

# The Effect of Cultural Diversity on Employees' Performance and Productivity in Shell Oman Marketing Company S.A.O.G

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**Abstract**—Cultural diversity focuses more on ethnicity, customs, religious, backgrounds, languages and nationality. As mentioned by Shaibany (2016) in *Times of Oman*, The cultural harmony experienced in Oman is not the same as the cultural resistance/tolerance numerous nations of the world base their inside policies on. The Sultanate's idea of cultural coordination depends on wholeheartedly grasping the attributes and uniqueness of new cultures. In its job of multiculturalism, Oman has been effective in revoking the good and bad times of financial shakiness in some shape. One instance is the thickness of the diverse foundation of cultures in working environments. The study was conducted in Shell Oman Marketing Company SAOG ("Shell Oman"), Muscat. Diversity and Inclusion is one of the Shell Companies Policy. The Objectives of the present research paper are: To examine the effect of cultural diversity factors and employee's performance and Productivity in Shell Oman, And to find out the relationship between cultural diversity and the success of the company. To examine the result, point analysis was used. From the point analysis the researchers found that having cultural diversity in workplace has a positive effect in performance of employees, which this will lead to more productivity and creativity due to differences in educational background, nationalities and languages.

**Keywords**— Cultural Diversity, Inclusion, Multiculturalism, Productivity, Performance.

## I. INTRODUCTION

Cultural diversity is a term that define different aspects of cultural or ethnic groups that exist within the society. Cultural diversity focuses more on ethnicity, customs, religious, backgrounds, languages and nationality. Whereas, diversity has a broad dimension such as age, gender, race, disability, maternity, ethnicity, religious, customs etc., where people should respect other cultures. Having cultural diversity in society is one of the ways to reduce any discrimination that may happen, especially at workplace. Moreover, cultural diversity leads to the success of the organization if the diversity was managed in a positive way. In case the diversity was not managed properly, then it will reduce the morale and performance of the employee and will increase conflict and misunderstanding. Therefore, because of this many organization pay a great attention on how to manage and maintain cultural diversity at workplace.

Many companies are encouraging to hire diverse employees that are from different nationalities, backgrounds,

ethnicity and languages to run their companies more effectively, because having cultural diversity will help the company to be in global basis, increasing productivity and innovation which can be done through teamwork. Teamwork is one of the ways that leads to reduce conflict and misunderstanding and encourage others to be open to other cultures. Also, cultural diversity has many advantages for the people as well as organization as whole. It improves the knowledge and performance of employee, increase mutual respect to others, ability to speak different languages which lead to better company reputation and customers satisfaction. Besides, it increases the value of the organization and job promotion. Eventually, cultural diversity should be managed properly to gain it benefits and respect other cultures and helps to reduce conflict and encourage people to be open and flexible to others.

## II. CULTURAL DIVERSITY IN OMAN

As mentioned by Shaibany (2016) in *Times of Oman*, Late research shows that Oman has dependably been open to various cultures and this is the motivation behind why the Sultanate of Oman has pulled in an assortment of individuals from various backgrounds from various countries over the most recent four decades. This is likewise the key motivation behind why the nation has been productive in advancing peace, which is the premise of security. The cultural harmony experienced in Oman is not the same as the cultural resistance/tolerance numerous nations of the world base their inside policies on. The word 'tolerance' has certain thought processes and one of them is to receive something back consequently. The Sultanate's idea of cultural coordination depends on wholeheartedly grasping the attributes and uniqueness of new cultures. In its job of multiculturalism, Oman has been effective in revoking the good and bad times of financial shakiness in some shape. One instance is the thickness of the diverse foundation of cultures in working environments. Diverse channels of opinions are all multiplexed in one source to deliver the ideal outcomes. Without sounding unclear, the lavishness of the current situation, where distinctive nationalities progress in the direction of a shared objective, has dependably helped Oman remain over the rest.

### III. STATEMENT OF THE PROBLEM

According to (Cox, 1994) mentioned that, there are many problems and misunderstanding occurs due to different cultural diversity such as: nationalities, religion, ethnicity, languages, backgrounds and customs. Which all these factors effects on employee`s performance and productivity. Moreover, conflict will occur due to cultural diversity and the ability of the organization how to overcome these conflicts and use it in a positive way. Top management should always make sure that proper communication is taken in the organization, because once the communication is not delivered properly, this will result a lack of quality produced from employees. Since Shell is an international company and has many branches, this may lead to a cultural misunderstanding, which this will affect the performance of employees as well as the organization as whole. This research is examined the effect of cultural diversity on the employee`s performance productivity and the success of Shell Oman. This research will be done from various departments in Shell Oman such as HR, Account and Finance, Aviation, Customer services and Trade and Supply. Diversity is progressively accepted and developed as an important organizational resource in respects to whether the objective is to be a company of choice, to provide outstanding customer service, or to maintain a competitive edge. The research felt that in such a circumstance there was a concrete case for carrying out the present research.

