

Correlating Diversity of Cultures and Organization Performance in Kurdistan Region of Iraq: An Empirical Study

George O. Tasie*

Department of Business and Management, Kurdistan Business School, University of Kurdistan Hewler, Erbil, Kurdistan Region - F.R. Iraq

*Corresponding author's email: g.tasie@ukh.edu.krd

Received: 06 November 2017

Accepted: 07 December 2017

Available online: 14 December 2017

ABSTRACT

The increase in globalization has made it essential for organizations in general to deal with a cultural diverse workforce. Undoubtedly, these increases are forcing both small and large companies to recognize the importance of dealing with cultural diversity (CD) by developing new procedures and policies to guide employees. Recently, increasing workplace CD has become a significant issue for many managers of a good number of organizations in Kurdistan due to a proliferation of the presence of international businesses. The purpose of this paper, therefore, is to examine the issue that borders on the diversity of cultures since research in this area is almost non-existent in Kurdistan. The paper analyses the effects of CD on performance through some randomly selected organizations in the Kurdistan Region of Iraq. The data from our findings show that there is a positive correlation between CD and organizational performance.

Keywords: Correlation, Culture, Diversity, Kurdistan, Performance

1. INTRODUCTION

Ontemporary organizations play a significant role in the everyday lives of employees by contributing to the progress of the society and its economy. Within this overriding perspective, it has become essential for managers to take appropriate steps to ensure that his/her organizations are achieving high performance to increase productivity and remain afloat in ever rapidly increasing competitive world. Organizational performance (OP) has been defined in different ways and from several perspectives. Shahzad et al. (2012. p. 979) opined that OP refers to the capability of organizations to achieve goals by allocating and using resources efficiently and effectively.

| Access this article online | | | |
|--|---------------------------|--|--|
| DOI: 10.25079/ukhjss.v1n1y2017.pp1-8 | E-ISSN : 2520-7806 | | |
| Copyright © 2017 Tasie. Open A Commons Attribution Non-Commerci (CC BY-NC-ND 4.0). | | | |

Corporations should maintain the right resources and use them in the right to achieve the stated organizational goals and objectives since performance is the most significant standard for assessing organization's actions, activities, and environment (Pierre et al., 2009). It is also important at this juncture to state the extent in which the organization is competitive in the marketplace and how effectively and efficiently it serves society. Poor OP is one of the most crucial subjects that are of concern to managers, supervisors, and employees due mainly to the degree in which the aims and goals are being attained. Given the aforementioned reason, poor performance indicators should be addressed despite controversies surrounding the issue. The bitter truth is that many organizations are devoid of excellent performance because they fail to deal with the issue of managing diversity.

The Kurdistan Region of Iraq is one the places that are suffering from poor OP. According to a Kurdistan Region Reform Commission Report (2012), the government of Kurdistan Region is still suffering from poor governing performance in different fields including civil service, due to corruption, dependability on government's institutions, and poor plans for evolving its nation. To recapitulate our earlier submission, organizations contribute to the well-being of the society in terms of economic development. If an organization experiences poor performance, it will impact negatively on the whole society particularly the political and economic situation of the region. For example, Ali (2014) stated that in Kurdistan Region of Iraq, the organizations and specifically the parliament of Kurdistan is suffering from the poor OP. Added to the above is the economic crisis and security challenge leading to a high degree of instability and lack of security.

Several influential factors such as organizational structure, leadership style, employees' satisfaction, intelligence, emotions, and even more can affect, to a significant extent, and OP. Top among these is cultural diversity (CD). Iraqi Arabs in Kurdistan Region focus on low uncertainty avoidance and masculinity whereas the Kurdish culture emphasizes more on feminisms and high uncertainty avoidance and these cultural dimensions have a huge impact on the economy, businesses, and political stability (Rarick et al., 2014). Following on the foregoing arguments, recently, many foreign companies and workers from different cultures and countries have moved to the Kurdistan Region. This movement has resulted in an influential change in the country's workforce composition which, in turn, leads to conflicts of high magnitude among them. For example, my contact with one foreign employee who works for a Kurdish company complained that his relationship with his employer has not been cordial. He went on to say that his boss failed to give him permission to visit his mother when she was sick. In some circumstances, people from different cultures cannot tolerate and accept each other. This mistreatment among employees leads to major organizational problems and demotivation which apparently has led to poor organizational performances. This paper will seek to provide answers to the extent in which CD affect OP in Kurdistan.

