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THE PSYCHOLOGICAL ASPECTS OF CROSS-CULTURAL DIFFERENCES IN ORGANIZATIONAL CULTURE

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Abstract

Today, Kazakhstan represents a multicultural republic of 130 ethnic groups. Through this diverse political, economic, and ethnic diversity within the region, foreign companies proactively invest money into joint ventures; producing up to 40% of the area's gross product. The purpose of the research is to review the cross-cultural characteristics of employees within the Kazakhstan-Arabic Bank. This was done through an interview of 30 employees of the Bank belonging to various ethnic groups; Kazakhs, Russians, Korean, Uigur, Arabic cultures. To perform this research, specific methodological tools were developed, including Schwartz's questionnaire on assessment of organizational values developed by Hofstede (1980,1984). Theoretical and methodological basis of our study was the concept of human resource management as articulated by the Russian psychologist Bazarov (2014). Also, the works of Russian scientists like Myasoedov (2003), Kabatchenko (2012), Rozanov (2009), Shkatulla (2008) etc. was reviewed. We also analyzed the works of Kazakhstan scientists like Dzhakupov, Aimaganbetova (2014). These authors define human resource management as one of the most important spheres in the life of an organization as it can enhance its effectiveness. Management of human resources is viewed in the wide context of economy, statistics, psychology and philosophy. This study focuses on the importance of the concept of a national character of organizational culture introduced by Lammers and Hickson (2009) as well as the basic parameters of production values in a multinational corporation (Mazemotto, 2011).

1. Introduction

Globalization has had a large impact on the growth of international economic relations. Through increasing the number of companies working within the multinational environment new ways of communication, models of organizing work processes, and requirements have been developed. International business interactions not only have interactions of cultures, but impose many subcultures from which it is nearly impossible to distinguish — age, gender, professional, religious, national, individual, etc.

Globalization demands from society an understanding of differences among people in cross-cultural aspects. When specific differences between cultures are not acknowledged, negative effects can result that can completely demotivate or even destroy an organisation. Thus, modern management and overall personnel control technologies should include cross-cultures characteristics.

As a rule of thumb, the culture's differentiation affects comparison, establishment of contact, and communication between representatives of different cultures. The firm's management should recognize the cross-cultural environmental impact and accordingly create an organizational structure. This structure can be used to control and coordinate the cross-cultural relationship within the firm. Such a structure can supervise the firm's internal difference of cultures, develop policies and procedures for personnel control, while not interfering with the culture and traditions of the various ethnic groups located within the firm's personnel.

In Kazakhstan, the management system, which has been implemented specifically for cross-cultural environment, is now the subject of discussion and close attention, caused by an increasing level of gross product by 40%.

2. Problem Statement

According to Aimaganbetova (2014), the management system in Kazakhstan has implemented specific approaches to the cross-cultural environment. The increasing number of international companies and ventures operating in the Republic have drawn the attention and discussion of researchers in this field.

Today we are facing the problem of cross-cultural assessment of international business. Solving this problem can create conditions for effective work within multi-cultural organizations. To achieve an effective and productive multi-cultural business, a new vision on the language and culture differentiation can be developed and integrated into the firm's management system.

3. Research Questions

Many of the research methods of industrial/organizational psychology have weaknesses in the context of cross-cultural research (Matsumoto, 2011; Triandis, 2010). The field of organizational psychology developed with the growth of business and management schools. As concerns with understanding organizations and inter-organizational relationships grew, concepts from sociology and anthropology began to influence the field. This verifies the veracity of the research of cross-cultural

characteristics of the study's targeted bank's personnel in this study which was conducted to study the psychological aspects of cross-cultural differences in organizational culture.

4.   Purpose of the Study

The purpose of the research is to the review the cross-cultural characteristics of employees of the Kazakhstan-Arabic Bank in relation to creating conditions for effective work within multi-cultural organizations.