### IV. OBJECTIVES OF THE STUDY

The objectives of the present research paper are:

- (1) To examine the effect of cultural diversity factors and employee`s performance and Productivity in Shell Oman.
- (2) To find out the relationship between cultural diversity and the success of the company.

### V. REVIEW OF LITERATURE

This research aims to understand how cultural diversity helps to improve employee performance. Many years ago, the researchers studied various areas of cultural diversity in different companies. The historical data of researchers were very valuable and useful for the researchers to classify various factors to be used in the study. Moreover, these findings help to differentiate between past researchers and recent researchers for the same topic. Here are some articles related to cultural diversity that leads to success of the organization. Ayega et al. (2018), they conducted exploration study to know is there any relationship between cultural diversity and employee performance in an organization. They studied factors like gender, culture, age, nationality and race. The outcomes demonstrated that there is a major connection between social assorted and execution organization. In all reviews they recommend that organizations should have a proper management of their cultural diversity. Amla (2017), he mentioned that nowadays with big changes in the business with the requirements of globalization, needs additional interaction and communication between people from different cultural background. So, each organization should have more workforce diversity to gain competitive advantages. The

research was conducted in the textile industry to investigate the connection between labor force diversity and worker execution. He selected a sample of 120 staff through convenience sampling method from the material corporations of Noida and larger Noida. The outcomes of research revealed that only academic background of staff has an effect on employee performance. Qasim (2017), he conducted his research in Jalalabad, Afghanistan. The study supported the effect of labor force diversity on worker performance. The outcomes revealed that manpower diversity has an importantly affects employee performance. Alghazo et al. (2016), They conducted the study to find out the link between diversity within the work and worker performance. The results found that gender and age have a direct relationship with employee performance. Rizwan et al. (2016), they only considered the most critical variables between employees which are gender, age, educational background and ethnicity. They distributed 230 questionnaires to the employees in main banks in Lahore. The results showed that there is an important effect on employee performance when employees are from different backgrounds. Gaunya (2015), he stated that with increasing in globalization, organizations should increase levels of communication and interaction between people from different beliefs, background and culture. The examination was conducted to investigate the influence on execution of worker in government part in Kenya. contextual analysis was utilized. Report feedback found a great positive connection between educational diversity and employee performance and weak relationship between age and employee performance. Joseph et al. (2015), they mentioned that diversity in the workplace can add a great value to the organization against their competitors. The most diversified demographic variables in the most organizations are gender, age, and ethnicity. This research was conducted for employees in the services manufacturing industries in Singapore. The results showed that, there is no statistically significant impact between the 3 variables and performance of employees. Maingi (2015), he stated that manpower diversity in term of education and ethnicity point of views can drive obstruction of employee which will affect worker performance. The target of this research was to discover the influence of labor-force diversity on laborer execution in Kenya with a case of Kenya government institution. The research used a case study research design. The results showed that all variables of workforce diversity influenced employee performance. The most important factor which had a positive relationship with employee performance was educational diversity. Mwatumba et al. (2015), they believed that human resource diversity is primarily for worker execution. So, they conducted a research to discover the impact of manpower diversity on worker execution, in the government in Mombasa. They used judgmental sampling method. The goals of study were realized with negative result for all variables that used. Results showed that ethnic, sex and level of education of employees doesn't have any influence on execution. So, diversity in workplace does not affect worker performance. Ukachukwa et al. (2013), they mentioned that the target of this exploration was to discover the influence of cultural diversity on the outcome of

employees within the firm. The differences in backgrounds can create challenges in the workplace which lead to conflict that affect the productivity of employees and the organization. The findings revealed that cultural diversity influence the capability of laborer to perform in teams which influence their results.

**VI. METHODOLOGY**

The study was conducted in Shell Oman. Diversity and Inclusion is one of the Shell’s Policy. Ben van Beurden, CEO of Royal Dutch Shell plc, has emphasized that, “A diverse and inclusive workplace, embedded in our principles of honesty, integrity and respect, brings together remarkable people and enables them to be themselves”. Hence the researcher felt that Shell Oman is the right place to carry out this research. The population of this study was employees who were worked in Shell Oman at that time of research. As the researchers using Likert’s five point scale to measure the effect of cultural diversity, the study is based on quantitative analysis. Descriptive research design used in this study to describe the current status of employee’s performance, organisation productivity and success of the company due to the effect of cultural diversity variables. The sampling method of this research is convenience random sampling because the researchers accessibly distributed the questionnaire to employees from vairous department such as Human Resoures department, Finance&Accouinting department, Aviation department, Trade and Supply department, Customer Service

department, to get more accurate information. The purpose of this method is to obtain information more easily and directly from respondents. The researchers tried to gathered the data using the questionnaire among 75 employees in Shell Oman. But due to biasness the researchers were able to get back 60 valid questionnaires for the study purpose(sample size n=60).