This research paper is necessary because organization performance is a significant concern for both non-profit and commercial organizations. Poor OP has a strong and negative impact on the outcomes and process of businesses. As the world is becoming smaller due to globalization, the Kurdistan Region is witnessing a substantial growth in multicultural organizations. It is for this reason that acquisition of the necessary knowledge and skills have become imperative in dealing with diverse cultures to avoid complications in communicating with workers of different cultural background. The anticipation is that the paper will contribute to a better understanding of CD and its impact on the OP with solutions and recommendations for Kurdistan.

2. THEORETICAL FRAMEWORK

Developing cultural competence results in an ability to understand, communicate with, and effectively interact with people across cultures, and work with varying cultural beliefs and schedules. While there are myriad cultural variations, here are some essential to the workplace:

- 1. Communication: Providing information accurately and promptly is critical to effective work and team performance. This is particularly important when a project is troubled and needs immediate corrective actions. However, people from different cultures vary in how, for example, they relate to bad news. People from some Asian cultures are reluctant to give supervisors bad news, while those from other cultures may exaggerate it.
- Team building: Some cultures like the United States

 are individualistic, and people want to go it alone. Other cultures value cooperation within or among other teams. Team building issues can become more problematic as teams are comprised people from a mix of these cultural types. Effective cross-cultural team building is essential to benefiting from the potential advantages of CD in the workplace
- 3. Time: Cultures differ in how they view time. For example, they differ in the balance between work and family life, and the workplace mix between work and social behavior. Other differences include the perception of overtime or even the exact meaning of a deadline. Different perceptions of time can cause a great misunderstanding and mishap in the workplace, especially with scheduling and deadlines. Perceptions of time underscore the importance of CD in the workplace and how it can impact everyday work.

2.1. Calendars

The business world generally runs on the western secular year, beginning January 1 and ending December 31. However, many cultures use other calendars to determine holidays such as New Years or specific holy days. For example, Eastern Orthodox Christians celebrate Christmas on a different day from western Christians. For Muslims, Friday is a day for prayer. Jews observe holidays ranging from Rosh Hashanah to Yom Kippur. These variations affect the workplace as people require time off to observe their holidays.

2.2. The Need for OP

An organization is a collection of people who work together to achieve a wide variety of goals (George and Jones, 2005. p. 3). Organizations are substantial pieces of society such as education institutions, hospitals, banks, and many other institutions that contribute to the well-being of the society and economy. In consideration of the aforementioned claim, it is essential for organizations to perform effectively and efficiently to achieve high productivity and serve the society in the most appropriate and beneficial manner. Performance is the extent to which organizations achieve the main objective and subjective goals related to its mission (Albretch, 2011). In other words, performance refers to the approach in which an organization functions with the attainment of its results. According to Maduenyi et al. (2015. p. 355) OP refers to evaluating organization's capability of achieving its goals in an appropriate manner. Although the concept is difficult to define due to its connotative interpretations, Maduenvi et al., (2015. p. 355) claimed that the term OP sometimes is confused with the concept of productivity, productivity is synonymous with OP. When it comes to OP, the number of employees and size of the organization do not matter. OP as an important aspect of any business should be taken into consideration by all types of corporations including small, medium, and large ones. In addition, OP should be valued and serve as a guide that measures organizational goal recognition (Jani and Soltanpanah, 2015, p.1095, cited in Hou, 2008).

