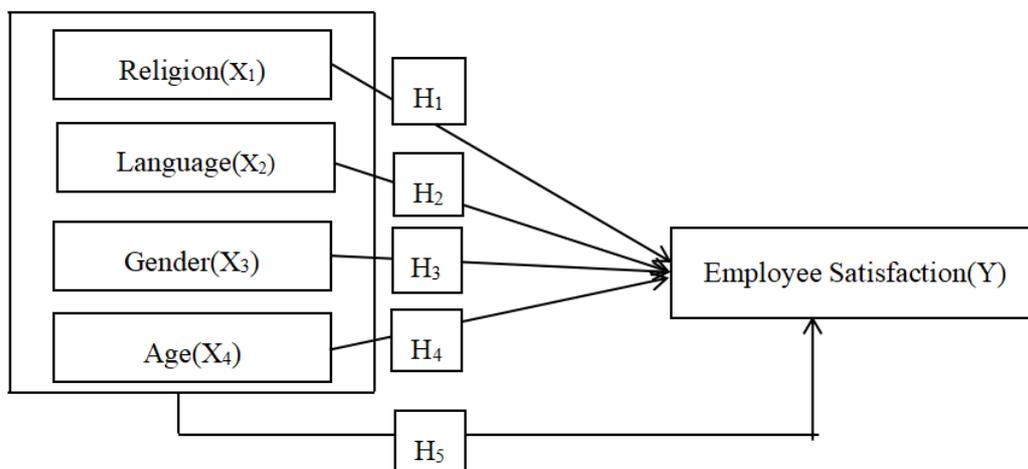

Figure 3. Theoretical Framework

Hypothesis

Based on the theoretical framework above, this research will examine several hypotheses, namely:

H_1: There is a significant influence of religion on employee satisfaction in the company.

H_2: There is a significant influence of language on employee satisfaction in the company.

H₃: There is a significant influence of gender on employee satisfaction in the company.

H₄: There is a significance influence of age on employee satisfaction in the company.

H₅: There is a significance influence of religion, language, gender and age on employee satisfaction in the company simultaneously.

Methodology

For this quantitative research, it uses questionnaire to collect primary data. Questionnaires are designed based on Likert Measurement with 1 means "Strongly Disagree", 2 means "Disagree", 3 means "Neutrality", 4 means "Agree", and 5 means "Strongly Agree". Statistical Package for Social Science (SPSS) is used for data analysis about reliability, validity, mean, classic assumption and multiple linear regression analysis. According to information form the company, the total number of the employees are 100 persons. The research is non-probability sampling technique. So, to identify the size of sample, all respondents are chosen as sample size, so the size is 100.

Questionnaire

The questionnaire of the research consists of two following parts:

The first part is demographic questionnaires which consist of age, gender and nationality category. These is some basic information that is all about respondents. On the second part, there are 20 (twenty) questions under 4 (four) independent variables (religion, language, gender, age) and 5 (five) questions under a dependent variable (employee satisfaction). About the independent variable indicators, for religion, they were adopted from Feigenbaum (2013); for language, it was adopted from Allison (2015); for gender, it was based on Erickson (2016); for age, it was based on McQuerrey (2013); and for dependent variable was based on Jayaram (2016).

Results

Data Respondents

The respondent profiles of gender in this research, 70% respondents are male respondents and 30% respondent are female respondents. So the major employees are male.

The nationality of the respondents in this research, 58% respondents are Chinese, 42% respondents are Indonesian. So the major employees are Chinese.

The age of the respondents in this research, 14% respondents are 30 or below, 41% respondents are 31 - 40, 36% respondents are 41 - 50, 9% respondents are 51 or above. So most of the employees are between 31 and 40.

Hypothesis Testing

● T-Test

The T-test of partial regression coefficients is designed to determine how much a variable affects independently (religion, language, gender, age). By using t table, df=98 and α = 5% significance level so get 1.660 from t table.

Table 1. Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.439	.526		.834	.406		
	A	.235	.106	.221	2.214	.029	.767	1.303
	B	.215	.077	.257	2.804	.006	.914	1.094
	C	.030	.113	.025	.266	.791	.871	1.148
	D	.324	.106	.299	3.059	.003	.800	1.249

a. Dependent Variable: E

So the followings are the results of the t-test:

Religion: The value of t (X1) variable 2.214 > t table for 1.660. This means that the variable already met the requirement of significant influence variable. So Ha1 is accepted, and Ho1 is rejected.

Language: The value of t (X2) variable 2.804 > t table for 1.660. This means that the variable already met the requirement of significant influence variable. So Ha2 is accepted, and Ho2 is rejected.

Gender: The value of t (X3) variable 0.266 < t table for 1.660. This means that the variable not yet met the requirement of significant influence variable. So Ho3 is accepted, and Ha3 is rejected.

Age: The value of t (X4) variable 3.059 > t table for 1.660. This means that the variable already met the requirement of significant influence variable. So Ha4 is accepted, and Ho4 is rejected.

● F-Test

F test is tested to see if the four independent variables (religion, language, gender, age) have significance influence on dependent variable (employee satisfaction) simultaneously.