5.   Research Methods

In order to collect the relevant data, specific methodological tools were developed. The tools include Schwartz's questionnaire on assessment of organizational values (1992) developed by Geert Hofstede (Power Distance index (PDI)), Individualism (IDV), uncertainty avoidance (UAI)) (2001).

Shalom H. Schwartz's questionnaire of values aims to explore human values that coexist in various cultures. Among three of the universal values within Schwartz's questionnaire are dedicated to human needs; characterised as the needs of individuals as biological organisms related to needing coordinated social interaction, needs related to survival and well-being of social groups. These values display the basic motivational types:

1. Self-Direction: a motivational goal - independent thoughts and actions (selection, creativity, research), dictated by the need of the individual to be autonomous and independent.

2. Stimulation: Excitement, novelty, and challenge in life. Motivational goal - novelty and contest in the life, necessary to maintain an optimal level of the organism's activity.

3. Hedonism: the pleasure and sensuous gratification for oneself. Motivational goal - fun, sensual pleasure, delightful life. This motivation is described as the need to meet the biological needs as well as the pleasure emphasized by scientists of different fields of knowledge.

4. Achievement: personal success through demonstrating competence, per social standards. Motivational goal - an achievement of personal success by means of competence among recognized cultural standards, thereby obtaining social approval.

5. Power: the acquisition of social status and prestige, control or dominance over people and resources. This type of motivation is different from the previous one, which is to achieve dominance within the overall social system, and not in specific interactions.

6. Security: the motivational goal of safety, harmony and stability of society, of relationships, the family and the individual himself.

7. Conformity: Restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms. Motivational goal - action restriction and motivations to cause harm to others or those who violate social expectations and norms; derived from the needs of the group for self-survival and the person must interact with others, while suppressing his or her social-destructive tendencies.

8. Tradition: Respect, commitment, and acceptance of the customs and ideas that traditional culture or religion. Motivational goal – to respect and follow customs, while accepting and recognizing of ideas that exist in other cultures and religions. Traditional behavior becomes a

symbol of groups' solidarity, the expression of the uniqueness of its peace and implied warranties of survival.

9. Benevolence: preserving and enhancing the welfare of those with whom one is in frequent personal contact (the 'in-group'). Motivational goal - maintaining the well-being of people with whom one is in constant contact with and support personal relationships. It is determined by the needs of a positive interaction to promote the welfare of the group, and the biological requirements of affiliation.

10. Universalism: motivational goal - understanding, appreciation, tolerance, and protection for the welfare of all people and for nature.

Hofstede's (2001) cultural dimensions' questionnaire is directed at defining the parameters of organizational culture: power distance, uncertainty avoidance, and individualism. The "power distance" includes the following factors: the frequency of expression of subordinates that do not agree with the opinion of the head, the number of employees who prefer democratic (consultative) rather than directive management style (autocratic), the number of employees who believe that their immediate supervisor's style refers to the directive (autocratic). The second important parameter shows the state of the organization and the nature of its organizational culture - a tendency to avoid the uncertainty.

In the indicator, "the pursuit of uncertainty avoidance" includes the following elements: 1) the desire to resolve the behavior, its regulations and studies; 2) its assumed stable employment; 3) the state of experiencing feelings of stress and uncertainty. The third indicator - "individualism-collectivism" - assesses the degree of integration of individuals in the group. The level of "individualism-collectivism" affects the prevalence of people in the organization of local or cosmopolitan type. Local type is concerned about the problems within the organization and is very influential with the collectivist climate. The cosmopolitan style focuses outside the organization and affects the mood of the individualistic enterprise.

The reliability of results and conclusions were provided by the unity of general scientific and concrete research methods, adequate to the goals, objectives and the study premise. A representative sample size, a combination of quantitative and qualitative analysis, the statistical significance of the experimental data were employed. To process the data obtained, mathematical (non-parametric statistical test U-Mann-Whitney test) and statistical methods of data processing were used, which was carried out with the help of computer applications universal processing tabular data Microsoft Office Excel, SPSS for Windows 15.0. Using this complex design of theoretical and experimental methods allowed the researchers to achieve the goal of the study.