2.3. Importance of OP

OP begs the question "to what extent an organization is doing well to accomplish its vision, mission, and goals (Ketchen & Short, 2012). In addition, measurement of OP is important to determine the performance level of an organization. In this context, therefore, the managers of every organization should be required to recognize the main factors that drive OP. There are several ways to measure OP, and one of the most used ones is Balance Scorecard. Evans and Lindsay (2008) defined balance scorecard as a framework that contains four main dimensions - financial, customer, internal business processes, organizational learning, and growth - to measure the results and performance of an organization. In other words, the Balance Scorecard refers to a set of measures that provide top managers with a fast and complete understanding about the organization. It explains how results are accomplished. The data used for measuring performance give a comprehensive understanding and evidence that describe how effective an organization is functioning at the current moment and what will happen in future when modifications are applied. Today, performance accountability is becoming a critical issue in most organizations, as many managers are beginning to evaluate OP through balance scorecard to get a better understanding about how efficient their organizations are competing in the marketplace. Several factors which may impact OP include inter alia, turnover, and absenteeism. As demonstrated by Adegboyega at al. (2015), there is a strong

relationship between absenteeism and OP. High rates of absenteeism lead to low OP, and a negative relation does exist between OP and turnover as well as absenteeism rate. These authors go on to suggest that to improve OP labor turnover and absenteeism should be reduced.

2.4. Factors that Contribute to Poor OP

Organizational structure provides a roadmap for the division of tasks among the members of organization and direction of their activities, so staffs are guided toward the goals and objectives of the institution. The purpose of this kind of arrangement is to enable the organization to be successful as the chain of command is made clearer. Hence, there is a strong correlation between organizational structure and OP. The nature of tasks and responsibilities for a division, layers of authority, and communication pattern can have a powerful impact on OP. Lack of structure can obviously impede or improve performance by relying on the extent in which the managerial relationships, formalization of authorities, hierarchy, and workflow affect productivity. Having an effective and secure organizational structure means having a cooperative environment and clear communication pattern that lead to employees' satisfaction, which may subsequently lead to high performance. The statement by Salamzadeh and Sarlak (2014) is valid here when they state that "due to globalization," businesses are becoming more competitive than previously, concentrating on having an ideal organizational structure might lead businesses to competitive advantage.

2.5. Employees' Job Satisfaction

Job satisfaction of employees plays a significant role on the OP; therefore, it is vital for employees to be satisfied with their jobs as well as motivated to accomplish greater results (Latif et al., 2013). High employees' satisfaction results in a positive and congenial work environment, leading to an effective and efficient OP. Today, managers concentrate on keeping employees motivated and satisfied so they can be pleased with their jobs and perform in a better way. Once employees are satisfied, they present greater performance and achieve amazing results, which impacts positively on performance and productivity. According to Ojo (2009, as cited in Jerome, 2013. p. 40) employees' satisfaction has become increasingly a concern within an organization due to its significance, since every single organization wants to attain higher performance. Certain management theorists such as Maslow's hierarchy of needs, Aristotle's seven causes (chance, nature, compulsion, habit, reasoning, anger, or appetite), and Herzberg's two-factor model demonstrate that some needs should be met to satisfy employees. For example, Maslow's hierarchy of needs consists of different levels of needs that are physiological needs, safety, need for love, affection and belongingness, need for esteem, and need for self-actualization. This theory posits that people cannot feel safe if their physiological demands have not been satisfied, and they cannot feel the love and belongings if their demand for safety has not been satisfied and so on (Jerome, 2013). In other words, people cannot feel loved if they do not feel safe. Some research has supported the idea that Maslow's hierarchy of needs is important for employees' satisfaction and performance while others claimed it cannot work in all situations. Jerome went further to argue that the hierarchy of needs theory suggest and show how managers and supervisors can drive their employees to develop selfactualization. Second, Herzberg's motivational and hygiene model posits that motivation of employees can be achieved when workers are faced with challenging but satisfying and enjoyable job where there is a space to grow and show development and responsibility within the organization (Amoako and Baah, 2011). Consequently, workers can have a challenging work that is entertaining simultaneously. Following on this argument, Hong and Waheed (2011) believe that in Herzberg's theory employees can achieve high performance if they are satisfied with both factors such as hygiene and motivation, whereas those who are not satisfied would achieve lower performance. Apparently, this pronouncement shows the existence of a strong relationship between employee's satisfaction and OP.