Table 2. F-test

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.326	4	5.581	8.944	.000[a]
	Residual	59.284	95	.624		
	Total	81.610	99			

a. Predictors: (Constant), D, B, C, A

b. Dependent Variable: E

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The result of this F-test shows the F value = 8.944 with a significance level of 0.000. The F table value is found on the F table with df1 = 4 and df2 = 95, thus the F table value is 2.46. At the same time, F value > F table (8.944 > 2.46) and significance level of 0.000 means that there is a simultaneous of religion, language, gender, age have significant relationship with employee satisfaction. Therefore, accept Ha5 and reject Ho5.

Coefficient Determination (R²)

Table 4 Coefficient Determination (R^2)

Model Summary[b]

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.523[a]	.274	.243	.78996	1.435

a. Predictors: (Constant), D, B, C, A

b. Dependent Variable: E

The figure above shows R value is 0.523a which means a positive correlation between independent variables and dependent variable. As the variables are four which are more than two, according to Frost (2013), R squared also has its limitations: R squared increases with the increase of independent variables, and R squared is related to sample size, so R squared is fixed and Adjusted R Square is used instead of R Square to analysis. Adjusted R Square is 0.243, this means three independent variables (religion, language and age) influences on dependent variable (employee satisfaction) is about 24.3%. The rest 75.7% is influenced by other factors that are not included in this research.

Discussion

Religion (X1) Towards Employee Satisfaction

According to the result of T test, religion is a significant influence on employee satisfaction. From the significance table, the Sig. value of religion is 0.029 which is less than 0.05, Ha1 is accepted, and Ho1 is rejected, so it indicates there is a significant influence of religion on employee satisfaction.

In addition, it is supported by Subramanian (2017) in his study, that religion can influence on how we conduct work and employee satisfaction and religious diversity influence on sexual culture. Then, Gross (2012) said, religious diversity can enrich the politeness and shallow consensus of life. In the company, Chinese employees only work together, but live in different places, so for them, religion is acceptable. So in this research, religion has a positive influence on employee satisfaction.

Language (X2) Towards Employee Satisfaction

According to the result of T test, language has a significant influence on employee satisfaction. From the significance table, the Sig. value of language is 0.006 which is less

than 0.05, it means Ha2 is accepted, and Ho2 is rejected, so it indicates there is a significant influence of language on employee satisfaction.

In addition, as the previous research conducted by Heggertveit-Aoudia (2012), it is mentioned that language is a part of culture diversity which influence communication in the workplace, language is also a challenge for multinational company.

Gender (X3) Towards Employee Satisfaction

According to the result of T test, gender is not a significant influence on employee satisfaction. From the significance table, the Sig. value of gender is 0.791 which is more than 0.05, Ho3 is accepted, and Ha3 is rejected, so it indicates there is not a significant influence of gender on employee satisfaction.

However, as the previous research conducted by Heggertveit-Aoudia (2012), which is mentioned that gender is a way to interact with others and influence on how to conduct work, behaviors of employees, satisfaction. In the company, most employees are male, so employees accept different views, females are respected specially and easy to combine different ideas based on gender diversity.

Age (X4) Towards Employee Satisfaction

According to the result of T test, language has a significant influence on employee satisfaction. From the significance table, the Sig. value of age is 0.003 which is less than 0.05, Ha4 is accepted, and Ho4 is rejected, so it indicates there is a significant influence of age on employee satisfaction.

In addition, age diversity can influence on cultural sensitivity, broader more innovation in a company (Subramanian, 2017). At the same time, it is supported by Heggertveit-Aoudia (2012) that age can influence employee behaviors and satisfaction in workplace. So in this research, age has a positive influence on employee satisfaction.

Religion, Language, Gender, Age Simultaneously Towards Employee Satisfaction

According to the result of the Table 4 above, the coefficient of determination of Adjusted R Square value is 0.243. It means the dependent variable is influenced by these two independent variables (religion, age) that is about 24.3%. Moreover, the table coefficient shows the significance value is 0.000 which is less than the significance level 0.05, so Ha is accepted. Therefore, these indicate that there is a significance influence of four independent variables (religion, language, gender, age) on dependent variable (employee satisfaction in the company).

In addition, this research was supported by Pirraglia (2017) that through quantitative research method, and the results showed that culture diversity has significance influence towards employee satisfaction. So, all the factors, religion, language, gender, age have significant influence on employee satisfaction.

Conclusion

Based on the analysis and explanation of the previous chapters, the research concludes the cultural diversity factors influence employee satisfaction in the joint venture electric power company as follows:

1. Religion has a significant influence on employee satisfaction in the company. If the religion diversity is higher, the more differences of religion will appear within the company, employee satisfaction will be higher.

2. Language has a significant influence on employee satisfaction in the company. If the language diversity is higher, the more differences of religion will appear within the company, employee satisfaction will be higher.

3. Gender has not a significant influence on employee satisfaction in the company. It violates previous research that found most male employees were significant, so employees accept different views, females are respected specially and easy to combine different ideas based on gender diversity.

4. Age has a significant influence on employee satisfaction in the company. If the age diversity is higher, the more differences of religion appears within the company, employee satisfaction will be higher.

5. Religion, language, gender and age simultaneously have influence on employee satisfaction in the company.

According to coefficient of determination, the dependent variable is influenced by these two independent variables that is about 24.3%. And especially religion, language, and age have positive influence on employee satisfaction.

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