6. Findings

Processing of the results was performed by calculating the arithmetic mean rank for each value in all groups of subjects. The results shown in Figure 1 dictate the level of normative ideals, beliefs and behaviors the main value for Kazakhstan – is safety (M= 5.2); at representatives of the Arab culture - safety is also the most important value than Kazakhstan citizens which is (0.3) and equal to (M= 5.5). The motivational purpose of this type is safety for other people and itself, harmony, stability of society and relationship.
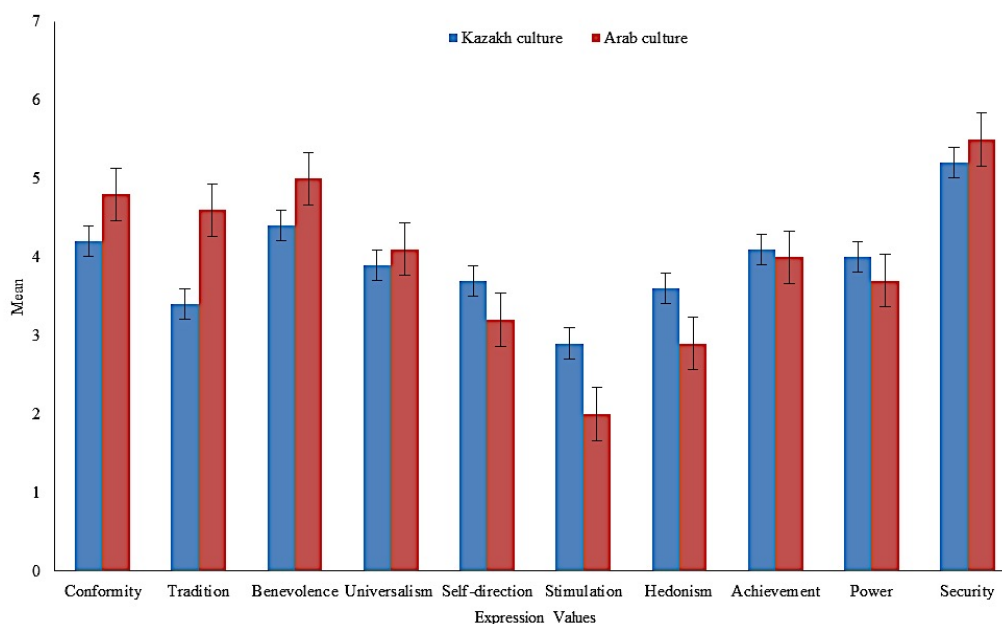
Figure 01. Mean indicators of values of expression among representatives of Kazakh and Arab cultures. Standard errors are represented in the figure by the error bars attached to each column

The second place takes the level of normative ideals of the Kazakhstan personnel - benevolence – at 4.4. The Arab respondents, also put benevolence in second place, but the degree of severity of this value is significantly higher than among Kazakhs, which has a mean equal to - 5.0, at 0.6.

The next important value for the employees - conformity: for representatives of Kazakh culture it was (M= 4.2), and for Arab culture it was (M= 4.8), which is also a bit higher and therefore more expressive.

The next value for the Kazakh sample is achievement (M= 4.1). The defining purpose of this value - personal success through the display of competence per social standards. Manifestation of social competence (which is the content of this value) in a cultural dominant standard entails social approval, and for the Arab ethnic group - tradition (M= 4.6), indicates a high enough level value for these cultures.

At the fifth place, Kazakhstan citizens had the indicator - power (M= 4.0). The motivational purpose - acquisition of the social status, prestige and domination over people.

As for representatives of the Arab culture, they highlighted at fifth place universalism (M= 4.1). The motivational purpose of this value is understanding, tolerance, protection of wellbeing of all people and the nature.