2.6. Leadership

The crux of every management job lies in the job holder's capacity to obtain the commitment of people to the objectives of the organization, which is another way of saying "to exercise appropriate leadership." Leadership is a concept which has fascinated humankind for centuries, but only in recent years has any kind of theory of leadership emerged. According to Yukl (2006. p. 1), leadership is the process of showing others what should be done and how it ought to be done as well as enabling them to achieve the common and mutual objectives of the organization. It can also be referred to as the exercise of influence by one member of a group or organization over other members to help the group or organization to achieve its goals (George and Jones, 2005. p. 375). Management, on the other hand, refers to overseeing the tasks and activities of others or getting the work done through others (Carpenter et al., 2009). Leadership plays a very significant role in OP. There are several types of leadership including charismatic, transactional, and transformational, and each type impacts on OP in a different way. For example, charismatic leadership will provide a very demotivated and negative working environment, which will lead to poor OP (Robbins and Judge, 2013). On the other hand, transformational leadership encourages followers to be innovative and creative, and it provides a motivated and positive working atmosphere (Robbins and Judge, 2013). Transformational leaders encourage and motivate their employees to override their self-interest for the well-being of the organization and are able to impact strongly on their followers by paying attention to their anxieties and needs as well as helping them in solving problems in different ways. This leads to high and effective OP and results. It is, therefore, essential for organizations to have a powerful leadership so that a vision of future can be created with inspiration and encouragement of organization members to achieve the vision. Transformational leaders, on the one hand, improve OP by helping their followers to be creative and building harmony among team members. Transactional leaders, on the other hand, are those who simplify roles and job requirements to direct their employees toward organizational goals. Ipso facto, every organization should have an appropriate leadership style to guide employees toward achieving high OP.

2.7. CD

Diversity can be defined as acknowledging, understanding, accepting, and valuing differences among people with respect to age, class, race, ethnicity, gender, disabilities, etc. (Esty et al., 1995). According to, there are four dimensions for clarifying differences between cultures. The first is individualism or collectivism; this refers to the degree to which a society focuses on individualism as opposed to the group. The second dimension is power distance, which is concerned with the extent to which society tolerates the fact that everyone is equal physically and in intellectual capabilities. The third dimension is uncertainty avoidance: The degree to which the members of different cultures accept ambiguous and uncertain situations. Finally, the masculinity versus femininity dimension refers to observing the relationship between work roles and genders (quoted in Hill, 2005).

In some countries such, as Sweden, CD is defined as "a societal fact," which refers to a country composed of residents from diverse cultural backgrounds. CD refers to a group of people who have diverse cultures, languages, behaviors, and religions backgrounds (Holmgren and Jonsson, 2013. p. 6). As can be seen from Table 1, the Kurdistan Region is ethnically diverse in terms of cultures, religion, languages and race.

The phenomenon of CD has been incredibly increased in the 21st century due to globalization, international trade, international migration, and diversity across borders. Due to the free market policy (Jabary, 2010), there has been an increasing presence of different types of international businesses including exporting, importing, foreign direct investment, and management contract that contribute to the global marketplace (Simons and Rowland, 2011). The global marketplace carries with it a cornucopia of cultures and backgrounds. Free trade is, therefore, a major aspect that drives companies to function internationally. Citizens can buy products or services from other countries or sell to other countries without many restrictions, and all of these factors drive the world to be more interrelated and integrated in a way that people from different cultures and countries are interacting and communicating.