**VII. ANALYSIS AND INTERPRETATION**

The table 1 exhibits that 60% of the respondents were female. More respondents were belong to the age group of 35 to 45. The highest percentage of respondents having 7 to 12 years of working experience and around 63% of respondents were Omani nationals of this study.

TABLE 1. Demographic details of the respondents

GENDER	NUMBER OF RESPONDENTS	PERCENTAGE
Male	24	40%
Female	36	60%
AGE GROUP	NUMBER OF RESPONDENTS	PERCENTAGE
25-35	19	32%
35-45	23	38%
45&above	18	30%
EXPERIENCE	NUMBER OF RESPONDENTS	PERCENTAGE
1-6 Years	13	22%
7-12Years	27	45%
12 Years and above	20	33%
NATIONALITY	NUMBER OF RESPONDENTS	PERCENTAGE
Omani	38	63%
Expatriate	22	37%

SOURCE: Data collection

TABLE 2. Inferential Statistics

STATEMENTS	SA	A	N	DA	SD	Point Analysis	Agree-ability
Increase the level of ethnic diversity in the company leads to positive effect in employee`s performance.	53% (32)	32% (19)	15% (9)	0% (0)	0% (0)	4.38	✓
Creating a team work with diverse employees will helps to exchange several ideas, knowledges and finding best ways to solve the problem that result a better outcome on tasks.	62% (37)	23% (14)	8% (5)	7% (4)	0% (0)	4.4	✓
Cultural diversity leads to innovation, commitment and creativity among employees.	20% (12)	58% (35)	22% (13)	0% (0)	0% (0)	3.98	✓
High level of cultural diversity has positive effects on employee's performance.	38% (23)	38% (23)	17% (10)	7% (4)	0% (0)	4.46	✓
Cultural diversity helps to develop new skills and way to work.	35% (21)	42% (25)	23% (14)	0% (0)	0% (0)	4.28	✓
Cultural diversity brings new ideas and different knowledge.	38% (23)	42% (25)	13% (8)	7% (7)	0% (0)	4.21	✓
Co-ethnic teams lead to more productivity in the organization.	30% (18)	38% (23)	27% (16)	5% (3)	0% (0)	3.93	✓
Improving cultural diversity in workplace lead to higher productivity	25% (15)	37% (22)	28% (17)	10% (6)	0% (0)	3.76	✓
Companies that have wide diversity of employees will result higher profit, productivity and return on investment.	37% (22)	32% (19)	18% (11)	10% (2)	3% (2)	3.75	✓
Working in a team with different nationalities and languages will lead to company success.	28% (17)	33% (20)	27% (16)	12% (7)	0% (0)	3.78	✓
There`s a significant relationship between cultural diversity and success of the company due to differences in nationalities and backgrounds.	20% (12)	35% (21)	31% (19)	7% (4)	7% (4)	3.55	✓
Employees background play important role in company`s success.	42% (25)	30% (18)	20% (12)	8% (5)	0% (0)	4.05	✓
Growth and advancement in the company caused by cultural diversity.	28% (17)	27% (16)	33% (20)	12% (7)	0% (0)	3.71	✓
Ethnic diversity in workplace will increase productivity of the organization.	35% (21)	38% (23)	27% (16)	0% (0)	0% (0)	3.58	✓
Having different cultural understanding and languages allow the company to provide customer service in global basis.	37% (22)	40% (22)	17% (10)	7% (4)	0% (0)	3.93	✓

To find the result for the objectives of this research, from the inferential statistic table 2 point analysis was made. All the variables were analyzed and their frequencies along with its percentage and the weighted average that was arrived using the Likert's point scaling technique. All the variables considered for the study have gained weightage more than normal mean which is 3 and therefore they are considered to be as the important variable which effect employees' performance and that lead to high productivity and the success of the organization.

### VIII. CONCLUSION

In conclusion, the researchers obtain significant and useful information from Shell Oman. From this research, the researchers realized that having cultural diversity in workplace has a positive effect in performance of employees, which this will lead to more productivity and creativity due to differences in educational background, nationalities and languages. Moreover, Shell Oman consider their workers as an essential asset in their company, by dealing with them fairly and motivating them to gain their commitment to achieve the tasks as required. The research also concluded that differences in employee's language is very important to communicate with others especially in customer services. Furthermore, the study shows that employees are more creative when they are working in a team and they can easily share their ideas, knowledge and backgrounds, thereby it will lead to more productivity and innovation on tasks they perform.

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