A very interesting pattern was found in our study in relation to the value of "stimulation", which was ranked both the Kazakhs and the Arabs. For Kazakhs, it was (M= 2.9), while for the Arabs it was (M= 2.0). Stimulation is derived from the need for variety and deep feelings, and is the desire for novelty to maintain an optimal level of activity.

The values of "tradition" (M= 3.4), was found for Kazakhstan citizens and "hedonism" (M= 2.9) was found for Arabs were at a penultimate position. This was a surprising phenomenon because for the Kazakh culture hedonism is higher than traditions (M= 3.6). The motivational purpose of hedonism is defined as pleasure or sensual pleasure (pleasure by life). The traditional way of behavior becomes a

symbol of group solidarity, expression of uniform values and a guarantee of a survival.

As for the value "independence", it is ranked 7th for Kazakhstan citizens and 8th for the Arabs. Indicators of representatives of the Kazakhstan culture (M= 3.7), and representatives of the Arab culture (M= 3.2). This is lower than the representatives of the Kazakhstan culture (M= 0.5).

The defining purpose of these value types consists of thinking independently and a choice of action in creativity and research activity. Independence is low for both samples; this is explained by that fact that the Kazakhstan and Arab cultures are both representatives of collectivist groups where the collective solution of problems is appreciated over individualistic action.

Further, the indicators which took the 6th place on universalism by representatives of the Kazakhstan culture (M= 3.9) were as follows:

Indicators of achievement (M= 4.0) and power (M= 3.7) by representatives of Arab culture are at 6th and 7th place which are average figures. Hedonism comes in at (M= 2.9), which is evidence of a low degree of value from representatives of Arab culture.
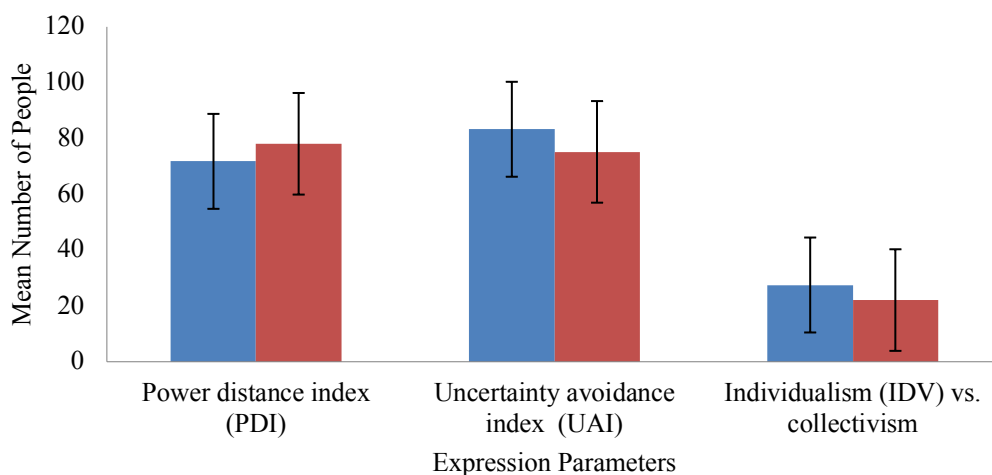

Figure 02. The degree of expression parameters: power distance, uncertainty avoidance and individualism-collectivism among representatives of Kazakh and Arab cultures

According to the parameter of "uncertainty avoidance", the highest score was from representatives of Kazakh culture (M= 83.3), while for representatives of Arab culture it was (M= 75.2). This is below the Kazakh index, but can be interpreted as high. The high value of the index suggests employees of the organization tend to stay in the same workplace as long as possible, prefer large organizations, conflicts in the organization are undesirable, competition between employees is not welcome, the employees exhibit anxiety about the future, low motivation to achieve their goals, have a fear of failure, have low willingness to take risks, the rules of hierarchical structures must be constant and strictly adhered to.