2.8. The Influence of CD on the OP

Ozman and Erdil (2013. p. 2) have opined that CD is a "double-edged sword" that can influence positively and negatively on innovation and OP. Our belief here is that positive effects are associated with increased cooperation among people from different cultures and background to achieve innovation and creativity; however, negative effects are correlated mostly to communication difficulties and conflicts among teams of an organization. *Effective communication process by every organisation will help to reduce ambiguity and facilitate clarity and understanding among employees of diverse cultural background.* To paraphrase Mazur (2010. p. 8) the nature of employees' relationship in creating a stressful and negative working environment will change.

Furthermore, in his argument Gupta (2014. p. 37) claims that diversity of the workforce can bring competitive advantage for the organization even though diversity has both negative and positive impacts on OP. In terms of ethnic diversity such as religion, culture, language, and race, organizations are concentrating on bringing multicultural workforce to attain greater participation, higher performance, higher employees' satisfaction, and innovation. Based on the above arguments, we can conveniently claim ethnic diversity might be beneficial

| Table 1: The ethnic composition of Kurdistan Region of Iraq | | |
|---|---|--|
| Kurdistan ethnic groups | Language (accent) | |
| Kurds | Zibari (Badini), Kurmanji, Sorani, Zazaki, Hawrami (spoken in Northeastern Iraq) | |
| Turkmens | Bawari (Badini) | |
| Assyrians | Chaldean | |
| Arabs Yazidis Kakay | Arabic | |

Source: Author's interactions with the people of the Region from 2014 to 2017

for teams where people with different knowledge and skills interact with each other in collegial and professional manners. Multiculturalism, in this context, could contribute to improving employees' and organizational productivity. The hypothesis is that failure to create harmony among employees of diverse cultures will lead to poor performance within an organization.

3. METHODOLOGY

The research made use of secondary data, oral interview and content analysis. The oral interview schedule involved six open-ended questions in which the respondents were asked whether workforce diversity or an aspect of it has an effect on organizational performance. The population was made up of all the staff of randomly selected companies presented by means of tables and a figure. The data analysis made use of theoretical analysis and percentages. Test, retest reliability was done, using a Spearman's rank correlation coefficient and, a coefficient of reliability (r) 0.95 was obtained indicating item consistency. A systematic sampling technique was used to obtain the sample size of 34, thus giving the measured content validity.

The participants are senior managers, middle managers, and other employees who work in business organizations in Erbil city in Kurdistan Region. Three managers were selected for in-depth interview whereas 31 respondents participated in surveys. All the participants were selected from four different organizations operating in Erbil. Of this, 70% of the respondents were from Iraq (24). Only one of them was from Iran (0.3%). One of the respondents was from Saudi Arabia (0.3%), two were from Turkey (0.6%), and two were from Egypt (0.6%), whereas one is a Pakistani citizen. Regarding the gender, 27% of the respondents were female, and 73% were male. The average work experience of the respondents was 5-7 years with 85% of the participants between 21 and 39 years old while 14% were aged 40-50. Table 2 exhibits an epitome of participants' characteristics.

3.1. Data Analysis

Data analysis for this paper applied the quantitative data through IBM SPSS Statistics with 20 being used. For the reliability and consistency of the survey's results, Cronbach alpha was calculated for all the questions in the survey on variable CD and OP. In the end, Pearson's coefficient was used to show the relationship between the two variables.

4. ANALYSIS OF RESULTS AND FINDINGS

The respondents were asked whether diversity of cultures in organizations had a positive effect on performance, and the majority gave answers in the affirmative. Another question asked was whether CD had a positive impact on the effectiveness of OP, and the answer was also in the affirmative. The results of the surveys conducted with the employees indicated that failure of harmony in CD led to poor OP. Of the total number of 34 employees interviewed, 30.6% of the respondents strongly agreed with the statement "I should stay far from the workers who are uncooperative and mentally unstable because their behaviors may be incompatible with the organization's objectives", while 35.2% disagreed and 19.4% neither agreed nor disagreed. This result suggests that there is a high proportion of workforce in Kurdistan's organizations that discriminate against people in the workplace on the basis of being physically challenged. Furthermore, the results also show that 20.7% of the respondents do not tolerate people from different cultures and backgrounds. This trend can impact negatively on OP, especially when it has to do with team performance. Once employees do not accept and respect each other's opinion due to different cultures or religions, several serious encounters may ensue, thereby obviating the achievement of high level of performance. The overall