The results of the "individualism-collectivism (IC)" parameter revealed the following indicators: representatives of Kazakh culture (M= 27.5), compared to employees of Arab culture (M= 22.1). This indicates a low level of individualism in these cultures. However, it must be noted that the degree of individualism among representatives of the Kazakh culture is higher

On this basis, it can be concluded that both cultures are considered collectivistic cultures.

In the next stage of the study using SPSS 20.0, the data was processed using the U-Mann-Whitney analysis on the results of the Schwartz's questionnaire of values and Hofstede's cultural dimensions questionnaire to determine the parameters of organizational culture: power distance, uncertainty avoidance, individualism.

Table 01. Mean results of Kazakh and Arab culture on traditions, benevolence, stimulation, power distance index, individualism, and uncertainty avoidance index

| Variables	Group	Mean	Mann-Whitney U test	Significance (p)
Traditions	Kazakh culture	12,40	66,000	0,050
	Arab culture	18,60		
Benevolence	Kazakh culture	11,87	58,000	0,022
	Arab culture	19,13		
Stimulation	Kazakh culture	19,27	56,000	0,018
	Arab culture	11,73		
Power distance index (PDI)	Kazakh culture	12,07	61,000	0,029
	Arab culture	18,93		
Individualism	Kazakh culture	20,00	59,500	0,024
	Arab culture	11,00		
Uncertainty avoidance index (UAI)	Kazakh culture	19,03	45,000	0,005
	Arab culture	11,97		
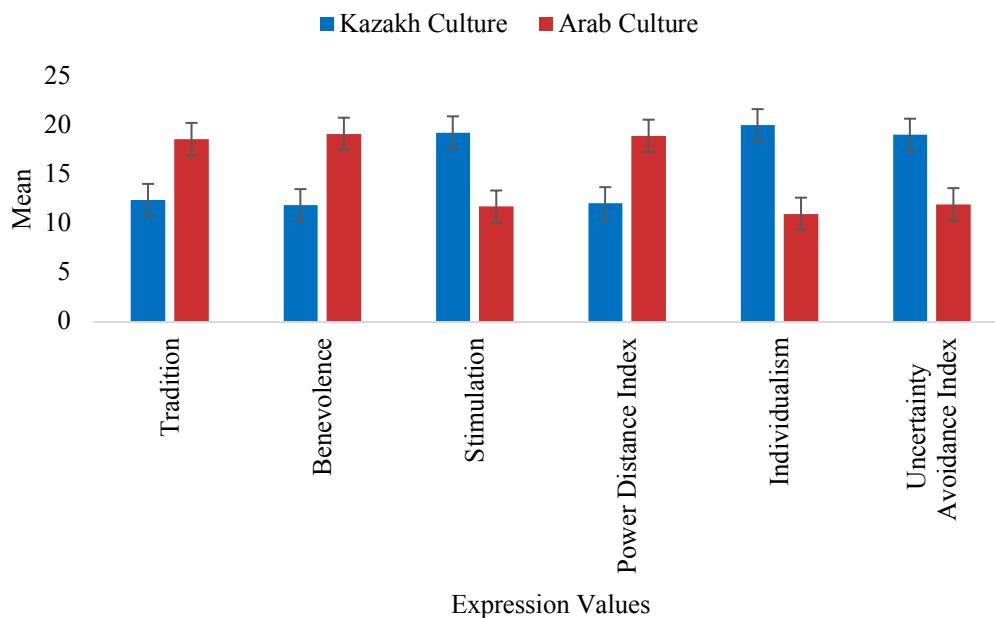
Figure 03. Comparison of the mean values of Kazakh and Arab culture on tradition, benevolence, stimulation, power distance index, individualism, and uncertainty avoidance index

As can be seen in Figure 03, in the traditional scale, the representatives of the Kazakhstan culture had an average rank (M= 12.40), and representatives of the Arab culture (M= 18.60), reliability of result was $p<0.05$ which is significant.

This allows us to draw a conclusion that the degree of expressiveness on a scale of tradition of the Arab culture is much higher, than representatives of the Kazakhstan culture.

The traditional behavior becomes a symbol of group solidarity, expression of uniform values and a guarantee of survival. Traditions most often take form of religious practices, beliefs and standards of behavior. This is most peculiar to representatives of the Arab culture. The motivational purpose of this value - respect, acceptance of customs and ideas which exist in culture (respect of traditions, humility, piety, acceptance of the fate, moderation) and embracing it.

In our opinion, it is necessary to develop the traditional behavior in the Kazakh sampling by creating rituals and ideas for the bank to maintain the collective spirit of the company for a better functioning of the organization.

For the benevolence scale, representatives of the Kazakhstan culture scored it at (M= 11.87), and representatives of the Arab culture at (M= 19.13), with a reliability of result – 0.022, that shows the significance.

Hence, the benevolence level for representatives of the Arab culture is significantly higher than the representatives of the Kazakhstan culture. It is believed to be because of the "pro-social" type of values. The well-wishing, which is focused on the wellbeing in daily interaction with close acquaintances and friends, is considered a derivative of need for positive interaction, an affiliation and ensuring prosperity of the group. Its motivational purpose - preservation of wellbeing of people with whom the individual is in personal contacts (usefulness, loyalty, condescension, honesty, responsibility, friendship, mature love). The high rate of the given scale for the representatives of the Arab culture can also be explained through their high religiousness.

On the scale of stimulation, significant differences at – 0.018, were revealed, The average rank indicators from the representatives of Kazakh culture was at (M= 19.27) while for representatives of Arab culture it was (M= 11.73).

Stimulation is defined as a derivative of the need for a variety and deep experiences, in aspiration to novelty for maintenance of an optimum level of activity. Biologically caused variations for the need of stimulation mediated by social experience results in individual distinctions in the importance of this value. Representatives of the Arab culture are adherents of conservatism. As for representatives of the Kazakhstan culture, the level of expressiveness of stimulation is much higher, than at of the Arabs.

The scale of power also revealed significant differences, with a reliability of 0.029. For the Kazakhs, the figure was at 12.07, and 18.93 for the Arabs which proves that expression is an indicator of the Arab culture. However, the index of power on the Hofstede instrument for the Kazakhs was interpreted as high. This result suggests that the orders in this organization are not discussed, subordinates believe senior management is unavailable, and consider their leaders as "other" people. In this organization it can be assumed that inequality is normal where everyone has the right to place those at the top, and those at the bottom, to protect this order.

There were also significant differences exhibited in individualism. For the Kazakhs it was 20.00, and for the Arabs it was 11.00. This shows that the expression of individualism among representatives of

Kazakh culture is much higher than that of employees who belong to Arab culture. However, Hofstede's index value indicates low level of individualism among representatives of the Kazakh culture, which is collectivistic, similarly to Arab culture.

On a scale of uncertainty avoidance, very significant differences are presented in terms of mid-level staff of Kazakh culture, the value of which amounted to (M= 19.03), and in Arab culture (M= 11.97). From this, it follows that the representatives of the Kazakh culture show a very high level of uncertainty avoidance, which indicates that the employees of the organization tend to stay as long as possible in the same workplace, prefer large organizations, feel that conflicts in the organization are undesirable, competition between employees are not welcome, there is great anxiety about the future, fear of failure, low willingness to take risks, hierarchical structures must be constant and strictly adhered to.