| Table 2: Characteristics of respondents, n=34 | | | |
|---|---------------|--|--|
| Characteristics | Frequency (%) | | |
| Gender | | | |
| Male | 25 (73) | | |
| Female | 9 (27) | | |
| Age | | | |
| 18–20 | 0 (0) | | |
| 21–39 | 29 (85) | | |
| 40–50 | 5 (14) | | |
| Nationality | | | |
| Iraqi | 24 (70) | | |
| Iranian | 1 (0.3) | | |
| Jordanian | 3 (0.9) | | |
| Saudi | 1 (0.3) | | |
| Pakistani | 1 (0.3) | | |
| Turkish | 2 (0.6) | | |
| Egyptian | 2 (0.6) | | |
| Residency | | | |
| Erbil | 31 (100) | | |
| Current position in the company | | | |
| Expert | 1 (0.3) | | |
| Warehouse keeper | 6 (18) | | |
| Purchaser | 3 (0.9) | | |
| Salesperson | 7 (20) | | |
| Supervisor | 2 (0.6) | | |
| Lab specialist | 1 (0.3) | | |
| Assistant | 13 (44) | | |

results show that a large proportion of employees working in Kurdistan Region have little understanding of how to deal with CD, with less tolerance to people who differ from them culturally [Table 3].

In terms of OP, we designed a survey based on four indicators: Job satisfaction, employee engagement, absenteeism rate, and turnover rate. Table 4 summarizes that 44.1% of the participants disagreed with the fifth question on agreement and disagreement with employees. As a result of these conflicts, employees do not tend to support each other. This can be the main factor that decreases employees' satisfaction and increases turnover and absenteeism rate. About 40.6% of participants disagreed with the question of "When something unexpected happens in my work, I usually know who to ask for support and help," suggesting that a great percentage of employees who work in Kurdistan's organizations do not know who to ask certain questions of when they need assistance. Dissatisfaction and low engagement could be attributed to the reason why OP is very low among the employees.

Correlation coefficient analysis is used here to distinguish between two fundamental variables – CD and OP to establish the extent to which they are associated. The value range of the correlation is from -1.0 to 1.0. If the calculation is >0.5 then there is a positive relation between the two variables, and if the correlation is <0.5 it is considered as a weak relation. Table 5 summarizes that there is a positive relationship between the two variables CD and OP, signifying that an increase in harmonizing CD exacerbates OP, whereas a decrease in harmonizing CD would lead to poor OP. The correlation, in this perspective, is significant

Table 3: Level of agreement and disagreement with the seventh statement, "I have witnessed a conflict amongst employees of my organization as a result of different ideas, opinions, religions or ethnicities"

| Elements | Frequency | Percent | Valid percent | Cumulative percent |
|----------------------------------|-----------|---------|------------------|--------------------|
| Valid | | | | |
| Strongly disagree | 1 | 2.9 | 2.9 | 2.9 |
| Disagree | 4 | 11.8 | 11.8 | 14.7 |
| Niether agree nor disagree | 4 | 11.8 | 11.8 | 26.5 |
| Agree | 21 | 61.8 | 61.8 | 88.2 |
| Strongly agree | 4 | 11.8 | 11.8 | 100.0 |
| Total | 34 | 100.0 | 100.0 | |

at the level of 0.01, and positive at the level 0.514. Table 5 summarizes the descriptive statistics to measure the relation between both mean and standard deviation. Mean range indicates great consistency, reliability, and significance in the results of surveys while standard deviation represents dispersal and deviation among the participants' results. According to Table 5, mean range of harmony of CD is 34.62, and the standard deviation is 3.985. The mean range of OP is 57.88, and standard deviation is 7.555. For more clarification, Graph 1 shows the way two variables CD and OP are correlated, where line CD indicates CD, and line Y indicates OP. The results of this study support and proved the research hypotheses discussed under the theoretical framework [Table 6].