In sum, the significant differences between the selected samples for U-Mann-Whitney analysis, identified by parameters: traditions, benevolence, stimulation, power distance, individualism and uncertainty avoidance have been found in this study. With the help of SPSS 20.0, we identified correlations between variables, and used the Spearman rank correlation coefficient. The correlation results are presented in Table 02:

Table 02. Spearman correlation coefficient values for the representatives of the Kazakh culture

Kazakh culture	Universalism	Self-direction	Hedonism	Achievement	Power	Security	Uncertainty avoidance index (UAI)	Individualism (IDV) vs. collectivism
Conformity	0,547*	-0,551*			-0,515*	0,518*		
Tradition	0,539*		-0,699**		-0,605*			
Benevolence	0,562*	-0,605*				0,821**		
Self-direction						-0,605*		
Stimulation			0,572*	0,858**	0,795**			
Hedonism				0,645**	0,821**		-0,567*	
Achievement					0,808**			
Power distance index (PDI)								-0,599*

Thus, considering the data obtained from the correlation analysis a significant connection between conformity and universalism in the Kazakhstan sample is seen.

It is also seen that universalism relates to traditions and kindness. By considering this circumstance, it is possible to safely say that the general Kazakhstan selection includes conformity, traditions and benevolence.

Independence is not applicable for this sample, which testifies by negative correlation with conformity (-0.551) and benevolence (-0.605).

Manifestation of hedonism and tendency to self-satisfaction are traditionally criticized in the Kazakhstan society, as came to light from our research. However, we cannot deny that the tendency of satisfaction of one's own needs positively correlates with stimulation and achievement scales.

The striving to the power negatively correlates with conformity and traditions, which is applicable for the Kazakhstani sample. However, we cannot deny the circumstance that within the Kazakhstan

sample there is a tendency of power, hedonism and achievement. From the point of view of culture, scientists can speak about collision between the two types of cultures (East and West).

The basic need for safety, traditionally in perception of Kazakhs, is combined with benevolence, however it interferes with the development of personal independence in thoughts and actions.

The present study revealed some very unexpected findings for the phenomenon of tolerance (UAI), as it negatively correlates with hedonism as a social value.

According to Hofstede, "distancing from power — the degree with which the members of the organizations and institutes allocated with rather smaller power (for example, families) expect and allow unevenness of distribution of the power" (2001). This measurement is not characterized by the level of distribution of power in this culture, and is more likely to be analysed by the perception by society. With the growth of individualism as a value the distancing indicator from the power grows.

Table 03. The Spearman correlation coefficient values among representatives of Arab culture

Arab culture	Universalism	Stimulation	Hedonism	Achievement	Power	Security	Power distance index (PDI)	Uncertainty avoidance index (UAI)
Conformity	-0,450*							
Tradition		-0,523*						
Benevolence	0,446*							
Universalism			-0,621**		-0,835**			
Self-direction					0,460*			0,460*
Stimulation				0,649**				
Hedonism					0,688**	-0,590*	0,487*	
Achievement					0,483*	-0,596**	0,609**	
Power								
Security							-0,562*	

Table 3 shows that the basic values for the Arab culture are "Universalism", which is closely connected with "Benevolence", however this value negatively correlates with manifestations of hedonism.

Together respondents emphasize the search of new impressions, aspiration to novelty, stimulation aren't traditional values in the Arab culture.

"Power" as a value negatively correlates with manifestations of universalism, however at the same time positively influences on tendency to independence, aspiration to achievements and hedonism.

In general, we see that for the Arab sample the principle of hedonism and achievement of success are factors with dangerous connotations.

Distancing from the power positively correlates with manifestation of hedonism and personal success per social standards. At the same time growth of an indicator of distancing of the power causes in respondents a certain alarm concerning safety.

In general, we observe the tolerance growth connected with independence manifestation as social and behavioural value at respondents of the Arab sample.

7. Conclusion

Thus, results of the conducted research of cross-cultural features of the personnel of Kazakhstan-Arab "TAIB" bank, allowed to formulate the following conclusions; exposure of cross-cultural features of the personnel of international bank promotes increasing tendencies of effective management of the personnel and is one of the major directions in activity of the organization, and it is considered the main criterion of its economic success. Additionally, the management and its systems are orientated on the improvement of employees' performance based on their professionalism along with employees' cross-cultural characteristics. It can be a part of the success strategy developed for any international company.

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