5. CONCLUSION AND RECOMMENDATION

Our intention throughout this paper has been to analyze the correlation between diversity of cultures and OP in

| Table 4: Level of agreement and disagreement on "my team helps me to complete my work" | | | | |
|---|-----------|---------|------------------|--------------------|
| Elements | Frequency | Percent | Valid percent | Cumulative percent |
| Valid | | | | |
| Strongly | 8 | 23.5 | 23.5 | 23.5 |
| disagree | | | | |
| Disagree | 7 | 20.6 | 20.6 | 44.1 |
| Agree | 12 | 35.3 | 35.3 | 79.4 |
| Strongly | 7 | 20.6 | 20.6 | 100.0 |
| agree | | | | |
| Total | 34 | 100.0 | 100.0 | |

| Table 5: The correlation | | | |
|--|--------------------------|----------|--|
| Elements | Total cultural diversity | Total OP | |
| Total cultural diversity Pearson correlation Sig. (2-tailed) | 1 | 0.573** | |
| N Total OP | 34 | 34 | |
| Pearson correlation Sig. (2-tailed) | 0.573** 0.000 | 1 | |
| Ν | 34 | 34 | |

**Correlation is significant at the 0.01 level (2-tailed). OP: Organizational performance

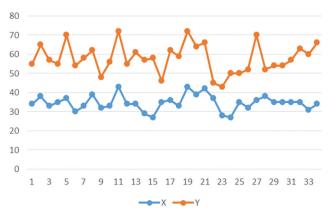
| Table 6: Descriptive statistics | | | |
|--------------------------------------|----------------------------|----------|--|
| Elements | Mean±SD | N | |
| Total cultural diversity Total OP | 34.62±3.985 57.88±7.555 | 34 34 | |
| | 51:0011:555 | | |

OP: Organizational performance, SD: Standard deviation

the Kurdistan Region of Iraq through empirical study. We set out to do this by presenting comprehensive literature on the subject of diversity with some associated factors. From reviewing the literature, we found that organizational performance can be strongly affected by CD. In other words, there can be both positive relationship between CD and OP.

The world's increasing globalization requires more interaction among people from diverse backgrounds. People no longer live and work in an insular environment; they are now part of a worldwide economy competing within a global framework. For this reason, profit and non-profit organizations need to become more diversified to remain competitive. Maximizing and capitalizing on workplace diversity is an important issue for management. Supervisors and managers need to recognize the ways in which the workplace is changing and evolving. Managing diversity is a significant organizational challenge, so managerial skills must adapt to accommodate a multicultural work environment.

Our findings from the data demonstrate a positive correlation between the two variables that represent the significance of harmonizing CD in the workplace to achieve higher level of OP. The managers of every organization in Kurdistan Region of Iraq should pay more attention to diversity by creating an awareness within their respective organizations on how to deal appropriately with multiculturalism. Training programs for the employees on diversity management should be provided to learn how to be conversant with people of different cultural, religious, and ethnic backgrounds. In addition, managers should endeavor to create a comfortable working environment for their employees and instill in them trust and confidence.



Graph 1: Relation between cultural diversity (X) and organizational performance (Y)

REFERENCES

- Adegboyega, O., Dele, A., & Ayodeji, B. (2015). Effects of absenteeism on corporate performance: Case study of Cadbury Nigeria PLC, Ikeja, Lagos State, Nigeria. *British Journal of Marketing Studies*, 3(2), 58-59.
- Albretch, S. L (2011). Handbook of employee engagement perspectives, issues, research and practice. *Human Resource Management International Digest*, 19(7), p. 21.
- Ali, A. (2014). *Iraq's 2014 national elections.* United States of America: Institute for Study of War. p. 18.
- Amoako, G., & Baah, K. (2011). Application of Frederick Herzberg's twofactor theory in assessing and understanding employee motivation at work: A Ghanaian perspective. *European Journal of Business* and Management, 9, 1-4.
- Carpenter, M., Bauer, T., & Erdogan, B. (2009). Principles of management. Nyack, N.Y.: Flat World Knowledge.
- Gupta, E. (2014). Workforce diversity management: Biggest challenge or opportunity for 21st century organizations. *IOSR Journal of Business and Management*, 16(4), 102-107.
- Esty, K., Griffin, R., & Schorr-Hirsh, M. (1995). *Workplace diversity.* A manager's guide to solving problems and turning diversity into a competitive advantage. Avon, MA: Adams Media Corporation.
- Evans, J., & Lindsay, W. (2008). *Managing for quality and performance excellence*. Mason, OH: Thomson/South-Western.
- George, J. M., and Jones, G. R. (2005). Understanding and managing organisational behaviour. 4th ed. Singapore: Pearson/Prentice Hall.
- Hill, C. (2005). International business. Boston: McGraw-Hill/Irwin.
- Holmgren, D., & Jonsson, A. (2013). *Cultural diversity in organizations* (Master). UMEA University.
- Hong, T., & Waheed, A. (2011). Herzberg's motivation-hygiene theory and job satisfaction in the Malaysian retail sector: The mediating effect of love of money. *Asian Academy of Management Journal*, 16, 73-77.
- Jabary, K. (2010). *The politics of low capacity: The case of Kurdistan.* London: Research Project, Simon Fraser University. pp. 1-5.
- Jerome, N. (2013). Application of the Maslow's hierarchy of need theory; impacts and implications on organizational culture, human resource and employee's performance. *International Journal of*

Business and Management Invention, 2, 40-43.

- Ketchen, D., & Short, J. (2012). Strategic management: Evaluation and execution. New York: Creative Common.
- Kotter, J. (1996). *Leadership: What is it*? Boston: Harvard Business School Press. pp. 1-2.
- Latif, M., Ahmad, M., Qasim, M., Mushtaq, M., Ferdoos, A. & Naeem, H. (2014). Impact of employee's Job satisfaction on organizational performance. *European Journal of Business and Management*, 5, 166-168.
- Maduenyi, S., Oke, A., Fadeyi, O., & Ajagbe, M. (2015). Impact of organizational structure on organizational performance. Nigeria: Thesis Submitted to Covenant University. pp. 354-356.
- Mazur, B. (2010). Cultural diversity in organizational theory and practice. Journal of Intercultural Management, 2, 5-15.
- Ozman, M., & Erdil, E. (2013). *Cultural diversity, knowledge diversity and innovation*. 1st ed. European Commission: WP5/16 Search Working Paper, European Research Area. pp. 1-2.
- Pierre, J. R., Divinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring organisational performance: Towards methodological best practice. Sage J, 35(3), 718-804.
- Rarick, C., Winter, G., Barczyk, K., & Merkt, E. (2014). Iraqi and Kurdish cultural values in the semi-autonomous state of Kurdistan. *Global Journal of Management and Business Research: Administration* and Management, 14, 59-62.
- Robbins, S., & Judge, T. (2013). *Organizational behavior*. Boston: Pearson.
- Salamzadeh, Y., & Sarlak, M. (2014). Analyzing the impacts of informal organizations on formal routines in a networked organization. *Journal of Asian Scientific Research*, 4(12), 768-770.
- Shahzad, F., Luqman, R., Khan, A., & Shabbir, L. (2012). Impact of organizational culture on organizational performance: An overview. *Interdisciplinary Journal of Contemporary Research in Business*, 9, 975-979.
- Simons, S., & Rowland, K. (2011). Diversity and its impact on organizational performance: The influence of diversity construction on expectations and outcome. *The Journal of Technology, Management, and Innovation,* 6(3), 171-183.
- Yukl, G. A (2006). *Leadership in organisations*. 6th ed. London: Pearson Education Limited.